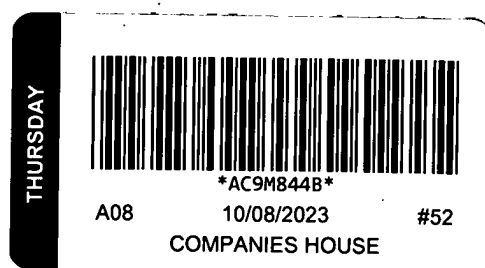




**Hastings Group Holdings Limited**  
**Annual Report and Financial Statements**  
for the year ended 31 December 2022

Registered number: 09635183



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## **Directors and other information**

<b>Directors</b>	T Colraine P P J L M G Lefevre K A Alsaker T Magnusson M Thorsrud A R Wennerklint
<b>Secretary</b>	A S Leppard
<b>Auditor</b>	Deloitte LLP 2 New Street Square London EC4A 3BZ
<b>Registered office</b>	Conquest House Collington Avenue Bexhill-on-Sea East Sussex TN39 3LW
<b>Registered number</b>	09635183 (England and Wales)

## **Strategic report**

### **Principal Activity**

The principal activity of Hastings Group Holdings Limited (the 'Company', 'HGH') is that of a holding company. The Company indirectly owns the entire share capital of Hastings Insurance Services Limited ('HISL'), Advantage Insurance Company Limited ('AICL') and Hastings Financial Services Limited ('HFSL'). HISL, trading as Hastings Direct, provides insurance broking services to the private motor, van, motorcycle and home market within the United Kingdom. HISL also owns the entire issued share capital of Hastings Financial Services Limited ('HFSL'), a Company that provides personal lending services in the United Kingdom. AICL is a Gibraltar based insurer authorised to underwrite private motor, motorcycle, van and home insurance in the United Kingdom

### **Business review**

The Directors report a profit after tax of £15.2m for the year to 31 December 2022 (2021: £31.0m).

During the year the Company paid dividends of £20.0m (2021: £50.5m).

The trading subsidiaries, HISL, AICL and HFSL, reported profit or (loss) after tax of £8.3 million (2021: £23.9 million), £65.8 million (2021: £91 m) and £(0.3)m (2021: £nil), respectively.

On 1 December 2022, HISL transferred the net trading assets and activities of its personal lending business to HFSL, its directly owned, and previously dormant subsidiary.

### **Key performance indicators**

The Company's Directors are of the opinion that the key performance indicators for the Company are best represented by the results set out in the Statement of Profit or Loss on page 12.

### **Principal risks and uncertainties**

The principal risks and uncertainties of the Company arise from the ability of its subsidiary entities to distribute dividends to the Company and any impairment of the investment in subsidiaries.

In the event that the Company's subsidiaries do not pay dividends, the Company will not distribute a dividend.

#### **Impact of conflict in Ukraine on the Hastings Group**

The Company does not have operations in Russia, Ukraine or Belarus. As a result of the conflict in Ukraine, the Company has reviewed its investments in MMFs and concluded that they have no direct exposures to these countries. There has been no downgrading of any of the Hastings Group's key relationship banks.

For Hastings home policy customers choosing to answer the Government's call to provide shelter for Ukrainian refugees, the company has confirmed this will be covered as part of the customer's family for a period of 12 months, and therefore will benefit from the full protection of their Hastings home insurance policy.

## Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole but having regard to a range of different matters.

In discharging the section 172 duties the Directors have regard to the factors stated above and in addition to the members of the Hastings Group. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Directors aim to make sure that their decisions are consistent and appropriate in all circumstances.

Board meetings are held periodically where the Directors consider the Company's activities and make decisions. As a part of those meetings the Directors receive information on section 172 matters when making relevant decisions. For example, during the year, as appropriate, the Directors make an assessment of the strength of the Company's balance sheet and future prospects relative to market uncertainties and make decisions about the payment of dividends. In making such decisions the Directors considered a range of factors including the long-term viability of the Company; its expected cash flow and financing requirements and the expectations of our shareholder as the supplier of long-term equity capital to the Company.

As the principal activity of the Company is a holding company, the Company has undertaken no commercial activities and had no customers or suppliers during the financial year. As such the breadth of stakeholder considerations that would often apply in operating or commercial trading companies have generally not applied to the decisions made by the Directors.

The Strategic Report has been approved by the Board of Directors and signed on its behalf by:



A R Wennerklint

Director

28 April 2023

Registered number: 09635183

## Directors' report

The Directors submit their report and the audited Financial Statements of Hastings Group Holdings Limited for the year ended 31 December 2022.

## Directors

The Directors who served during the year, and up to the signing of this report, are listed below:

- T Colraine
- P P J L M G Lefevre
- K A Alsaker
- T Magnusson
- A R Wennerklint
- M Thorsurd

As permitted by the Companies Act 2006, the Company has maintained insurance cover for Directors and officers against liabilities arising in relation to the Company. During the year, the company paid no remuneration to its Directors.

## Dividends

The Directors declared and paid dividends of £20.0m during the year (2021: £50.5m).

## Going concern

The Balance Sheet of the Company, its cash flows and liquidity position are set out in the primary statements and described in the Notes to the financial statements. Having considered the foregoing items and the most recently prepared budgets and cash flow forecasts for the Hastings Group for a period of at least 12 months from the date of signing these financial statements and, after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements.

## Provision of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Directors are aware, there is no relevant information of which the Company's auditor has not been made aware; and
- each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

## Auditor

Deloitte LLP is continuing in office and is therefore deemed to be re-appointed in accordance with section 487 of the Companies Act 2006.

## Events after the reporting period

Events after the reporting period are disclosed within the notes to the financial statements (Note 21).

Approved by the Board of Directors and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'R W J' followed by a stylized flourish.

A R Wennerklint

Director

Date: 28 April 2023

Registered number: 09635183

## **Statement of Directors' responsibilities in respect of the Annual Report and the Financial Statements**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

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, International Accounting Standard 1 requires that the Directors:

- Properly select and apply accounting policies;
- 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 IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## **Independent auditor's report to the members of Hastings Group Holdings Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Hastings Group Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit or loss;
- the balance sheet;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards.

#### **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 Financial Reporting Council's (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 of at least twelve months from when the financial statements are authorised for issue.

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

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### **Responsibilities of directors**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house / external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

#### **Report on other legal and regulatory requirements**

**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.

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 any material misstatements in the strategic report or the directors' report.

**Matters on which we are required to report by exception**

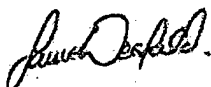
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

**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.



Jamie Weisfeld, FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
28 April 2023

**Statement of Profit or Loss**  
for the year ended 31 December 2022

	Note	Year ended	
		31 December 2022	31 December 2021
		£m	£m
Investment income	4	17.2	39.3
<b>Net income</b>		<b>17.2</b>	<b>39.3</b>
Expenses	5	(2.1)	(10.5)
Depreciation	5	(0.4)	(0.5)
<b>Profit before tax</b>		<b>14.7</b>	<b>28.3</b>
Taxation credit	7	0.5	2.7
<b>Total profit and comprehensive income attributable to the equity holders of the parent</b>		<b>15.2</b>	<b>31.0</b>

All results arose from continuing operations.

The accompanying Notes form an integral part of these Consolidated Financial Statements.

**Balance Sheet**  
As at 31 December 2022

	Note	31 December 2022 £m	31 December 2021 £m
<b>Assets</b>			
Property and equipment	8	0.2	0.6
Intangible assets	9	3.4	2.3
Investment in subsidiaries	10	1,624.2	1,279.2
Deferred tax	11	1.4	1.8
Trade and other receivables	12,15	8.9	0.3
Cash at bank and in hand	13,15	0.2	3.1
<b>Total assets</b>		<b>1,638.3</b>	<b>1,287.3</b>
<b>Liabilities</b>			
Trade and other payables	14,15	41.3	35.4
<b>Total liabilities</b>		<b>41.3</b>	<b>35.4</b>
<b>Equity</b>			
Share capital	16	16.0	13.2
Share premium		519.8	172.6
Capital contribution from parent		0.5	0.6
Retained earnings		1,060.7	1,065.5
<b>Total equity</b>		<b>1,597.0</b>	<b>1,251.9</b>
<b>Total equity and liabilities</b>		<b>1,638.3</b>	<b>1,287.3</b>

The accompanying Notes form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors on 28 April 2023 and were signed on its behalf by:



A R Wennerklint  
Director

Company Number: 09635183

**Statement of Changes in Equity**  
For the year ended 31 December 2022

	Note	Share capital £m	Share premium £m	Capital contribution from parent £m	Retained earnings £m	Total equity £m
As at 1 January 2021		13.2	172.6	-	1,085.0	1,270.8
Total profit for the year attributable to equity holders and total comprehensive income		-	-	-	31.0	31.0
<i>Transactions with equity holders</i>						
Equity settled share based payment charge	17	-	-	0.6	-	0.6
Dividends paid	19	-	-	-	(50.5)	(50.5)
Total transactions with equity holders		-	-	0.6	(50.5)	(49.9)
As at 31 December 2021 and 1 January 2022		13.2	172.6	0.6	1,065.5	1,251.9
Total profit for the year attributable to equity holders and total comprehensive income		-	-	-	15.2	15.2
<i>Transactions with equity holders</i>						
Issue of shares	16	2.8	347.2	-	-	350.0
Equity settled share based payment charge	17	-	-	(0.1)	-	(0.1)
Dividends paid	19	-	-	-	(20.0)	(20.0)
Total transactions with equity holders		2.8	347.2	(0.1)	(20.0)	329.9
As at 31 December 2022		16.0	519.8	0.5	1,060.7	1,597.0

The accompanying Notes form an integral part of these Financial Statements.

**Statement of Cash Flows**  
For the year ended 31 December 2022

	Note	Year ended	
		31 December 2022 £m	31 December 2021 £m
Profit after tax		15.2	31.0
<i>Adjustments for:</i>			
Depreciation of property and equipment	5	0.4	0.5
Share based payment charge	17	0.3	4.3
Taxation credit	7	(0.5)	(2.7)
Change in trade and other receivables		(7.7)	1.3
Change in trade and other payables		6.0	21.3
Contribution to parent share based payment scheme	17	(0.1)	0.6
<b>Net cash flows from operating activities</b>		<b>13.6</b>	<b>56.3</b>
Acquisition of intangible assets		(1.1)	(2.3)
Investment in subsidiary	10	(345.0)	-
<b>Net cash flows from investing activities</b>		<b>(346.1)</b>	<b>(2.3)</b>
Proceeds from issue of ordinary share capital	16	350.0	-
Repayment of lease liabilities		(0.4)	(0.5)
Dividends paid	19	(20.0)	(50.5)
<b>Net cash flows from financing activities</b>		<b>329.6</b>	<b>(51.0)</b>
<b>Net (decrease) / increase in cash at bank and in hand</b>		<b>(2.9)</b>	<b>3.0</b>
<b>Cash at bank and in hand at beginning of year</b>		<b>3.1</b>	<b>0.1</b>
Net movements in Cash at bank and in hand for the year		(2.9)	3.0
<b>Cash at bank and in hand at end of year</b>	13	<b>0.2</b>	<b>3.1</b>

The accompanying Notes form an integral part of these Financial Statements.

## Notes to the Financial Statements

### 1. Basis of preparation

Hastings Group Holdings Limited ('the Company', 'HGH'), is a private Company limited by shares incorporated in England and Wales. The principal activity of the Company is that of a holding company and its registered office and principal place of business is at Conquest House, Collington Avenue, Bexhill-on-Sea, East Sussex, TN39 3LW, United Kingdom. The Company's registered number is 09635183. The Hastings group of companies ('Hastings Group') comprises Hastings Group (Consolidated) Limited and its subsidiaries, including the Company. The ultimate parent company of Hastings Group and the Company is Sampo plc.

The Financial Statements comprise the results of the Company for the year ended 31 December 2022 and comparative figures for the year ended 31 December 2021.

The Financial Statements have been prepared on the historical cost basis except for the re-measurement of certain financial instruments that are measured at fair values at the end of each reporting period. The principal accounting policies adopted are the same as those set out in note 2 except as noted below.

The Company has prepared its Financial Statements in accordance with United Kingdom international accounting standards in conformity with the requirements of the Companies Act 2006.

Under the provision of Section 400 of the Companies Act 2006, consolidated financial statements have not been prepared. Consolidated financial statements incorporating the results of the Company are prepared by the Company's ultimate parent undertaking, Sampo plc. The consolidated financial statements of Sampo plc can be obtained from its registered address at Fabianinkatu 27, 00100 Helsinki, Finland or available from its website: <https://www.sampo.com/investors/financial-information/annual-reports>.

#### a) Going concern

Further information regarding the Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report and Directors' Report. The Balance Sheet of the Company, its cash flows and liquidity position are set out in the primary statements and described in the Notes to the financial statements. Having considered the foregoing items and the most recently prepared budgets and cash flow forecasts for the Hastings Group for a period of at least 12 months from the date of signing these financial statements, and after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Financial Statements.

#### b) Basis of measurement

The functional currency is Pounds Sterling and the Financial Statements are presented in Pounds Sterling. Amounts are rounded to the nearest million with one decimal place (e.g. £0.1m) except where otherwise indicated.

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

The financial statements are prepared on the historical cost basis, except for certain financial assets which are measured at their fair value.

#### c) Adoption of new IFRS

##### **Amendments**

The following accounting standards have been issued by the IASB but are not yet effective in the UK and have not yet been adopted within these financial statements:



## Notes to the Financial Statements

IFRS	Endorsement status
IFRS 17 Insurance contracts	Amendment was approved for adoption by all members of the UK endorsement Board ('UKEB') on 16 May 2022.
Amendment to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	Amendment was approved for adoption by all members of the UKEB on 30 November 2022.
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	Amendment was approved for adoption by all members of the UKEB on 30 November 2022.
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	Amendment was approved for adoption by all members of the UKEB on 30 November 2022.
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Amendment was approved for adoption by all members of the UKEB on 30 November 2022.

### **IFRS 17 Insurance Contracts ('IFRS 17')**

The IASB issued IFRS 17 on 18 May 2017 to replace IFRS 4. IFRS 17 provides a comprehensive framework for accounting for insurance contracts and it is anticipated to impact the treatment and measurement of income, expenses, assets and liabilities arising from insurance contracts. In June 2020, the IASB published Amendments to IFRS 17, including the deferral of the effective date by two years. The standard incorporating the amendments is effective from 1 January 2023, and was approved for adoption by all members of the UKEB on 16 May 2022.

The Company has determined that the adoption of IFRS 17 will not have a significant impact on the Financial Statements as the Company does not underwrite insurance contracts.

### ***Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)***

The effective date of this amendment is set as 1 January 2023 and the amendment was approved for adoption by all members of the UKEB on 30 November 2022. These amendments are not expected to have a significant impact on the Company's financial statements.

### ***Amendment to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued 12 February 2021)***

The effective date of this amendment is set as 1 January 2023 and the amendment was approved for adoption by all members of the UKEB on 30 November 2022. These amendments are not expected to have a significant impact on the Company's financial statements.

### ***Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021)***

The effective date of this amendment is set as 1 January 2023 and the amendment was approved for adoption by all members of the UKEB on 30 November 2022. These amendments are not expected to have a significant impact on the Company's financial statements.

### ***Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued 7 May 2021)***

The effective date of this amendment is set as 1 January 2023 and the amendment was approved for adoption by all members of the UKEB on 30 November 2022. These amendments are not expected to have a significant impact on the Company's financial statements.

## Notes to the Financial Statements

### 2. Accounting policies

#### a) Investment income

Investment income comprises dividend income which is recognised, in accordance with IFRS 9, when the Company's right to receive payment of the dividend is established and that the dividend amount can be measured reliably, in addition to it being probable that future economic benefits from the dividend will flow to the Company.

#### b) Employee Benefits

##### *Pension contributions*

The Company operates a defined contribution pension scheme. The amount charged to profit or loss in respect of pension costs is the amount of contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. The Company has no obligation to make any further payments to the plans other than the contributions due. The assets of the scheme are held separately from those of the Company in an independently administered fund.

##### *Share based payments*

The Hastings Group, of which the Company forms part, operates a cash-settled long-term incentive scheme whereby the fair value of the award is determined at grant date and is expensed to the profit or loss on a straight line basis over the vesting period, with a corresponding credit recognised as a share based payment liability. The Company settles these awards upon vesting with payments deducted from the liability recognised. Expected vesting in respect of both service conditions and market and non-market performance conditions are reviewed at least annually and adjustments are made retrospectively to the cumulative expense recognised.

In the year ended 31 December 2021, the Hastings Group introduced an equity-settled share incentive scheme under which certain key management personnel could be awarded up to five free B Ordinary Shares in Hastings Group (Consolidated) Limited, a parent company, for every B Ordinary Share that they purchase, subject to performance thresholds based upon total shareholder return ('TSR'). The fair value of the share based payment award is determined at grant date and expensed on a straight line basis over the vesting period, with a corresponding credit recognised as a capital contribution within equity where the Company does not settle the obligation or repay the parent Company. Where the Company settles the share award, the scheme is accounted for as cash settled with a corresponding asset or liability for payments made less fair value earned.

#### c) Taxation

Income tax on the result for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to a business combination, items recognised in other comprehensive income or items recognised directly in equity.

Current taxation expense is the expected income tax payable on the taxable profit for the period, using tax rates applicable and any adjustment to income tax payable in respect of previous financial periods. Deferred taxation expense is the change in deferred tax assets and liabilities between the reporting periods.

#### d) Property and equipment

Property and equipment is made up of the Company's property lease, which is recognised as a right of use asset.

## Notes to the Financial Statements

### e) Leases

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement of a lease or contract containing a lease, the Company recognises a right of use asset and a lease liability on the balance sheet.

The Company initially measures a right of use asset at cost comprising the corresponding lease liability adjusted for any payments made at or before the commencement date plus any initial direct costs incurred and any dismantling costs, if applicable. Subsequently, from commencement date, a right of use asset is depreciated using the straight line method to profit or loss over the lease term or usage term. Right of use assets are reported in the balance sheet within property and equipment.

A lease liability is initially measured and recognised at the present value of outstanding lease payments at the lease commencement date, using the Company's incremental borrowing rate in most instances; unless the interest rate implicit in the lease can be readily determined, in which case this is used instead. Lease liabilities are reported in current liabilities in the balance sheet.

### f) Intangible assets

#### *Work in progress*

Work in progress includes intangible assets in the course of development which are considered to be eligible for capitalisation but which have not yet reached the state where they are ready for their intended use. As such no amortisation has yet been charged on these assets.

### g) Investment in subsidiary

The investment in subsidiary is held at cost less any impairment, and it is tested for impairment on an annual basis.

### h) Cash at bank and in hand

The Company's cash consists of cash in hand and at bank.

### i) Financial assets

The Company's financial assets comprise cash at bank and in hand. Financial assets are initially measured at fair value less any directly attributable transaction costs. Subsequently, financial assets are measured at amortised cost using the effective interest method.

### j) Financial liabilities

Financial liabilities comprise intercompany payables and other payables. Financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

### k) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other financial assets, or to exchange financial assets or liabilities under potentially unfavourable conditions. Where such an obligation exists, and the exception within IAS 32 paragraph 16 in respect of any option is not met, the share capital is recognised as a liability notwithstanding the legal form.

Incremental costs directly attributable to the issue of equity instruments are recognised as a deduction from share premium to the extent that there is sufficient share premium to do so, net of tax effects.

### l) Dividends

Dividends are recognised directly in equity when approved and payable.

## Notes to the Financial Statements

### 3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with IFRS requires the Directors to make judgements and assumptions that affect the assets and liabilities recognised as at the reporting date and the income and expense recognised during the reporting period as well as the content of any disclosures. Although these judgements and assumptions are based on the Directors' best knowledge of the amounts, events and actions, actual results may differ from these judgements and assumptions.

The company currently does not have any assets and liabilities whose carrying amounts involve the use of estimates and assumptions that would have a significant impact on the financial statements.

#### a) Impairment of investment in subsidiary

Changes in the circumstances or expectations of future performance of a subsidiary may be an indicator that the investment is impaired. The recoverable amount, being the higher of its fair value less costs to sell or value in use, is assessed and where this is below its carrying amount, the investment is deemed to be impaired. Fair value is the amount that would be expected to be received in an arm's length transaction between knowledgeable market participants. Value in use is the present value of expected future cash flows.

The Company tests for impairment of its investment in its subsidiaries on an annual basis. Estimating the recoverable amount of an investment requires a degree of judgement and involves the estimation of the future cash flows and the judgement of a market discount rate that applies, as well as the amount that would be expected to be received in any transaction.

### 4. Investment income

The Company received dividends of £17.2m from its subsidiary, Hastings Group Finance plc ("HGF"), (2021: £39.3m).

### 5. Expenses

Auditor's remuneration for audit services in respect of these financial statements amounted to £31,575 (2021: £15,000). The company received no other Audit services during the year. During the year, the company paid no remuneration to its Directors.

	Year ended	
	31 December 2022 £m	31 December 2021 £m
<i>Profit before taxation is stated after charging:</i>		
Employee benefits (Note 6)	2.0	10.2
Other administration and distribution costs	0.1	0.3
Expenses	2.1	10.5
Depreciation of property and equipment (Note 8)	0.4	0.5
Amortisation and depreciation	0.4	0.5

## Notes to the Financial Statements

### 6. Employee benefits

Included in other operating expenses were the following employee benefits:

	Year ended	
	31 December 2022 £m	31 December 2021 £m
Salaries and bonus	1.4	4.3
Social security charges	0.1	1.4
Defined contribution pension plan costs	0.2	0.2
Share based payment charge	0.3	4.3
<b>Total employee benefits</b>	<b>2.0</b>	<b>10.2</b>

Key management personnel compensation is as follows:

	Year ended	
	31 December 2022 £m	31 December 2021 £m
Short term employee benefits	3.1	4.1
Post employment benefits	0.2	0.2
Share based payments	0.3	4.3
<b>Total key management personnel compensation and Directors' emoluments</b>	<b>3.6</b>	<b>8.6</b>

#### Directors' emoluments

During the year, the compensation of the highest paid Director was £0.1m (2021: £0.2m).

Information relating to aggregate Directors' emoluments is disclosed in the table below.

	Year ended	
	31 December 2022 £m	31 December 2021 £m
Short term employee benefits	0.1	0.2
Post employment benefits	-	-
Share based payments	-	-
Other long term benefits	-	-
<b>Total key management personnel compensation and Directors' emoluments</b>	<b>0.1</b>	<b>0.2</b>

During the year, the average number of full time equivalent staff employed by the Company was 5 (2021: 5).

## Notes to the Financial Statements

### 7. Taxation credit

	Year ended	
	31 December 2022 £m	31 December 2021 £m
<i>Current tax</i>		
Corporation tax on profits for the year	1.1	1.2
Adjustments for prior years	(0.2)	0.3
Current taxation credit	0.9	1.5
<i>Deferred tax</i>		
Deferred taxation movement relating to temporary differences	(0.7)	0.9
Impact of change in the UK Corporation tax rate		0.3
Adjustments for prior years	0.3	-
Deferred taxation (charge) / credit	(0.4)	1.2
<b>Total taxation credit</b>	<b>0.5</b>	<b>2.7</b>

Factors affecting total taxation credit are:

	Year ended	
	31 December 2022 £m	31 December 2021 £m
Profit before tax	14.7	28.3
Applicable tax (charge) at the statutory tax rate of 19% (2021: 19%):	(2.8)	(5.4)
Non-taxable income	3.2	7.5
Adjustment relating to prior periods	0.1	0.3
Impact of change in the UK corporation tax rate		0.3
<b>Total taxation credit</b>	<b>0.5</b>	<b>2.7</b>

The UK Corporation tax rate applicable to the Company was 19% for the year ended 31 December 2022 (31 December 2021: 19%). The Chancellor of the Exchequer in his Budget on 3 March 2021 announced that the UK corporation tax rate will remain at 19% until 31 March 2023, and will then increase to 25% from 1 April 2023, this was substantively enacted on the 24 May 2021. Following a period of uncertainty where a reversal of the increase was proposed, this rate change was reconfirmed by the UK Government in October 2022.

## Notes to the Financial Statements

### 8. Leases

Information about leases for which the Company is a lessee under IFRS 16 are presented below.

#### Right of use assets

The movement in the Company's right of use assets, by asset class, are shown below:

	Property £m	Total £m
<i>Cost</i>		
As at 1 January 2021	1.4	1.4
Additions	0.8	0.8
Expiration of right of use asset	(1.4)	(1.4)
As at 31 December 2021	0.8	0.8
<i>Accumulated depreciation</i>		
As at 1 January 2021	1.1	1.1
Charge for the year	0.5	0.5
Expiration of right of use asset	(1.4)	(1.4)
As at 31 December 2021	0.2	0.2
Net book value as at 31 December 2021	0.6	0.6
<i>Cost</i>		
As at 1 January 2022	0.8	0.8
As at 31 December 2022	0.8	0.8
<i>Accumulated depreciation</i>		
As at 1 January 2022	0.2	0.2
Charge for the year	0.4	0.4
As at 31 December 2022	0.6	0.6
Net book value as at 31 December 2022	0.2	0.2

#### Lease liabilities

A maturity analysis table for the contractual undiscounted cash flows for the lease liabilities is shown below:

	As at	
	31 December 2022 £m	31 December 2021 £m
Within one year	0.3	0.4
Within two to five years		0.3
Total undiscounted lease liabilities	0.3	0.7

Cash outflows from lease liabilities are disclosed in the Statement of Cash Flows.

## Notes to the Financial Statements

### 9. Intangible assets

	Work in progress	Total
	£m	£m
<i>Cost</i>		
As at 1 January 2021	-	-
Additions	2.3	2.3
As at 31 December 2021	2.3	2.3
<i>Accumulated amortisation</i>		
As at 1 January 2021	-	-
Amortisation for the year	-	-
As at 31 December 2021	-	-
Net book value as at 31 December 2021	2.3	2.3
<i>Cost</i>		
As at 1 January 2022	2.3	2.3
Additions	1.1	1.1
As at 31 December 2022	3.4	3.4
<i>Accumulated amortisation</i>		
As at 1 January 2022	-	-
Amortisation for the year	-	-
As at 31 December 2022	-	-
Net book value as at 31 December 2022	3.4	3.4

Additions during the year relate to software development costs.

### 10. Investment in subsidiary

	As at	
	31 December 2022	31 December 2021
	£m	£m
As at 1 January	1,279.2	1,279.2
Additions	345.0	-
As at 31 December	1,624.2	1,279.2

The increase in investment in subsidiary in the year comprises £345.0m from the subscription by the Company for 138,000,000 new ordinary shares in Hastings Group (Finance) plc, at £2.50 per share.

Investment in subsidiary is tested for impairment annually, the recoverable amount of the subsidiaries is determined by value in use calculations. These calculations use pre-tax cash flow projections based on the most recent three year financial plans approved by the Directors, discounted by the pre-tax discount rate of 11.2% (2021: 7.2%). Cash flows beyond the three year plan period are extrapolated using growth rates declining to a terminal rate of 0.7%. As the value in use of the subsidiaries is significantly higher than the investment in subsidiaries, the investment in subsidiaries is not impaired.



## Notes to the Financial Statements

The Company's subsidiaries are as follows:

Subsidiary	Registered office	Class of shares held	% ownership	Principal activity
Hastings Insurance Group (Holdings) Ltd	a	Ordinary	100%	Dissolved
Hastings Insurance Group (Investment) Ltd*	a	Ordinary	100%	Dissolved
Hastings Insurance Group (Layer Three) Ltd*	a	Ordinary	100%	Dissolved
Hastings Insurance Group (Layer Two) Ltd*	a	Ordinary	100%	Dissolved
Hastings Group (Finance) plc	a	Ordinary	100%	Holding
Hastings Group Ltd*	a	Ordinary	100%	Holding
Advantage Global Holdings Ltd*	b	Ordinary	100%	Holding
Advantage Insurance Company Ltd*	c	Ordinary	100%	Insurance underwriter
Conquest House Ltd*	d	Ordinary	100%	Property ownership
Hastings Repair Services Ltd*	d	Ordinary	100%	Provision of repair services
Hastings (Holdings) Ltd*	d	Ordinary	100%	Holding
Hastings (UK) Ltd*	d	Ordinary	100%	Holding
Hastings Insurance Services Ltd*	d	Ordinary	100%	Insurance intermediary
Hastings (US) Ltd*	d	Ordinary	100%	Management consulting and advisory services
Hastings Financial Services Ltd*	d	Ordinary	100%	Provision of personal lending services

\* Held indirectly

The registered offices of the Company's subsidiaries are as follows:

- a) 47 Esplanade, St Helier, Jersey, JE1 0BD
- b) Ritter House, Wickhams Cay II, Road Town, Tortola VG1110, British Virgin Islands
- c) Suite 23, Portland House, Glacis Road, Gibraltar
- d) Conquest House, 32-34 Collington Avenue, Bexhill-on-Sea, East Sussex, TN39 3LW, UK

The Company holds 100% of the voting rights of both its directly and indirectly owned subsidiaries. The Company does not have any other significant holdings.

## 11. Deferred tax

	As at	
	31 December 2022 £'m	31 December 2021 £'m
<i>Deferred tax</i>		
Brought forward at start of year	1.8	0.6
Movement in year	(0.4)	1.2
Carried forward at end of year	1.4	1.8
Share based payments	1.4	1.8
Deferred tax at end of year	1.4	1.8

## Notes to the Financial Statements

### 12. Trade and other receivables

	Note	As at	
		31 December 2022 £m	31 December 2021 £m
Receivables from related entities	18	8.8	0.1
Other receivables		0.1	0.2
<b>Total trade and other receivables</b>		<b>8.9</b>	<b>0.3</b>

### 13. Cash at bank and in hand

	As at	
	31 December 2022 £m	31 December 2021 £m
Cash at bank and in hand	0.2	3.1
<b>Total cash at bank and in hand</b>	<b>0.2</b>	<b>3.1</b>

### 14. Trade and other payables

	As at	
	31 December 2022 £m	31 December 2021 £m
Accrued expenses	0.9	1.5
Lease liabilities	0.3	0.7
Intercompany payables	35.7	26.8
Other payables	4.4	6.4
<b>Total trade and other payables</b>	<b>41.3</b>	<b>35.4</b>

Accrued expenses and intercompany payables are unsecured, non-interest bearing and are normally settled within 12 months.

## Notes to the Financial Statements

### 15. Financial instruments, capital management and related disclosures

#### a) Financial assets and liabilities

The Group's financial instruments can be analysed as follows:

##### *At amortised cost*

The carrying values of all financial instruments carried at amortised cost are considered to be an approximation of fair value and the table below analyses these by balance sheet classification:

	As at	
	31 December 2022 £m	31 December 2021 £m
<i>Financial assets</i>		
Cash at bank and in hand	0.2	3.1
Receivables from related entities	8.8	0.1
Other receivables	0.1	0.2
<b>Total financial assets at amortised cost</b>	<b>9.1</b>	<b>3.4</b>
<i>Financial liabilities</i>		
Accrued expenses	0.9	1.5
Lease liabilities	0.3	0.7
Intercompany payables	35.7	26.8
Other payables	4.4	6.4
<b>Total financial liabilities at amortised cost</b>	<b>41.3</b>	<b>35.4</b>

The carrying value of all financial instruments carried at amortised cost at 31 December 2022 and 31 December 2021 is considered to be an approximation of fair value.

#### b) Objectives, policies and procedures for managing financial risks

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk for the Company are credit risk and liquidity risk.

##### *Credit risk*

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company's exposure to credit risk is in relation to £8.8m (2021: £0.1m) of financial assets due from the Company's related parties. The receivables from related parties are monitored closely with a view to minimising the collection period of those items.

##### *Liquidity risk*

Liquidity risk is the risk that cash may not be available to meet obligations when they fall due. The Company liquidity risk is not considered to be significant.

Financial liabilities are settled in line with agreed payment terms and managed in accordance with cash availability and inflow expectations. All financial liabilities are due within 12 months.

#### c) Objectives, policies and procedures for managing capital

The Directors regularly review the amount of capital of the Company through monitoring of the financial performance of the business. The Company's capital is made up of equity.

## Notes to the Financial Statements

### 16. Share capital

#### Share capital

Share capital recognised as equity comprised shares authorised, issued and fully paid up as follows:

	As at	
	31 December 2022 £m	31 December 2021 £m
Authorised, issued and fully paid up Ordinary Share capital		
799,741,947 Ordinary Shares of 2p (2021: 662,217,197)	16.0	13.2
Total	16.0	13.2

### 17. Share based payments

The total charge for share based payments recognised in the profit and loss during 2022 was £0.3m (2021: £4.3m). The shared based payment liability at 31 December 2022 was £3.6m (2021: £2.2m).

#### a) Performance-Based Long Term Incentives

Certain management personnel participate in the Company's Long Term Incentive Plan ('LTIP') which is a cash settled scheme. LTIP equity settlements in 2022 was £nil (2021: £nil).

Vesting is subject to a three year service period and the achievement of certain performance conditions. For the 2022 tranche, the performance conditions are in respect of profit before tax and live customer policies over a three year performance period. For the 2021 tranche, the performance conditions used are in respect of adjusted operating profit and live customer policies. Adjusted operating profit represents profit before taxation expense, amortisation and depreciation and is a non-IFRS measure used to measure the underlying trading of the business (Note 31). For awards to certain individuals, considered key management personnel, there is an additional holding period of two years ('Executive grant').

During 2022, cash awards with fair value of £2.7m were granted (2021: £2.7m). The expected life is the contractual life of the award adjusted to reflect management's best estimate of holder behavior. There were cash awards with a value of £10.0m outstanding at 31 December 2022 (31 December 2021: £9.4m).

	Year ended	
	31 December 2022 (million)	31 December 2021 (million)
Number of share awards		
Outstanding at 1 January	9.4	6.7
Granted during the year	2.7	2.7
Outstanding at 31 December	10.0	9.4

## Notes to the Financial Statements

Awards subject to a market condition were valued using the Monte Carlo pricing model and those not subject to a market condition were valued using the Black Scholes model. The model inputs for the Monte Carlo pricing model were as follows:

	2022 LTIP grant	2021 LTIP grant
Share price at grant date	n/a	n/a
Exercise price	n/a	n/a
Volatility	n/a	n/a
Average comparator volatility	n/a	n/a
Dividend yield	n/a	n/a
Risk free rate	n/a	n/a
Expected life	n/a	n/a

### Capital Appreciation Plan

In the year ended 31 December 2021, certain key management personnel Hastings Group Holdings Limited participate in the Hastings Group's Capital Appreciation Plan, under which they may be awarded up to five matching awards of B Ordinary shares in Hastings Group Consolidated Limited ('HGC') every B Ordinary share that they hold. Matching awards have the potential to vest in two tranches, with 50% being conditional upon total shareholder return ('TSR') measured over a four year period, and 50% being conditional upon TSR measured over a five year period, with the number of awards dependent upon the level of return between a minimum and maximum target. At the end of each performance period, one half of shares will vest immediately, and one half will be deferred for 12 months before becoming exercisable. The vesting is dependent on continuing service by the participant over the period of any deferment, so ranges from four to six years.

There was no award in 2022. The total number of HGC B Ordinary Shares allotted to colleagues to be held under the scheme in 2021 was 0.5m, with a maximum potential matching award of 2.0m B Ordinary shares.

The fair value of the matching awards, calculated using the Monte Carlo valuation model, was estimated to be £1.5m, or approximately £3.2 per matching award. The model inputs for the Monte Carlo pricing model were as follows:

	2022 CAP Grant
Share price	213p
Exercise price	0p
Volatility per annum	24%
Discount for lack of marketability	20%
Risk free rate per annum	0.8%
Expected life	5.29 years

## 18. Related party transactions

The Company undertakes transactions with related parties in the normal course of business and all transactions with related parties are made on normal arm's length commercial terms. The Company had the following related party transactions, with entities within the Hastings Group:

- A balance payable to HISL of £1.2m relating to payments made on its behalf (2021: payable of £12.5m). The balance has reduced due to the company paying down the loan to HISL.
- A balance payable to HGCL of £14.5m (2021: £14.3m).
- A balance payable to HGF of £11.3m (2021: 0.1m) comprising of £20m arising from the subscription of 130,000,000 new ordinary shares in HGF, offset by an intercompany loan of £8.7m
- A balance receivable from HGF of £8.7m (2021: £0.1m).
- A balance receivable from AICL of £0.1m (2021: £nil).

## Notes to the Financial Statements

In October 2021 the Company entered into a Revolving Credit Facility ('RCF') agreement with Sampo plc, the ultimate parent company of the Hastings Group. The RCF is available for general working capital purposes of the Hastings Group. The RCF with Sampo plc has a commitment of £75.0m with any outstanding balances drawn on the RCF due for repayment at the end of the term in October 2026. As at 31 December 2022 the Company had a balance payable to Sampo of £0.1m (31 December 2021: £0.2m) relating to the RCF arrangement fee.

### 19. Dividends

Dividends amounting to £20.0m were paid during the year (2021: £50.5m), equivalent to 3.0 pence per share (2021: 8.0 pence per share).

### 20. Ultimate controlling party

The Company's immediate parent company is Hastings Group (Consolidated) Limited, whose registered office is at Conquest House, Collington Avenue, Bexhill-on-Sea, East Sussex, TN39 3LW.

Sampo plc ('Sampo'), incorporated in Finland, is the Company's ultimate parent company. The Group headed by Sampo is the largest and the smallest group into which the Financial Statements are consolidated. The consolidated financial statements of Sampo may be obtained from its registered address at Fabianinkatu 27, 00100 Helsinki, Finland.

### 21. Events after the reporting period

A dormant subsidiary of the Company, Renew Insurance Services Limited was dissolved on 14 February 2023.

On 22 February 2023, the company's indirect subsidiary, Hastings Financial Services Ltd ('HFSL') extended its Revolving Credit Facility ('RCF') with Lloyds Bank plc from a commitment of £75.0m to £85.0m, for the purpose of further growing the business.

On 17 March 2023, HFSL entered into a securitisation facility with GSD Finance Limited ('GSD') and Lloyds Bank plc ('Lloyds') to provide additional financing. GSD is a special purpose vehicle owned by Wilmington Trust SP Services (London) Limited but assessed to be controlled under the definition of IFRS 10 by HFSL. Under the terms of the facility, HFSL can sell the equitable interest of qualifying consumer loans to GSD for cash at par, the acquisition of which will be funded by the issue of senior notes to Lloyds which are secured on the future cash receivables from the consumer loans, and a subordinated loan facility from HFSL. On 17 March 2023, HFSL sold the equitable interest in £65.4m of consumer loans to GSD. Subsequently, up to the date of this report the equitable interest in a further £6.0m of consumer loans had been sold to GSD.

There are no other events after the reporting date requiring disclosure in these financial statements.

### 22. Reconciliations

Adjusted operating profit represents profit before taxation expense, finance costs, amortisation and depreciation. This is a non-IFRS measure used by management to measure the underlying trading of the business and is provided for information.

	Year ended	
	31 December 2022 £'m	31 December 2021 £'m
<i>Adjusted operating profit reconciliation</i>		
<b>Profit before tax</b>	14.7	28.3
<b>Add back:</b>		
Depreciation	0.4	0.5
<b>Adjusted operating profit</b>	<b>15.1</b>	<b>28.8</b>