

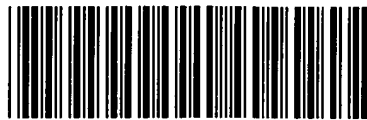
REGISTERED NUMBER: 02908444 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2021**

**FOR**

**CRAWFORD & COMPANY ADJUSTERS (UK)  
LIMITED**

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for the Year Ended 31 October 2021**

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**CRAWFORD & COMPANY ADJUSTERS (UK)  
LIMITED**

**COMPANY INFORMATION  
for the Year Ended 31 October 2021**

**DIRECTORS:**

Mrs L Bartlett  
M D Jones  
S Kelly  
S D Pearsall

**SECRETARY:**

J Pulley

**REGISTERED OFFICE:**

The Hallmark Building  
106 Fenchurch Street  
London  
EC3M 5JE

**REGISTERED NUMBER:**

02908444 (England and Wales)

**AUDITORS:**

Ernst & Young LLP, Statutory Auditor  
Birmingham

**STRATEGIC REPORT  
for the Year Ended 31 October 2021**

The directors present their strategic report for the year ended 31 October 2021.

**REVIEW OF BUSINESS**

Crawford & Company, of which the Company is the main UK trading subsidiary, is the world's largest independent provider of claims management solutions to insurance companies and self-insured entities. The Crawford system of claims solutions offers claims services, business process outsourcing, and consulting services for major product lines including property and casualty claims management, workers compensation claims, medical management, and legal settlement administration.

The number of claims handled by the business increased on the prior year, however primarily in the high value low volume areas of the business. Revenue decreased by £1,737,000 from the prior year, with specific COVID related claim revenue not repeated in 2021.

Operating profit in the year was £128,000 (2020: £3,798,000 profit) and profit after tax, was £633,000 (2020: £2,563,000). Gross profit and operating profit are lower than the prior year, reflecting reduction in turnover and change in revenue mix. Compensation costs are up whereas travel and entertaining and Rent & Occupancy costs are significantly down on previous years.

On 30 November 2020, the Company repaid the long-term loan of £45,860,000 including interest. As part of the same refinancing transaction, the intercompany debtor balance due from Crawford & Company Risk Services Investments Limited of £18,776,000 was also settled. This was funded by a short-term loan from another UK subsidiary.

The Company's key financial performance indicators during the year were as follows:

	2021 £'000	2020 £'000
Turnover	95,504	97,241
Operating profit	128	3,798
Average no. employees	1,279	1,225
Claims volume '000	135	111
Open claims at year end '000	<u>90</u>	<u>80</u>

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company has established a risk and financial management framework whose primary objectives are to protect the Company from events that hinder the achievement of the Company's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

**STRATEGIC REPORT  
for the Year Ended 31 October 2021**

The Company's defined benefit pension schemes include, within the schemes' assets, growth and hedging Component Portfolios, the valuation of which is reliant upon the underlying commodity valuations. Those valuations may fluctuate from one reporting period to the next. The company engages a qualified actuary to monitor the pension schemes to provide regular updates and recommendations to the Schemes' Trustees.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, by partnering with financially sound customers, agreeing payment terms in advance and requesting progress payments and upfront payments where necessary. Appropriate credit control procedures have been developed and are followed at all levels of operations where credit risk is perceived.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets throughout the Company. The funding provided by Crawford & Company Risk Services Investments Limited was due to mature on 23 November 2022 however, on 30 November 2020, the Company repaid this loan including interest following a loan from another UK subsidiary.

Funding if required would be available from other group companies. On 5 November 2021 Crawford & Company Risk Services Investments Limited along with other international subsidiaries entered into a new 5 year credit agreement replacing the previous facility due to mature on 23 November 2022 as above. The primary agent changed from Wells Fargo to Bank of America.

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a variable rate debt. The Company's transactions are predominantly in sterling and very few transactions are in other currencies. The Company is therefore minimally exposed to the movement in foreign exchange rates. The Company has no third party debt. However, the interest charged by Crawford & Company Risk Services Investments Limited was subject to variable rates of interest based on the amounts charged by Wells Fargo. As noted above, this loan was repaid and replaced by short term inter-company loan at a lower rate.

The Crawford group and the Company's subsidiaries have seen very little impact on business from Brexit. Brexit has not affected the carrying value of Company's investments and is not expected to.

The virus known as COVID-19 is impacting health of individuals and economic conditions around the World and it is being monitored as a risk to the business. Current year results have not been materially impacted by COVID-19 and the company is seeing opportunities for claims related to COVID-19. Focus is maintained on working capital management and regular re-forecasting takes place, cash collections have remained healthy throughout the pandemic. The health and safety of employees has remained paramount during the crisis and working conditions have been adapted to ensure that social distancing has been adhered to, including in most cases, employees working from home. At the date of this report the directors have continued to run operations and deliver to customers safely.

The conflict in Ukraine has had little direct impact on the Crawford Group or the Company's subsidiaries. Impact will be limited to effect of commodity price increases as a result of the conflict.

**STRATEGIC REPORT  
for the Year Ended 31 October 2021**

**SECTION 172(1) STATEMENT**

Section 172 states a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

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

Crawford and Company Adjusters (UK) Limited is a 100% owned subsidiary within the Crawford and Company Group. Crawford & Company (incorporated in USA) is regarded by the directors as being the company's ultimate parent company and controlling party.

The directors of the company are all based in the UK and hold senior management roles within the UK Company. The board holds quarterly board meetings and receive regular reporting from their teams to ensure the company continues to meet the directors' expectations. The directors are in regular contact with the Group, to ensure that company's objectives are aligned to that of the Group. Details of the KPIs monitored by the directors and the results for the year are detailed above.

The company identifies its key stakeholders as its shareholder, customers, suppliers, employees and regulators. The directors acknowledge that the views of, and effects on, these people in regard to key business objectives and decisions are of critical importance to the continued success of the company.

The directors also acknowledge the need to continue to foster the relationships with both their customers and suppliers. The company aims to have an open dialogue with its customers and to continue to understand and react to their needs. The company continues to maintain good trading relationships with suppliers.

Each of these stakeholders will have different expectations of the company and these are as follows:

**Shareholder** - The shareholder expects the company to continue to provide a return on its capital and to continue to provide growth for future returns.

**Customers** - All customers expect the company to provide a good service, this includes providing quality service on a timely basis and working closely with the customers to understand their needs and requirements.

**Suppliers** - All suppliers expect the company to continue to settle its debts on a timely basis and where possible provide a consistent purchase stream.

**Employees** - The Company's employees want the company to provide stable employment, for the company to engage and develop their skills and expertise and to provide fair remuneration. The company operates three fully funded defined benefit pension schemes and a defined contribution pension's scheme. The company also operates a Sharesave Scheme which allows eligible employees to purchase Crawford and Company shares at a discount at the end of three year withholding period.

**CRAWFORD & COMPANY ADJUSTERS (UK)  
LIMITED (REGISTERED NUMBER: 02908444)**

**STRATEGIC REPORT  
for the Year Ended 31 October 2021**

**Regulators** - The UK business significantly operates in the UK insurance sector that is subject to Financial Conduct Authority regulation. Our very dominant activity though is "loss adjusting and claims management" for a "relevant Insurer" (by which the FCA means an Insurer it regulates) that is exempt from FCA regulation because the Insurer has regulatory responsibility for their material service providers. Crawford & Company Adjusters (UK) Limited though does have activity, representing less than 5% of revenue, that 'assists in the administration of insurance' for the class of persons that is subject to FCA and so for that activity the company is subject to FCA regulation and our registration number is 311317. Elements of that activity is also a surveying practice subject to Royal Institute of Chartered Surveyors regulation.

The other key regulator for the company is HMRC. HMRC expects the company to meet all compliance requirements and submit returns and payments as required, accurately and on time.

There have been some strategic or key changes to the operating structure or objectives of the business in the year. The directors would consider a key business decision to be one which has a material impact on the operations, objectives or financial position of the business - there have been decisions taken this year which meet this criteria

- The Company has formally adopted a Smarter Working Policy. By adopting Smarter Working practices, within certain parameters that ensure our business requirements are met, employees have more flexibility to choose where and when their work gets done.

- Long term key customer contracts have been successfully renegotiated

- As part of inter-company loan simplification programme the Company repaid the long-term loan of £45,860,000 including interest. As part of the same refinancing transaction, the inter-company debtor balance due from Crawford & Company Risk Services Investments Limited of £18,776,000 was also settled. This was funded by a short-term loan from another UK subsidiary.

The directors feel that the above actions continue to promote the success of the company as a whole.

**ON BEHALF OF THE BOARD:**



.....  
S D Pearsall - Director

Date: 29 July 2022

**REPORT OF THE DIRECTORS  
for the Year Ended 31 October 2021**

The directors present their report with the financial statements of the company for the year ended 31 October 2021.

Certain requirements of the Directors report are, as permitted, included in the Strategic report.

**DIVIDENDS**

No dividends were or will be distributed for the year ended 31 October 2021 (2020: £nil)

**FUTURE DEVELOPMENTS**

The company continues to monitor developments in the market, including the structure of the cost base, in order to support and service its clients. No significant underlying changes to the company's operations or activities are currently anticipated.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 November 2020 to the date of this report.

Mrs L Bartlett  
M D Jones  
S Kelly  
S D Pearsall

**EMPLOYEE CONSULTATION**

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

**DISABLED EMPLOYEES**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.



**CRAWFORD & COMPANY ADJUSTERS (UK)  
LIMITED (REGISTERED NUMBER: 02908444)**

**REPORT OF THE DIRECTORS  
for the Year Ended 31 October 2021**

**GOING CONCERN**

Whilst the company is expected to make a profit going forward, the company currently has net current liabilities of £66,738,000. A letter of support has been obtained from the ultimate parent company, Crawford and Company.

Crawford and Company, have stated in writing that they will provide financial support until 30 September 2023 to allow Crawford & Company Adjusters (UK) Limited to meet its financial commitments and pay its liabilities as they fall due.

The directors of the Company have then considered the Group's ability to provide support to the Company for the foreseeable future.

The Directors have therefore made enquires of the Group and also reviewed a summary of the Group's assessment of going concern, which covers the period up to 30 September 2023 and includes:

- forecasts and budgets
- debt and borrowing facilities, covenant compliance
- financial and operational risk management

Based on the estimated liquidity position and the level of cash, cash equivalents, short-term investments, and the available borrowing capacity under the credit facility, in addition to the prospects for continued generation of cash from operating activities, the directors believe the Group has sufficient liquidity to meet the company's short and medium-term business needs and obligations.

As a result, the directors have continued to prepare the accounts on a going concern basis.

**STREAMLINED ENERGY AND CARBON REPORTING**

During the year the company's energy consumption has been as follows:

	2021 tCO <sub>2</sub> e	2020 tCO <sub>2</sub> e
Emissions from combustion of gas	6	12
Emissions from combustion of fuel for transport purposes	1	22
Emissions from business travel in cars where the company is responsible for purchasing the fuel	693	1048
Emissions from purchased electricity	145	150
Total gross tCO <sub>2</sub> e based on above	845	1232
Intensity ratio (tCO <sub>2</sub> e/FTE)	845/1279 or	1232/1225

The company's total kWh consumption in the year was 2,538,710.

Crawford & Company Adjusters (UK) Limited is committed to reducing energy and associated carbon emissions - both in terms of reducing and updating office space and renewing car fleet. In June 2021 Crawford & Company Adjusters (UK) Limited appointed its first Corporate Sustainability Manager.

The energy and carbon reporting above has been produced using the following publication: Carbon Trust - Energy and carbon conversions 2020 update.

**REPORT OF THE DIRECTORS  
for the Year Ended 31 October 2021**

Where applicable consumption was converted to kWh . Transport data was calculated from litres and mileage data to kWh and GHG emissions. In the absence of exact engine sizes of vehicles average consumption factors were used to calculate emissions and passenger transport based on travel patterns.

Electricity and gas emissions based on usage in offices.

The impact of COVID 19 on Company energy consumption seen in the second half of Y/E October 2020 has continued in 2021. Offices did reopen during the year but occupation levels remained very low. Business travel was significantly reduced yet again with travel restrictions affecting all types of journeys and particularly air travel.

**FINANCIAL RISK MANAGEMENT**

Details of the objectives and policies for financial risk management are included in the "Principal risks and uncertainties" section of the Strategic Report.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Ernst & Young LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
S D Pearsall - Director

Date: 29 July 2022

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
for the Year Ended 31 October 2021**

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

The directors are responsible for 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 company 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
CRAWFORD & COMPANY ADJUSTERS (UK)  
LIMITED**

**Opinion**

We have audited the financial statements of Crawford & Company Adjusters (UK) Limited for the year ended 31 October 2021 which comprise the Income Statement, Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 23, 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 FRS 102 (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 October 2021 and of its profit 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 until the 30 September 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
CRAWFORD & COMPANY ADJUSTERS (UK)  
LIMITED**

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 the directors' report have 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 strategic report and 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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
CRAWFORD & COMPANY ADJUSTERS (UK)  
LIMITED**

**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 to be those relating to the United Kingdom General Accepted Accounting Practice, the Companies Act 2006, and United Kingdom direct and indirect tax regulations. In addition, the company must comply with operational and employment laws and regulations including health and safety regulations, environmental regulations and GDPR.

-We understood how the Crawford & Company Adjusters (UK) Limited is complying with those frameworks by making enquiries of management and those charged with governance and those responsible for legal and compliance procedures and gaining an understanding of the entity level controls of the company in respect of these areas and the controls put in place by management to reduce the opportunities for fraudulent transactions. Supporting documentation was obtained to corroborate our understanding of these.

-We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management, and those charged with governance to understand where it considered there was susceptibility to fraud. We considered the procedures and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud and gained an understanding as to how those procedures and controls are implemented and monitored. We determined there to be a risk of management override in relation to the posting of non-standard manual journals in respect of revenue. To address the risk of management override, we have used data analytics and obtained the entire population of journals for the year and identified specific transactions for further investigation based on certain criteria. We understood the transactions identified for testing and agreed them to source documentation.

-Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included obtaining and reading board and management meeting minutes and relevant approval documents, enquiries of senior finance personnel and those charged with governance and agreement of samples of transactions throughout the audit to supporting source documentation.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
CRAWFORD & COMPANY ADJUSTERS (UK)  
LIMITED**

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.

**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.

*Ernst & Young LLP*

Lorna McNeil (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Birmingham

Date: .....29 July 2022.....

**CRAWFORD & COMPANY ADJUSTERS (UK)  
LIMITED (REGISTERED NUMBER: 02908444)**

**INCOME STATEMENT  
for the Year Ended 31 October 2021**

	Notes	2021 £'000	2020 £'000
<b>TURNOVER</b>	3	95,504	97,241
Cost of sales		<u>(77,481)</u>	<u>(73,344)</u>
<b>GROSS PROFIT</b>		18,023	23,897
Administrative expenses		<u>(17,895)</u>	<u>(20,099)</u>
<b>OPERATING PROFIT</b>		128	3,798
Interest receivable and similar income	5	45	636
Other finance income	20	<u>457</u>	<u>521</u>
		630	4,955
Interest payable and similar expenses	6	<u>(1,336)</u>	<u>(2,014)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	7	(706)	2,941
Tax on (loss)/profit	8	<u>1,339</u>	<u>(378)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>633</u></u>	<u><u>2,563</u></u>

The notes form part of these financial statements



**CRAWFORD & COMPANY ADJUSTERS (UK)  
LIMITED (REGISTERED NUMBER: 02908444)**

**OTHER COMPREHENSIVE INCOME  
for the Year Ended 31 October 2021**

	Notes	2021 £'000	2020 £'000
<b>PROFIT FOR THE YEAR</b>		633	2,563
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>			
Actuarial (loss) on pension fund		(7,470)	1,462
Income tax relating to other comprehensive (loss)/income		<u>1,213</u>	<u>(467)</u>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u>(6,257)</u>	<u>995</u>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>		<u>(5,624)</u>	<u>3,558</u>

The notes form part of these financial statements

**CRAWFORD & COMPANY ADJUSTERS (UK)  
LIMITED (REGISTERED NUMBER: 02908444)**

**BALANCE SHEET  
31 October 2021**

	Notes	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>			
Intangible assets	9	16,834	20,072
Tangible assets	10	1,973	2,342
Investments	11	<u>54,321</u>	<u>54,321</u>
		<u>73,128</u>	<u>76,735</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	12	33,580	71,519
Debtors: amounts falling due after more than one year	12	4,260	1,969
Cash at bank		<u>4,460</u>	<u>4,823</u>
		42,300	78,311
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>(109,038)</u>	<u>(103,286)</u>
<b>NET CURRENT LIABILITIES</b>			
		<u>(66,738)</u>	<u>(24,975)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		6,390	51,760
<b>CREDITORS</b>			
Amounts falling due after more than one year	14	(4,310)	(50,189)
<b>PROVISIONS FOR LIABILITIES</b>			
	17	(557)	(787)
<b>PENSION ASSET</b>			
	20	<u>22,035</u>	<u>28,398</u>
<b>NET ASSETS</b>			
		<u>23,558</u>	<u>29,182</u>

The notes form part of these financial statements

**CRAWFORD & COMPANY ADJUSTERS (UK)  
LIMITED (REGISTERED NUMBER: 02908444)**

**BALANCE SHEET - continued  
31 October 2021**

	Notes	2021 £'000	2020 £'000
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	19,828	19,828
Share premium	19	950	950
Other reserves	19	(18,698)	(18,698)
Profit and loss account	19	<u>21,478</u>	<u>27,102</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>23,558</u>	<u>29,182</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 July 2022 and were signed on its behalf by:



.....  
S D Pearsall - Director

The notes form part of these financial statements

**CRAWFORD & COMPANY ADJUSTERS (UK)  
LIMITED (REGISTERED NUMBER: 02908444)**

**STATEMENT OF CHANGES IN EQUITY  
for the Year Ended 31 October 2021**

	Called up share capital £'000	Profit and loss account £'000	Share premium £'000	Other reserves £'000	Total equity £'000
<b>Balance at 1 November 2019</b>	19,828	23,544	950	(18,698)	25,624
<b>Changes in equity</b>					
Total comprehensive income	-	3,558	-	-	3,558
<b>Balance at 31 October 2020</b>	19,828	27,102	950	(18,698)	29,182
<b>Changes in equity</b>					
Total comprehensive loss	-	(5,624)	-	-	(5,624)
<b>Balance at 31 October 2021</b>	19,828	21,478	950	(18,698)	23,558

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
for the Year Ended 31 October 2021**

**1. STATUTORY INFORMATION**

Crawford & Company Adjusters (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Assets and liabilities are recognised in the financial statements where, as a result of past transactions or events, the company has rights or other access to future economic benefits controlled by the company, or obligations to transfer economic benefits.

The company is incorporated and is domiciled in the United Kingdom.

The financial statements are presented in sterling and all values are rounded to the nearest pound (£'000) except when otherwise stated.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of paragraph 33.7.

**Preparation of consolidated financial statements**

The financial statements contain information about Crawford & Company Adjusters (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Crawford and Company, 5335 Triangle Parkway NW, Peachtree Corners GA 30092.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**2. ACCOUNTING POLICIES - continued**

**Significant judgements and estimates**

The preparation of financial statements 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 following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

**Assessment of revenue and work in progress**

The evaluation of revenue to be recognised in respect of contracts subject to either a fixed or scale based fee is based on management's judgement as to how best to assess the stage of completion of the company's performance on such contracts. Management have concluded that this is best established on a portfolio basis, based on an estimation of the time incurred at the balance sheet date as a proportion of the total expected time to be incurred. Certain contracts held by the company involve variable consideration. An estimate of the variable consideration is re-assessed at each reporting date based on the probable outcome at that date, which requires both management judgement and estimation.

**Taxation**

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

**Impairment review**

Management estimate is required as part of the review of impairment of goodwill and other intangible fixed assets, including establishing appropriate assumptions and forecast of future performance.

The sensitivity of the goodwill and intangible assets assumptions is considered as documented in note 9.

**Pension and other post employment benefits**

The cost of defined benefit pensions plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

**Revenue recognition**

Turnover represents the total amount receivable by the Company for the services provided, excluding VAT. Included within this figure is the fair value of amounts recoverable on contracts where a right to consideration has been obtained.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**2. ACCOUNTING POLICIES - continued**

In the case of long-term contracts for fixed fee claims, turnover reflects the contract activity during the year and represents the proportion of total contract value which costs incurred to date bear to total expected contract costs based on established models for groups of transactions with common features.

Revenue is recognised based on historical claim closure rates and claim type for fixed fee claims applied utilising a portfolio approach based on time elapsed for these claims. For claims billed on a time and expense incurred basis, the company recognises revenue when the service is performed. If a contract includes variable consideration, revenue is recognised initially based on the likelihood that it is probable that economic benefits will flow to the company. The level of variable consideration is then revisited each reporting period.

**Goodwill**

Goodwill is the surplus of cost over the net asset value attributed to businesses acquired.

Business combinations for businesses acquired under common control transactions were accounted for using the pooling of interest method. The cost of an acquisition is measured as the aggregate of the consideration transferred. The assets and liabilities acquired are recorded based on the amounts previously recognised at the date of the transfer for the same assets and liabilities by the group. Any difference between the consideration transferred and the assets and liabilities recorded is recorded directly in equity within "Other reserves".

In the case of existing business combinations at the date of transition to FRS102, available exemption has been taken not to revisit the measurement of related balances.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Management assess, on an annual basis, whether there are any indicators of impairment. When indicators of impairment are identified, for the purpose of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash generating units) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which goodwill is allocated shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and not be larger than an operating segment before aggregation.

Goodwill arising on the acquisition of businesses is capitalised and amortised on a straight line basis over the shorter of its estimated economic useful life and 10 years, based on the assessment of valuations by independent consultants and subsequent review by management.

**Intangible assets**

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**2. ACCOUNTING POLICIES - continued**

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Capitalised software costs reflect costs related to internally developed or purchased software used by the Company that has expected future economic benefits. Certain internal and external costs incurred during the application development stage are capitalised.

Costs incurred during the preliminary project and post implementation stages, including training and maintenance costs, are expensed as incurred. The majority of these capitalized software costs consist of internal payroll costs and external payments for software development, purchases and related services.

Costs incurred are not amortised until the asset to which those costs relate are brought into use.

Intangibles are amortised over the following lives:

Customer relationships	-	10 years
Trade agreements	-	1 year
Computer software	-	5 years

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold improvements	-	25% on cost
Fixtures and fittings	-	Straight line over 3 - 5 years
Motor vehicles	-	20% on cost

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

**Financial instruments**

The company's financial assets and liabilities comprise trade and other receivables, cash, trade and other payables, interest bearing loans and the liability component of cumulative preference shares. The accounting policies for these items are described below.



**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**2. ACCOUNTING POLICIES - continued**

Basic financial instruments - financial assets other than equity investments

Trade and other receivables

Trade and other receivables are initially recognised at transaction price.

Short term trade and other receivables with no stated interest rate which are receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

Cash at bank

Cash at bank in the balance sheet comprise cash at banks and in hand.

Basic financial instruments - financial liabilities

Long term loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the liability is measured at the present value of the future payments discounted at a market rate of interest.

Basic financial liabilities, other than short term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in interest payable and similar expenses in the income statement.

Short term trade and other payables with no stated interest rate which are payable within one year are recorded at transaction price.

Classification of shares as debt or equity

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

(i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and

(ii) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the company exchanging a fixed amount of cash or other assets for a fixed number of the company's own equity instruments.

When shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet; measured initially at fair value net of transaction costs.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**2. ACCOUNTING POLICIES - continued**

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The taxation liabilities of certain group undertakings are reduced wholly or in part by the surrender of losses by fellow group undertakings. The tax benefits arising from group relief are recognised in the financial statements of the recipient companies.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

**Leases**

Assets held under finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, with a corresponding liability being recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability. Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

Lease incentives are recognised over the lease term on a straight line basis.

**Pension costs**

The company operates three defined benefit pension schemes, all of which require contributions to be made to separately administered funds. The schemes were closed to new members in 1997, from which time membership of a defined contribution plan is available.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**2. ACCOUNTING POLICIES - continued**

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement or a curtailment occurs, the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the profit and loss account. Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction.

The interest element of the defined benefit cost represents the change in present value of scheme obligations relating from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

The defined benefit pension assets in the balance sheet comprise the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds that have been rated at AA or equivalent status), less any past service cost not yet recognised and less the fair-value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. Assumptions for inflation are based on the yield gap between long term index linked and long term fixed interest gilt securities.

In the event that the value ascribed to pension assets within a scheme exceeds the value ascribed to pension liabilities, a net pension asset is only recognised if, under the relevant scheme rules, the company has an unconditional right to a refund once the scheme has settled its liabilities and no scheme members remain.

Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet, if material.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**2. ACCOUNTING POLICIES - continued**

**Amounts recoverable on contracts**

Amounts recoverable on contracts are stated at fair value where the right to consideration has been obtained. Amounts recoverable on contracts are stated net of amounts billed in respect of the same contracts.

The amount recorded in respect of long term contracts reflects an assessment of the proportion of contract revenue that relates to the level of contract completion at the balance sheet date and therefore represents both the costs incurred on the contract to date and the recognition of the proportion of profit that relates to the work completed. The assessment of contract completion is based on established models for groups of transactions with common features.

Long term contract balances included in debtors are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account. Provision is made for losses on all contracts as soon as they are foreseen.

**Trust and Recovery Accounts**

The company is responsible for the management of bank accounts on behalf of its clients. Such bank accounts are not considered assets of the company and therefore, are not recognised on the company balance sheet.

**Impairment of non-financial assets**

The company assesses at each reporting date whether an asset may be impaired. If any such indication exists the company estimates recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss account.

An impairment loss recognised for intangible assets, with the exception of goodwill, is reversed in a subsequent period when the reasons for which the impairment was made have ceased to apply.

**Dilapidation obligations**

The Company makes an assessment of the potential cost of property dilapidations that may be payable at the end of a lease. Such costs are charged to the Income Statement on a straight line basis over the life of the lease.

**Share based payments**

The group has share-based employee incentive plans which are described more fully in note 23. The relevant shares are those of the ultimate holding company, Crawford & Company registered in the US. The plans are run and administered by Crawford & Company, outside of the UK. The fair value of share-based payments is recharged to the Company and charged to the profit and loss account on a straight line basis over the vesting period after taking account of forfeitures.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**2. ACCOUNTING POLICIES - continued**

**Claims**

Within Accruals and deferred income are amounts accrued for anticipated insurance claims by third parties against the company. The amounts expected to be recovered against those claims, under the company's professional indemnity policies, are included in prepayments and accrued income.

**Going concern**

Whilst the company is expected to make a profit going forward, the company currently has net current liabilities of £66,738,000. A letter of support has been obtained from the ultimate parent company, Crawford and Company.

Crawford and Company, have stated in writing that they will provide financial support until 30 September 2023 to allow Crawford & Company Adjusters (UK) Limited to meet its financial commitments and pay its liabilities as they fall due.

The directors of the Company have then considered the Group's ability to provide support to the Company for the foreseeable future.

The Directors have therefore made enquires of the Group and also reviewed a summary of the Group's assessment of going concern, which covers the period up to 30 September 2023 and includes:

- forecasts and budgets
- debt and borrowing facilities, covenant compliance
- financial and operational risk management

Based on the estimated liquidity position and the level of cash, cash equivalents, short-term investments, and the available borrowing capacity under the credit facility, in addition to the prospects for continued generation of cash from operating activities, the directors believe the Group has sufficient liquidity to meet the company's short and medium-term business needs and obligations.

As a result, the directors have continued to prepare the accounts on a going concern basis.

**3. TURNOVER**

The turnover and loss (2020 - profit) before taxation are attributable to the one principal activity of the company.

**4. EMPLOYEES AND DIRECTORS**

	2021	2020
	£'000	£'000
Wages and salaries	57,470	53,361
Social security costs	6,558	5,940
Other pension costs	<u>2,748</u>	<u>3,850</u>
	<u>66,776</u>	<u>63,151</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**4. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	2021	2020
Total company	<u>1,279</u>	<u>1,225</u>

Included in wages and salaries is a total expense of share-based payments of £755,000 (2020: £437,000). Further details of share based payments are provided in note 23.

Included in other pension costs is £2,882,000 (2020: £2,724,000) in respect of the defined contribution scheme.

The amount outstanding in relation to defined contribution pension schemes at the year end was £361,000 (2020:£283,000).

	2021 £	2020 £
Directors' remuneration	1,013,960	1,004,794
Directors' pension contributions to money purchase schemes	<u>46,374</u>	<u>45,174</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

No directors exercised share options during the year (2020 - two directors).

Four directors received shares under long term incentive schemes (2020 - four directors).

Information regarding the highest paid director is as follows:

	2021 £	2020 £
Emoluments etc	343,144	356,835
Pension contributions to money purchase schemes	<u>10,000</u>	<u>10,000</u>

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2021 £'000	2020 £'000
Bank interest	1	62
Intercompany interest	<u>44</u>	<u>574</u>
	<u>45</u>	<u>636</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021	2020
	£'000	£'000
Intercompany interest payable	<u>1,336</u>	<u>2,014</u>

**7. (LOSS)/PROFIT BEFORE TAXATION**

The loss (2020 - profit) is stated after charging/(crediting):

	2021	2020
	£'000	£'000
Hire of plant and machinery	1,230	1,457
Other operating leases	1,428	2,217
Depreciation - owned assets	1,084	1,345
Loss on disposal of tangible and intangible fixed assets	68	7
Goodwill amortisation	834	833
Customer relationships amortisation	1,742	1,743
Computer software amortisation	1,649	1,719
Audit fees	296	193
Taxation compliance services	77	110
Foreign exchange differences	24	(137)
Grant income - Furlough	<u>-</u>	<u>(746)</u>

The audit fee of £296,000 (2020: £193,000) and non-audit fees for tax compliance services of £77,000 (2020: £110,000) includes charges borne by the company on behalf of other UK entities within the Crawford & Company group.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**8. TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	2021 £'000	2020 £'000
Current tax:		
Foreign tax - current year	<u>-</u>	<u>2</u>
Deferred tax:		
Origination and reversal of timing differences	(36)	783
Prior year adjustment	(237)	2
Effect of changes in tax rate	<u>(1,066)</u>	<u>(409)</u>
Total deferred tax	<u>(1,339)</u>	<u>376</u>
Tax on (loss)/profit	<u>(1,339)</u>	<u>378</u>

UK corporation tax has been charged at 19% (2020 - 19%).

**Reconciliation of total tax (credit)/charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £'000	2020 £'000
(Loss)/profit before tax	<u>(705)</u>	<u>2,941</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(134)	559
Effects of:		
Expenses not deductible for tax purposes	98	224
Adjustments to tax charge in respect of previous periods	(237)	2
Change in rate of tax applied to deferred tax	(1,066)	(409)
Overseas tax suffered	<u>-</u>	<u>2</u>
Total tax (credit)/charge	<u>(1,339)</u>	<u>378</u>

**Tax effects relating to effects of other comprehensive income**

	Gross £'000	Tax £'000	2021 Net £'000
Actuarial (loss) on pension fund	<u>(7,470)</u>	<u>1,213</u>	<u>(6,257)</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**8. TAXATION - continued**

	Gross	Tax	2020 Net
	£'000	£'000	£'000
Actuarial gain on pension fund	<u>1,462</u>	<u>(467)</u>	<u>995</u>

The tax adjustment is made up of the movement in the pension scheme of £1,419,300 and a rate change of £206,640.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted at the balance sheet date and hence have been reflected in the measurement of deferred tax balances at the period end.

**9. INTANGIBLE FIXED ASSETS**

	Goodwill £'000	Customer relationships £'000	Trade agreements £'000	Computer software £'000	Totals £'000
<b>COST</b>					
At 1 November 2020	8,409	22,654	620	14,989	46,672
Additions	-	-	-	1,005	1,005
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>(524)</u>	<u>(524)</u>
At 31 October 2021	<u>8,409</u>	<u>22,654</u>	<u>620</u>	<u>15,470</u>	<u>47,153</u>
<b>AMORTISATION</b>					
At 1 November 2020	3,175	12,394	620	10,411	26,600
Amortisation for year	834	1,742	-	1,649	4,225
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>(506)</u>	<u>(506)</u>
At 31 October 2021	<u>4,009</u>	<u>14,136</u>	<u>620</u>	<u>11,554</u>	<u>30,319</u>
<b>NET BOOK VALUE</b>					
At 31 October 2021	<u>4,400</u>	<u>8,518</u>	<u>-</u>	<u>3,916</u>	<u>16,834</u>
At 31 October 2020	<u>5,234</u>	<u>10,260</u>	<u>-</u>	<u>4,578</u>	<u>20,072</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**9. INTANGIBLE FIXED ASSETS - continued**

Goodwill and other intangible assets are subject to impairment review in the event that indicators of potential impairment are identified. As a basis for the impairment review, the carrying value of goodwill, other intangible fixed assets and tangible fixed assets are compared with an assessment of the value in use of the business to which those assets relate.

Following a number of internal restructuring of the underlying operations of the business, the UK business is considered to have two operating segments or cash generating units, loss adjusting and TPA. As the goodwill associated directly with TPA is minimal we have performed a review for impairment purposes for the company as a whole.

Value in use is estimated using forecast levels of EBITDA per global service line to which multiples are applied. For the UK business an earnings multiple of 5 is applied.

The results of the review are such that no impairment provision is required (2020: nil), and a 10% reduction in forecast EBITDA would not impact the impairment charge.

**10. TANGIBLE FIXED ASSETS**

	Leasehold improvements £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
<b>COST</b>				
At 1 November 2020	1,202	9,006	18	10,226
Additions	23	742	-	765
Disposals	(158)	(2,284)	-	(2,442)
At 31 October 2021	<u>1,067</u>	<u>7,464</u>	<u>18</u>	<u>8,549</u>
<b>DEPRECIATION</b>				
At 1 November 2020	406	7,460	18	7,884
Charge for year	273	811	-	1,084
Eliminated on disposal	(126)	(2,266)	-	(2,392)
At 31 October 2021	<u>553</u>	<u>6,005</u>	<u>18</u>	<u>6,576</u>
<b>NET BOOK VALUE</b>				
At 31 October 2021	<u>514</u>	<u>1,459</u>	<u>-</u>	<u>1,973</u>
At 31 October 2020	<u>796</u>	<u>1,546</u>	<u>-</u>	<u>2,342</u>

Included within Improvements to property are short leasehold buildings with a carrying amount of £514,000 (2020:£796,000)

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**10. TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under finance leases are as follows:

	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
<b>COST</b>			
At 1 November 2020	171	18	189
Disposals	<u>(171)</u>	<u>-</u>	<u>(171)</u>
At 31 October 2021	<u>-</u>	<u>18</u>	<u>18</u>
<b>DEPRECIATION</b>			
At 1 November 2020	171	18	189
Eliminated on disposal	<u>(171)</u>	<u>-</u>	<u>(171)</u>
At 31 October 2021	<u>-</u>	<u>18</u>	<u>18</u>
<b>NET BOOK VALUE</b>			
At 31 October 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31 October 2020	<u>-</u>	<u>-</u>	<u>-</u>

**11. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £'000
<b>COST</b>	
At 1 November 2020 and 31 October 2021	<u>54,528</u>
<b>PROVISIONS</b>	
At 1 November 2020 and 31 October 2021	<u>207</u>
<b>NET BOOK VALUE</b>	
At 31 October 2021	<u>54,321</u>
At 31 October 2020	<u>54,321</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**11. FIXED ASSET INVESTMENTS - continued**

The Company had investments in the ordinary shares of the following wholly owned subsidiary undertakings as at 31 October 2021.

<u>Company</u>	<u>Principal activity</u>	<u>Country of incorporation</u>
Contractor Connection (Repairnet) UK Limited		United Kingdom
Crawford & Company Legal Services Limited	Legal services	United Kingdom
Specialist Liability Services Limited	Dormant	United Kingdom
Buckley Scott Holdings Limited	Dormant	United Kingdom
RBAG Holdings UK Limited	Holding company	United Kingdom
RBAG Legacy UK Limited*	non trading	United Kingdom
Crawford Aviation Limited*		United Kingdom
RBAG Legacy Holdings Limited*	Holding company	United Kingdom
RD&L International Holdings Limited*	Holding company	United Kingdom
Crawford Aviation Pte*		Singapore

The company's subsidiary, RBAG Legacy London International Limited, was dissolved in the year.

The above companies have as their principal activities, the provision of services to the insurance industry, unless otherwise stated.

\* indirect holding

The principal place of business of each entity is the same as its country of incorporation. Except as stated below, the registered office of the above companies is The Hallmark Building, 106 Fenchurch Street, London EC3M 5JE United Kingdom:

Crawford & Company Legal Services Limited	Suite 7d, The Plaza, Old Hall Street, Liverpool, L3 9QJ United Kingdom
Crawford Aviation Singapore Pte	10 Hoe Chang Road, #07-07 Keppel Towers 089315 Singapore

**12. DEBTORS**

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade debtors	15,191	12,384
Amounts owed by group undertakings	-	40,114
Amounts recoverable on contracts	16,627	17,601
Prepayments and accrued income	<u>1,762</u>	<u>1,420</u>
	<u>33,580</u>	<u>71,519</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**12. DEBTORS - continued**

	2021 £'000	2020 £'000
Amounts falling due after more than one year:		
Due from SGS on unfunded pension scheme (note 17)	557	787
Deferred tax asset	3,580	1,029
Prepayments and accrued income	<u>123</u>	<u>153</u>
	<u>4,260</u>	<u>1,969</u>
 Aggregate amounts	 <u>37,840</u>	 <u>73,488</u>
 Deferred tax asset		
	2021 £'000	2020 £'000
Accelerated capital allowances	(381)	(422)
Tax losses carried forward	8,683	6,385
Pension asset	(5,509)	(5,396)
Other timing differences	<u>787</u>	<u>462</u>
	<u>3,580</u>	<u>1,029</u>
		Deferred tax £'000
Balance at 1 November 2020		1,029
Charge to income statement		1,337
Charge to other comprehensive income		<u>1,213</u>
Balance at 31 October 2021		<u>3,580</u>

There is an unrecognised deferred tax asset of £75,000 (2020: £57,000) in relation to capital losses that is not expected to be utilised in the foreseeable future.

The company continues to recognise the deferred tax asset on the basis that its reversal is supported by future profit forecasts. Currently the deferred tax asset recognised is expected to unwind over 28 years assuming the pension balance remains comparable.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£'000	£'000
Finance leases (see note 16)	29	-
Trade creditors	518	898
Amounts owed to group undertakings	74,357	71,105
Social security and other taxes	5,600	6,540
Other creditors	361	283
Accruals and deferred income	<u>28,173</u>	<u>24,460</u>
	<u>109,038</u>	<u>103,286</u>

Amounts owed to group undertakings falling due within one year includes £39,682,000 which represents the principal amount on hire up of the trade and assets of RBAG Legacy UK Limited (formerly GAB Robins UK Limited), excluding the managed contractors business. Interest is charged at 3% per annum and is now repayable on demand. The balance also includes £6,588,000 owed to EMEA A-P Management Limited which is payable on demand. Interest is charged at rates of between 0.00% and 3.25%, based on the 3 month LIBOR for the underlying currency less 25 basis points.

Within 'Social security & other taxes' the company's VAT liability at 31 October 2021 includes £700,000 (2020: £2,100,000) relating to VAT payments in respect of 2020 VAT quarters which was deferred, in accordance with the UK government's VAT deferral scheme. Payments have been made in accordance with the payment plan agreed with HM Revenue & Customs.

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021	2020
	£'000	£'000
Preference shares (see note 15)	4,176	4,176
Amounts owed to group undertakings	-	45,860
Accruals and deferred income	<u>134</u>	<u>153</u>
	<u>4,310</u>	<u>50,189</u>

The prior year amounts owed to group undertakings falling due after more than one year included £45,860,000 which was due for repayment by 23 November 2022. The Company repaid this loan which included interest during the year following a short-term loan from another UK subsidiary.

**15. LOANS**

An analysis of the maturity of loans is given below:

	2021	2020
	£'000	£'000
Amounts falling due between two and five years:		
Preference shares	<u>4,176</u>	<u>4,176</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**15. LOANS - continued**

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£'000	£'000
4,175,539	non-cumulative redeemable preference shares	£1	<u>4,176</u>	<u>4,176</u>

**16. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Finance leases	
	2021	2020
	£'000	£'000
Net obligations repayable:		
Within one year	<u>29</u>	<u>-</u>
	Non-cancellable operating leases	
	2021	2020
	£'000	£'000
Within one year	1,853	2,358
Between one and five years	2,794	4,279
In more than five years	<u>595</u>	<u>834</u>
	<u>5,242</u>	<u>7,471</u>

**Other commitments**

The company is responsible for the management of bank accounts on behalf of its clients. The amount of funds in trust and recovery accounts, managed by the company at the end of the year was £74,444,000 (2020: £68,454,000).

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**17. PROVISIONS FOR LIABILITIES**

	SGS unfunded pension scheme
	Provision £'000
Balance at 1 November 2020	787
Revaluation	<u>(230)</u>
Balance at 31 October 2021	<u>557</u>

The ex-gratia pension provision is made in respect of pensioners who are not part of the GAB Robins Pension Scheme to provide benefits equivalent to those under that scheme. On the sale of RBAG Legacy UK Limited by Société Générale de Surveillance (SGS) to BRERA Capital Partners Limited Partnership, SGS agreed to fund this amount and there is a matching debtor for SGS's contribution towards this shortfall. The annual valuation for this liability is carried out by AON Hewitt Limited and is reflected in the above analysis.

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal	2021	2020
Number:	Class:	value:	£'000	£'000
19,327,956	ordinary	£1	19,328	19,328
500,000	10% cumulative non-redeemable preference	£1	<u>500</u>	<u>500</u>
			<u>19,828</u>	<u>19,828</u>

**Share rights**

Shares are held by parent companies, which rank all shares as holding the same rights. Accordingly all ordinary shares and cumulative non-redeemable preference shares have been presented as equity.

**Preference shares**

The Company also has 4,175,539 non-cumulative redeemable preference shares of £1 each in issue, which due to the nature of the share, are disclosed within Creditors: amounts falling due after more than one year.

The Company may redeem, at par, all or any of the non-cumulative redeemable preference shares at any time.



**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**19. RESERVES**

	Profit and loss account £'000	Share premium £'000	Other reserves £'000	Totals £'000
At 1 November 2020	27,102	950	(18,698)	9,354
Profit for the year	633	-	-	633
Net actuarial gain/(loss)	<u>(6,257)</u>	<u>-</u>	<u>-</u>	<u>(6,257)</u>
At 31 October 2021	<u>21,478</u>	<u>950</u>	<u>(18,698)</u>	<u>3,730</u>

**Other reserves**

Other reserves arises following the application of the pooling of interest basis to the hive up of the trade and assets of RBAG Legacy UK Limited in November 2015. As the transaction was a common control transaction, the company has applied pooling accounting and the values ascribed to the assets and liabilities acquired are those reflected in the Crawford group consolidated financial statements at the time of the transfer. The reserve represents the excess of the consideration paid over the values ascribed on this basis.

**20. EMPLOYEE BENEFIT OBLIGATIONS**

The Company provides pension arrangements through three funded defined benefit schemes and the related costs are assessed in accordance with the advice of professionally qualified actuaries. For the Thomas Howell Group Pension and Life Assurance Scheme and the Brocklehurst Pension Fund a full actuarial valuation was carried out at 1 January 2021. For the Crawford Arnold and Green Group Pension Scheme the last formal actuarial valuation was at 1 April 2019. These were completed by a qualified independent actuary.

The valuations used have been based on the most recent actuarial valuations at the dates noted above, which uses the projected unit credit method.

Scheme assets are stated at their market values at the respective balance sheet dates, which is equivalent to their fair value.

The company estimates that the duration of the scheme liabilities are approximately 21 years, 19 years, and 27 years for Thomas Howell Group Pension & Life, Brocklehurst Pension Fund and Crawford Arnold & Green schemes respectively.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

The amounts recognised in the statement of financial position are as follows:

Defined benefit pension plans

	2021 £'000	2020 £'000
Defined benefit obligation	205,015	206,439
Fair value of plan assets	<u>227,050</u>	<u>234,837</u>
Net defined benefit asset	<u>22,035</u>	<u>28,398</u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2021 £'000	2020 £'000
Current service cost	931	1,126
Net past service credit	(1,060)	-
Net interest from defined benefit asset/liability	<u>(457)</u>	<u>(521)</u>
	<u>(586)</u>	<u>605</u>
Actual return on plan assets	<u>1,343</u>	<u>16,961</u>

Analysis of the amount which has been charged to operating profit:

	Crawford Arnold & Green Group Pension Scheme		Brocklehurst Pension Fund		Thomas Howell Group Pension & Life Assurance Scheme	
	2021	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Current service cost	145	167	287	295	499	664
Past service (credit)/cost	<u>(510)</u>	<u>-</u>	<u>(650)</u>	<u>-</u>	<u>100</u>	<u>-</u>
	<u>(365)</u>	<u>167</u>	<u>(363)</u>	<u>295</u>	<u>599</u>	<u>664</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**20. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Analysis of the amount which has been credited/(charged) to other finance income/other finance costs:

	Crawford Arnold & Green Group Pension Scheme		Brocklehurst Pension Fund		Thomas Howell Group Pension & Life Assurance Scheme	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Interest income on plan assets	174	200	701	790	2,832	3,341
Interest on pension scheme liabilities	<u>(151)</u>	<u>(177)</u>	<u>(561)</u>	<u>(647)</u>	<u>(2,538)</u>	<u>(2,986)</u>
Net finance income	<u>23</u>	<u>23</u>	<u>140</u>	<u>143</u>	<u>294</u>	<u>355</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2021 £'000	2020 £'000
Opening defined benefit obligation	206,439	202,490
Current service cost	931	1,126
Past service credit	(1,060)	-
Contributions by scheme participants	26	27
Interest cost	3,250	3,810
Scheme administration costs	(718)	(932)
Actuarial losses/(gains)	496	11,168
Benefits paid	(8,959)	(11,250)
Actuarial loss experience adjustments	<u>4,610</u>	<u>-</u>
	<u>205,015</u>	<u>206,439</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**20. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Opening fair value of scheme assets	234,837	229,537
Contributions by employer	521	494
Contributions by scheme participants	26	27
Scheme administration costs	(718)	(932)
Interest income	3,707	4,331
Actuarial (losses)/gains	(2,364)	12,630
Benefits paid	<u>(8,959)</u>	<u>(11,250)</u>
	<u>227,050</u>	<u>234,837</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Actuarial gains/(losses)	<u>(7,470)</u>	<u>1,462</u>
	<u>(7,470)</u>	<u>1,462</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Cash and cash equivalents	5,308	1,733
Growth Component Portfolio	56,839	58,775
Hedging Component Portfolio	<u>164,903</u>	<u>174,329</u>
	<u>227,050</u>	<u>234,837</u>

The hedging component portfolio comprises bond type instruments designed to hedge against adverse interest rate and inflation movements. This is achieved by investing in a portfolio of bonds which broadly matches the expected future cashflows of the schemes' liabilities.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**20. EMPLOYEE BENEFIT OBLIGATIONS - continued**

The fair value of the assets in each scheme, the present value of the liabilities in each scheme at the balance sheet date were:

Crawford & Arnold Green  
Group Pension Scheme

	2021	2020
	£'000	£'000
Cash and cash equivalents	345	177
Growth Component Portfolio	2,481	2,634
Hedging Component Portfolio	<u>7,309</u>	<u>7,857</u>
Total fair value of assets	10,135	10,668
Present value of scheme liabilities	<u>(8,425)</u>	<u>(9,236)</u>
Surplus in the scheme	<u><u>1,710</u></u>	<u><u>1,432</u></u>

Brocklehurst Pension Fund

	2021	2020
	£'000	£'000
Cash and cash equivalents	1,071	299
Growth Component Portfolio	9,886	10,290
Hedging Component Portfolio	<u>30,211</u>	<u>32,890</u>
Total fair value of assets	41,168	43,479
Present value of scheme liabilities	<u>(33,323)</u>	<u>(34,906)</u>
Surplus in the scheme	<u><u>7,845</u></u>	<u><u>8,573</u></u>

Thomas Howell Group Pension and Life  
Assurance Scheme

	2021	2020
	£'000	£'000
Cash and cash equivalents	3,892	1,257
Growth Component Portfolio	44,472	45,851
Hedging Component Portfolio	<u>127,383</u>	<u>133,582</u>
Total fair value of assets	175,747	180,690
Present value of scheme liabilities	<u>(163,267)</u>	<u>(162,297)</u>
Surplus in the scheme	<u><u>12,480</u></u>	<u><u>18,393</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**20. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2021		2020		2021		2020	
					Thomas Howell Group Pension and Life Assurance Scheme			
	Crawford Arnold & Green		Brocklehurst Pension Fund		2021		2020	
	2021	2020	2021	2020	2021	2020	2021	2020
Rate of increase in salaries	NA	NA	NA	NA	NA	NA	NA	NA
Rate of increase in pension payment	3.30%	2.85%	3.30%	2.85%	2.80%	2.25%		
Discount rate	1.85%	1.66%	1.83%	1.64%	1.82%	1.60%		
Inflation - RPI	3.45%	2.95%	3.45%	2.95%	3.45%	2.95%		
Inflation - CPI	<u>2.25%</u>	<u>2.00%</u>	<u>2.25%</u>	<u>2.00%</u>	<u>2.25%</u>	<u>2.00%</u>		

The life expectancy assumptions, for all schemes, which are based on SAPS S2PA tables, are as set out below

	2021	2020
Mortality assumptions - base table		
Mortality assumptions - future improvements		
Life expectancy - male age 65+	23.0	23.1
Life expectancy - female age 65+	24.7	24.8
Life expectancy - male age 65+ currently aged 45	24.5	24.5
Life expectancy - female age 65+ currently aged 45	<u>26.2</u>	<u>26.4</u>

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	increase/decrease by 0.25%	Decrease/increase by 4%
Inflation	increase/decrease by 0.25%	Decrease/increase by 1%

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**20. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Changes in the fair value of the defined benefit obligations are as follows:

	CrawfordArnold & GreenGroup PensionScheme £'000	Brocklehurst Pension Fund £'000	Thomas HowellGroup Pension& LifeAssurance Scheme £'000
As at 1 November 2019	(9,435)	(33,970)	(159,085)
Current service cost	(167)	(295)	(664)
Interest expense	(177)	(647)	(2,986)
Employee contributions	-	(8)	(19)
Actuarial losses	(590)	(1,816)	(8,762)
Benefits paid & administrative expenses	<u>1,133</u>	<u>1,830</u>	<u>9,219</u>
As at 31 October 2020	(9,236)	(34,906)	(162,297)
Current service cost	(145)	(287)	(499)
Curtailments	510	650	(100)
Interest expense	(151)	(561)	(2,538)
Employee contributions	-	(7)	(19)
Actuarial losses	229	168	(5,503)
Benefits paid & administrative expenses	<u>368</u>	<u>1,620</u>	<u>7,689</u>
As at 31 October 2021	<u>(8,425)</u>	<u>(33,323)</u>	<u>(163,267)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**20. EMPLOYEE BENEFIT OBLIGATIONS - continued**

Changes in the fair value of plan assets are analysed as follows:

	Crawford Arnold & Green Group Pension Scheme £'000	Brocklehurst Pension Fund £'000	Thomas Howell Group Pension & Life Assurance Scheme £'000
As at 31 October 2019	10,651	41,320	177,566
Expected interest income on plan assets	200	790	3,341
Actuarial gains on plan assets	934	3,026	8,670
Employer contributions	16	165	313
Employee contributions	-	8	19
Benefits paid & administrative expenses	(1,133)	(1,830)	(9,219)
As at 31 October 2020	10,668	43,479	180,690
Expected interest income on plan assets	174	701	2,832
Actuarial gains on plan assets	(387)	(1,559)	(418)
Employer contributions	48	160	313
Employee contributions	-	7	19
Benefits paid & administrative expenses	(368)	(1,620)	(7,689)
As at 31 October 2021	<u>10,135</u>	<u>41,168</u>	<u>175,747</u>

Analysis of amount, which has been recognised in statement of other comprehensive income:

	Crawford Arnold & Green Group Pension Scheme		Brocklehurst Pension Fund		Thomas Howell Group Pension & Life Assurance Scheme	
	2021	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Effect of changes in assumptions	(229)	590	(104)	1,816	829	8,762
Effect of experience adjustments	-	-	(64)	-	4,674	-
Return on plan assets (excluding interest income)	<u>387</u>	<u>(934)</u>	<u>1,559</u>	<u>(3,026)</u>	<u>418</u>	<u>(8,670)</u>
Actuarial loss/(gain) recognised in the statement of other comprehensive income	<u>158</u>	<u>(344)</u>	<u>1,391</u>	<u>(1,210)</u>	<u>5,921</u>	<u>92</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**20. EMPLOYEE BENEFIT OBLIGATIONS - continued**

An allowance as at 31 October 2018 was made for GMP equalisation based on the 'C2 method'. The Trustees and Company have yet to implement GMP equalisation and there is no new evidence. Therefore, the previous GMP equalisation allowance has been retained but adjusted for the passage of time and to reflect the estimated impact of changes in market conditions.

Following the outcome of a High Court case on 20 November 2020, transfers out of the Schemes between May 1990 and October 2018 need to be revisited and equalised for GMP (if applicable). The Company have estimated the resulting increase in the Scheme's benefit obligations (at a very high level) to be c£100,000 for THG and c£50,000 for CA&G. Those increases have been treated in liabilities as a past service cost in the 2021 year-end disclosures.

The total employer contributions to the defined benefit plans in 2022 are expected to be £527,000 (2021 £521,000).

The contribution rates of each scheme were as follows:

	Crawford Arnold & Green Group Pension Scheme		Brocklehurst Pension Fund		Thomas Howell Group Pension & Life Assurance Scheme	
	2021	2020	2021	2020	2021	2020
Contribution rate (as % of pensionable earnings)	-	-	21.6%	21.6%	29.6%	29.6%
Contribution rate (above) agreed until	31/05/2022		31/12/2022		31/12/2022	

Nature and extent of risks arising from the financial instruments held by the schemes

It is a legal requirement that trustees of pension schemes have adequate internal controls. The Pensions Regulator has issued a Code of Practice on how schemes are expected to satisfy this requirement. Trustees must decide what internal controls are needed to ensure that the schemes are being well managed in accordance with the law and with the Trust Deeds and Rules.

The trustees have reviewed the risks in connection with the Schemes, and in particular, investments and funding. A risk analysis has been prepared and is subject to regular review.

There are no company-related investments (neither company financial instruments nor property nor assets occupied by the company) included in the scheme's assets at 31 October 2021 or at 31 October 2020.

The appointment of trustee directors to the fund is determined by the plan's trust documentation. In the ordinary course of business the trustee has no right to unilaterally wind up or otherwise augment the benefits due to members of the schemes. In accordance with the scheme rules, on winding up the assets of the schemes, the company is entitled to receive any surplus, at the discretion of the trustees. Based on these rights, any net surplus in the scheme is recognised in full.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**21. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING**

Crawford & Company (incorporated in USA) is regarded by the directors as being the company's ultimate parent company.

The immediate parent company and controlling party of the company is Crawford & Company Risk Services Investments Limited, a company incorporated in the United Kingdom.

The smallest and largest group of which Crawford & Company Adjusters (UK) Limited is a member, and for which group financial statements are drawn up, is that headed by Crawford & Company, whose principal place of business is at 5335 Triangle Parkway NW, Peachtree Corners, GA 30092. The consolidated financial statements of this group are available to the public and may be obtained from the above address.

**22. RELATED PARTY DISCLOSURES**

As a subsidiary undertaking of Crawford & Company, the Company has taken advantage of the exemption in FRS 102 from disclosing transactions with other wholly owned members of the group headed by Crawford & Company.

During the year the company charged other entities that are not wholly owned within the Crawford & Company group as follows:

	Sales £000	Costs £000	2020 Opening balance £000	2021 Closing balance £000
Puri Crawford Insurance Surveyors & Loss Assessors India Private Ltd	-	103	(11)	(6)
PT Satria Dharma Pusaka Crawford THG	45	-	32	56

Puri Crawford Insurance Surveyors & Loss Assessors India Private Ltd is 26% owned by the Crawford & Company group and PT Satria Dharma Pusaka Crawford THG is 50% owned by the Crawford & Company Group.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**23. SHARE-BASED PAYMENT TRANSACTIONS**

The charge in respect of share-based payment transactions included in the profit and loss account for the year is as follows. These amounts relate to shares in Crawford & Company, which are traded on the New York Stock Exchange.

	2021 £'000	2020 £'000
Total share-based payment charge	<u>755</u>	<u>437</u>

During the year ended 31 October 2021, the Company had three types of share-based compensation plans, a share option plan, an executive share bonus plan, and an employee share bonus plan. The fair value of an equity award is estimated on the grant date without regard to service or performance conditions.

**Share option plan**

Crawford & Company has granted nonqualified and incentive stock options to key employees and directors employed by Crawford & Company Adjusters (UK) Limited. Stock options were granted to employees of Crawford & Company Adjusters (UK) Limited in 2016, 2017, 2018, 2019 and 2020. No stock options were granted in 2021. All stock options previously awarded were for shares of Crawford & Company's Class A Common Stock ("CRDA"). Stock option awards were granted with an exercise price equal to the market price of the share at the date of grant. These stock options are subject to graded vesting over 3 years (33.33% each year) and have a typical life of ten years. The amount recognised in the profit and loss account for this scheme was £44,823 (2020: £70,891).

Options Granted during 2021 and 2020:

	2021	2020
Granted	-	105,799
Weighted average fair value	<u>-</u>	<u>£1.80</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**23. SHARE-BASED PAYMENT TRANSACTIONS - continued**

**Executive stock bonus plan**

The executive stock bonus plan and Omnibus plan has two components: the performance stock component and the restricted stock component.

Under the performance stock component, key employees of the Company are eligible to earn shares of CRDA upon the achievement of certain individual and corporate objectives. Stock grants are determined at the discretion of the Crawford & Company's Board of Directors, or the Board's Compensation Committee, and are subject to graded vesting over periods typically ranging from three to five years. Shares are not issued until the vesting requirements have lapsed. Dividends are not paid or accrued on unvested shares. The grant-date fair value of a performance share grant is based on the market value CRDA on the date of grant, reduced for the present value of any dividends expected to be paid on CRDA shares but not paid to holders of unvested performance shares. The amount recognised in the profit and loss account for these plans was £528,984 (2020: £215,482)

Performance Shares granted during 2021 and 2020:

	2021	2020
Granted	104,868	143,193
Weighted average fair value	<u>£ 5.90</u>	<u>£ 6.46</u>

Under the restricted share component of the executive share bonus plan, the Board of Directors of Crawford & Company may elect to issue restricted shares of share in lieu of, or in addition to, cash bonus payments to certain key employees of Crawford & Company Adjusters (UK) Ltd. Employees receiving these shares have restrictions on the ability to sell the shares. Such restrictions lapse ratably over vesting periods ranging from several months to five years. For grants of restricted shares, vested and unvested shares issued are eligible to receive nonforfeitable dividends if dividends are declared. The grant-date fair value of a restricted share grant is based on the market value of the share on the date of grant. The amount recognised in the profit and loss account for this scheme was £5,572 (2020: £23,831).

Restricted Shares granted during 2021 and 2020:

	2021	2020
Granted	-	-
Weighted-average fair value	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 October 2021**

**23. SHARE-BASED PAYMENT TRANSACTIONS - continued**

**Employee share bonus plan**

Under the Crawford & Company U.K. Sharesave Scheme, eligible employees can elect to have up to £250 withheld from payroll each month to purchase shares at the end of a three-year withholding period. The purchase price of a share of stock is 85% of the market price of the stock at the beginning of the withholding period. Participating employees may cease payroll withholdings and/or request a refund of all amounts withheld before any shares are purchased. The fair value of a share option is equal to 15% (the employee discount) of the market price of a share of CRDA at the beginning of the withholding period. No adjustment is made to reflect the effect of any estimated dividends that the employees will not receive during the life of the share option since employees are credited with interest by a third party on their withholdings during the withholding period. The amount recognised in the profit and loss account for this plan was £175,593 (2020: £127,276).

During 2021, a total of 76,457 (2020: 2,061) shares of CRDA were issued under the Sharesave Scheme. The weighted-average discount price paid for these shares was £5.37 (2020: £6.00).