

PIB GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

PIB GROUP LIMITED

COMPANY INFORMATION

Directors

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D Winkett (Appointed 5 May 2023)

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PIB GROUP LIMITED

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PIB GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their Strategic Report, which incorporates the information required in the non-financial information statement and the s172(1) statement, of PIB Group Limited ('the Company') together with subsidiaries ('the Group') for the year ended 31 December 2022. In presenting this report the Directors have complied with Section 414C of the Companies ACT 2006.

This Strategic Report has been prepared for the entire Group and therefore gives greater emphasis to those matters which are significant to the Group and its subsidiary undertakings when viewed as a whole.

At a Glance

PIB Group is a diversified insurance distribution consolidator focusing on specialist commercial lines and non-standard personal lines products with expertise across both direct and business to business (B2B) distribution through its broking, underwriting and network divisions. Since inception in 2015 PIB has sought to differentiate itself from its peers through a highly selective programmatic approach to M&A and integration, consistently strong organic growth and a well invested, centralised operating platform, capable of extracting synergies across the organisation.

PIB was founded with the ambition to create the UK's leading independent diversified specialist insurance intermediary, and a business that can provide a genuinely credible alternative to the larger and more established intermediaries. The past few years have seen PIB evolve into becoming a pan European provisor with the capability of serving customers across multiple geographies. In doing so PIB has focussed on specialist businesses and teams in Europe complementary to PIB's Group offering. This increasing internationalisation of the Group helps to diversify its growth strategy into non-UK economies, leverage product expertise across several markets and build a long-term sustainable growth story for existing and future investors.

Key Strategic Priorities

2022 has seen PIB continue its journey and growth by remaining focused on its key strategic themes.

1. Attract, engage and develop our people

- Develop our employee proposition, including our agile working programme
- Enhance the capability and performance of our people through investment in our talent offering
- Enhance our colleague experience through a winning and inclusive culture
- Leverage all these things to continue to attract a broad array of talent from experienced market practitioners to those starting their career journey by joining our Apprenticeship Programme

2. Sustaining growth and retaining independence

- Remain focused on delivering market leading organic growth by retaining focus on specialist products and capabilities, and investing in people, technology and data
- Maintain our strong track record of delivering and converting a constant pipeline of acquisition opportunities across Europe. PIB acquires businesses outright i.e., no minority shareholders. Vendors are encouraged to invest in the Group, thus aligning their interest with those of the Group
- Continue to reap the rewards of business integration as a source of synergistic growth and deliver further solutions to our customers
- Continue to seek diversification across our products, distribution channels and geographic footprint
- Deliver a funding structure that is stable, scalable and competitive and supports all organic and inorganic growth initiatives
- Provide returns to investors that enable PIB to remain independent and privately financed

3. Leveraging data to support customer and drive growth

- Step up the investment in data science and analysis roles and capabilities
- Provide data-driven risk insights to customers across the Group
- Build on the initial successes of our AI and Robotics projects

PIB GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4. Ensuring Collaboration remains at the core of everything PIB does

- Leveraging best practice across the Group to drive increased customer service and offerings
- It enhances our customer proposition
- It maximises the potential of our Group-wide capabilities
- In conjunction with our insurance company partners it ensures PIB has bespoke propositions to support customers
- It helps sustain our culture and improves performance

The Business Model

PIB has adopted a business model which puts sustainable and profitable growth at its core. Although much of PIB's growth has been driven by the acquisition of high quality and specialist insurance distribution businesses the Group maintains a key focus on driving continued organic growth and strong cost generation across the Group. Over time PIB has focussed on additional capabilities, drive and sustain this above market organic growth. Elements of the business model core to this strategy include:

- Hiring high quality teams and individuals with a strong focus and track record of organic growth
- Adopting a flexible brand strategy where there is clear market recognition and association with specialist products. This includes a focus on acquiring businesses and teams that are 'famous for something'
- Quickly integrating core back office and risk functions to optimise front office productivity and maximise operating leverage
- Diversifying product and service capabilities across international geographies, market sectors and distribution channels
- Harmonising IT and systems infrastructure to maximise cyber security, support greater efficiencies, drive cross-selling and marketing opportunities
- Empowering local businesses to uphold the strength of customer relationships to maximise retention and quality of service
- Building mutually beneficial partnerships with key insurers that focus on product development for the benefit of its customers
- Utilising internal underwriting capabilities within the Group (MGAs and London Markets) to develop specialist products
- Putting 'Collaboration' (with itself, customers, carriers and stakeholders) at the core of everything PIB does

PIB's Businesses

PIB Group operates through six distinct divisions with each focused on complementary capabilities and distribution channels and which combine to create a diversified specialist insurance intermediary group of companies.

Division	Description
Specialty	The Specialty division comprises all Account Executive led commercial retail advisory businesses and assembles a collection of market leading firms offering a comprehensive range of niche insurance specialisms across a broad variety of industries, all trading under the PIB Insurance Brokers brand. It provides full-service insurance broking solutions to its corporate and SME customer base, focusing on complex specialisms and offers opportunities for cross-selling additional risk management services, products and services aimed at employees through PIB Employee Benefits.

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STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Schemes and Affinities	<p>The Schemes & Affinities ('S&A') division comprises the Group's direct, partnership and affinity businesses. This is typically higher volume lower premium business and comprises mainly commercial lines but also some non-standard personal lines. Products are distributed through a number of channels dependent on the specific niche. This can include direct (online) channels or through affinity partnerships (corporate or industry bodies). All S&A business is non-advised and written through delegated authorities. The division trades under a number of leading market brands. These include:</p> <ul style="list-style-type: none"> • Thistle Insurance (trading as Thistle and Guard), an online, affinity schemes and SME insurance with a focus on the leisure and lifestyle sectors (Cycle, Photo, Music, Pets), commercial and professional risks (property and tenants); • Fish Insurance, a provider of specialist insurance in the UK for people with pre-existing medical conditions, disabilities or mobility issues; • Morton Michel, the UK's leading childcare insurance specialist, offering a range of insurance policies for childminders and nannies as well as nurseries, pre-schools, out of school clubs and other groups connected with childcare; and, • Barbon, the UK's leading provider of credit referencing, specialist landlord and tenant insurance products that are predominantly distributed on a B2B basis via a large network of lettings agents through the Homelet, LetAlliance and Rent4Sure brands.
Underwriting	<p>The Underwriting division comprises the Group's Managing General Agencies ('MGAs') that specialises in contractors & engineers' risks, fleet, motor and taxi business, Warranty & Indemnity insurance, non-standard property and niche insurance products for charities, social enterprises and faith-based organisations. The UK MGA's all trade under one brand (Q Underwriting) and one common Terms of Business Agreement ('TOBA'), whereas the pan-European Warranty and Indemnity ('W&I') MGA continues to trade under the name of Acquinex across a number of countries (UK, Denmark, Germany, Poland and Spain). All business is placed directly with carriers through binders and delegated authority with this being managed by a Managing General Underwriter ('MGU') which retains responsibility for the product profitability & performance across both the Underwriting and S&A divisions.</p>
London Market	<p>The London Market division trades under the Citynet and Optis brands and operates as a B2B wholesale broker specialising in the placement of UK and Irish commercial risks with Lloyd's and non-Lloyd's London Market insurers. The proposition includes non-motor (liability) facilities to the Irish broker market, with a similar proposition in place for UK brokers along with a strong motor capability.</p>
Network	<p>The Network division trades under the name Cobra Network and is a membership club for directly authorised independent insurance intermediaries. The Cobra Network currently comprises approx..150 regional UK brokers, which vary in scale and proposition. It provides customised products, negotiated insurance facilities and other services to its members who in return benefit from increased buying power, enhanced business terms and support with business operations such as compliance, HR and training.</p>
International	<p>The International division comprises a number of businesses spread across Europe (Ireland, Germany, Spain, Poland and the Netherlands for 2022). Each of which are highly specialist businesses with long term growth potential, offer a regional consolidation opportunity to build scale in other countries much as PIB has already done in the UK or, a combination of both.</p> <p>In terms of business lines, the International Division is mainly comprised of retail brokers but also includes an expanding portfolio of re-insurance, wholesale and underwriting business lines.</p>

The Group also has a **Group Services** non-operating segment comprising Group and central functions that support the operating divisions and investor related activities. Since its inception PIB has been focused on the integration of businesses into Divisions and the centralisation of back-office functions into Group Services thus ensuring operational efficiency and scalability. The Group Services segment comprises finance, M&A, legal, risk and compliance, HR, IT, operations and non-divisional management (executive and non-executive).

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STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Integration as a Key Strategy

PIB places great emphasis on the integration of all acquired businesses, considering it a fundamental aspect of its strategy. By establishing a core infrastructure with shared systems and centralised functions, the Group consistently demonstrates long-term value. This approach also enables the development of a scalable platform that facilitates continued operating leverage, whilst targeting stronger governance and controls.

Following the acquisition of a business, the Group aims to assume central responsibility for critical middle and back-office functions. This strategic move allows revenue generators to concentrate on driving new business, as their time is freed up. By centralising these functions, the Group gains more control over costs plus visibility of its risks across the organisation. Furthermore, this approach results in increasing operational leverage, leading to improved efficiency and performance.

The Investors

PIB's major shareholders are funds managed, advised or controlled by Apax Partners ('Apax') and The Carlyle Group ('Carlyle') with management holding a minority position. At 31 December 2022 there were over 300 management shareholders. Apax took a controlling stake in March 2021 in a transaction which facilitated a continued relationship with Carlyle and PIB as a minority investor having backed PIB on its inception in 2015. Both Apax and Carlyle have significant investment experience in the insurance distribution market in both Europe and the US.

Apax Partners is a leading global Private Equity ('PE') advisory firm. Over its more than 40-year history, Apax Partners has raised and advised funds with aggregate commitments of more than \$60 billion. The Apax Funds invest in companies across four global sectors of Tech & Telco, Services, Healthcare and Consumer. These funds provide long-term equity financing to build and strengthen world-class companies.

The Carlyle Group is a global investment firm with deep industry expertise that deploys private capital across three business segments: Global Private Equity, Global Credit and Investment Solutions. With \$230 billion of assets under management as of September 30, 2020, Carlyle's purpose is to invest wisely and create value on behalf of its investors, portfolio companies and the communities in which they live and invest. Carlyle employs more than 1,800 people in 30 offices across six continents.

The over-arching benefit of having two major PE backers with proven expertise and track records in insurance distribution is that it permits an expansion programme that has continued from PIB's inception, delivering all aspects of the Group's strategic objectives in generating value and quality products and services ranges for PIB's customers.

Business Performance

Even against the backdrop of challenging macro-economic and geopolitical conditions and the cost-of-living pressures, the Group has delivered a 10% increase in Pro Forma organic revenue YOY, reaching £335m, with Pro Forma Adjusted EBITDA of £110m, up 6% from prior year. We continue to generate an adjusted EBITDA margin above 30%. As a diversified Group, this has been delivered through a number of exceptional performances alongside areas that performed well despite being more exposed to and impacted by economic headwinds, on a Pro Forma basis:

- Underwriting delivering over 29% growth despite a slight downturn in Q4 as macro-economic conditions tightened
- International growth continues at a pace with 23 entities joining the Group over 6 countries adding £77m in Pro Forma revenue in 2022 whilst not compromising on margin. The mix is such that the combined businesses in the Irish Division within International now represents the 4th largest division in the Group with approx. £39m in revenue
- Specialty as the largest revenue division in the Group has continued to deliver with over 8% growth
- Schemes & Affinities was slightly ahead YOY (4%), which was a positive outcome given this division was directly impacted by changes in customer buying habits within the economy and as a result, some partner schemes and affinity programmes being delayed
- Our London market division grew in the year, both organically and with the addition of Guest Krieger. YOY comparable growth was a blended 20% with all our London Market businesses delivering double digit growth

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STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

- The focus remains on diversifying across products and markets leveraging the strength of PIB's well-established UK platforms, alongside the significant momentum gained through the international expansion with its international sector now contributing over 20% of the Group's total income

Market Context

Overall, the insurance industry is witnessing notable market tailwinds. Key insights indicate the expansion of brokers' roles and offerings, as well as the emergence of embedded insurance in the commercial insurance sector.

From an organic perspective, the markets especially around direct to customer, landlord and related products will be challenged by significant headwind around cost-of-living pressures for at least the next 12 months.

Brokers are adapting and evolving their wholesale broking model to remain relevant in the industry. They are actively collaborating with captives, Managing General Agents (MGAs), and capital providers to access specialised expertise and offer tailored insurance solutions to customers.

Embedded insurance, a trend that has gained momentum, presents new opportunities. Corporate customers now seek easy and intuitive experiences, mirroring trends observed in the consumer market. Automotive firms are exploring insurance solutions for fleet management, opening avenues for integrated coverage and risk management services.

Acquisition opportunities across PIB's geographic base of the right quality continue to be identified representing how the strategic priorities and approach resonates with business owners, but most importantly our customers. The expanding international markets within the Group provide an increasing opportunity to cross-sell products developed in single markets. In 2022 the Group completed the acquisition of 23 separate business with the majority (17) headquartered in Continental Europe.

As PIB's international footprint expands, it is vital to navigate challenges such as consolidation, regulatory changes, and geopolitical events. The Group will be exposed to increasing regulation around the provision of services and potentially more onerous tax requirement.

The most significant regulatory changes within the Group relate to the UK. During 2022/3, the key regulatory developments applying to the UK intermediary sector concern:

- **Operational Resilience:** rules stipulating the need for a robust framework to ensure customer protection during business disruption events
- **General Insurance Pricing Practices ('GIPP'):** rules aimed at strengthening regulation of home and personal motor insurance pricing and promoting transparency
- **Product Governance:** rules requiring that products, that are made and distributed, meet the specific needs of the intended customers, offer fair value and deliver positive outcomes
- **Appointed Representatives ('ARs'):** rules clarifying and reinforcing the responsibilities and expectations of principals in overseeing of ARs and fulfilling reporting requirements
- **Consumer Duty:** rules that set higher and clearer standards of consumer protection across financial services, compelling firms to prioritise customers' needs deliver favourable outcomes for retail customers

Our businesses have or are implementing/embedding necessary changes to our policies, procedures, processes and systems and controls in accordance with the relevant regulatory requirement and deadlines.

As part of the Group's strategy to mitigate the impacts of Brexit, the Group adopted a sector common reverse branching approach. The Group has a number of UK branches of its EEA companies under the FCA's Temporary Permissions Regime ('TPR'), and these branches are currently pursuing full authorisation from the UK regulator. Additionally, the Group actively monitors and assesses any EU regulatory developments that could impact the Group's Brexit solutions.

Future Developments

The Group intends to continue with its strategy of both organic growth and growth by the acquisitions of businesses, teams and portfolios where suitable opportunities arise in both the UK and internationally.

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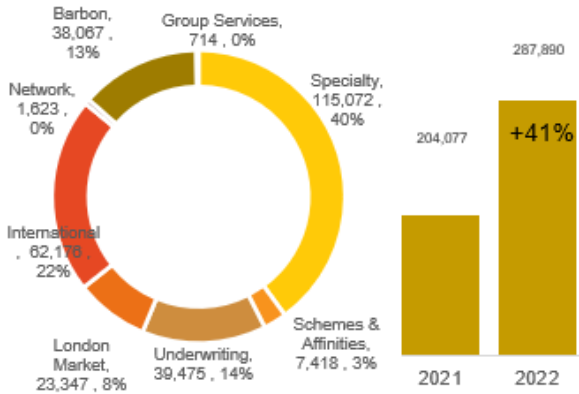
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

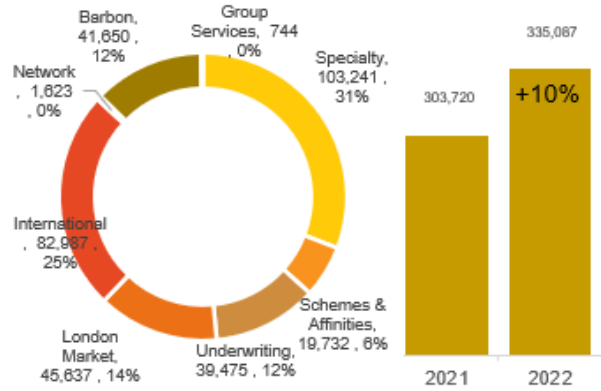
Financial Overview

Key Performance Indicators

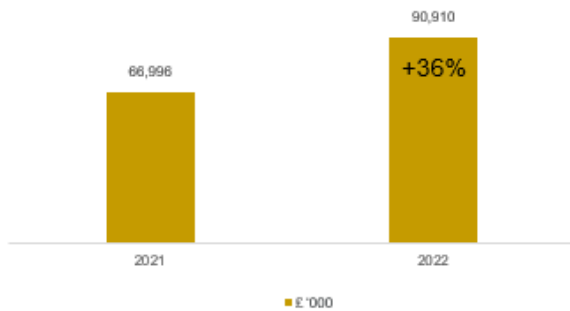
Net Revenue



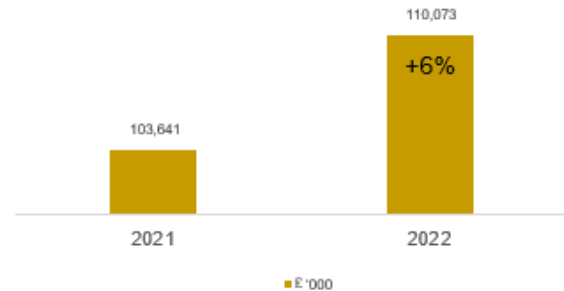
Proforma Revenue



ADJUSTED EBITDA



Proforma ADJUSTED EBITDA



Acquisitions Completed

2022: 23
2021: 8

Countries

2022: 7
2021: 6

Liquidity Available

2022: 257,188
2021: 264,498

Employees

2022: 2,411
2021: 1,750

Refer to the Glossary Section for further details on why KPI's are seen as important, how they are calculated and presented.

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FOR THE YEAR ENDED 31 DECEMBER 2022

Financial Highlights

In 2022, PIB continued to deliver growth in the UK and invested significantly in its workforce. Additionally, PIB made a significant drive in Europe, resulting in a considerable expansion of the Group's size and geographic footprint. This expansion involved acquiring more companies in 2022 than in any previous year, fundamentally changing the shape of the Group and presenting new opportunities and risks.

A key focus in 2022 was the implementation of the "hub" model across new countries. This model aims to centralise certain functions and operations, achieve cost synergies and improve efficiency and coordination within the Group.

- The Group's reported revenue increased 49%, reaching £345m (2021: £231m), while the Adjusted EBITDA saw a 36% rise to £91m (2021: £67m).
- In 2022 pro forma revenue reached £335m demonstrating a 10% organic YOY growth with pro forma adjusted EBITDA of £110m up 6% from prior year, post investment in central resources to help support international expansion.
- The focus remains on diversifying across products and markets leveraging the strength of PIB's well-established UK platforms, alongside the significant momentum gained through the international expansion with its international sector now contributing over 20% of the Group's total income.
- The Group has raised £175m of equity and £280m of additional acquisition credit facility from its existing and new investors since the beginning of 2022, to support its acquisitions strategy.

In addition to EBITDA, the Directors also look to utilise a performance measure whereby one-off, distortionary costs borne from transformation, while kept to a minimum, are removed. This allows comparability with peers on an on-going, consistent basis and is classified below as Adjusted EBITDA. The main areas of spend are considered by management to be material and specific to the Group's significant transformation initiatives are acquisition and restructuring costs, IT and infrastructure integration costs and costs associated with business line closure and alignment.

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STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The below helps reconcile the evolution of PIB's Adjusted EBITDA:

	2022	2021	
	£000	£000	% Uplift
IFRS Loss for the year	(73,913)	(37,584)	
Add back:			
Finance costs. interest receivable from Group undertakings, depreciation, amortisation, loss on disposal of fixed assets. share of profit of associated undertakings, other gains and losses and tax	120,126	82,167	
EBITDA	46,213	44,583	
Add back:			
Costs to acquire businesses	36,818	16,663	
Restructuring costs	3,106	2,302	
IT and infrastructure integration costs	4,773	3,958	
Covid-19 costs	-	(510)	
Adjusted EBITDA	90,910	66,996	36%

Refer to the definition of Adjusted EBITDA in the Glossary Section for details on key items in moving to adjusted EBITDA

Group Funding Capital management

PIB continues to innovate and expand its footprint, utilising fresh capital to fund a pipeline of value enhancing growth opportunities into new markets.

The Group is focused on ensuring its capital structure is optimised to support its continued expansion through acquisitions while managing financial risk.

To enhance oversight and context of financial risks for the Group, PIB has implemented a Treasury Management Policy outlining how the treasury function manages and monitors financial risks. This ensures that capital management activities are carried out within an agreed risk management appetite and the expectations of the Board.

PIB manages its capital structures to comply with restriction and obligations set out in its Senior Financing Agreement ('SFA'), minimizing risks via cash flow modelling and ongoing monitoring. The Group proactively monitors the KPI's relevant to mitigate risks and comply with the SFA.

In December 2022, PIB has received an additional investment totalling £175m from Apax partners and The Carlyle Group, to provide fresh capital for its pipeline of value-enhancing acquisitions.

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STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Debt analysis

PIB endeavours to maintain an appropriate debt level that aligns with its target gross and net leverage, interest cover desired debt maturity profile and supports a sustainable capital structure. The Group's current debt position is summarized in the table below, which includes central debt facilities controlled through a super senior facility and a revolving credit facility. Repayment dates are also noted in the table below:

Facility	Facility Size £000	Drawn £000	Unutilised £000	Repayable Date
B	482,000	482,000	-	17/03/2028
B2	122,666	122,666	-	17/03/2028
ACF	150,000	129,368	20,632	17/03/2028
ACF2	280,000	226,917	53,083	17/03/2028
Revolving Credit	50,000	18,078	31,922	17/09/2027
Totals	1,084,666	979,033	105,637	

During 2022, no additional committed acquisition facilities were raised during the course of the financial year 2022, meaning the Group's maximum total potential borrowings on a converted GBP basis at the year end was £1,085m. The Group has subsequently raised an additional acquisition facility in March-23, totalling £280m and upsized its revolving credit facility to £95m.

Risk Management

As a UK and pan-European company, PIB Group faces a range of risks which have the potential to adversely impact the achievement of PIB's strategy, outcomes for its customers and reputation. Managed effectively, these risks may provide opportunities under the right conditions.

Managing risk for the benefit of customers, employees and investors

PIB considers intelligent risk taking as vital to facilitate growth and the continued success of the business. It helps us to maximise the positive impact that the business can have on society and communities whilst managing the downside risk. The management of risk is seen as one of the key enablers for PIB delivering its strategy, sustainable performance and positive outcomes and value for its customers, employees and investors. Robust risk management aids PIB to:

- protect its margin, assets and reputation and ensure the Group is not materially impacted by events that could have been reasonably foreseen;
- ensure PIB is resilient, sustainable and there for its customers;
- comply with applicable laws and regulation; and
- enhance customers, regulators, business partners, suppliers and shareholders confidence in the Group.

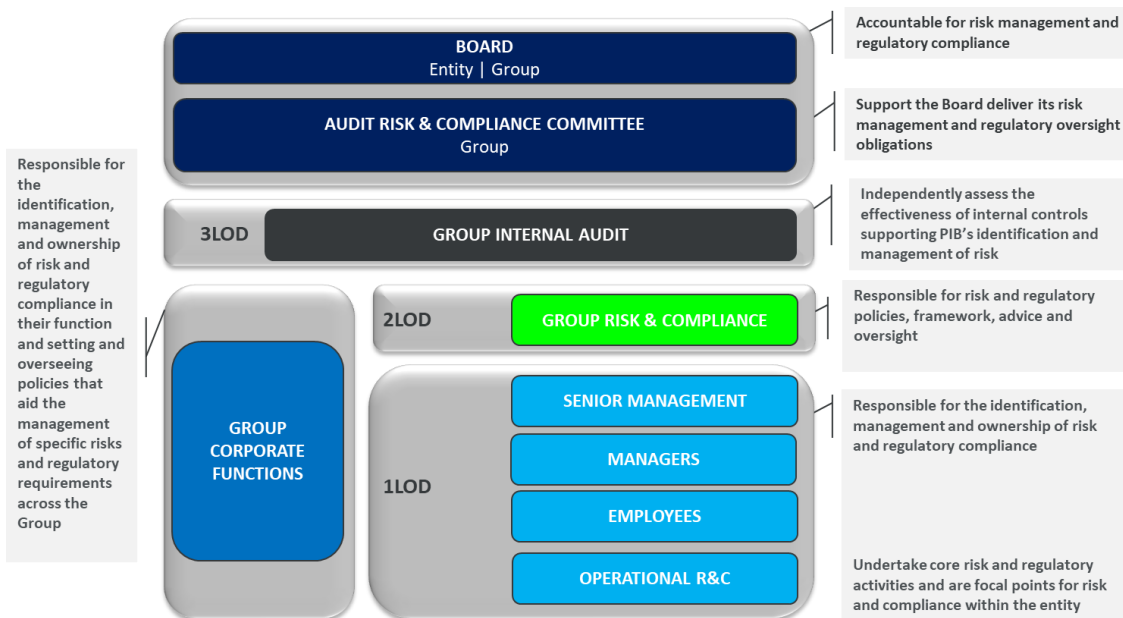
PIB GROUP LIMITED

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Approach to governing risk

PIB operates a 3 Lines of Defence ('3LoD') model as part of its overarching governance arrangements, as summarised in the diagram below:



The Group Audit Risk & Compliance Committee ('ARCC') is the principal oversight body for risk management and it is chaired by an independent non-executive Director.

The Group's application of the 3LoD is regularly reviewed to ensure it remains appropriate and effective as the organisation grows and develops. The 3LoD helps ensure clarity in relation to accountability and the ownership of risk across the organisation and sufficient focus on risk management.

Approach to managing risk

PIB operates an Enterprise Risk Management Framework ('ERMF'). The framework aids the business to identify, assess, evaluate, treat, monitor, report and manage risks within its risk appetite. This has been developed in reference to internationally recognised standards (including ISO 31000) and industry good practice. The framework covers a core set of risks inherent to an insurance broker as well as providing the categorisation and mechanics to identify specific risks that are unique to a particular set of circumstances or area of the organisation. PIB adopts a 'top down' and 'bottom up' approach to identifying and managing risk and assessing risk on a financial and non-financial residual basis. The Group's risk profiles are used to derive the principal risks for the Group. This framework is periodically reviewed to check its effectiveness and relevance to business shape and the environment within which it trades.

The Group Board/ARCC have visibility of the key risks which threaten the achievement of PIB's objectives, and there is clear executive management ownership. Risk owners are responsible for monitoring the profile of the risk and controls and ensuring suitable mitigating action plans are put in place and delivered.

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STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Risk culture

PIB puts its customers first. This means treating customers fairly and honestly and complying with all relevant laws and regulations. PIB has a highly collaborative, open and transparent culture. One of PIB's 7 key behaviours that the Group sets out in its Code of Conduct for all colleagues, is 'Operating with skill and care'. This means, for example:

- the Group adheres to its policies and procedures which set out standards, and approach to how it do business.
- PIB understand the risks it faces and takes risks within the appetite of the Group, in an intelligent, disciplined and prudent way.
- PIB seeks to escalate risks and issues to management quickly, even if it's bad news.
- the Group take responsibility for fixing things when they go wrong, understand why they went wrong, change things to prevent it from happening again and share what lessons have been learned with colleagues so they understand too.

Another one of PIB's 7 key behaviours is 'Speaking out when things aren't right.' PIB actively encourage an open and supportive culture within which to raise concerns and have whistleblowing arrangements covering all the Group. PIB continually seeks to be a 'risk smart' Group; in practice this means that risk management is an embedded element of PIB and a part of the way PIB makes key decisions, take risk, and run business.

Principal risks

The Group faces a broad range of risks and uncertainties. The Group's principal risks and uncertainties are summarised in this section.

Risk	Nature of risk	Mitigation
Strategic Risks		
1. Economic Conditions	Greater levels of economic activity typically drive greater demand for its products and services. There is a risk that economic global and regional instability and/or a deteriorating economic landscape reduces customer demand.	<ul style="list-style-type: none"> ✓ Diversified business operations and specialisms across a broad range of territories and industry sectors. ✓ A number of classes of insurance are mandatory by law. ✓ Well-funded balance sheet and cash generation. ✓ Monthly and quarterly business oversight and MI.
2. Insurance Market Conditions	PIB derive most of its income from commissions and fees for broking and underwriting services. Commissions are typically based on insurance premiums and may vary significantly depending on market conditions whereby it may see declines in premiums which reduces its income.	<ul style="list-style-type: none"> ✓ Diversified business operations and specialisms across a broad range of territories and industry sectors. ✓ Diversified range of insurance carriers including the companies markets and the Lloyds market. ✓ Monthly and quarterly business oversight and MI.
3. Strategy & Change Management	<p>There are risks to the Group's strategy arising from changes in the external environment, such as markets, customer behaviour and political developments.</p> <p>There is a risk that PIB fails to execute IT, business, operational and integration change effectively, and that the resources available fail to match the change load and timing of change.</p>	<ul style="list-style-type: none"> ✓ Annual strategy and business planning process delivered by the Group Executive and overseen and approved by the Board. ✓ Management by the Group Executive and oversight of the key risks undertaken by the Group Audit, Risk and Compliance Committee. ✓ Dedicated Group Change function. ✓ Programme and project management. ✓ Oversight delivered by Group Change Committee. ✓ Acquisition due diligence and risk assessment processes. ✓ Integration 'play-book' and process, overseen by the Group Entity Rationalisation and Integration Committee.

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STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Risk	Nature of risk	Mitigation
4. ESG	<p>PIB is committed to:</p> <ul style="list-style-type: none"> helping to reduce its impact on the environment and support customers with their transition to a low carbon economy; being a socially responsible Group; and having strong governance and operating with a strong moral compass. <p>There is a risk that PIB doesn't adapt its business model, meet existing/emerging appropriate legal and/or regulatory requirements and meet key stakeholder ESG expectations.</p>	<ul style="list-style-type: none"> ✓ ESG Policy and ESG Committee. ✓ Climate change risk assessment. ✓ Waste and emissions reductions programme. ✓ Supplier selection incorporating ESG criteria. ✓ Colleague wellbeing & engagement. ✓ Diversity & inclusion. ✓ Volunteering. ✓ PIB Community Trust. ✓ Governance Framework, Boards & Committees.
5. M&A	<p>PIB focuses on both organic and inorganic growth; as a specialist insurance intermediary consolidator, there is a risk that PIB will not be able to acquire businesses on the right terms to deliver growth and profit targets.</p>	<ul style="list-style-type: none"> ✓ Dedicated M&A team. ✓ M&A targets in a broad range of territories and industry sectors. ✓ M&A governance and monitoring. ✓ Prospect and pipeline management. ✓ Panel of external advisors.
Operational Risks		
6. Business Interruption & IT Resilience	<p>PIB operates in offices across the UK and Europe. There is a risk that a loss of premises, systems, people or suppliers could materially impact customer service and ability to deliver key obligations.</p> <p>PIB operations are reliant on the ability to process its transactions on behalf of their customers. Risks arise from non-performance or failure of IT, whether in-house or from an outsourcing provider/IT supplier, malicious act and/or cyber-crime, and internal operational issues.</p>	<ul style="list-style-type: none"> ✓ Detailed Operational Resilience and Business Continuity Framework. ✓ Business Continuity Plans and teams regularly reviewed and tested. ✓ Group IT Steering Committee. ✓ Outsourcing Policy & governance. ✓ Contracts and service level agreements and in place with all outsourcing providers or IT suppliers. ✓ Dedicated Information Security team, framework and controls. ✓ Monitoring of compliance with Group IT security policy and service level agreements. ✓ Disaster Recovery Plans regularly reviewed and tested.
7. Information Security & Privacy	<p>PIB hold and retain confidential data in the normal course of business. There is risk of deliberate or accidental unauthorised disclosure, modification, loss, (theft/corruption/destruction) of information or privacy breach.</p>	<ul style="list-style-type: none"> ✓ Dedicated Information Security and Data Protection team. ✓ Information Security and Privacy Policies and standards and all staff training. ✓ Risk-based monitoring and reviews performed by Group Information Security. ✓ IT platform security - Data Loss Prevention tools and processes, firewall, identity and access management, network access controls, network and security event monitoring, penetration testing, and server maintenance. ✓ Mobile device encryption; restrictions on USB devices and access to personal email.

PIB GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Risk	Nature of risk	Mitigation
8. Errors & Omissions ('E&O')	Insurance brokers run a risk of incurring a loss if the operating procedures across the businesses in relation to market security, placement and claims are not complied with or alleged negligence/breach of contract in the provision of services/advice occurs.	<ul style="list-style-type: none"> ✓ Operating procedures. ✓ E&O prevention training. ✓ Quality Assurance (QA). ✓ 2LoD Assurance programme. ✓ Professional indemnity insurance programme. ✓ Market Security Policy, processes, monitoring and oversight by the Group Insurer Security Committee. ✓ Due-diligence and post-acquisition review. ✓ Recruitment, vetting and training and competency management. ✓ Continued professional development.
9. Litigation	<p>Litigation risk can arise from disputes or claims arising from a number of sources such as:</p> <ul style="list-style-type: none"> • breach of employment law; • tortious liability arising from the recruitment of individuals; and • M&A litigation (e.g., breach of Sale & Purchase Agreement). 	<ul style="list-style-type: none"> ✓ HR policies and procedures. ✓ Recruitment processes. ✓ Dedicated M&A team. ✓ Dedicated legal team supported by external partners.
10. Financial Crime	Financial crime risk in PIB covers bribery and corruption (including gifts and hospitality), sanctions, fraud, tax evasion and money laundering.	<ul style="list-style-type: none"> ✓ Financial crime specialism within Group Risk & Compliance. ✓ Financial crime policies and procedures. ✓ Code of Conduct and Whistleblowing Policy ✓ Financial crime training. ✓ Customers and third-party due diligence. ✓ Sanctions screening. ✓ Segregation of duties. ✓ Payment controls. ✓ 2LoD Assurance programme.
11. Regulatory	PIB operates within a changing regulated financial services environment, which needs to be monitored and actively managed. There is a risk that PIB may fail to take into consideration, implement or adhere to regulatory requirements leading to legal and/or regulatory breach.	<ul style="list-style-type: none"> ✓ Dedicated 1LoD and 2LoD Risk & Compliance functions. ✓ Group Risk & Compliance frameworks, policies, tools and training. ✓ 2LoD oversight and Assurance programme. ✓ QA. ✓ Group ARCC oversight.
12. Capacity	PIB is reliant on capacity providers for its underwriting and delegated authority operations.	<ul style="list-style-type: none"> ✓ Monitoring and management of underwriting performance. ✓ Proactive management of relationships with key capacity providers.
13. People	PIB is a people business and a key asset is its employees. There is a risk that PIB may not be able to attract and retain the right number of people with the right skills and conduct/attitudes at the right time and in the right places to deliver the business plans.	<ul style="list-style-type: none"> ✓ Distinctive entrepreneurial, collaborative, open and people orientated culture. ✓ Dedicated Recruitment and Learning & Development functions. ✓ Performance management. ✓ Annual remuneration review. ✓ Remuneration Committee. ✓ Training & development programmes. ✓ Succession planning.

PIB GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Risk	Nature of risk	Mitigation
Financial Risks		
14. Capital	There is a risk that PIB may fail to meet regulatory or other requirements in terms of the quantity or quality of capital available.	<ul style="list-style-type: none"> ✓ Compliance with regulatory minimum capital requirements and regular Board reporting and review. ✓ Cash held in a ringfenced segregated bank account for PIB UK regulated companies (COND 2.4). ✓ Maintenance of adequate credit facilities.
15. Liquidity	PIB is dependent on cash flows from its trading operations, which in turn are reliant on the commissions earned in its subsidiaries. The Group is therefore exposed to economic and market conditions. There is a risk that cash flows and borrowing facilities are insufficient to meet operational, financial and regulatory commitments.	<ul style="list-style-type: none"> ✓ Focus on niche profitable lines which are less subject to the cyclical nature of the wider market and by having a diversified portfolio of businesses. ✓ Multiple banking facilities. ✓ Mixture of long-term and short-term debt finance. ✓ Cash flow forecasting and monitoring. ✓ Continuous monitoring of funding position.
16. Foreign Exchange ('FX') and Interest Rate	<p>There is a risk of volatility of earnings and cash flows arising from exposure to movements in foreign currency exchange rates. PIB has FX exposures to:</p> <ul style="list-style-type: none"> • risks arising from the need to convert currencies into GBP for reporting purposes; and • risks arising from revenues and costs being denominated in different currencies. <p>PIB have an exposure to interest rate rises in relation to its long-term funding and its revolving credit facility.</p>	<ul style="list-style-type: none"> ✓ Hedging programme. ✓ Interest rate swap derivatives. ✓ Financial reporting and monitoring.

Tax risk

Tax risk management is supported by a dedicated team that controls and monitors the Group's tax positions and works in collaboration with global tax advisors to manage the Group's overall tax position effectively. As the Group expands its operations, it continues to use expert tax advice on both Group structures and individual acquisitions within the overall organisational framework. This proactive approach to tax risk management helps the Group maintain compliance and minimise potential tax-related uncertainties like cash tax and withholding tax across its expanding operations.

PIB GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Responsible Business

PIB has considerable activity on how it maintains good corporate governance, whilst improving environmental and social responsibilities. Through periodic reviews and updates, PIB diligently refine its policies, including those addressing conduct risk and treating customers fairly.

PIB understands the urgent need to prioritise sustainability in today's world. With a steadfast commitment to making a positive environmental impact, the Group has implemented a comprehensive continual improvement plan. This plan focusses on reducing its carbon footprint per employee, utilising recognised measures and tools to provide evidence of its progress to help achieve its goals.

In addition to the environmental efforts, PIB recognises the critical important of social responsibility and fostering a diverse and inclusive workplace. PIB proactively monitor and set targets to narrow the gender pay gap within the organisation while actively promoting diversity at all levels. Moreover, the Group firmly believe that its success is intricately tied to the well-being of its employees and actively supports and works on enhancing the overall welfare of its workforce.

PIB is proud of its track record commitment to serving and supporting the communities and continues to foster a strong relationship with local and national charities through the PIB Community trust. By investing in and uplifting these communities, PIB strive to make a meaningful difference in the lives of those it has the privilege to serve.

Together, the Group is forging a path towards a brighter, more sustainable future, driven by its belief in responsible business practices and the power of collective action.

PIB GROUP LIMITED

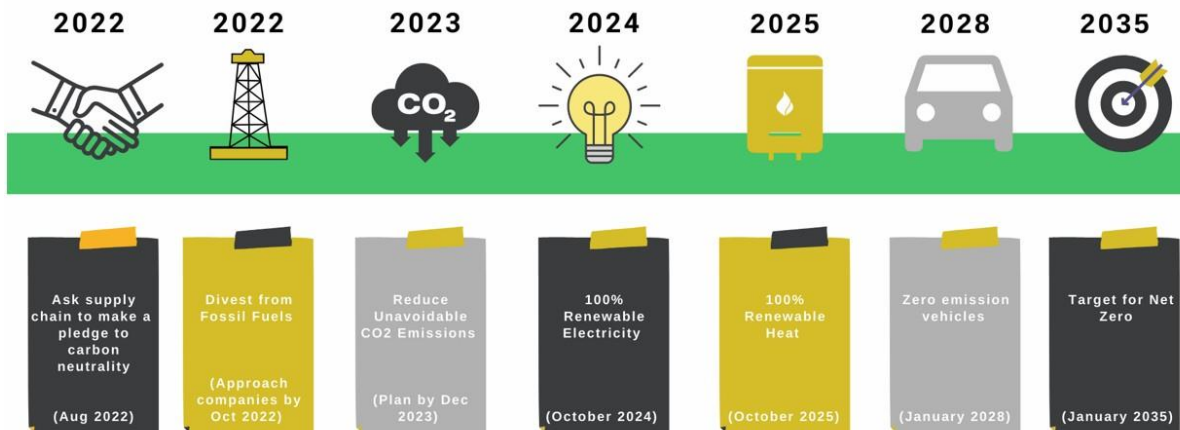
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Environmental Matters

The PIB ESG Committee continues to develop a comprehensive environmental plan that includes reducing its carbon footprint. PIB has a Group Environmental Policy and has created a working group that has developed solutions around recycling, LED lighting in offices, eco-friendly cleaning products and EV charging points.

The Group has a defined environmental strategy that targets carbon net zero by 2035. This will be achieved progressively up until that point (see diagram).



It is the aim of PIB Group Executive to aim to not be 'Net Neutral' but aim to be 'Net Zero' carbon emissions. This by default excludes offsetting, and puts PIB at the forefront of true environmental initiatives.

As part of the Group's strategy, it complies with ESOS reporting and has a clear view of its Tier 1 emissions and are now developing a clear view of Tier 2 and 3 which includes:

- Working with suppliers to ensure that they meet the goals of reducing carbon emissions (this is part of the Request for Proposal ('RFP' process)
- Develop a culture and behaviour of PIB employees to reduce carbon emissions both at and outside of PIB
- Working with customers to support their ESG agendas

Not only is PIB actively measuring and proactively reducing its emissions, the Group has significant communications with employees (including a section in the onboarding welcome pack) but also with its customers and investors. Additionally, PIB also offer a service to its customers (presently through a third Party called Auditel) to support them through their environmental measurement requirement and initiatives.

Climate change

Climate change continues to pose one of the greatest global challenges, affecting countries, governments, and organisations worldwide and represents both a short-term acute and longer-term macro-level risk. PIB acknowledges its responsibility and the significant role it must play in reducing its environmental impact and addressing the underlying causes of climate change. This commitment is outlined in PIB's Code of Conduct, Environment Policy, and broader ESG Policy. Furthermore, PIB recognises the need to assess and respond to the risks posed by climate change to safeguard the interests of investors, employees, customers, and the Group's assets and reputation.

PIB has embraced a pragmatic and targeted approach to Climate Change risk management that focuses on factors within its control. This encompasses potential adverse outcomes stemming from climate-related events and the failure to adapt or transition to a lower carbon economy, ensuring compliance with relevant legal and regulatory requirements.

PIB GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Climate change risk is considered through the Group's Risk Management Framework, forms part of the Group's Risk Profile and is reviewed on a quarterly basis, or more frequently if significant developments occur. Refer to the principle risk section on pages 11-14 for more information on ESG as a principle risk.

PIB has assessed its overarching climate change risk, as well as the specific climate-related risks that affect its business operations. Considering factors such as the nature, scale, complexity, and make-up of the business, along with mitigation measures in place, we have considered the potential residual impact on the Group as being low and aligns with the Group's risk appetite. Furthermore, the assessment notes there is no material impact on the financial statements that necessitate a reassessment of management's judgements and estimates or the disclosure requirements.

Notwithstanding the increased challenges from climate change, PIB has identified various opportunities within its business model and strategy, including the potential for reduced operating costs through waste reduction and lower energy consumption in the medium to long term. Moreover, the increasing investment in renewable energy technologies creates a growing demand for renewable energy insurance and products, in which PIB already possesses expertise in certain specialisms. Additionally, emerging technologies like electric and hydrogen cars and rail present new product and service opportunities for PIB.

Streamlined energy and carbon reporting

The tables below set out GHG Emissions and Energy Use Data in the UK for the year ending 31 December 2022.

Type of emission	Activity	2022			2021		
		kWh ('000)	tCO2e	% of total	kWh ('000)	tCO2e	% of total
Scope 1	Natural gas	1,087	198	17%	1,355	248	25%
	Vehicle fleet	599	138	12%	433	107	11%
	Sub-total	1,686	336	29%	1,788	355	36%
Scope 2	Electricity	1,656	320	28%	1,625	345	34%
	Electricity EVs	14	3	-	6	1	-
	Sub-total	1,670	323	28%	1,631	346	34%
Scope 3	Grey fleet	2,119	491	43%	1,214	299	30%
	Hire car	-	-	-	3	1	-
	Sub-total	2,119	491	43%	1,217	299	30%
Total gross consumption and emissions		5,475	1,150	100%	4,636	1,001	100%
Metric used:							
Number of FTEs			2,118			1,668	
Intensity ratio:							
tonnes of CO2e per Number of FTEs			0.54			0.60	

The key features of PIB's performance in the year has seen a significant reduction in the use of gas and electricity per capita and per building throughout the year. Whilst the return to increased Grey fleet travel post the distortion created by Covid-19 is starting to return, PIB Group has delivered over a 10% reduction year on year in terms of CO2e per FTE.

The reduction of emissions per FTE is due to various factors, including the introduction of LED lighting during office refits and upgrades, upgrades to heating facilities in multiple offices and mostly the increase in the total number of employees to 2,411 from 1,750 with the majority of these additional employees being deployed in existing premises. It is important to note that the report pertains specifically to the UK operations with plans to expand reporting to other countries in the future.

PIB GROUP LIMITED

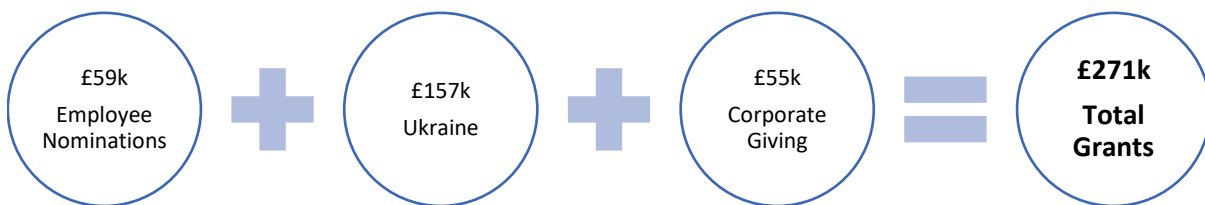
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Social Matters

The PIB Community Trust (“The Trust”) was set up following a commitment by the PIB Board to contribute a share of revenues to charitable causes. Whilst established as a fund rather than a formally constituted charity, it operates at arm’s length from the business under a Board of trustees, assisted by a team of employee volunteers, and with support from the Charities Aid Foundation. The Trust’s first year of operation in 2021 has helped embed charitable giving as a core part of PIB’s approach to community engagement as reflected in its Code of Conduct: Doing the Right Thing.

In 2022, the Group Community Trust increased its charitable giving and expanded its grants to various international causes. Ukraine became the focus area for grants, supporting initiatives identified by Polish colleagues to aid refugees and victims of the Russian invasion. The Trust received contributions from colleagues, investors, and business partners in response to the Ukraine Appeal and with PIB Group contributing 0.1% of its budgeted revenue to the Ukraine Appeal. The total grants for the year amounted to £271k, distributed across employee nominations, Ukraine relief efforts, and corporate giving. The Trust operates independently from the Group but aligns with its ESG approach, supporting volunteering and charitable initiatives introduced in 2022.



The Trust continues to operate at arm’s length from PIB Group, though not as a registered charity. Charitable objectives remain to provide grants:

- In support of colleagues’ own charitable endeavours.
- To charities and charitable causes nominated by colleagues.
- In support of charitable initiatives undertaken by its customers and business partners.
- To charities and charitable causes in the communities in which the Group operates.
- To charitable causes related to the insurance industry.
- As otherwise determined by the Trustee.

The Trust plays a significant role in the Group’s ESG approach and supports both the “volunteering” and “give as you earn” schemes launched during 2022.

PIB GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Other Matters

Human rights

As a service-based insurance broking and employee benefits business PIB believes the risk of modern slavery and/or human trafficking in its business and supply chain is low. PIB respect and uphold the human rights and principles and has a zero tolerance for modern slavery and human trafficking in its organisation and supply chain. The Group's supply chains include providers of professional services.

Furthermore, when it comes to employing individuals directly within the Group, PIB consistently makes efforts to guarantee a safe and secure working environment for all employees. This commitment extends to areas with higher instances of improper compensation and working conditions, where the Group has operations.

Anti-corruption and anti-bribery matters

The Group is committed to conducting its business in an ethical, honest and transparent manner. Bribery and corruption are not consistent with PIBs values and present significant risks to its business. The Group has a zero tolerance approach towards bribery and corruption, and is committed to the prevention, deterrence and detection of bribery, corruption and related offences.

PIB has a whistleblowing policy and dedicated hotline. This provides an alternative channel for those colleagues who might feel unable to report wrongdoing, or suspicions of wrongdoing, through their normal line management channels. The hotline allows employees to report issues or concerns online or by phone with complete confidence and without fear of dismissal or retaliation.

Customers and suppliers

One of the key tenants of the Group is its ability to leverage economies of scale and drive collaboration between Group companies to deliver integrated solutions for its customers. This collaborative approach extends to providing commercial customers with expert advice on insurance, employee benefits, and risk management. Additionally, PIB offers third-party brokers access to its wholesale broking and MGA expertise.

In line with the Group's commitment to transparency, PIB closely monitors its suppliers, evaluating the value of their offerings from both financial and market development perspectives. PIB consistently benchmark product suppliers to ensure they actively work with us to maximise customer and shareholder value.

To maintain the integrity of the broker network, PIB has a thorough vetting process for new brokers, and sanctions are carefully considered in alignment with compliance policies. In line with good practice, PIB also exercise a range of vetting of customers, including international sanction monitoring.

People

People are at the heart of PIB's focus on specialist customer solutions. The ongoing prosperity of the Group hinges on its employees and its ability to attract, motivate, develop, and retain top-notch talent. PIB strives to foster an environment that enables individuals to thrive, while also ensuring PIB's collective values and guide its conduct to achieve its objectives in an ethical manner.

To fulfil these objectives, regular engagement with its employees is of utmost importance. PIB's independent non-executive Directors actively visit offices and listen to the perspectives of the workforce. Furthermore, senior managers lead working groups aimed at supporting operational resilience and promoting the wellbeing of colleagues. To attract the most exceptional talent to the Group, a dedicated team of internal recruiters use a diverse range of channels, targeting individuals ranging from industry newcomers to seasoned professionals, technical experts, managers, and leaders. PIB recruitment practices continually adapt to reflect market conditions, cost considerations, and most importantly, PIB's ambitious growth plans, with staff retention and well-being as primary focus in its business continuity strategy.

PIB GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Group's Equality At Work Policy is designed to ensure fairness and equality in its work environment, prohibiting discrimination on any grounds, including age, disability, ethnic origin, gender, gender reassignment, marital status and civil partnership, nationality, pregnancy and maternity, race, religion and belief, and sexual orientation.

PIB aspires to be a learning organisation, and as such, has established key pillars that underpin growth and operational plans. These pillars encompass management and leadership, technical expertise, sales and growth, and a focus on "growing our own" through the apprenticeship scheme.

Engaged Employees

PIB fosters an open and transparent culture, where everyone's voice is valued in shaping the direction of the Group and contributing to a great workplace culture. Throughout the year, PIB provides various channels and forums for this purpose, including focus groups and an online suggestion box. The annual engagement survey serves as a crucial tool for the executive team, offering valuable insights into the sentiments and perspectives of PIB's people. This enables the Group to identify areas of achievement and areas that warrant improvement.

In 2022, the Group conducted its sixth annual survey, with a commendable 76% participation rate among colleagues. The consistently high scores, with an overall favourable score of 74%, reflect the alignment of individuals' views with the survey questions. The survey highlighted several key strengths, including the supportive nature of line managers, the ability of individuals to authentically express themselves at work and a shared commitment to PIB's long term success.

PIB strategically leverages a diverse range of bonus and incentive schemes across the Group to drive performance.

Health and Safety

The Group prioritise the health and safety of its employees, customers and stakeholders. PIB's commitment to the health and safety regulations is ingrained in its company policy, which is designed to ensure a safe working environment across all operations. PIB policy includes robust risk assessments, proactive safety measures and regular training and communication, and a culture of accountability. By prioritising health and safety, the Group aims to create a secure and productive workplace, foster trust with its customers and stakeholders and comply with the highest standards of governance set forth by the regulatory bodies.

PIB GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Spotlight on Learning and Development

PIB recognises the benefits and importance of continuous learning and development (“L&D”) and believe it is essential for its employees to not only achieve the Group’s long-term growth plans, but also their individual goals. PIB is committed to providing employees with opportunities to enhance their competence and advance their careers through its robust L&D framework.

The PIB L&D framework is built on key principles:

- **Motivating and Engaging Our People:** PIB believes in offering learning opportunities to keep its employees motivated and engaged, enabling them to achieve their individual goals and contribute to its long-term growth plans.
- **Attracting and Retaining Talent:** PIB offers development opportunities at every career stage, attracting and retaining talented individuals who are driven to grow and succeed with us.
- **Cultivating a Culture of Continuous Learning:** PIB fosters a culture of continuous learning and improvement, focussing on delivering excellent customer advice and service through ongoing professional development.
- **Alignment with Business Goals:** PIB L&D activities are closely aligned with PIB’s business plan, ensuring employees possess the skills necessary to drive growth and achieve its strategic objectives.

PIB’s L&D efforts primarily focus on:

- Developing its people’s niche and specialist knowledge and expertise.
- Building skills which provide customer excellence and a customer centric approach.
- Driving growth through technical and sales capability.
- Collaboration across business specialisms, capabilities, and networks.
- Commitment to Training & Competence regulatory requirements.

PIB is proud to announce the launch of its inaugural formal Apprenticeship Programme, which reflects PIB’s commitment to nurturing and “growing our own talent”. This programme not only creates a strong talent pipeline for the future, but also aligns PIB’s ambitions growth objectives. The Group firmly believes that apprenticeships play a vital role in shaping the organisation, while also demonstrating its dedication to supporting society and the local communities in which PIB operates. As of January, the Group is thrilled to have 35 employees currently enrolled in apprenticeships programmes, all funded through the PIB Group Levy.

PIB GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Disability, Diversity and Inclusion

The Group is committed to being an equal opportunity employer, making decisions based on individual abilities without discrimination related to race, religion, gender, age, sexual orientation, or disability. In line with government policies, PIB has published its gender pay gap report for 2022. The gender pay gap report for 2022 showcased the progress made over the past 12 months and outlines PIB's continued dedication to closing the gender pay gap. The Group is busy developing a broader diversity and equality policy and strategy to complement other people policies. Due to the dynamic and evolving nature of PIB structure, the diversity and gender pay gap is likely to fluctuate. However, PIB recognise the long-term commitment required to address this gap and take pride in its accomplishments thus far.

	Male						Female						Total		
	Number			%			Number			%			Number		
	2022	2021	Δ	2022	2021	Δ	2022	2021	Δ	2022	2021	Δ	2022	2021	Δ
Directors	4	4	0	100%	100%	0%	0	0	0	0%	0%	0%	4	4	0
Senior Managers	75	38	37	72%	67%	5%	29	19	10	28%	33%	-5%	104	57	47
All others	1,100	801	299	48%	47%	1%	1,203	888	315	52%	53%	-1%	2,303	1,689	614
Total	1,179	843	336	49%	48%	1%	1,232	907	325	51%	52%	-1%	2,411	1,750	661

The above table is that of UK only and an international gender pay gap report is being developed in 2023.

Governance

The Board

The PIB Group Board is composed of the following individuals.

Brendan McManus, CEO of PIB Group

Brendan has extensive experience in the insurance sector, and prior to founding PIB in 2015 he had a number of senior roles, including Managing Director of Commercial for RSA, CEO of Willis Ltd, CEO of Willis UK and CEO of Giles Insurance Brokers. Brendan has also been Honorary Vice President of the CII, Deputy Chairman of BIBA, and past Chair of the Distribution Committee of the ABI.

Ryan Brown, Deputy CEO of PIB Group

Prior to teaming up with Brendan to help found PIB, Ryan spent most of his time in investment banking with a specialised focus on the insurance sector. He served as Executive Vice President and Head of European Investment Banking at Keefe Bruyette & Woods and as Managing Director of Fox-Pitt, Kelton. Immediately prior to joining PIB he spent a couple of years with the Towergate Group, as both Group M&A Director and Finance Director of Towergate Underwriting.

David Winkett, CFO of PIB Group

David joined PIB in October 2022 but was formally appointed CFO and Board member of PIB Group on 5th May 2023. David's career spans over 30 years in the international non-life and Lloyd's (re)insurance sector. After 10 years at Coopers & Lybrand/PwC, David spent 20 years at QBE in a number of senior positions primarily as CFO in the UK and Europe, as well as other international locations.

Andrew Waidhofer, a Principal in the Services team of Apax Partners

Andrew has been a non-executive Director of PIB since March 2021. Andrew operates in the Financial and Business Services subsector within Apax, with strong experience in the insurance sector more broadly, where Andrew also sits as a Board member of GamaLife (European life insurance consolidator). Andrew also currently sits on the Board of Toitoti Dixi and EcoOnline. He also helped lead Apax Funds' investments in Azelis, Safetykleen and Alcumus. Andrew joined Apax in 2014 and was previously an Associate in HSBC's Financial Sponsors Group. He also serves as a trustee of Breaking Barriers.

PIB GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Forrest Wilkinson, a Principal in the Services team of Apax Partners

Forrest has been a non-executive Director since March 2021. Forrest operates in the Financial and Business Services subsector within Apax out of the New York office and has extensive experience in insurance distribution and financial services. He serves on the Board of 5 companies in the US and UK, including AssuredPartners, a P&C-focused insurance brokerage with more than \$2bn in annual revenue. He also helped lead Apax Funds' investments in AssuredPartners, Paycor, Quality Distribution and PIB Group. Forrest joined Apax in 2014 and was previously an Analyst in Evercore's M&A Group and at Bank of America Merrill Lynch in Global Industrials investment banking. He also serves on the Young Partner Board of the New York Public Theatre.

The Board's Approach

The role of the chair

The chair leads the Board in setting the strategic direction and risk appetite and exercise oversight and control over management's day-to-day running of the business. This is achieved by regular Board meetings incorporating all major stakeholders including investors. These meetings are supported by monthly and quarterly Management Information (MI) produced for key stakeholders and by the chair facilitating open and challenging discussions and setting aside the necessary amount of time to discuss strategic issues, both in the Boardroom and in separate deep dives with management.

Strategy and linked decision making

At PIB, the Board's primary responsibility is to ensure the long-term prosperity of the Group by creating and delivering sustainable value to its shareholders, while also making positive contributions to society. PIB has both an on-going and defined strategy supported by a rolling 3-year plan. These detail not only how the Group will identify and deliver long term value creation, but also the positives this delivers through a diversified, resilient Group structure for its customers, investors, employees and other stakeholders.

Performance information

The Board meetings identified above are supported by monthly and quarterly MI produced for key stakeholders. This allows consideration of historic as well as potential future performance and risk. The information is scrutinised by internal as well as external parties including investors.

Policies and practices

To support the Board, there are several formal committee Boards and management working groups in line with good governance, each with specific terms of reference which are reviewed with a frequency as appropriate. These committees and working groups include Audit, Risk & Compliance Committee, Underwriting Committee, Insurer Security Committee, Client Money Committee, ESG Committee, Entity Rationalisation & Integration Committee and the Group Change Board & IT Committee. The Board will also be introducing the Board's inaugural Remunerations committee (Remco) in 2023 to further ensure transparent, fair and accountable executive compensation practices that align with the Group's objectives and general shareholder interest.

The Group also has in place operational Delegated Authority (DA) matrices covering, expenditure, recruitment and other activities which commit Group resources. These matrices are reviewed on a regular basis along with the membership of the committees and working groups highlighted above. These reviews include ensuring that the decisions and intended consequences are in line with the evolution and size of the business.

Detailed information regarding the Company's Enterprise Risk Management Framework can be found on page 9.

Training

The Board's skills and training are reviewed via the Chief People Officer along with other Board Officers. Where a requirement is identified, for example the Senior Management and Certification Regime (SMCR), a training identification and training programme is developed and delivered to ensure all impacted individuals are appropriately versed in the requirements.

Culture, values and standards

Culture, values and standards underpin how a company creates and sustains value over the longer term and are key elements of how it maintains a reputation for high standards of business conduct. They also guide and assist in decision making and thereby help promote a company's success, recognising, amongst other things, the likely consequences of any decision in the long term and wider stakeholder considerations. The standards set by a Board mandate certain requirements and behaviours with regards to the activities of its Directors, employees and other associated with it.

PIB GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Walker guidance for disclosure and transparency in private equity

As a member of the Apax investment family, PIB is committed to transparency and fairness of reporting. As such, these Financial Statements have been produced in line with the Walker Guidelines and reported to the British Private Equity and Venture Capital Association (the "BVCA"). This is monitored for the BVCA for the Private Equity Reporting Group (PERG)

Section 172 (1) Statement

In accordance with Section 172(1) of the Companies Act 2006, the Directors of PIB Group have prepared a statement that sets out how they have considered the interests of various stakeholders and the wider impact of their decisions during the financial year 2023.

The Directors have fulfilled their duties by:

- 1. Promoting the success of the Group:** The Directors have diligently pursued the best interests of PIB, considering the long-term sustainability and profitability of the business. They have carefully assessed opportunities, risks, and the overall strategy to ensure the Group's success.
- 2. Considering the impact on employees:** The Directors have recognised the importance of the Group's employees and have taken their interests into account when making decisions. They have provided fair employment practices, supported employee well-being, and fostered a positive and inclusive working environment.
- 3. Taking into account the interests of customers:** The Directors have prioritised delivering value to customers by providing high-quality products/services, addressing their needs and concerns, and maintaining excellent customer relationships. They have also strived to ensure transparency and fair treatment throughout the customer journey.
- 4. Engaging with suppliers, regulators and business partners:** The Directors have maintained constructive relationships with suppliers, regulators and business partners, considering their interests and working collaboratively to achieve mutually beneficial outcomes. They have upheld ethical standards and promoted responsible sourcing practices.
- 5. Considering the impact on the community and the environment:** The Directors have recognized their responsibility towards the communities in which they operate and have considered the impact of their activities on the environment. They have implemented sustainable practices, minimized environmental footprint, and supported community initiatives.
- 6. Upholding high standards of governance:** The Directors have maintained effective governance structures and processes, ensuring compliance with legal and regulatory requirements. They have promoted integrity, transparency, and accountability throughout the organisation.

PIB GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

For more detailed insights into how the Directors executed their duties and further information on their considerations of stakeholders, we recommend referring to earlier sections of this report which provides a comprehensive overview of the Group's performance, strategy and governance, outlining the specific actions taken to fulfil the requirements of Section 172(1) of the Companies Act 2006.

Section 172 Duties	Reference	Page
1. Promoting the success of the Group	At A Glance Business Performance	Pg 1 Pg 4
2. Considering the impact on employees	People	Pg 19
3. Taking into account the interests of customers	Risk Management Other Matters - Customers and Suppliers	Pg 9 Pg 19
4. Engaging with suppliers, regulators and business partners:	Other Matters - Customers and Suppliers	Pg 19
5. Considering the impact on the community and the environment:	Responsible Business	Pg 15
6. Upholding high standards of governance:	Risk Management	Pg 9

The Strategic Report was approved by the Board and is signed on its behalf by:

DocuSigned by:

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 D Winkett
 Director
 27 June 2023

PIB GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Glossary

Pro forma vs Statutory Basis	<p>The Pro Forma basis is prepared by assuming that significant acquisitions, disposals transactions took place on the first day of the comparative period. As a result, the financial information for the current and prior periods is adjusted to provide a consistent basis for meaningful comparisons. This approach allows stakeholders to assess the performance and financial position of the entity in a like-for-like manner. Pro Forma information is presented in accordance to Local GAAP</p> <p>The Statutory information is presented in accordance with International Financial Reporting Standards ('IFRS') with acquisitions transactions reflected from the date the acquisition is completed.</p> <p>Pro Forma information should be considered in addition to IFRS financial measures but should not be considered a substitute for results that are presented in accordance with IFRS.</p>
KPI's: Acquisitions	<p>As a Group which was established with a Buy and Build strategy at its core, the number and type of acquisition which it makes a year is an important component in helping us continue to drive growth and diversify customer proposition from a product, service and geographic perspective.</p> <p>An Investment Committee which considers the potential pipeline of acquisitions and ensures focus on those opportunities which are aligned to strategy or support future expansion plans.</p>
KPI's: Adjusted EBITDA	<p>Creating value for shareholders is linked to growth in Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). Adjusted EBITDA is a performance measure the Directors utilise which is where one-off, distortionary costs borne from integration transformation, while kept to a minimum, are removed. This allows comparability with peers on an on-going, sustainable basis. The main areas of spend are considered by management to be material and specific to the Group's significant transformation initiatives i.e., acquisition and restructuring costs, IT and infrastructure integration costs and costs associated with business line closure and alignment.</p> <p>Key items in moving to Adjusted EBITDA from IFRS Profit and Loss</p> <p>Depreciation & Amortisation There have been a number of acquisitions (as highlighted above) which have resulted in the recognition of customer relationship intangible assets. These intangible assets recognised in acquisitions are amortised over their estimated useful economic lives.</p> <p>Finance costs The finance cost mainly relates to interest on loan notes, related party loans and lease liabilities and the unwind of the discount on contingent and deferred consideration balances.</p> <p>Costs to acquire businesses These are the direct expenses incurred in the process of initial identification of a potential acquisition through to on-boarding them within the Group. This includes use of third-party due diligence specialists, direct staff costs involved on the specific acquisition and other professional fees.</p> <p>Restructuring costs Once a business has been acquired, a number of actions are taken to align the new business units with the PIB structure around location, roles and existing business assets.</p> <p>IT and infrastructure integration costs The acquired businesses are required to transition to PIB systems, whether core IT platforms, specific broking, underwriting or accounting systems or general re-mapping of comparable systems onto PIB structures e.g., Acturis to Acturis migrations.</p> <p>Business line closure and alignment Within some acquired businesses, certain activities may not be required or fundamentally not aligned to the PIB Group strategy or accounting/reporting policies. When this happens, an exercise is undertaken to cease/transfer those business lines or activities.</p> <p>Monthly management accounts report EBITDA, measured on a consistent basis, for the consolidated Group and each division.</p>
KPI's: Adjusted EBITDA Margin	<p>The EBITDA margin is an important measure in assessing the efficiency of the Group and ensures that we consider overall growth against consistent operational efficiency.</p> <p>Calculations: Monthly management accounts report the EBITDA margin, measured on a consistent basis, for the consolidated group and each division. The Margin is calculated by dividing the adjusted EBITDA by Revenue and expressing as a %.</p>
KPI's: Country	<p>It is an important measurable metric to track geographical reach and market penetration in the region.</p>
KPI's: Employees	<p>PIB a service business and its employees are core to PIB's success. By tracking it enables PIB to measure and optimise its workforce to meet demand and ensure seamless service delivery.</p> <p>The number of employees disclosed is that of UK only.</p>
KPI's: Liquidity Available	<p>Tracking available liquidity available is important as it helps assess financial health and ability to meet short- and long-term obligations.</p> <p>Monthly management accounts report the cash and cash equivalent balances at period end</p>
KPI's: Revenue	<p>Revenue growth, and particularly organic revenue growth, is the singular most important metric against which the performance of the Group's divisions is judged. Organic revenue growth demonstrates the sustainability of the business model and the quality of the underlying business.</p> <p>Monthly management accounts report revenue, measured on a consistent basis, for the consolidated Group and each division. Organic and inorganic revenue growth are separated to ensure the quality of earnings is clear.</p>
Senior Managers	<p>Individuals who hold a Senior Management Function are defined as the most senior people in the firm who hold the ultimate accountability for a certain function and who have the greatest potential to cause harm or impact market integrity.</p>

PIB GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2022.

Directors

The current Directors biographies are set out on pages 22-23 of the Strategic Report.

Future development

Likely future developments in the business of the Group are discussed on page 5 in the Strategic Report.

Research and development

The Group does have a number of business lines that undertake development both in respect of software and product design for the benefit of its customer base.

Results and dividends

The results for the year are set out on page 34. The Directors do not recommend the payment of a dividend for the year (2021: £nil).

Political donations

The Group made no political donations during the year (2021: £nil).

Branches

The Group does not have any branch activity operated by UK entities outside of the UK.

Employees

The Group's policy concerning employment of disabled persons is set out on pages 22 in the Strategic Report.

Qualifying indemnity provision

PIB Group Limited guarantees the subsidiaries detailed in note 18 under section 479C of the Companies Act 2006 in respect of the year ended 31 December 2022.

The Group has made qualifying third party indemnity provisions for the benefit of all Directors which were made during the year and remain in force at the reporting date.

Financial instruments

PIB Group utilises financial instruments in respect of interest rate movements. Hedge accounting has not been adopted in respect of these instruments. Details of the Group's borrowings and other financial instruments are detailed within note 23 and note 27 of the financial statements respectively.

The overall risk of the Group from credit risk, liquidity risk and cash flow risk are summarised within the Strategic Report.

Statement of engagement with employees

Details of engagement with employees is included on page 20 in the Strategic Report.

Statement of engagement with suppliers, customers and others in a business relationship with the Group

Details of engagement with suppliers, customers and other stakeholders is discussed on page 19 in the Strategic Report.

Streamlined energy and carbon reporting

Details of the streamlined energy and carbon reporting is included on page 17 in the Strategic Report.

PIB GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern

The Directors evaluate at each annual period whether there are conditions or events, considered in the aggregate, that raise a material uncertainty about the Group's ability to continue as a going concern within one year after the date that the financial statements are issued. The Directors' evaluation is based on relevant conditions and events that are known and reasonable knowable at the date that the financial statements are issued.

The Group has considered several downside scenarios, including adjustments to the base forecast, profitability and cash flows. Consistent with our principal risks and uncertainties, these downside scenarios included, but were not limited to recession, declining insurance market conditions and increases in interest rates. The Directors have considered the impact of climate-related matters on the going concern assessment and they are not expected to have a significant impact on the Group's going concern.

The Group has conducted stress testing around current and future performance to demonstrate it has sufficient cash resources and has no concerns over the ability to meet its current and future commitments. The Group also has access to short term funding on its revolving credit facility and has implicit parental support from the Apax funds. There is also the ability to postpone capital projects in order to manage cash flow. Well established business continuity plans have been used and the Group is able to continue to support its clients and expects to be able to do so for the foreseeable future. As such, the Directors have no reason to believe there is a material uncertainty that would prevent them from continuing to adopt a going concern basis of accounting in preparing the financial statements.

These financial statements are prepared on the going concern basis. The Directors have a reasonable expectation that the Group will continue in operational existence for the foreseeable future. However, the Directors are aware of certain material uncertainties which may cause doubt on the Group's ability to continue as a going concern.

Directors' responsibilities

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 IFRS as adopted by the European Union and Article 4 of the IAS Regulation. 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 Group and of the profit or loss of the Group for that period. In preparing these financial statements, International Accounting Standard 1 requires that 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 Group'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 Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Group 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 Group website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PIB GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement on disclosure to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware
- each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Auditor

Deloitte LLP were appointed as auditor to the Group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Matters covered in the Strategic Report

As permitted by Paragraph 1A of Schedule 7 of the Large and Medium-sized Companies on Groups (Accounts and Reports) Regulations 2008 certain matters (including events subsequent to the reporting date, future developments, use of financial instruments) which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 1-26.

Events subsequent to the reporting date

Since 31st December 2022, the Group has completed the acquisitions of a further 17 businesses at the date of signing the accounts. These are detailed within the post balance sheet events note 36 within the financial statements.

In addition, the Group has secured an additional acquisition credit facility in conjunction with its current senior finance arrangements for a further £280m along with an increase of £45m to its revolving credit facility. This is also detailed in note 36.

This report was approved by the Board and signed on its behalf by:

DocuSigned by:



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R Brown

Director

27 June 2023

PIB GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIB GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of PIB Group Limited (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards, the International Financial Reporting Standards (IFRSs);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Statement of Profit or Loss;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated and parent company Statements of Financial Position;
- the Consolidated and parent company Statements of Changes in Equity;
- the Consolidated Statement of Cash Flows;
- the related notes 1 to 36.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Group and the parent 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 Group's and parent 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.

PIB GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PIB GROUP LIMITED

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 Group's and the parent 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 Group or the parent 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. 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 Group's industry and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the Directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Group 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, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Financial Conduct Authority regulations, Guernsey's Financial Services Commission, Central Bank of Ireland, Danish Financial Services Authority and Netherlands Authority for the Financial Markets.

PIB GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PIB GROUP LIMITED

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

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following area, and our procedures performed to address them are described below.

The Group earns fees and commissions from its insurance broking activities and there is a fraud risk that brokerage is inappropriately accelerated or deferred between accounting periods. We have assessed that there is a significant risk of material misstatement relating to revenue recognition which is pinpointed to the cut-off assertion specifically around the year end we have:

- obtained an understanding of the revenue process, including procedures for determining the commission percentages in accordance with policies and binder agreements and the flow of financial information into the general ledger;
- assessed the design and implementation of controls in the revenue process specifically focusing on the controls that address revenue recognition cut-off; and
- performed additional cut-off testing around the year end date by selecting additional samples for revenue recognised in December 2022 and January 2023 to identify any transactions which may have been erroneously recognised as revenue in the incorrect period.

We have also identified a significant risk around the valuation of goodwill, intangibles, and investment in subsidiaries. To address this, we have:

- tested the design and implementation of the key controls in the goodwill, intangibles and investment in subsidiaries business cycle, such as management's review of the forecasts;
- reviewed management's paper and their assessment of any indicators of impairment. We have challenged management on their methodology, reasonableness of assumptions and the specific factors used in arriving at their valuations;
- compared previous forecasts against actuals to determine accuracy and any indication of management bias; and
- performed sensitivity analysis on the forecast calculations.

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;
- 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;
- enquiring of management and in-house 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, reviewing internal audit reports and reviewing correspondence with relevant regulatory authorities.

PIB GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PIB GROUP LIMITED

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 Group and of the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- 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.

DocuSigned by:

Claire Clough

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Claire Clough, FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London

United Kingdom

27 June 2023

PIB GROUP LIMITED**CONSOLIDATED STATEMENT OF PROFIT OR LOSS****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £000	2021 £000
Revenue	3	344,657	230,851
Cost of sales		(56,767)	(26,774)
Gross profit		287,890	204,077
Salaries and associated costs		(147,742)	(102,249)
Other operating expenses		(94,196)	(57,249)
Amortisation of intangible fixed assets	12	(62,515)	(40,266)
Depreciation of property, plant and equipment	13	(2,586)	(2,029)
Depreciation of right-of-use assets	14	(3,588)	(3,520)
Loss on disposal of fixed assets		(2)	(33)
Operating loss	4	(22,739)	(1,269)
Operating profit before the items identified below		21,958	21,144
Costs to acquire businesses		(36,818)	(16,663)
Restructuring cost		(3,106)	(2,302)
IT and infrastructure integration costs		(4,773)	(3,958)
Covid-19 costs		-	510
	4	(22,739)	(1,269)
Finance income	8	261	77
Share of profit of associated undertaking	16	46	62
Finance costs	9	(39,761)	(21,691)
Other gains and losses	10	(18,073)	(7,813)
Loss before tax		(80,266)	(30,634)
Income tax	11	6,353	(6,950)
Loss for the year		(73,913)	(37,584)

The Statement of Profit or Loss has been prepared on the basis that all operations are continuing operations.

The loss for the year is attributable to the owners of the parent.

The accompanying notes are an integral part of the financial statements.

PIB GROUP LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*****FOR THE YEAR ENDED 31 DECEMBER 2022***

	2022	2021
	£000	£000
Loss for the year	(73,913)	(37,584)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Foreign exchange differences on translation of foreign operations	13,325	238
Total items that may be reclassified subsequently to profit or loss	<u>13,325</u>	<u>238</u>
Total comprehensive loss for the year	<u>(60,588)</u>	<u>(37,346)</u>

The comprehensive loss for the year is attributable to the owners of the parent.

PIB GROUP LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

	Notes	2022 £000	2021 £000
Non-current assets			
Goodwill	12	382,921	192,278
Intangible assets	12	611,786	254,313
Property, plant and equipment	13	7,341	4,013
Right-of-use assets	14	17,909	13,070
Financial assets	15	123	188
Investments in associates	16	176	183
Contract assets	21	221	221
		<u>1,020,477</u>	<u>464,266</u>
Current assets			
Trade and other receivables	19	80,206	56,700
Contract assets	21	14,768	16,850
Cash and cash equivalents	20	394,386	264,498
		<u>489,360</u>	<u>338,048</u>
Total assets		<u>1,509,837</u>	<u>802,314</u>
Current liabilities			
Trade and other payables	24	378,103	184,658
Current tax liabilities		1,119	2,237
Lease liabilities	14	4,814	3,790
Contract liabilities	21	8,298	6,230
Provisions	26	37	84
Derivative financial instruments	22	190	-
		<u>392,561</u>	<u>196,999</u>
Net current assets		<u>96,799</u>	<u>141,049</u>
Non-current liabilities			
Trade and other payables	24	10,102	5,479
Lease liabilities	14	14,148	10,107
Borrowings	23	926,125	443,218
Provisions	26	679	843
Deferred taxation	25	131,517	50,375
		<u>1,082,571</u>	<u>510,022</u>
Total liabilities		<u>1,475,132</u>	<u>707,021</u>
Net assets		<u>34,705</u>	<u>95,293</u>

PIB GROUP LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)****AS AT 31 DECEMBER 2022**

	Notes	2022 £000	2021 £000
Equity			
Called up share capital	29	301	301
Share premium account		201,595	201,595
Other reserves		13,396	71
Retained earnings		(180,587)	(106,674)
Total equity		<u>34,705</u>	<u>95,293</u>

The accompanying notes are an integral part of the financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 27 June 2023 and are signed on its behalf by:

D Winkett
Director

Company Registration No. 09900466

PIB GROUP LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Called up share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2021		300	200,686	(167)	(69,090)	131,729
Loss for the year		-	-	-	(37,584)	(37,584)
Other comprehensive income		-	-	238	-	238
Issue of share capital	29	1	909	-	-	910
Balance at 31 December 2021		<u>301</u>	<u>201,595</u>	<u>71</u>	<u>(106,674)</u>	<u>95,293</u>
Balance at 1 January 2022		301	201,595	71	(106,674)	95,293
Loss for the year		-	-	-	(73,913)	(73,913)
Other comprehensive income		-	-	13,325	-	13,325
Balance at 31 December 2022		<u>301</u>	<u>201,595</u>	<u>13,396</u>	<u>(180,587)</u>	<u>34,705</u>

There were no dividends recognised as distributions to the owners during the year (2021: £nil). No dividends have been proposed or declared before the financial statements have been authorised for issue.

The other reserves relate to foreign exchange differences on translation of foreign operations.

PIB GROUP LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022		2021	
		£000	£000	£000	£000
Cash flows from operating activities					
Cash generated from operations	35		49,295		50,290
Income taxes paid			(5,866)		(3,687)
Net cash inflow from operating activities			43,429		46,603
Investing activities					
Acquisition of businesses	30	(347,673)		(59,027)	
Cash acquired on acquisitions	30	61,754		20,213	
Proceeds of disposal of other investments		182		2,639	
Payment of deferred consideration		(24,652)		(15,139)	
Payment of contingent consideration		(6,549)		(13,484)	
Purchase of intangible assets	12	(7,726)		(6,239)	
Purchase of property, plant and equipment	13	(4,015)		(1,451)	
Proceeds on disposal of fixed assets		49		27	
Dividend received from associate		53		62	
Interest received		261		1	
Net cash used in investing activities			(328,316)		(72,398)
Financing activities					
Proceeds from related company loan		470,854		173,975	
Drawdown/(repayment) of debt		(19,232)		-	
Repayment of lease liabilities		(4,641)		(4,142)	
Interest paid		(34,650)		(18,519)	
Net cash generated from financing activities			412,331		151,314
Net increase in cash and cash equivalents			127,444		125,519
Cash and cash equivalents at beginning of year					
			264,498		139,975
Effect of foreign exchange rates			2,444		(996)
Cash and cash equivalents at end of year	20		394,386		264,498

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

PIB Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Rossington's Business Park, West Carr Road, Retford, Nottinghamshire, DN22 7SW.

The principal activities of the Group and the nature of the Group's operations are set out in the Strategic Report.

1.1 Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except as otherwise stated).

The financial statements are prepared in sterling, which is the currency of the primary economic environment in which the Group operates. Monetary amounts in these financial statements are rounded to the nearest £'000. Foreign operations are included in accordance with the policies set out in note 1.22.

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

1.2 Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and its subsidiary undertakings for the year ended 31 December 2022. The results of acquired businesses are consolidated from the date on which the Group obtains effective control of the subsidiary.

Subsidiaries are entities controlled by the Group. Control exists where the Group is exposed to or has the rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Unrealised gains and losses on transactions with subsidiaries or associates are eliminated. Transactions with associates are eliminated to the extent of the Group's interest in those entities in preparing the consolidated financial statements.

1.3 Business combinations

The acquisitions of subsidiaries are accounted for using the acquisition method. The consideration transferred is measured as the fair value of assets given, liabilities incurred or assumed and equity instruments issued by the Group at the date of exchange. Any costs directly attributable to the business combination are booked to the profit or loss as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed, meeting the conditions for recognition under IFRS 3 "Business Combinations", are recognised at their fair value at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Subsequent changes in the fair value of consideration transferred or identifiable assets, liabilities and contingent liabilities assumed are adjusted where they qualify as measurement period adjustments. The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

1.4 Investments in associates

Associates are those entities over which the Group has the power to exercise significant influence but not control. The Group's investment in associated undertakings is accounted for under the equity method of accounting whereby associated undertakings are carried in the Statement of Financial Position at cost plus post acquisition changes in the Group's share of net assets of the associate, less any impairment in value. The Statement of Profit or Loss reflects the Group's share of the post acquisition results of operations of the associated undertaking and the Statement of Comprehensive Income reflects the Group's share of the associated undertaking. The financial statements of associated undertakings are prepared up to 31 December each year.

1.5 Adoption of new and revised standards

The Group has not adopted any new standards or amendments to standards, for the first time in the current year which have a material effect on the amounts recognised in these financial statements.

There are no standards, amendments to standards or interpretations which are not yet effective and that are expected to materially impact the Group's financial statements.

1.6 Going concern

The Directors evaluate at each annual period whether there are conditions or events, considered in the aggregate, that raise a material uncertainty about the Group's ability to continue as a going concern within one year after the date that the financial statements are issued. The Directors' evaluation is based on relevant conditions and events that are known and reasonably knowable at the date that the financial statements are issued.

The Group has considered several downside scenarios, including adjustments to the base forecast, profitability and cash flows. Consistent with our principal risks and uncertainties, these downside scenarios included, but were not limited to recession, declining insurance market conditions and increases in interest rates. The Directors have considered the impact of climate-related matters on the going concern assessment and they are not expected to have a significant impact on the Group's going concern.

The Group has conducted stress testing around current and future performance to demonstrate it has sufficient cash resources and has no concerns over the ability to meet its current and future commitments. The Group also has access to short term funding on its revolving credit facility and has implicit parental support from the Apax funds. There is also the ability to postpone capital projects in order to manage cash flow. Well established business continuity plans have been used and the Group is able to continue to support its clients and expects to be able to do so for the foreseeable future. As such, the Directors have no reason to believe there is a material uncertainty that would prevent them from continuing to adopt a going concern basis of accounting in preparing the financial statements.

These financial statements are prepared on the going concern basis. The Directors have a reasonable expectation that the Group will continue in operational existence for the foreseeable future. However, the Directors are aware of certain material uncertainties which may cause doubt on the Group's ability to continue as a going concern.

1.7 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

Revenue from insurance broking is recognised when the significant risks and rewards of the policy have been passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue would be initially recognised in the latter of the period in which the provision was invoiced or the performance obligation was delivered e.g. a policy placed was incepted. Where a service has a performance obligation that spans beyond a single event, that revenue will be deferred over the period of the performance obligation to extent it can be reasonably forecasted. This may include both directly contracted elements e.g. fixed number of customer visits, or reactive activity such as processing customer insurance claims.

The business has determined that as significant judgement, where a performance obligation period spans a financial period end, the associated revenue and costs will be deferred into the following period in proportion to the balance of the remaining obligation period. This reflects the most reasonable approach given the variability of forecasting when a single contract performance obligation will be met in the following period.

Where an element of revenue has variable consideration such as annual profit commissions, this will be recognised in the reporting period to which the performance obligations relate to. A prudent estimate will be established to reflect the most probable recoverable value incorporating appropriate estimates. The estimate will reflect suitable risk variables including anticipated post-period claims where they adjust the amounts receivable as well as prior performance of comparable products where appropriate.

A provision is established for post period credit notes which reflects cancellations and changes to financial period. For revenues generated from policy placement, the early cessation of a policy is a direct financial relationship between insurer and ultimate customer and does not impact on the commission or fee due.

In line with revenue recognition in accordance with paragraphs 91 and 95 of IFRS15, the business has established an estimate of costs to obtain and costs to fulfil the contract. These estimates reflect the operational lead time and therefore associated resource in both initial capture and delivery of the revenue source. These are reviewed annually to establish the associated amortisation, additions or impairments in the contract asset.

The Group utilises the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less. The Group also utilises the practical expedient to not adjust the promised amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

1.8 Commissions paid

Commissions paid relate to fees paid to agents for the introduction of clients. They are recognised at the later of the inception date or transaction date of the underlying policy to which they relate. The amounts recognised are the net amounts owed to the introducer.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

1.9 Goodwill

Goodwill represents the excess of the cost of acquisition of businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

The gain on a bargain purchase is recognised in profit or loss in the period of the acquisition.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not subsequently reversed. On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.10 Intangible assets other than goodwill

Intangible assets with finite useful lives acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Intangible assets relate to computer software, licenses and customer relationships. Customer relationships relate to assets such as customer lists and access to distribution networks that arise on the acquisition of businesses.

Software	3-5 years on a straight line basis
Patents and licenses	5 years on a straight line basis
Customer relationships	10 years on a straight line basis

1.11 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the term of the lease
Office equipment	4 years on a straight line basis
Computer hardware	3 years on a straight line basis
Motor vehicles	4 years on a straight line basis

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Statement of Profit or Loss.

1.12 Leases

The Group has entered into contracts as a lessee. It assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease and where that is not readily determinable, its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The Group did not make any such adjustments during the periods presented.

Short-term leases and leases of low-value assets

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient for car leases. The Group applies the short-term lease recognition exemption to its short-term leases which are those leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense in the Statement of Profit or Loss on a straight line basis over the lease term.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

1.13 Impairment of tangible and intangible assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.14 Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Whilst held in the Group's regulatory trust accounts under appropriate client money regulation, fiduciary funds held are controlled by the Group and the economic benefits are derived from them. As such these funds are recognised as an asset on the Group's Statement of Financial Position.

1.15 Financial assets

Financial assets are recognised in the Group's Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument.

On initial recognition, financial assets are measured at fair value and either classified as financial assets at fair value through profit or loss or loans and receivables.

Financial assets at fair value through profit or loss

Equity instruments and derivative assets have been mandatorily classified as fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment based on lifetime credit loss model. Discounting is omitted where the effect of discounting is immaterial. The Group's trade receivables and other debtors, profit commission, amounts due from related parties and cash and cash equivalents fall into this category of financial instruments.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss (FVTPL), are assessed for impairment at each reporting end date. Expected credit losses are recognised on initial recognition and subsequent period ends which reflect an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, the time value of money, reasonable information about past events, current conditions and forecasts of future economic conditions.

The lifetime credit loss model has been applied to trade receivables, other debtors and profit commissions.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.16 Financial liabilities

Financial liabilities are recognised in the Group's Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at fair value and classified as either subsequently measured at amortised cost or as financial liabilities at fair value through profit or loss.

Financial liabilities measured at amortised cost

Trade payables and other creditors, loans from related parties, deferred consideration, loan notes and lease liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Financial liabilities at fair value through profit or loss

Derivative liabilities are mandatorily classified as fair value through profit or loss. Contingent consideration is subsequently measured at fair value through profit or loss in accordance with IFRS 3 Business Combinations.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled, or they expire.

1.17 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

1.18 Taxation

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

Current tax

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

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Profit or Loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.19 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised when the obligation is incurred, either at the commencement date or as a consequence of having used the underlying asset during a particular period of the lease, at the Directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

1.20 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.21 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.22 Foreign exchange

The Group's consolidated financial statements are presented in Pounds Sterling, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured in that functional currency.

Transactions in foreign currencies are initially recognised by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the balance sheet date. All differences arising on settlement or translation are taken to the Statement of Profit or Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The assets and liabilities of foreign operations are translated into Pounds Sterling at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at the average exchange rates prevailing. The resulting exchange differences are recognised in other comprehensive income.

1.23 Common control transactions

Where there is an exchange of equity interests under the same parent's control, the Group uses merger accounting. Under this method, assets and liabilities of the merging entity are recognised in the Consolidated Financial Statements at their previous carrying amount.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

There were no critical judgements made that had a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of assets

The Group tests annually whether goodwill and other assets that have indefinite useful lives suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an asset is less than its cost; and the financial health of and near-term business outlook for the asset, including factors such as industry and sector performance, changes in regional economies and operational and financing cash flow.

Following this assessment, no impairment losses were recognised in the year (see note 12).

Errors and omissions liability

During the ordinary course of business the Group can be subject to claims for errors and omissions made in connection with its business activities.

A balance sheet provision is established in respect of such claims when it is probable that the liability has been incurred and the amount of the liability can be reasonably estimated.

The Group analyses its litigation exposures based on available information, including external legal consultation where appropriate, to assess its potential liability.

The outcome of the currently pending and future proceedings cannot be predicted with certainty. Thus, an adverse decision in a current or future lawsuit could result in additional costs that are not covered, either wholly or partially, under insurance policies and are in excess of the presently established provisions. It is possible therefore that the financial position, results of operations or cash flows of the Group could be materially affected by the unfavourable outcome of litigation.

See the provisions note (note 26) for the carrying value at the end of the reporting period.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Revenue recognition

The Group has entered into profit sharing arrangements with insurers. The timing and amount of such variable revenue is inherently uncertain. At each reporting date, the Group measures the outstanding revenue on a best estimate basis to the extent that a significant reversal will not occur.

The carrying amount of profit commission receivable as at the reporting date was £13,475k (2021: £15,557k). Any revisions of the estimates used in determining this amount would not result in a material adjustment.

Lease discount rate

The lease liability is recognised as the future payments remaining under a lease term discounted by the discount rate implicit in the lease. Leases for premises do not have an implicit discount rate and therefore an incremental borrowing rate is estimated which reflects the rate of interest that the Group would need to pay to borrow over a similar term and with a similar security and the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group has used the interest rate on its bank loan facility as the starting point for this rate and then applied specific factors such as term and lessee credit rating to estimate the most appropriate rate on a lease by lease basis.

The carrying amount of the lease liability at the end of the reporting period was £18,952k (2021: £13,897k). Any revisions of the estimates used in determining this amount would not result in a material adjustment.

If the discount rate applied to new premises leases entered into during 2022 was increased by 1%, the initial value of the right-of-use asset and liability recognised would both have been £337k lower.

3 Revenue

An analysis of the Group's revenue is as follows:

	2022	2021
	£000	£000
Brokerage fees and commission	340,520	227,053
Risk management and consultancy fees	4,137	3,798
	<u>344,657</u>	<u>230,851</u>

Revenue analysed by geographical market

	2022	2021
	£000	£000
United Kingdom	262,951	202,042
Rest of World	378	-
Europe	81,328	28,809
	<u>344,657</u>	<u>230,851</u>

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****4 Operating loss**

	2022	2021
	£000	£000
Operating loss for the year is stated after charging:		
Foreign exchange losses	13,951	54
Depreciation of property, plant and equipment	2,586	2,029
Loss on disposal of fixed assets	2	33
Amortisation of intangible assets	62,515	40,266
Depreciation of right-of-use assets	3,588	3,520
	<u> </u>	<u> </u>

5 Auditor's remuneration

Fees payable to the Company's auditor and their associates for the audit of the Group and Company financial statements and for other services provided to the Group:

	2022	2021
	£000	£000
For audit services		
Audit of the financial statements of the Group and Company	160	15
Audit of the financial statements of Group subsidiaries	1,100	867
	<u> </u>	<u> </u>
Total audit fees	1,260	882
	<u> </u>	<u> </u>
For other services		
Audit-related client money assurance services	72	123
Taxation compliance services	48	90
Corporate finance services	801	577
	<u> </u>	<u> </u>
Total non-audit fees	921	790
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including Directors) employed by the Group during the year was:

	2022	2021
	Number	Number
Directors	4	4
Employees	2,371	1,746
	<u> </u>	<u> </u>
	2,375	1,750
	<u> </u>	<u> </u>

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****6 Employees (continued)**

Their aggregate remuneration comprised:

	2022	2021
	£000	£000
Wages and salaries	130,329	88,338
Social security costs	10,848	8,622
Pension costs	4,196	3,850
	<u>145,373</u>	<u>100,810</u>

7 Directors' remuneration

	2022	2021
	£000	£000
Remuneration for qualifying services	<u>863</u>	<u>4,292</u>

No pension contributions were made on behalf of any Directors during the year (2021: £nil).

Remuneration disclosed above include the following amounts paid to the highest paid Director:

	2022	2021
	£000	£000
Remuneration for qualifying services	<u>458</u>	<u>2,766</u>

8 Finance income

	2022	2021
	£000	£000
Financial assets measured at amortised cost:		
Interest receivable from Group undertakings	-	73
Interest receivable and similar income	261	4
	<u>261</u>	<u>77</u>
Total finance income	<u>261</u>	<u>77</u>

Interest receivable and similar income relates to interest on bank deposits.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****9 Finance costs**

	2022	2021
	£000	£000
Financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	233	18
Interest on loan notes	1,794	1,602
Interest on loan from related parties	34,417	18,505
Interest on lease liabilities	1,279	917
	<u> </u>	<u> </u>
Total interest expense	37,723	21,042
Unwinding of discount on contingent consideration	2,011	472
Unwinding of discount on deferred consideration	27	177
	<u> </u>	<u> </u>
Total unwinding of discount	2,038	649
	<u> </u>	<u> </u>
Total finance costs	<u>39,761</u>	<u>21,691</u>

10 Other gains and losses

	2022	2021
	£000	£000
Net gain/(loss) on financial liabilities mandatorily measured at fair value through profit or loss:		
Contingent consideration	(4,122)	(7,794)
Derivative financial instruments	-	(19)
Foreign exchange losses	(13,951)	-
	<u> </u>	<u> </u>
	<u>(18,073)</u>	<u>(7,813)</u>

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****11 Income tax**

	2022	2021
	£000	£000
Current tax		
UK corporation tax on profits for the current period	351	1,301
Adjustments in respect of prior periods	(2,154)	252
Overseas tax	4,361	2,799
	<u>2,558</u>	<u>4,352</u>
Deferred tax		
Origination and reversal of temporary differences	(8,193)	(5,285)
Adjustment in respect of prior periods	(718)	(652)
Effect of tax rate change	-	8,535
	<u>(8,911)</u>	<u>2,598</u>
Total tax (credit)/charge	<u>(6,353)</u>	<u>6,950</u>

The (credit)/charge for the year can be reconciled to the loss per the Statement of Profit or Loss as follows:

	2022	2021
	£000	£000
Loss before taxation	<u>(80,266)</u>	<u>(30,634)</u>
Expected tax credit based on a corporation tax rate of 19% (2021: 19%)	(15,251)	(5,820)
Expenses not deductible in determining taxable profit	12,300	5,645
Loss brought forward utilised	(163)	(129)
Adjustment in respect of prior years	(2,154)	252
Group relief	(1,537)	(2,753)
Permanent capital allowances in excess of depreciation	992	757
Other non-reversing timing differences	(3)	-
Deferred tax adjustments in respect of prior years	(718)	(652)
Remeasurement of deferred tax for changes in tax rates	201	8,943
Deferred tax not recognised	(299)	20
Higher taxes on overseas earnings	(303)	184
Effects of income taxed at rates other than the UK corporation tax rate	582	503
	<u>(6,353)</u>	<u>6,950</u>
Tax (credit)/charge for the year	<u>(6,353)</u>	<u>6,950</u>

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Goodwill and intangible assets

	Goodwill	Software	Patents & licences	Customer relationships	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2021	162,701	27,717	29	320,726	511,173
Additions	-	6,225	14	-	6,239
Acquired on acquisition of business	45,985	146	-	36,777	82,908
Disposals	-	(177)	-	-	(177)
At 31 December 2021	208,686	33,911	43	357,503	600,143
Additions	-	7,726	-	-	7,726
Acquired on acquisition of business	185,827	1,726	-	400,196	587,749
Disposals	-	-	(14)	-	(14)
Foreign exchange adjustments	4,816	-	-	11,336	16,152
At 31 December 2022	399,329	43,363	29	769,035	1,211,756
Amortisation					
At 1 January 2021	16,408	13,945	29	82,879	113,261
Charge for the year	-	5,648	-	34,618	40,266
Acquired on acquisition of business	-	144	-	-	144
Disposals	-	(119)	-	-	(119)
At 31 December 2021	16,408	19,618	29	117,497	153,552
Charge for the year	-	7,178	-	55,337	62,515
Acquired on acquisition of business	-	392	-	-	392
Foreign exchange adjustments	-	-	-	590	590
At 31 December 2022	16,408	27,188	29	173,424	217,049
Carrying amount					
At 31 December 2022	382,921	16,175	-	595,611	994,707
At 31 December 2021	192,278	14,293	14	240,006	446,591

There are no accumulated impairment losses recognised in respect of goodwill as at 31 December 2022 (2021: £nil).

Software additions are predominantly internally developed.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Goodwill and intangible assets (continued)

Impairment tests for goodwill

Goodwill is allocated to the Group's identified cash-generating units (CGUs) according to how acquired businesses have been integrated into the Group.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial forecasts approved by management covering a three year period followed by extrapolated cash flows based on the 2025 forecast and a steady perpetual growth rate.

The net book value of goodwill by CGU is shown in the table below:

	2022	2021
	£000	£000
Speciality and Employee Benefits	84,918	78,495
Barbon	27,132	27,132
London Markets and Ireland	14,985	15,018
Underwriting	15,239	15,239
Schemes and Affinities	19,141	19,141
Network	1,304	1,304
Acquinity	22,907	22,907
Marx Re	5,000	5,061
Ireland	47,082	4,578
Poland	6,679	3,403
Spain	21,563	-
Guest Krieger	72,893	-
Light	18,186	-
SG IFFOXX	23,724	-
RISQwise	2,168	-
	<hr/>	<hr/>
Total	382,921	192,278
	<hr/>	<hr/>

The key assumptions used in the value-in-use calculations were:

A perpetual growth rate of 2.0% (2021: 2.0%) per year has been used from 2025 onwards which is based on the expected rate of CPI for 2023.

A discount rate of 8.1% (2021: 8.1%) has been used which is an estimated market participant weighted average cost of capital.

The three year forecasts are based on historical performance, management expectations of revenue growth and savings from committed integration initiatives.

The key sensitivity analyses are:

The key assumptions to which the recoverable amount is most sensitive is the EBITDA growth rates in the three year forecast and the perpetual growth rate. Sensitivity analysis was performed whereby these key assumptions were subjected to reasonable changes. The sensitivity was tested for the following three scenarios:

- Scenario one: Increase discount rate by 1.0% to 9.1%
- Scenario two: Reduction of perpetual growth rate to 0.0%
- Scenario three: Reduction of forecasted EBITDA growth rates for 2024 and 2025 to 0.0%

In all three scenarios, there are no cash-generating units identified as being impaired.

No further reasonably possible changes in these assumptions alone would result in an impairment to any other CGU.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****13 Property, plant and equipment**

	Leasehold improvements £000	Office equipment £000	Computer hardware £000	Motor vehicles £000	Total £000
Cost					
At 1 January 2021	5,163	4,034	8,490	227	17,914
Additions	59	143	1,249	-	1,451
Acquired on acquisition of business	362	491	712	-	1,565
Disposals	-	(9)	(110)	(82)	(201)
At 31 December 2021	5,584	4,659	10,341	145	20,729
Additions	1,166	1,200	1,090	559	4,015
Acquired on acquisition of business	1,064	2,652	1,476	680	5,872
Disposals	-	(13)	(11)	(73)	(97)
Foreign exchange adjustments	51	85	54	34	224
At 31 December 2022	7,865	8,583	12,950	1,345	30,743
Accumulated depreciation					
At 1 January 2021	3,428	3,315	6,678	185	13,606
Charge for the year	471	309	1,230	19	2,029
Acquired on acquisition of business	327	393	557	-	1,277
Disposals	-	(4)	(110)	(82)	(196)
At 31 December 2021	4,226	4,013	8,355	122	16,716
Charge for the year	666	411	1,293	216	2,586
Acquired on acquisition of business	800	1,763	1,120	233	3,916
Disposals	-	(3)	-	(57)	(60)
Foreign exchange adjustments	39	94	81	30	244
At 31 December 2022	5,731	6,278	10,849	544	23,402
Carrying amount					
At 31 December 2022	2,134	2,305	2,101	801	7,341
At 31 December 2021	1,358	646	1,986	23	4,013

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Leases

The material leases held by the Group are for property and motor vehicles. Property leases typically run for a period of five to ten years but can be considerably longer. Motor vehicle leases are typically three years.

Lease payments on properties may be subject to a review every few years. Many of the Group's long-term contracts have an option to terminate the lease prior to its end date. However, in most cases, termination options are not reasonably certain to be exercised so that the lease liability reflects all lease payments through to the ultimate end date of the lease.

Right-of-use assets

	Property £000	Motor vehicles £000	Total £000
Cost			
At 1 January 2021	17,103	1,745	18,848
Additions	2,011	244	2,255
Acquired on acquisition of business	720	-	720
Disposals	(732)	(439)	(1,171)
	<u>19,102</u>	<u>1,550</u>	<u>20,652</u>
At 31 December 2021	19,102	1,550	20,652
Additions	5,972	227	6,199
Acquired on acquisition of business	4,932	-	4,932
Disposals	(5,345)	(647)	(5,992)
	<u>24,661</u>	<u>1,130</u>	<u>25,791</u>
At 31 December 2022	<u>24,661</u>	<u>1,130</u>	<u>25,791</u>
Accumulated depreciation			
At 1 January 2021	4,189	792	4,981
Charge for the year	2,988	532	3,520
Disposals	(480)	(439)	(919)
	<u>6,697</u>	<u>885</u>	<u>7,582</u>
At 31 December 2021	6,697	885	7,582
Charge for the year	3,193	395	3,588
Disposals	(2,655)	(633)	(3,288)
	<u>7,235</u>	<u>647</u>	<u>7,882</u>
At 31 December 2022	<u>7,235</u>	<u>647</u>	<u>7,882</u>
Carrying amount			
At 31 December 2022	<u>17,426</u>	<u>483</u>	<u>17,909</u>
At 31 December 2021	<u>12,405</u>	<u>665</u>	<u>13,070</u>

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Leases (continued)

Lease liabilities

The maturity analysis of lease liabilities is shown below:

	2022	2021
	£000	£000
Within one year	4,985	3,923
In one to five years	12,630	9,686
In over five years	6,867	3,385
	<u>24,482</u>	<u>16,994</u>
Less: unearned interest	(5,520)	(3,097)
	<u>18,962</u>	<u>13,897</u>
Analysed as:		
Current	4,814	3,790
Non-current	14,148	10,107
	<u>18,962</u>	<u>13,897</u>

The Group does not face a significant liquidity risk with regard to its lease liabilities. The total cash outflow for leases, including short-term leases and leases of low-value assets was £9,470k (2021: £7,043k).

	2022	2021
	£000	£000
Amounts recognised in the Statement of Profit or Loss		
Depreciation of right-of-use assets	3,588	3,520
Interest expense on lease liabilities	1,279	917
Expense relating to short-term leases	3,557	1,605
Expense relating to leases of low-value assets	259	257
Expenses relating to variable lease payments	961	986

The variable lease payments relate to service charges. The expenses relating to short-term leases, low-value leases and variable lease payments are presented within other operating expenses.

15 Financial assets

	2022	2021
Financial assets mandatorily measured at fair value through profit or loss		
Other investments	<u>123</u>	<u>188</u>

The other investments relate to a number of immaterial minority non-quoted equity holdings. In 2021 other investments related mainly to a minority non-quoted equity holding in ProAktive Risk Group Limited with a carrying value of £182k. This was disposed of in 2022.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****15 Financial assets (continued)****Movements in financial assets**

	Other investments £000
Cost or valuation	
At 1 January 2022	188
Acquired on acquisition of business	117
Disposals	(182)
	<hr/>
At 31 December 2022	123
	<hr/>
Carrying amount	
At 31 December 2022	123
	<hr/>
At 31 December 2021	188
	<hr/>

Management have considered that there has not been a significant rise in credit risk since these assets were initially recognised. This follows an assessment of growth, ability to raise finance and the stability of the markets in which they operate. In assessing 12 month Expected Credit Losses (ECL), management have considered similar factors and the financial support available to the ultimate parent company. The possibility of a default in the 12 months following the reporting date is negligible and the ECL is therefore nil.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****16 Investments in associates**

The Group owns 42.5% of the share capital of TransBrokers.eu. The principal place of business of TransBrokers.eu is Poland and the registered office is ul. Fiolkowa 3, 52-200 Wysoka, Polska. It is an insurance broker in the transport, shipping and logistics sector.

The summary statement of financial position of TransBrokers.eu as at 31 December 2022 is set out below:

	2022	2021
	£000	£000
Non-current assets	117	79
Current assets	509	512
	<u> </u>	<u> </u>
Total assets	626	591
Non-current liabilities	(5)	(12)
Current liabilities	(206)	(147)
	<u> </u>	<u> </u>
Total liabilities	(211)	(159)
Net assets	415	432
57.5% not owned by the Group	(239)	(249)
	<u> </u>	<u> </u>
Carrying value	176	183
	<u> </u>	<u> </u>

The following is a summary of the movement during the year:

	£000
At 1 January 2022	183
Share of profit after tax	46
Dividend received from associate	(53)
	<u> </u>
At 31 December 2022	176
	<u> </u>

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****17 Subsidiaries**

The companies in which the Company had an interest at 31 December 2022 are shown below:

Name of undertaking	Registered Office	Country of incorporation	Ownership	Nature of business
Alto Insurance Group Limited	Rossington's Business Park, West Carr Road, Retford, Nottinghamshire, DN22 7SW	England	Direct	Intermediate holding company
aQmen Holdings Limited	As above	England	Indirect	Intermediate holding company
aQmen Limited	As above	England	Indirect	Insurance brokers
Arlington Insurance Services Limited	As above	England	Direct	Insurance brokers
Bartleet Enterprises Limited	As above	England	Direct	Insurance brokers
B.K. Insurance Brokers Limited	As above	England	Direct	Insurance brokers
BKG West Limited	As above	England	Indirect	Insurance brokers
Case Insurance Services Limited	As above	England	Indirect	Insurance brokers
Chester Crown Holdings Limited	As above	England	Indirect	Intermediate holding company
Citynet Insurance Brokers Limited	As above	England	Indirect	Insurance brokers
Citynet London Holdings Limited	As above	England	Direct	Intermediate holding company
CMR Insurance Services Limited	As above	England	Indirect	Insurance brokers
Cobra Corporate Solutions Limited	As above	England	Indirect	Insurance brokers
Cobra GAL (Holdings) Limited	As above	England	Indirect	Intermediate holding company
Cobra Holdings Limited	As above	England	Indirect	Intermediate holding company
Cobra Insurance Brokers Limited	As above	England	Indirect	Insurance brokers
Cobra London Markets Limited	As above	England	Indirect	Insurance brokers
Cobra Network Limited	As above	England	Indirect	Insurance brokers
Cobra Resource Management Limited	As above	England	Indirect	Insurance brokers
Cobra Underwriting Agencies Limited	As above	England	Indirect	Insurance brokers
Cooper Solutions Limited	As above	England	Direct	Insurance brokers
D. E. Ford Holdings Limited	As above	England	Indirect	Intermediate holding company
D. E. Ford (Insurance Brokers) Limited	As above	England	Indirect	Insurance brokers
ENSCO 1069 Limited	As above	England	Indirect	Employee benefit trust
Erskine Murray Limited	As above	England	Indirect	Insurance brokers
Element Hinton (Insurance Brokers) Limited	As above	England	Direct	Insurance brokers
Fish Administration Limited	As above	England	Direct	Insurance brokers
Houghton Insurance Bureau Limited	As above	England	Indirect	Insurance brokers

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****17 Subsidiaries (continued)**

i2 Healthcare Limited	C/O Mazars Llp, 30 Old Bailey, London, London, EC4M 7AU	England	Indirect	Insurance brokers
Internet Insurance (Holdings) Limited	Rossington's Business Park, West Carr Road, Retford, Nottinghamshire, DN22 7SW	England	Direct	Intermediate holding company
Internet Insurance Services UK Limited	As above	England	Indirect	Insurance brokers
JRT Insurance Brokers Limited	As above	England	Direct	Insurance brokers
Lorica Insurance Brokers Limited	As above	England	Indirect	Insurance brokers
Morton Michel Holdings Limited	As above	England	Direct	Intermediate holding company
Morton Michel Limited	As above	England	Indirect	Insurance brokers
Offley Insurance Services Limited	As above	England	Indirect	Insurance brokers
Online Risk Solutions Limited	C/O Mazars Llp, 30 Old Bailey, London, London, EC4M 7AU	England	Indirect	Insurance brokers
Philip Paul & Associates Limited	Rossington's Business Park, West Carr Road, Retford, Nottinghamshire, DN22 7SW	England	Indirect	Insurance brokers
PIB Employee Benefits Limited	As above	England	Indirect	Employee benefit services
PIB Employee Benefits Holdings Limited	As above	England	Direct	Intermediate holding company
PIB Group CEE (UK) Limited	As above	England	Indirect	Intermediate holding company
PIB Group Europe (UK) Limited	As above	England	Direct	Intermediate holding company
PIB (Group Services) Limited	As above	England	Direct	Management company
PIB (Legacy EB) Limited	As above	England	Indirect	Insurance brokers
PIB Risk Management Limited	As above	England	Indirect	Risk management services
PIB Risk Services Limited	As above	England	Direct	Insurance brokers
Premier Business Cost Savings Specialists Limited	As above	England	Indirect	Procurement services
QPI Legal Limited	C/O Mazars Llp, 30 Old Bailey, London, London, EC4M 7AU	England	Indirect	Insurance brokers
R A Insurance Brokers Limited	Rossington's Business Park, West Carr Road, Retford, Nottinghamshire, DN22 7SW	England	Direct	Insurance brokers
Rigton Insurance Services Limited	As above	England	Direct	Insurance brokers
Robert Edward (Southern) Limited	As above	England	Indirect	Insurance brokers

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****17 Subsidiaries (continued)**

Simply Insurance Services Limited	As above	England	Direct	Insurance brokers
Stephensons (2000) Limited	As above	England	Indirect	Insurance brokers
Sue Smith Limited	C/O Mazars Llp, 30 Old Bailey, London, London, EC4M 7AU	England	Indirect	Health and safety services
Q Underwriting Limited	Rossington's Business Park, West Carr Road, Retford, Nottinghamshire, DN22 7SW	England	Direct	Insurance brokers
Thistle Insurance Services Limited	As above	England	Direct	Insurance brokers
UK & Ireland Insurance Services Limited	As above	England	Indirect	Insurance brokers
UK & Ireland Holdings Limited	As above	England	Direct	Intermediate holding company
Wheatley Wright Insurance Services Limited	As above	England	Direct	Insurance brokers
PIB Global Limited (formerly Wilby Limited)	As above	England	Indirect	Insurance brokers
PIB Group Spain (UK) Limited	As above	England	Indirect	Intermediate holding company
PIB Group Germany (UK) Limited	As above	England	Indirect	Intermediate holding company
PIB Group Benelux (UK) Limited	As above	England	Indirect	Intermediate holding company
Barbon Insurance Group Limited	Hestia House, Edgewest Road, Lincoln, LN6 7EL	England	Indirect	Insurance brokers
Barbon Holdings Limited	As above	England	Indirect	Intermediate holding company
Beck Bidco Limited	As above	England	Indirect	Intermediate holding company
Letsure Limited	As above	England	Indirect	Insurance brokers
Letsure Underwriting Limited	As above	England	Indirect	Insurance brokers
Letsure Underwriting Management Limited	As above	England	Indirect	Insurance brokers
Movem Limited	As above	England	Indirect	Insurance brokers
Rentdata Limited	C/O Mazars Llp, 30 Old Bailey, London, London, EC4M 7AU	England	Indirect	Insurance brokers
Rentshield Direct Limited	C/O Mazars Llp, 30 Old Bailey, London, London, EC4M 7AU	England	Indirect	Insurance brokers
Let Alliance Limited	Dodleston House, Bell Meadow Business Park, Pulford, Chester, CH4 9EP	England	Indirect	Insurance brokers
Propgen Limited	The Hedge Business Centre, Level 3, Triq irRampa ta' San Giljan, Balluta Bay, St Julians, STJ 1062	Malta	Indirect	Insurance brokers

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****17 Subsidiaries (continued)**

Propgen Holdings Limited	As above	Malta	Indirect	Intermediate holding company
Albany Asset Management Limited	C/O Mazars LLP, Restructuring Services, Capital Square 58 Morrison Street, Edinburgh, EH3 8BP	Scotland	Indirect	Insurance brokers
Carmichael (Aberdeen) Limited	14 Golden Square, Aberdeen, AB10 1RH	Scotland	Indirect	Insurance brokers
Channel Insurance Brokers (Jersey) Limited	Ground Floor, 7 Esplanade, St Helier, Jersey JE2 3QA	Jersey	Direct	Insurance brokers
Optis Insurances Limited	2nd Floor Otter House, Modern Plant, Naas Road, Dublin 22 D22 CR92	Ireland	Indirect	Insurance brokers
PIB Insurance (Europe) Limited	As above	Ireland	Direct	Intermediate holding company
Marx Re Insurance Brokers GmbH	Leopoldstraße 46 80802 München	Germany	Indirect	Insurance brokers
Catalonia Bidco GmbH	As above	Germany	Indirect	Intermediate holding company
WDB SA	3 Fiołkowa Street, 52-200 Wysoka	Poland	Direct	Insurance brokers
WDB Consulting SP.Z O.O.	As above	Poland	Indirect	Insurance brokers
Barbeck Midco 1 Limited	44 Esplanade, Helier, Jersey, JE4 9WG	Jersey	Indirect	Intermediate holding company
Barbeck Midco 2 Limited	As above	Jersey	Indirect	Intermediate holding company
Barbeck Midco 3 Limited	As above	Jersey	Indirect	Intermediate holding company
Barbeck Topco Limited	As above	Jersey	Direct	Intermediate holding company
Acquinex Limited	6 Lloyds Avenue, London. EC3N 3AX	England	Indirect	Intermediate holding company
Acquinity Partners Limited	As above	England	Direct	Insurance brokers
Acquinex A/S	Bredgade 30, 1260 Copenhagen K	Denmark	Indirect	Insurance brokers
Acquinex GmbH	Kaiserhofstr. 10, 60313 Frankfurt am Main	Germany	Indirect	Insurance brokers
Creane & Creane Limited	2nd Floor Otter House, Modern Plant, Naas Road, Dublin 22 D22 CR92	Ireland	Indirect	Insurance brokers
Rent4Sure Limited	Unit 1 The Glenmore Centre, Honeywood Parkway Whitfield, Dover, Kent, CT16 3FH	England	Direct	Insurance brokers
R A Back Office Services (India) Private Limited	GF 01/B-FF A-2 Building Sarabhai Campus Gorwa Road, Near Genda Circle, Vadodara, Gujarat 390023 India	India	Indirect	Insurance brokers

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****17 Subsidiaries (continued)**

Oliver Murphy Insurance Broker Limited	2nd Floor Otter House, Modern Plant, Naas Road, Dublin 22 D22 CR92	Ireland	Indirect	Insurance brokers
Campion Insurances Limited	2nd Floor Otter House, Modern Plant, Naas Road, Dublin 22 D22 CR92	Ireland	Indirect	Insurance brokers
Brokers Union SP. Z.O.O	ul. Slezna 112/U8 Wroclaw 53-111 Poland	Poland	Indirect	Insurance brokers
Cicor Internacional Correduria De Seguros Y Reaseguros, S.L.	Calle Muntaner, 292, principal 1, Barcelona (08021)	Spain	Indirect	Insurance brokers
Light B.V.	Coolsingel 61 (3012AB) Rotterdam	Netherlands	Indirect	Insurance brokers
Exito Consulting SP. Z.O.O	Ul. Twarda 18 Warsaw, Mazowieckie 00-105	Poland	Indirect	Insurance brokers
Alan Tierney & Partners Limited	2nd Floor Otter House, Modern Plant, Naas Road, Dublin 22 D22 CR92	Ireland	Indirect	Insurance brokers
Baily Garner (Health & Safety) Limited	Rossington's Business Park, West Carr Road, Retford, Nottinghamshire, DN22 7SW	England	Direct	Insurance brokers
Fingal Insurance Group Designated Activity Company	2nd Floor Otter House, Modern Plant, Naas Road, Dublin 22 D22 CR92	Ireland	Indirect	Insurance brokers
Tractio Risk Correduria de Seguros, S.L.	Bilbao, Calle Juan de Ajuriaguerra 10, Bajo derecha (48009 - Bizkaia)	Spain	Indirect	Insurance brokers
SG IFFOXX Assekuranzmaklergesellschaft mbH	Youco24 Business Centre, Amelia-Mary-Earhart-Strasse 8, 60549 Frankfurt am Main	Germany	Indirect	Insurance brokers
New Sure Life Limited	2nd Floor Otter House, Modern Plant, Naas Road, Dublin 22 D22 CR92	Ireland	Indirect	Insurance brokers
Guest Krieger Limited	68 Cornhill, London, EC3V 3QX	England	Direct	Insurance brokers
Sullivan Insurances (Limerick) Limited	2nd Floor Otter House, Modern Plant, Naas Road, Dublin 22 D22 CR92	Ireland	Indirect	Insurance brokers
SSD Insurances Designated Activity Company (trading as Sheridan-Colohan Insurances)	2nd Floor Otter House, Modern Plant, Naas Road, Dublin 22 D22 CR92	Ireland	Indirect	Insurance brokers

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****17 Subsidiaries (continued)**

Zorab Insurance Services Limited	Rossington's Business Park, West Carr Road, Retford, Nottinghamshire, DN22 7SW	England	Direct	Insurance brokers
Balens Limited	Bridge House, Portland Road, Malvern, Worcestershire, WR14 2TA	England	Direct	Insurance brokers
Confide Correduria de Seguros Y Reaseguros, S.L.	Calle Aribau Número 200 Planta Tercera, Barcelona (08036)	Spain	Indirect	Insurance brokers
Emprocom Limited	Hestia House, Edgewest Road, Lincoln, Lincolnshire LN6 7EL	England	Direct	Insurance brokers
JMC Correduria de Seguros Manero, S.L. (trading as Engloba)	Calle Carrera Zaragoza, 7, Tarazona, 50500, Zaragoza	Spain	Indirect	Insurance brokers
BHP Community Limited	2nd Floor Otter House, Modern Plant, Naas Road, Dublin 22 D22 CR92	Ireland	Indirect	Insurance brokers
Ashbourne Insurance Services Limited	As above	Ireland	Indirect	Insurance brokers
Michael Henchy (Insurances) Limited	As above	Ireland	Indirect	Insurance brokers
Sullivan Insurance (Holdings) Limited	As above	Ireland	Indirect	Insurance brokers
Balens Insurance Finance Services Ltd	Bridge House, Portland Road, Malvern, Worcestershire, WR14 2TA	England	Indirect	Insurance brokers
Risqwise B.V.	van Nelleweg 1, 30411 BC Rotterdam	Netherlands	Indirect	Insurance brokers
Damus Acquisitions Holdings Ltd	2nd Floor Otter House, Modern Plant, Naas Road, Dublin 22 D22 CR92	Ireland	Indirect	Insurance brokers
Damus Acquisitions Ltd	As above	Ireland	Indirect	Insurance brokers
Delbrook Investment Holdings Ltd	As above	Ireland	Indirect	Insurance brokers
Keegan & Meredith Finances (Ireland) Limited	As above	Ireland	Indirect	Insurance brokers
Keegan Meredith & Williams Insurances Limited	As above	Ireland	Indirect	Insurance brokers
Sebastopol (Ireland) Limited	As above	Ireland	Indirect	Insurance brokers
Barbon Legal Services Limited	Hestia House, Edgewest Road, Lincoln, LN6 7EL	England	Indirect	Insurance brokers
Acquinex SP.Z.O.O	Skylight Building, ul. Zlota 59 00-120 Warsaw Poland	Poland	Indirect	Insurance brokers
Acquinity Partners Agencia de Suscripción, S.L.	WeWork Glories Calle Tanger 86 08018 Barcelona Spain	Spain	Indirect	Insurance brokers

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****17 Subsidiaries (continued)**

Asist SP.Z.O.O.	ul. Gen. Jozefa Hallera 30, Starogard Gdanski, 83-200 Starogard Gdanski	Poland	Indirect	Insurance brokers
Balens Europe B.V.	Prins Henrikkade 169 1, 1011 Tc Amsterdam, Netherlands	Netherlands	Indirect	Insurance brokers
Conbenefits Previsión Empresarial, S.L.U.	Calle de Aribau, numero 200, 30 Planta, 08036, Barcelona	Spain	Indirect	Insurance brokers
Conbenefits, S.L.U.	Calle de Aribau, número 200, 3º Planta, 08036, Barcelona	Spain	Indirect	Insurance brokers
ECRB SP.Z.O.O.	Ul. Ślężna 112 B /U 8, 53-111 Wrocław	Poland	Indirect	Insurance brokers
Eko Broker SP.Z.O.O.	Ul. Twarda 18, 00-105 Warszawa	Poland	Indirect	Insurance brokers
Exito Broker SP.Z.O.O.	As above	Poland	Indirect	Insurance brokers
Farloe Holdings Limited	2nd Floor Otter House, Modern Plant, Naas Road, Dublin 22 D22 CR92	Ireland	Indirect	Insurance brokers
Global Marine Services, S.A.	Calle Jose Lazaro Galdiano, no 4, 70 derecha A, Madrid (28036)	Spain	Indirect	Insurance brokers
Guest Krieger Europe S.R.L.	6 Via Francesco Ferrucci Milano 20145	Italy	Indirect	Insurance brokers
Halligan Life & Pensions Limited	2nd Floor Otter House, Modern Plant, Naas Road, Dublin 22 D22 CR92	Ireland	Indirect	Insurance brokers
Iccuris Credit Solutions Correduría De Seguros, S.L.U.	Calle Aribau Numero 200 Planta Tercera, Barcelona (08036)	Spain	Indirect	Insurance brokers
INS Broker Consultang Agencia Financiera, S.L.U.	Calle Carrera Zaragoza, 7, Tarazona, 50500, Zaragoza	Spain	Indirect	Insurance brokers
McLaughlin & Greaney Insurances Limited	2nd Floor Otter House, Modern Plant, Naas Road, Dublin 22 D22 CR92	Ireland	Indirect	Insurance brokers
McLaughlin & Greaney Limited	As above	Ireland	Indirect	Insurance brokers
Personal and Specialist Insurance Designated Activity Company	As above	Ireland	Indirect	Insurance brokers
PIB Agency SP.O.O.	Ul. Fiolkowa 5, 52-500 Wyoska	Poland	Indirect	Insurance brokers
PIB Group (Holland Bidco) B.V.	Coolsingel 61, 3012AB Rotterdam	Netherlands	Indirect	Insurance brokers
PIB Group Poland SP.Z.O.O	Ul. Fiolkowa 3, 52-200 Wysoka	Poland	Indirect	Insurance brokers

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****17 Subsidiaries (continued)**

Reynard BidCo GmbH	Youco24 Business Centre, Amelia-Mary-Earhart-Strasse 8, 60549 Frankfurt am Main	Germany	Indirect	Insurance brokers
Reynard HoldCo GmbH & Co KG	As above	Germany	Indirect	Insurance brokers
Reynard HoldCo GP GmbH	As above	Germany	Indirect	Insurance brokers
Tractio Risk Solutions, S.L.U.	Madrid, Paseo de la Castellana 139, 10 (28046 - Madrid)	Spain	Indirect	Insurance brokers
Transbrokers.EU SP.Z.O.O	Ul. Fiolkowa 3, 52-200 Wyoska	Poland	Indirect	Insurance brokers
Vimmerby Holding Limited	2nd Floor Otter House, Modern Plant, Naas Road, Dublin 22 D22 CR92	Ireland	Indirect	Insurance brokers
Channel Insurance Brokers Limited	4 South Esplanade, St Peter Port, Guernsey, Channel Islands GY1 3PZ	Guernsey	Direct	Insurance brokers

The Company holds 100% of the ordinary shares in all subsidiaries above with the exception of Transbrokers.EU (see note 16) and Guest Krieger Europe S.R.L. (75% owned). All subsidiaries listed have been included within these consolidated financial statements.

18 Subsidiary guarantees

As a parent company established under the law of the UK (an EEA state) for the 12 month period ended 31 December 2022, PIB Group Limited took advantage of the exemption from audit under section 479A of the Companies Act 2006 for the following subsidiary undertakings:

Acquinex Limited (10637152)
 Acquinity Partners Limited (11018914)
 Albany Asset Management Limited (SC188800)
 Alto Insurance Group Ltd (07903709)
 aQmen Holdings Limited (10153214)
 aQmen Limited (05769545)
 Arlington Insurance Services Limited (05356494)
 B.K Insurance Brokers Limited (01867316)
 Barbon Holdings Limited (07435517)
 Bartleet Enterprises Limited (07892872)
 Beck Bidco Limited (09475437)
 BKG West Limited (04320747)
 Carmichael (Aberdeen) Limited (SC161121)
 Case Insurance Services Limited (07456845)
 Chester Crown Holdings Limited (06654784)
 Citynet London Holdings Limited (08218863)
 CMR Insurance Services Limited (03239596)
 Cobra Corporate Solutions Limited (03426633)
 Cobra GAL (Holdings) Limited (05074528)
 Cobra Holdings Limited (05548507)
 Cobra Insurance Brokers Limited (03233679)

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Subsidiary guarantees (continued)

Cobra Network Limited (04628555)
Cobra Resource Management Limited (05553037)
Cobra Underwriting Agencies Limited (04731994)
Cooper Solutions Limited (05168547)
D. E. Ford (Insurance Brokers) Limited (01282731)
D. E. Ford Holdings Limited (08038956)
Element Hinton (Insurance Brokers) Limited (07568517)
ENSCO 1069 Limited (09033987)
Erskine Murray Limited (09564100)
Fish Administration Limited (04214119)
Guest Krieger Limited (01203847)
Houghton Insurance Bureau Limited (01517422)
i2 Healthcare Limited (06243798)
Internet Insurance (Holdings) Limited (08541798)
Internet Insurance Services UK Limited (03928028)
JRT Insurance Brokers Limited (09213670)
Let Alliance Limited (07338620)
Letsure Limited (03010153)
Letsure Underwriting Limited (03115130)
Letsure Underwriting Management Limited (03115069)
Lorica Insurance Brokers Limited (01417032)
Morton Michel Holdings Limited (07837994)
Morton Michel Limited (05120835)
Movem Limited (08876118)
Offley Insurance Services Limited (04483586)
Online Risk Solutions Limited (07822050)
Philip Paul & Associates Limited (06762003)
PIB (Group Services) Limited (10315628)
PIB (Legacy EB) Limited (10315612)
PIB Employee Benefits Holdings Limited (03702198)
PIB Group Benelux (UK) Limited (13771029)
PIB Group CEE (UK) Limited (06920259)
PIB Group Europe (UK) Limited (07834330)
PIB Group Germany (UK) Limited (13532211)
PIB Group Spain (UK) Limited (13533012)
PIB Risk Management Limited (07473310)
Premier Business Cost Saving Specialists Limited (07966466)
QPI Legal Limited (05160880)
R A Insurance Brokers Limited (03248029)
Rent4Sure Limited (06988086)
Rentdata Limited (10309738)
Rentshield Direct Limited (05616550)
Rigton Insurance Services Limited (01159640)
Robert Edward (Southern) Limited (02278009)
Simply Insurance Services Limited (03904070)
Stephensons (2000) Limited (03900356)
Sue Smith Limited (07605649)
UK & Ireland Holdings Limited (09761677)
UK & Ireland Insurance Services Limited (02793327)

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****18 Subsidiary guarantees (continued)**

Wheatley Wright Insurance Services Limited (04664478)
 PIB Global Limited (02592184)
 Baily Garner (Health & Safety) Ltd (02703372)
 Zorab Insurance Services Ltd (02550599)
 Balens Limited (04931050)
 Emprocom Limited (06485706)

PIB Group Limited guarantees the subsidiaries above under section 479C of the Companies Act 2006 in respect of the year ended 31 December 2022. The aggregate carrying value of liabilities guaranteed by the Company under the use of this exemption at the end of the reporting date was £160,163k (2021: £111,530k).

19 Trade and other receivables

	2022	2021
	£000	£000
Trade receivables	57,948	40,153
Other debtors	4,757	2,464
Amounts due from related parties	2,915	2,908
Prepayments	14,586	11,175
	<u>80,206</u>	<u>56,700</u>

Amounts due from related parties are unsecured, interest free and repayable on demand.

20 Cash and cash equivalents

	2022	2021
	£000	£000
Office cash	276,418	159,217
Client cash	117,968	105,281
	<u>394,386</u>	<u>264,498</u>

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****21 Contract balances**

	2022	2021
	£000	£000
Current contract assets		
Cost of fulfilment asset	1,514	1,514
Profit commission	13,254	15,336
	<u>14,768</u>	<u>16,850</u>
	2022	2021
	£000	£000
Non-current contract assets		
Profit commission	221	221
	<u>221</u>	<u>221</u>

The cost of fulfilment asset relates to the time spent by staff in the placement of new and renewed policies in a reporting period prior to the recognition of the related revenue.

As the period of time over which these placement activities take place is typically only up to two months, the full balance at the end of each reporting period has been released to the Statement of Profit or Loss in the following year.

No impairment loss has been recognised in respect of the cost of fulfilment asset either in 2021 or 2022.

Management measure the loss allowance on profit commission at an amount equal to lifetime ECL. Taking into account the historical default experience and the future prospects of the insurance industry, the ECL has been assessed as nil. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for profit commission.

	2022	2021
	£000	£000
Contract liabilities		
Claims handling obligations	3,094	1,794
Other deferred revenue	5,204	4,436
	<u>8,298</u>	<u>6,230</u>

All contract liabilities are due within 12 months.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Derivative financial instruments

As at 31 December 2022, there were US\$12,075 of open forward contracts for sale at £9,557 as set out below. There were no open forward contracts at 31 December 2021.

As at 31 December 2022	Amount	Committed exchange rate	Contracted value	Fair value
Expires	US\$000	%	£000	£000
03 January 2023	200	1.2065	166	-
17 January 2023	100	1.2194	82	1
23 January 2023	75	1.3055	57	5
25 January 2023	150	1.1834	127	(2)
16 February 2023	100	1.2204	82	1
21 February 2023	75	1.3062	57	5
27 February 2023	150	1.1837	127	(2)
16 March 2023	100	1.2213	82	1
21 March 2023	75	1.3070	57	5
27 March 2023	150	1.1839	127	(2)
31 March 2021	2,400	1.2775	1,879	27
17 April 2023	100	1.2226	82	1
25 April 2023	150	1.1842	127	(2)
28 April 2023	2,200	1.2650	1,739	25
16 May 2023	100	1.2235	82	1
25 May 2023	150	1.1843	127	(3)
31 May 2023	1,800	1.3000	1,385	44
16 June 2023	100	1.2244	82	1
26 June 2023	150	1.1843	127	(3)
17 July 2023	1,800	1.2950	1,390	59
25 July 2023	150	1.1845	127	(3)
31 July 2023	1,650	1.2500	1,320	34
25 August 2023	150	1.1845	127	(3)
	<u>12,075</u>		<u>9,557</u>	<u>190</u>

All derivatives are measured at fair value. Fair value has been calculated from data sources from an independent financial market data provider.

23 Borrowings

	2022 £000	2021 £000
Unsecured borrowings at amortised cost		
Loans from related parties	909,382	428,269
Loan notes	16,743	14,949
	<u>926,125</u>	<u>443,218</u>

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

23 Borrowings (continued)

The Group's immediate parent company, Paisley Bidco Limited, entered into a credit facility on 17 March 2021, which it draws down on and lends to the Group on similar terms. As at the year end, the facility consisted of a £1,032m long term loan due to mature in 2028 with an initial margin of either 5.50% or 6.00% depending on the currency of the drawdown and the tranche of the facility. In addition, there is a £50m revolving facility due to mature in 2027 with an initial margin of 2.75%, plus a commitment fee on any undrawn amount of the facility. Both are subject to a ratchet starting on 17 March 2022 that would result in margins between 4.75% and 6.25% on the long term loan and between 2.25% and 2.75% on the revolving facility. In addition to these respective margins, each loan attracts an interest charge equivalent to SONIA, Sterling Overnight Interbank Average Rate, (previously GBP LIBOR, London Interbank Offered Rate) or EURIBOR, Euro Interbank Offered Rate, on euro denominated draw downs. The amount drawn by the Group under this onlending arrangement as at 31 December 2022 was £618,516k (2021: £153,752k).

Prior to 17 March 2021, the Group had a similar facility to borrow from another Group company, Ivy Finco Limited. The amount drawn by the Group as at 31 December 2022 was £290,866k (2021: £274,517k).

The loan notes represent a principal of £7,826k (2021: £7,826k) plus accrued interest which is compounded annually on 31 December. The loan notes carry an effective interest rate of 12% and are redeemable in 2026 in full.

24 Trade and other payables

	2022	2021
	£000	£000
Current		
Trade payables	125,964	110,540
Amounts due to related parties	101,497	34,816
Accruals	32,804	15,658
Deferred consideration	4,846	3,122
Social security and other taxation	5,045	3,253
Contingent consideration	77,372	9,942
Other creditors	30,575	7,327
	<u>378,103</u>	<u>184,658</u>
Non-current		
Contingent consideration	<u>10,102</u>	<u>5,479</u>

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Management consider that the carrying amount of trade payables approximates to their fair value.

Amounts due to related parties are unsecured, interest free and repayable on demand.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****25 Deferred taxation**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2022	2021
	£000	£000
On acquisition of customer relationships	(138,749)	(55,857)
Accelerated tax depreciation	1,033	925
Short term timing differences	83	796
Unutilised losses	6,116	3,761
	<u>(131,517)</u>	<u>(50,375)</u>

Movements in the year:

	£000
Net liability as at 1 January 2022	(50,375)
Charge to Statement of Profit or Loss	8,911
On acquisition of business combinations	116
On acquisition of customer relationships	(89,957)
Foreign exchange adjustments	(212)
	<u>(131,517)</u>

In the March 2021 Budget, it was announced that the UK Corporation Tax Rate will rise from its current rate of 19% to 25% with effect from April 2023. UK deferred tax balances as at 31 December 2022 are measured at the rate that the respective assets and liabilities will reverse.

26 Provisions for liabilities

	2022	2021
	£000	£000
Dilapidations provision	679	843
Service charge provision	-	42
Other provisions	37	42
	<u>716</u>	<u>927</u>

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

26 Provisions for liabilities (continued)

Analysis of provisions

Provisions are classified based on the amounts that are due within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022	2021
	£000	£000
Current liabilities	37	84
Non-current liabilities	679	843
	<u>716</u>	<u>927</u>

Movements on provisions:

	Dilapidations provision	Service charge provision	Other provisions	Total
	£000	£000	£000	£000
At 1 January 2022	843	42	42	927
Acquired on acquisition of business	32	-	-	32
Utilisation	(196)	(42)	(5)	(243)
At 31 December 2022	<u>679</u>	<u>-</u>	<u>37</u>	<u>716</u>

Provisions have not been discounted as the effect of the time value of money is immaterial.

The following information describes how the best estimate for each provision has been calculated.

The Group has dilapidation provisions in respect of premises that it occupies. The provision relates to future repair costs on these premises. The dilapidation costs have been estimated using the Group's past experience of similar expenses. Dilapidation payments are due at the earlier of the break option or end of the property lease.

The Group makes a service charge provision where the Group vacates a building and is still required to pay the service charge until the end of the contract. The unused rent element of the lease is recognised as an impairment to the associated right-of-use asset.

Other provisions relate to restructuring. The Group recognises a provision for restructuring when it has a legal or constructive obligation to carry out the restructuring. The restructuring may be the sale or termination of a line of business, the closure or relocation of business activities in a particular region, changes in management structure or any other reorganisations with a material effect on the entities operations. The Group only recognises the provision when it has a formal detailed plan and it has raised a valid expectation in those affected that it will carry out the restructuring.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

27 Financial instruments

The carrying amounts of the Group's financial assets and liabilities in each measurement category are as follows:

	2022	2021
	£000	£000
Financial assets		
Measured at amortised cost:		
Trade receivables and other debtors	62,705	42,617
Profit commission	13,475	15,557
Amounts due from related parties	2,915	2,908
Cash and cash equivalents	394,386	264,498
	<u>473,481</u>	<u>325,580</u>
Mandatorily measured at fair value through profit or loss:		
Other investments	123	188
	<u>473,604</u>	<u>325,768</u>
Financial liabilities		
Measured at amortised cost:		
Loan notes	16,743	14,949
Deferred consideration	4,846	3,122
Loans from related parties	909,382	428,269
Trade payables and other creditors	156,539	117,867
Lease liabilities	18,962	13,897
	<u>1,106,471</u>	<u>578,104</u>
Mandatorily measured at fair value through profit or loss:		
Contingent consideration	87,474	15,421
Derivative financial instruments	190	-
	<u>1,194,136</u>	<u>593,525</u>

The carrying value of financial assets and liabilities held at amortised cost approximate to their fair value.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

27 Financial instruments (continued)

Financial instruments held at fair value

The disclosure of fair value measurements by level is assessed using the following fair value measurement hierarchy

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability (Level 2)
- inputs for the asset or liability that are not based on observable market data (Level 3)

The level 2 instruments are not traded in an active market and therefore their fair value has been determined using forward exchange rates or forward interest rates derived from market sourced data.

The fair value of level 3 instruments have been determined using the probable cash flow profile using management forecast data, with the cash flows discounted back to present value.

The fair value of other investments has been estimated as cost due to insufficient recent available information being available to determine fair value. There are no indicators that cost is not representative of fair value.

Contingent consideration relates to estimated future earn out payments resulting from business combinations. Earn out payments are linear based on either revenue or EBITDAE and typically cover a period of one to two years. Estimates of these payments are made by reference to detailed reviews of historical performance, forecasts and expected customer retention. The undiscounted value of contingent consideration is £90,050k (2021: £36,045k). The estimated cash flows are discounted where material. Apart from where the earn out period has been completed, the range of outcomes has not changed during the year.

	Level 1 £000	Level 2 £000	Level 3 £000
At 31 December 2022			
Other investments	-	-	123
Contingent consideration	-	-	(87,474)
	<u> </u>	<u> </u>	<u> </u>
	Level 1 £000	Level 2 £000	Level 3 £000
At 31 December 2021			
Other investments	-	-	188
Contingent consideration	-	-	(15,421)
	<u> </u>	<u> </u>	<u> </u>

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

27 Financial instruments (continued)

Reconciliation of movements in Level 3 financial instruments

	Other investments £000	Contingent consideration £000	Total £000
Balance at 1 January 2022	188	(15,421)	(15,233)
Gains and losses recognised in profit or loss	-	(4,122)	(4,122)
Acquisitions	117	(71,092)	(70,975)
Settlements	-	6,549	6,549
Disposals	(182)	-	(182)
Unwinding of discount	-	(2,011)	(2,011)
Foreign exchange adjustments	-	(1,377)	(1,377)
Balance at 31 December 2022	<u>123</u>	<u>(87,474)</u>	<u>(87,351)</u>

	Other investments £000	Contingent consideration £000	Total £000
Balance at 1 January 2021	185	(15,307)	(15,122)
Gains and losses recognised in profit or loss	-	(7,794)	(7,794)
Acquisitions	3	(5,331)	(5,328)
Settlements	-	12,836	12,836
Unwinding of discount	-	(472)	(472)
Foreign exchange adjustments	-	647	647
Balance at 31 December 2021	<u>188</u>	<u>(15,421)</u>	<u>(15,233)</u>

There has been no change in the fair value of these financial instruments that are attributable to changes in credit risk (2021: £nil).

Sensitivity analysis on level 3 instruments

The other investments relate to a number of immaterial minority non-quoted equity holdings. In 2021 other investments related mainly to a minority non-quoted equity holding in ProAktive Risk Group Limited with a carrying value of £182k. This was disposed of in 2022.

The contingent consideration is dependent on the future revenue performance of certain historical Group acquisitions. A 10% increase/(decrease) in performance over their remaining respective performance periods would result in a £3,763k/£(37,843)k increase/(decrease) (2021:£1,280k/£(1,280)k) in contingent consideration and a corresponding gain/loss in the Statement of Profit or Loss.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

28 Retirement benefit schemes

Defined contribution schemes	2022 £000	2021 £000
Charge to Statement of Profit or Loss in respect of defined contribution schemes	4,196	3,844

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

29 Called up share capital

Ordinary share capital <i>Issued and fully paid</i>	2022		2021	
	Number	£000	Number	£000
Ordinary A of £0.01 each	296,922,439	297	296,922,439	297
Ordinary B of £1 each	4,000	4	4,000	4
	<u>296,926,439</u>	<u>301</u>	<u>296,926,439</u>	<u>301</u>

The Company has two classes of ordinary shares neither of which carry a right to fixed income, have full voting rights, the right to receive a dividend and the right on a distribution of capital (including on a winding up) to participate equally with the other shares in issue.

Reconciliation of movements in ordinary A shares during the year:

	2022 Number	2021 Number
At 1 January	296,922,439	296,012,439
Issue of fully paid shares	-	910,000
At 31 December	<u>296,922,439</u>	<u>296,922,439</u>

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business**

During the year the Group made a number of acquisitions, a summary of which is detailed below:

Summary

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	1,334	400,196	401,530
Property, plant and equipment	1,956	-	1,956
Right-of-use assets	4,932	-	4,932
Other investments	117	-	117
Trade and other receivables	49,600	-	49,600
Cash and cash equivalents	61,754	-	61,754
Trade and other payables	(83,284)	-	(83,284)
Lease liabilities	(4,932)	-	(4,932)
Provisions	(32)	-	(32)
Borrowings	(19,232)	-	(19,232)
Tax liabilities	(2,190)	-	(2,190)
Deferred tax	116	(89,957)	(89,841)
	<u>10,139</u>	<u>310,239</u>	<u>320,378</u>
Goodwill			<u>185,827</u>
Total consideration			<u>506,205</u>
The consideration was satisfied by:			£000
Cash			347,673
Deferred consideration			26,098
Contingent consideration			71,092
Equity			61,342
			<u>506,205</u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			54,550
Profit/(loss) before tax			<u>13,181</u>

If all of these acquisitions had completed on the first day of the reporting period, Group revenues would have been reported as £394,044k and loss before tax as £60,610k.

Acquisition costs arising as a result of these transactions amount to a total of £8,841k and has been recognised as part of other operating expenses in the Statement of Profit or Loss.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

The business combinations included within the summary above are shown individually below:

On 13 January 2022 the Group acquired 100% of the issued share capital of Oliver Murphy Insurance Brokers Limited, a commercial insurance broker operating from Ireland.

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	4,732	4,732
Property, plant and equipment	44	-	44
Right-of-use assets	245	-	245
Trade and other receivables	213	-	213
Cash and cash equivalents	1,538	-	1,538
Trade and other payables	(787)	-	(787)
Lease liabilities	(245)	-	(245)
Tax liabilities	(8)	-	(8)
Deferred tax	-	(591)	(591)
	<u>1,000</u>	<u>4,141</u>	<u>5,141</u>
Goodwill			<u>1,774</u>
Total consideration			<u>6,915</u>
The consideration was satisfied by:			£000
Cash			4,974
Deferred consideration			877
Equity			<u>1,064</u>
			<u>6,915</u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			1,766
Profit/(loss) before tax			<u>763</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £344,657k and loss before tax as £80,266k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 20 January 2022 the Group acquired 100% of the issued share capital of Champion Insurances Limited, a commercial insurance broker operating from Ireland:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	49,793	49,793
Property, plant and equipment	589	-	589
Right-of-use assets	1,977	-	1,977
Other investments	19	-	19
Trade and other receivables	1,772	-	1,772
Cash and cash equivalents	6,972	-	6,972
Trade and other payables	(9,006)	-	(9,006)
Lease liabilities	(1,977)	-	(1,977)
Borrowings	(2,374)	-	(2,374)
Tax liabilities	47	-	47
Deferred tax	7	(6,224)	(6,217)
	<u>(1,974)</u>	<u>43,569</u>	<u>41,595</u>
Goodwill			<u>18,673</u>
Total consideration			<u>60,268</u>
The consideration was satisfied by:			£000
Cash			46,660
Deferred consideration			3,639
Equity			<u>9,969</u>
			<u>60,268</u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			18,865
Profit before tax			<u>3,066</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £345,562k and loss before tax as £80,048k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 28 January 2022 the Group acquired 100% of the issued share capital of Brokers Union SP. Z.O.O, a commercial insurance broker operating from Poland:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	2	3,564	3,566
Property, plant and equipment	62	-	62
Right-of-use assets	249	-	249
Other investments	1	-	1
Trade and other receivables	139	-	139
Cash and cash equivalents	174	-	174
Trade and other payables	(77)	-	(77)
Lease liabilities	(249)	-	(249)
Provisions	(32)	-	(32)
Deferred tax	-	(677)	(677)
	<u>269</u>	<u>2,887</u>	<u>3,156</u>
Goodwill			<u>1,569</u>
Total consideration			<u>4,725</u>
The consideration was satisfied by:			£000
Cash			3,823
Deferred consideration			62
Contingent consideration			393
Equity			<u>447</u>
			<u>4,725</u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			1,947
Profit/(loss) before tax			<u>39</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £344,786k and loss before tax as £80,254k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

The contingent consideration is linear based on a percentage of revenue and therefore the minimum payment is nil and the maximum is unlimited.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 7 February 2022 the Group acquired 100% of the issued share capital of Cicor Internacional Correduria De Seguros Y Reaseguros, S.L., a commercial insurance broker operating from Spain:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	6,879	6,879
Property, plant and equipment	93	-	93
Right-of-use assets	171	-	171
Other investments	31	-	31
Trade and other receivables	1,249	-	1,249
Cash and cash equivalents	1,428	-	1,428
Trade and other payables	(2,449)	-	(2,449)
Lease liabilities	(171)	-	(171)
Tax liabilities	(11)	-	(11)
Deferred tax	69	(1,720)	(1,651)
	<u>410</u>	<u>5,159</u>	<u>5,569</u>
Goodwill			<u>1,788</u>
Total consideration			<u>7,357</u>
The consideration was satisfied by:			£000
Cash			7,084
Deferred consideration			<u>273</u>
			<u>7,357</u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			2,735
Profit/(loss) before tax			<u>12</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £345,016k and loss before tax as £80,279k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 16 February 2022 the Group acquired 100% of the issued share capital of Light B.V., a commercial insurance broker operating from the Netherlands:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	61	33,526	33,587
Property, plant and equipment	117	-	117
Other investments	33	-	33
Trade and other receivables	7,151	-	7,151
Cash and cash equivalents	2,602	-	2,602
Trade and other payables	(10,520)	-	(10,520)
Tax liabilities	(1,665)	-	(1,665)
Deferred tax	-	(8,650)	(8,650)
	<u> </u>	<u> </u>	<u> </u>
Total identifiable net assets	(2,221)	24,876	22,655
	<u> </u>	<u> </u>	<u> </u>
Goodwill			17,032
			<u> </u>
Total consideration			39,687
			<u> </u>
			<u> </u>
The consideration was satisfied by:			£000
Cash			24,695
Deferred consideration			(263)
Contingent consideration			12,755
Equity			2,500
			<u> </u>
			<u> </u>
			<u> </u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			6,081
Profit/(loss) before tax			1,927
			<u> </u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £345,410k and loss before tax as £80,116k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

The contingent consideration is linear based on a percentage of revenue and therefore the minimum payment is nil and the maximum is unlimited.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

30 Acquisitions of a business (continued)

On 24 February 2022 the Group acquired 100% of the issued share capital of Exito Consulting SP. Z.O.O, a commercial insurance broker operating from Poland:

	Book Value £000	Adjustments £000	Fair Value £000
Intangible assets	6	4,332	4,338
Property, plant and equipment	13	-	13
Right-of-use assets	309	-	309
Trade and other receivables	109	-	109
Cash and cash equivalents	441	-	441
Trade and other payables	(10)	-	(10)
Lease liabilities	(309)	-	(309)
Tax liabilities	1	-	1
Deferred tax	-	(823)	(823)
	<u>560</u>	<u>3,509</u>	<u>4,069</u>
Goodwill			1,905
			<u>1,905</u>
Total consideration			5,974
			<u>5,974</u>
The consideration was satisfied by:			£000
Cash			3,915
Deferred consideration			436
Contingent consideration			1,203
Equity			420
			<u>5,974</u>
			<u>5,974</u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			1,694
Profit/(loss) before tax			277
			<u>277</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £344,870k and loss before tax as £80,076k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

The contingent consideration is linear based on a percentage of revenue and therefore the minimum payment is nil and the maximum is unlimited.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 2 March 2022 the Group acquired 100% of the issued share capital of Alan Tierney & Partners Limited, a commercial insurance broker operating from Ireland:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	2,190	2,190
Property, plant and equipment	38	-	38
Right-of-use assets	78	-	78
Other investments	21	-	21
Trade and other receivables	130	-	130
Cash and cash equivalents	818	-	818
Trade and other payables	(660)	-	(660)
Lease liabilities	(78)	-	(78)
Tax liabilities	26	-	26
Deferred tax	5	(274)	(269)
	<u>378</u>	<u>1,916</u>	<u>2,294</u>
Goodwill			823
			<u>3,117</u>
Total consideration			<u>3,117</u>
The consideration was satisfied by:			£000
Cash			2,038
Deferred consideration			229
Equity			850
			<u>3,117</u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			1,654
Profit/(loss) before tax			699
			<u>699</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £344,969k and loss before tax as £80,605k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 4 April 2022 the Group acquired 100% of the issued share capital of Baily Garner (Health & Safety) Limited, a commercial insurance broker operating from the UK:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	18	3,129	3,147
Property, plant and equipment	14	-	14
Trade and other receivables	578	-	578
Cash and cash equivalents	1,030	-	1,030
Trade and other payables	(262)	-	(262)
Tax liabilities	(73)	-	(73)
Deferred tax	(3)	(764)	(767)
	<u>1,302</u>	<u>2,365</u>	<u>3,667</u>
Total identifiable net assets			3,667
Goodwill			<u>1,545</u>
Total consideration			<u>5,212</u>
The consideration was satisfied by:			£000
Cash			4,407
Deferred consideration			380
Contingent consideration			219
Equity			206
			<u>5,212</u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			1,067
Profit/(loss) before tax			<u>14</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £345,244k and loss before tax as £80,031k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

The contingent consideration is linear based on a percentage of EBITDAE and therefore the minimum payment is nil and the maximum is unlimited.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 14 June 2022 the Group acquired 100% of the issued share capital of Fingal Insurance Group Designated Activity Company, a commercial insurance broker operating from Ireland:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	5,119	5,119
Property, plant and equipment	45	-	45
Other investments	12	-	12
Trade and other receivables	1,331	-	1,331
Cash and cash equivalents	1,738	-	1,738
Trade and other payables	(1,871)	-	(1,871)
Tax liabilities	(117)	-	(117)
Deferred tax	-	(640)	(640)
	<u>1,138</u>	<u>4,479</u>	<u>5,617</u>
Total identifiable net assets			
			<u>1,920</u>
Goodwill			
Total consideration			<u>7,537</u>
			<u>£000</u>
The consideration was satisfied by:			
Cash			7,034
Deferred consideration			503
			<u>7,537</u>
			<u>£000</u>
Contribution by the acquired businesses for the reporting period since acquisition:			
Revenue			1,296
Profit/(loss) before tax			473
			<u>1,769</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £345,604k and loss before tax as £79,891k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

30 Acquisitions of a business (continued)

On 14th July 2022 the Group acquired 100% of the issued share capital of Tractio Risk Correduria de Seguros, S.L. and Tractio Risk Solutions, S.L., commercial insurance brokers operating from Spain:

	Book Value £000	Adjustments £000	Fair Value £000
Intangible assets	8	12,754	12,762
Property, plant and equipment	21	-	21
Right-of-use assets	37	-	37
Trade and other receivables	99	-	99
Cash and cash equivalents	1,291	-	1,291
Trade and other payables	(1,902)	-	(1,902)
Lease liabilities	(37)	-	(37)
Tax liabilities	1	-	1
Deferred tax	(29)	(3,189)	(3,218)
	<u>(511)</u>	<u>9,565</u>	<u>9,054</u>
Total identifiable net assets			9,054
Goodwill			<u>6,379</u>
Total consideration			<u>15,433</u>
The consideration was satisfied by:			£000
Cash			11,081
Contingent consideration			2,873
Equity			<u>1,479</u>
			<u>15,433</u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			1,665
Profit/(loss) before tax			<u>574</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £346,013k and loss before tax as £79,761k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

The contingent consideration is linear based on a percentage of EBITDAE and therefore the minimum payment is nil and the maximum is unlimited.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 10 August 2022 the Group acquired 100% of the issued share capital of SG IFFOXX Assekuranzmaklergesellschaft mbH, a commercial insurance broker operating from Germany:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	927	59,832	60,759
Property, plant and equipment	68	-	68
Trade and other receivables	10,114	-	10,114
Cash and cash equivalents	8,551	-	8,551
Trade and other payables	(12,455)	-	(12,455)
Deferred tax	-	(20,059)	(20,059)
	<u>7,205</u>	<u>39,773</u>	<u>46,978</u>
Goodwill			<u>22,553</u>
Total consideration			<u>69,531</u>
The consideration was satisfied by:			£000
Cash			48,784
Contingent consideration			8,806
Equity			<u>11,941</u>
			<u>69,531</u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			3,954
Profit/(loss) before tax			<u>7</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £352,820k and loss before tax as £76,341k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

The contingent consideration is linear based on a percentage of EBITDAE and therefore the minimum payment is nil and the maximum is unlimited.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 18 August 2022 the Group acquired 100% of the issued share capital of New Sure Life Limited trading as Mike Murphy Insurances, a commercial insurance broker operating from Ireland:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	3,362	3,362
Property, plant and equipment	32	-	32
Trade and other receivables	221	-	221
Cash and cash equivalents	1,151	-	1,151
Trade and other payables	(1,081)	-	(1,081)
Deferred tax	-	(420)	(420)
	<u>323</u>	<u>2,942</u>	<u>3,265</u>
Goodwill			<u>1,260</u>
Total consideration			<u>4,525</u>
The consideration was satisfied by:			£000
Cash			3,762
Deferred consideration			178
Equity			<u>585</u>
			<u>4,525</u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			671
Profit/(loss) before tax			<u>282</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £345,839k and loss before tax as £80,543k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 10 August 2022 the Group acquired 100% of the issued share capital of Guest Krieger Limited, a commercial insurance broker operating from the UK:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	125,823	125,823
Property, plant and equipment	32	-	32
Right-of-use assets	1,054	-	1,054
Trade and other receivables	20,579	-	20,579
Cash and cash equivalents	22,427	-	22,427
Trade and other payables	(27,924)	-	(27,924)
Lease liabilities	(1,054)	-	(1,054)
Tax liabilities	(166)	-	(166)
Deferred tax	-	(30,952)	(30,952)
	<u>14,948</u>	<u>94,871</u>	<u>109,819</u>
Goodwill			<u>72,892</u>
Total consideration			<u>182,711</u>
The consideration was satisfied by:			£000
Cash			114,852
Deferred consideration			13,836
Contingent consideration			32,523
Equity			21,500
			<u>182,711</u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			7,596
Profit/(loss) before tax			<u>4,742</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £359,211k and loss before tax as £69,466k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

The contingent consideration is linear based on a percentage of EBITDAE and therefore the minimum payment is nil and the maximum is unlimited.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

30 Acquisitions of a business (continued)

On 1 September 2022 the Group acquired 100% of the issued share capital of Sullivan Insurances (Holdings) Limited and Michael Henchy (Insurance) Limerick Limited, commercial insurance brokers operating from Ireland:

	Book Value £000	Adjustments £000	Fair Value £000
Intangible assets	-	5,479	5,479
Property, plant and equipment	112	-	112
Trade and other receivables	229	-	229
Cash and cash equivalents	1,916	-	1,916
Trade and other payables	(1,183)	-	(1,183)
Tax liabilities	(95)	-	(95)
Deferred tax	-	(685)	(685)
	<u>979</u>	<u>4,794</u>	
Total identifiable net assets			5,773
Goodwill			<u>2,056</u>
Total consideration			<u>7,829</u>
The consideration was satisfied by:			£000
Cash			5,670
Deferred consideration			706
Equity			<u>1,453</u>
			<u>7,829</u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			752
Profit/(loss) before tax			<u>(207)</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £346,380k and loss before tax as £80,009k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 8 September 2022 the Group acquired 100% of the issued share capital of SSD Insurances Designated Activity Company trading as Sheridan-Colohan Insurances, a commercial insurance broker operating from Ireland:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	4,308	4,308
Property, plant and equipment	9	-	9
Right-of-use assets	180	-	180
Trade and other receivables	484	-	484
Cash and cash equivalents	2,237	-	2,237
Trade and other payables	(959)	-	(959)
Lease liabilities	(180)	-	(180)
Tax liabilities	(23)	-	(23)
Deferred tax	-	(539)	(539)
	<u>1,748</u>	<u>3,769</u>	<u>5,517</u>
Goodwill			<u>1,616</u>
Total consideration			<u>7,133</u>
The consideration was satisfied by:			£000
Cash			5,073
Deferred consideration			1,292
Equity			<u>768</u>
			<u>7,133</u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			569
Profit/(loss) before tax			<u>(55)</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £345,713k and loss before tax as £79,976k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 16 September 2022 the Group acquired 100% of the issued share capital of Zorab Insurance Services Limited, a commercial insurance broker operating from the UK:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	2,432	2,432
Property, plant and equipment	13	-	13
Right-of-use assets	106	-	106
Trade and other receivables	559	-	559
Cash and cash equivalents	1,048	-	1,048
Trade and other payables	(1,443)	-	(1,443)
Lease liabilities	(106)	-	(106)
Deferred tax	-	(601)	(601)
	<u>177</u>	<u>1,831</u>	<u>2,008</u>
Goodwill			<u>1,209</u>
Total consideration			<u><u>3,217</u></u>
The consideration was satisfied by:			£000
Cash			1,470
Deferred consideration			390
Contingent consideration			1,027
Equity			330
			<u><u>3,217</u></u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			252
Profit/(loss) before tax			<u><u>(31)</u></u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £345,310k and loss before tax as £80,211k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

The contingent consideration is linear based on a percentage of EBITDAE and therefore the minimum payment is nil and the maximum is unlimited.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 11 October 2022 the Group acquired 100% of the issued share capital of Balens Limited and Balens Finance Service Limited, a commercial insurance broker operating from the UK:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	5,001	5,001
Property, plant and equipment	41	-	41
Trade and other receivables	270	-	270
Cash and cash equivalents	2,433	-	2,433
Trade and other payables	(905)	-	(905)
Tax liabilities	(92)	-	(92)
Deferred tax	34	(1,235)	(1,201)
	<u>1,781</u>	<u>3,766</u>	<u>5,547</u>
Total identifiable net assets			
Goodwill			<u>2,485</u>
Total consideration			<u>8,032</u>
The consideration was satisfied by:			£000
Cash			4,668
Deferred consideration			1,460
Contingent consideration			1,257
Equity			647
			<u>8,032</u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			926
Profit/(loss) before tax			<u>(55)</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £347,872k and loss before tax as £79,567k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

The contingent consideration is linear based on a percentage of EBITDAE and therefore the minimum payment is nil and the maximum is unlimited.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 26 October 2022 the Group acquired 100% of the issued share capital of Confide Correduria de Seguros Y Reaseguros, S.L., a commercial insurance broker operating from Spain:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	311	22,099	22,410
Property, plant and equipment	364	-	364
Right-of-use assets	379	-	379
Trade and other receivables	1,067	-	1,067
Cash and cash equivalents	(582)	-	(582)
Trade and other payables	(5,434)	-	(5,434)
Lease liabilities	(379)	-	(379)
Borrowings	(874)	-	(874)
Tax liabilities	79	-	79
Deferred tax	11	(5,525)	(5,514)
	<u> </u>	<u> </u>	<u> </u>
Total identifiable net assets	(5,058)	16,574	11,516
	<u> </u>	<u> </u>	<u> </u>
Goodwill			11,049
			<u> </u>
Total consideration			22,565
			<u> </u>
The consideration was satisfied by:			£000
Cash			11,101
Deferred consideration			310
Contingent consideration			6,791
Equity			4,363
			<u> </u>
			<u> </u>
			22,565
			<u> </u>
Contribution by the acquired businesses for the reporting period since acquisition:			£000
Revenue			989
Profit/(loss) before tax			621
			<u> </u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £350,259k and loss before tax as £80,240k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

The contingent consideration is linear based on a percentage of EBITDAE and therefore the minimum payment is nil and the maximum is unlimited.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 28 November 2022 the Group acquired 100% of the issued share capital of Emprocom Limited, a commercial insurance broker operating from the UK:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	1,491	1,491
Property, plant and equipment	12	-	12
Trade and other receivables	113	-	113
Cash and cash equivalents	360	-	360
Trade and other payables	(23)	-	(23)
Tax liabilities	(41)	-	(41)
Deferred tax	(2)	(370)	(372)
	<u>419</u>	<u>1,121</u>	<u>1,540</u>
Total identifiable net assets			
			<u>744</u>
Goodwill			
Total consideration			<u>2,284</u>
			<u>£000</u>
The consideration was satisfied by:			
Cash			1,116
Deferred consideration			408
Contingent consideration			376
Equity			384
			<u>2,284</u>
			<u>£000</u>
Contribution by the acquired businesses for the reporting period since acquisition:			
Revenue			69
Profit/(loss) before tax			<u>33</u>

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £345,257k and loss before tax as £80,216k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

The contingent consideration is linear based on a percentage of EBITDAE and therefore the minimum payment is nil and the maximum is unlimited.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

30 Acquisitions of a business (continued)

On 20 December 2022 the Group acquired 100% of the issued share capital of JMC Correduria de Seguros Manero, S.L. trading as Engloba, a commercial insurance broker operating from Spain:

	Book Value £000	Adjustments £000	Fair Value £000
Intangible assets	1	3,305	3,306
Property, plant and equipment	112	-	112
Right-of-use assets	147	-	147
Trade and other receivables	2,032	-	2,032
Cash and cash equivalents	878	-	878
Trade and other payables	(2,187)	-	(2,187)
Lease liabilities	(147)	-	(147)
Tax liabilities	(4)	-	(4)
Deferred tax	22	(826)	(804)
	<u>854</u>	<u>2,479</u>	<u>3,333</u>
Goodwill			1,651
			<u>4,984</u>
Total consideration			<u>4,984</u>
			<u>4,984</u>
The consideration was satisfied by:			£000
Cash			1,855
Deferred consideration			1,153
Contingent consideration			1,478
Equity			498
			<u>4,984</u>
			<u>4,984</u>

Contribution by the acquired business for the reporting period since acquisition was nil.

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £347,437k and loss before tax as £79,863k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

The contingent consideration is linear based on a percentage of EBITDAE and therefore the minimum payment is nil and the maximum is unlimited.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 21 December 2022 the Group acquired 100% of the issued share capital of RISQwise B.V., a commercial insurance broker operating from the Netherlands:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	4,188	4,188
Trade and other receivables	249	-	249
Cash and cash equivalents	101	-	101
Trade and other payables	(110)	-	(110)
Borrowings	(378)	-	(378)
Deferred tax	-	(1,080)	(1,080)
	<u> </u>	<u> </u>	<u> </u>
Total identifiable net assets	(138)	3,108	2,970
			<u> </u>
Goodwill			2,126
			<u> </u>
Total consideration			5,096
			<u> </u>
The consideration was satisfied by:			£000
Cash			3,315
Deferred consideration			229
Equity			1,552
			<u> </u>
			<u> </u>
			<u> </u>

Contribution by the acquired business for the reporting period since acquisition was nil.

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £345,391k and loss before tax as £79,903k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

On 22 December 2022 the Group acquired 100% of the issued share capital of Damus Acquisitions Holdings Limited (BHP), a commercial insurance broker operating from Ireland:

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	32,906	32,906
Property, plant and equipment	125	-	125
Trade and other receivables	912	-	912
Cash and cash equivalents	3,202	-	3,202
Trade and other payables	(2,036)	-	(2,036)
Borrowings	(15,606)	-	(15,606)
Tax liabilities	(49)	-	(49)
Deferred tax	2	(4,113)	(4,111)
	<u>(13,450)</u>	<u>28,793</u>	<u>15,343</u>
Total identifiable net assets			
			<u>12,339</u>
Goodwill			
Total consideration			<u>27,682</u>
			<u>£000</u>
The consideration was satisfied by:			
Cash			27,296
Equity			386
			<u>27,682</u>

Contribution by the acquired business for the reporting period since acquisition was nil.

If this acquisition had completed on the first day of the reporting period, Group revenues would have been reported as £348,223k and loss before tax as £78,443k.

Goodwill represents the assembled workforce, IT synergies and the opportunity to cross-sell Group products.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****30 Acquisitions of a business (continued)**

The Group acquired employee benefit books from Creative Benefit Solutions Limited on 1 December 2022.

	Book Value	Adjustments	Fair Value
	£000	£000	£000
Intangible assets	-	3,952	3,952
Total identifiable net assets	-	3,952	3,952
Goodwill			439
Total consideration			4,391
The consideration was satisfied by:			£000
Cash			3,000
Contingent consideration			1,391
			4,391

Contribution by the acquired business for the reporting period since acquisition was nil.

The contingent consideration is linear based on a percentage of EBITDAE and therefore the minimum payment is nil and the maximum is unlimited.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

31 Financial risk management

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group.

The Group's maximum exposure to credit risk is limited to the carrying value of financial assets which are set out below:

	2022	2021
	£000	£000
Cash and cash equivalents	394,386	264,498
Trade receivables	57,948	40,153
Other debtors	4,757	2,464
Amounts due from related parties	2,915	2,908
Profit commission	13,475	15,557
Other investments	123	188
	<u>473,604</u>	<u>325,768</u>

The credit risk on cash and cash equivalents, derivative financial instruments and profit commissions is limited as the counterparties are banks or insurance companies with high credit ratings.

Other debtors mainly comprise landlord security deposits, staff loans, overrides and advance payments on the apprenticeship levy, none of which are rated or deemed to have significant credit risk.

The Group's largest credit risk relates to trade receivables. The Group applies a lifetime expected credit loss to trade receivables. It estimates the expected credit loss by reference to historical experience, the profile of overdue debt and available information relating to counterparties with a distressed financial situation. The Group mitigates credit losses by maintaining a credit control department that monitors outstanding debt and categorises it as being not past due or the number of days overdue.

The carrying amount of trade receivables is set out below:

	2022	2021
	£000	£000
Gross carrying amount	59,838	41,485
Credit loss allowance	(1,890)	(1,332)
Net carrying amount	<u>57,948</u>	<u>40,153</u>

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

31 Financial risk management (continued)

Ageing information of trade receivables is as set out below:

	Not past due £000	0-3 months £000	More than 3 months £000	Total £000
As at 31 December 2022				
Trade receivables	17,922	33,943	6,083	57,948

	Not past due £000	0-3 months £000	More than 3 months £000	Total £000
As at 31 December 2021				
Trade receivables	8,803	25,812	5,538	40,153

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in interest rates.

The Group's largest exposure to interest rate risk is on the loans from related parties set out in note 23 which have variable interest rates linked to SONIA (Sterling Overnight Index Average). A 1% change in SONIA would result in a £9,094k change in profit before tax based on the amount borrowed as at 31 December 2022 (2021: £4,283k).

Liquidity risk

Liquidity risk is the risk that the Group might not be able to meet its obligations.

In order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the Group uses a mixture of long-term and short-term debt finance.

The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. At 31 December 2022 the Group had cash and cash equivalents of £394.4m and access to undrawn and committed credit facilities of £105.6m via the Company's immediate parent company, Paisley Bidco Limited.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

31 Financial risk management (continued)

The following are the Group's remaining undiscounted contractual maturities excluding lease payments and excluding interest payments. The contractual maturities of lease payments are disclosed in note 14. The contractual maturity is based on the earliest date on which the Group may be required to pay the outstanding balance.

	Less than 1 year £000	1-5 years £000	Total £000
As at 31 December 2022			
Loans from related parties	-	909,382	909,382
Loan notes	-	16,743	16,743
Trade and other payables	378,103	10,102	388,205
	<u>378,103</u>	<u>936,227</u>	<u>1,314,330</u>

	Less than 1 year £000	1-5 years £000	Total £000
As at 31 December 2021			
Loans from related parties	-	428,269	428,269
Loan notes	-	14,949	14,949
Trade and other payables	184,658	5,479	190,137
	<u>184,658</u>	<u>448,697</u>	<u>633,355</u>

Foreign currency risk

Foreign currency risk is the risk that movements in exchange rates impact the financial performance of the Group and arises where assets and liabilities of a subsidiary are denominated in a currency other than the functional currency of that subsidiary.

The Group is broadly matched in terms of assets and liabilities in all currencies except euros. As at 31 December 2022, the Group had euro net assets amounting to €309,242k (2021: €2,057k). The Group has used currency forwards to sell euros and buy sterling in order to mitigate foreign exchange risk. Details relating to currency forwards can be found in note 22. A 10% change in the euro exchange rate would result in a £11,619k change in profit before tax based on the hedged position as at 31 December 2022 (2021: £173k).

Capital management

The Group manages its capital to ensure that the Group is able to continue to meet its liabilities and sufficient capital is maintained to support the planned growth in the business. The objective is to maintain an optimal capital structure that reduces the cost of capital. The capital structure consists of equity in the form of share capital, share premium and retained earnings. Debt consists of loan notes and a long-term loan from the parent company.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

31 Financial risk management (continued)

Although the Group is not regulated directly by the FCA, it holds restricted cash in a segregated account to satisfy the FCA's Threshold Condition 2.4. The amount held in this segregated account at the year end amounted to £2.0m (2021: £1.1m). The segregated cash ensures that there are funds available to pay any costs and expenses necessary to achieve an orderly wind down of the Group. All UK regulated entities are able to utilise this ringfenced cash when necessary to facilitate their orderly wind down. In addition, certain subsidiaries have minimum capital levels required by the Financial Conduct Authority and these have been complied with during the year.

32 Guarantees and contingent liabilities

In 2021 the Group became aware of a potential claim from an insurer that a series of inner limits and revised schedules had allegedly been provided to the Group for implementation within a binder but these had not been implemented as requested ahead of a number of claims being made by policy holders. A third party review was commissioned to establish whether the Group has any exposure in relation to this claim. At the date of publishing the financial statements, the extent of any exposure has not been finalised; 7 claims out of a population of 25 remain open and unsettled by the insurer. The current headline claim being sought from PIB is currently circa euro 6.1 m and could rise to maximum loss of circa euro 9.3m. All parties are actively considering mediation. The current and potential maximum loss is fully insured by professional indemnity insurance for PIB with the exception of an excess. Costs incurred to date exceed this excess amount and as such, there is no additional financial exposure for PIB Group Limited and no additional provision required in the financial statements.

The Group may be subject to claims and legal challenges that arise in the ordinary course of business in connection with the placement of insurance and reinsurance, which will be covered by professional indemnity insurance. Where an accurate estimate of potential damages based on legal advice is possible, a provision up to and including the excess on the insurance will be created.

33 Related party transactions

Compensation of key management personnel

Compensation awarded to key management, which is defined as the Board of Directors and executive committee, is as follows:

	2022	2021
	£000	£000
Short-term employee benefits	4,151	6,018
Post-employment benefits	106	77
	<u>4,257</u>	<u>6,095</u>

Directors shareholdings

As at 31 December 2022 and 31 December 2021, B McManus and R Brown held a total of 79,817 ordinary B shares and 15,070,183 preference shares in the Group's ultimate parent company, Paisley Equityco Limited.

Transactions with related parties

Paisley Equityco Limited is the Group's ultimate parent company. Paisley Topco Limited, Paisley Holdco Limited and Paisley Midco Limited are intermediate holding companies to the Group. Paisley Bidco Limited is the Company's immediate parent company.

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

33 Related party transactions (continued)

As at 31 December, the following balances were held with these related parties which were unsecured, repayable on demand and do not attract interest:

	2022		2021	
	Recharges (from)/to related parties £000	Amounts due from/(to) related parties £000	Recharges (from)/to related parties £000	Amounts due from/(to) related parties £000
Balance due (to)/from the Group				
Ivy Topco Limited	5	2,674	54	2,669
Ivy Debtco Limited	1	35	6	34
Ivy Midco Limited	1	171	6	170
Ivy Submidco Limited	-	35	8	35
Paisley Bidco Limited	(90)	-	90	90
Ivy Finco Limited	-	(23,456)	(23,456)	(23,456)
Paisley Equityco Limited	(66,591)	(78,041)	(11,450)	(11,450)
	<u>(66,674)</u>	<u>(98,582)</u>	<u>(34,742)</u>	<u>(31,908)</u>

In addition, the Group has loans from Ivy Finco Limited and Paisley Bidco Limited. For further information relating to these loans, refer to note 23.

	2022		2021	
	Loan advanced £000	Amounts due from/(to) related parties £000	Loan advanced £000	Amounts due from/(to) related parties £000
Balance due (to)/from the Group				
Paisley Bidco Limited	(464,764)	(618,516)	(153,752)	(153,752)
Ivy Finco Limited	(16,349)	(290,866)	4,360	(274,517)
	<u>(481,113)</u>	<u>(909,382)</u>	<u>(149,392)</u>	<u>(428,269)</u>

34 Controlling party

As at 31 December 2022, the Company's immediate and ultimate parent companies were Paisley Bidco Limited (registered company number 68632) and Paisley Equityco Limited (registered company number 68633) both registered in Guernsey with a registered office at PO Box 656, East Wing Trafalgar Court, Les Banques, St Peter Port, GY1 3PP. As at 31 December 2022, those companies were ultimately owned by entities trading as 'the Apax Funds'.

PIB GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****35 Cash generated from operations**

	2022	2021
	£000	£000
Loss for the year after tax	(73,913)	(37,584)
Adjustments for:		
Taxation (credited)/charged	(6,353)	6,950
Finance costs	39,761	21,686
Investment income	(261)	(77)
Return on associated undertakings	(46)	(62)
Other gains and losses	4,122	7,813
Loss on disposal of fixed assets	2	33
Amortisation of intangible assets	62,515	40,266
Depreciation of property, plant and equipment	2,586	2,029
Depreciation of right-of-use assets	3,588	3,520
Increase/(decrease) in provisions	(243)	138
Effect of foreign exchange rates on cash and cash equivalents	(2,444)	996
Effect of foreign exchange rates on borrowings	15,591	-
Movements in working capital:		
Decrease/(increase) in trade and other receivables	25,724	(1,420)
(Decrease)/increase in trade and other payables	(25,484)	11,128
(Increase)/decrease in contract assets	2,082	(5,937)
Increase/(decrease) in contract liabilities	2,068	811
Cash generated from operations	49,295	50,290

PIB GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

36 Events after the reporting date

Following the reporting date, the Group acquired 100% of the share capital of the following companies:

Acquisition	Date
McGivern Insurance Limited	5 January 2023
Asist SP. Z.O.O	11 January 2023
Halligan Life and Pensions Limited	15 February 2023
Jigsaw Insurance Services PLC	16 February 2023
Landmark Insbro Limited and Quick Quotes Limited	16 February 2023
Genesi Holding S.r.l.	1 March 2023
Campos Y Rial S.A.	21 March 2023
Privat Asesoramiento Correduria De Seguras, S.L.	22 March 2023
Creane & Creane Life & Pensions Limited	4 April 2023
Pure Risks Limited	5 April 2023
Netins S.P. Z.O.O.	5 April 2023
Gleeson Curtin Limited	6 April 2023
Ubezpieczaj S.P. Z.O.O.	12 April 2023
Bloom Broking (Number 2) Limited, St. Giles Holdings (Number 2) Limited and St Luke Underwriting Ltd	15 April 2023
ReSolutions S.P. Z.O.O.	16 May 2023
Tim Duggan Insurances Limited	2 June 2023
Grupo VG Europe Correduria de Seguros, S.A.	7 June 2023

The Group also acquired client portfolios from Fedentia Hispana Correduria de Seguras S.L. on 19 January 2023, Trade Credit Insurance Consultants Limited on 1 March 2023, and KFI S.P. Z.O.O. on 16 May 2023.

The Group secured an additional acquisition loan facility in March 2023, totalling £280m and increased its revolving credit facility to £95m.

At the time of the issue of the financial statements, the accounting for the acquisitions is incomplete and therefore the fair value of the consideration has not been disclosed.

PIB GROUP LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2022**

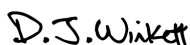
	Notes	2022		2021	
		£000	£000	£000	£000
Fixed assets					
Investments	5		756,696		547,489
Current assets					
Debtors	6	328,839		52,515	
Cash at bank and in hand		210,989		118,304	
		<u>539,828</u>		<u>170,819</u>	
Creditors: amounts falling due within one year	7	<u>(193,127)</u>		<u>(97,973)</u>	
Net current assets			<u>346,701</u>		<u>72,846</u>
Total assets less current liabilities			<u>1,103,397</u>		<u>620,335</u>
Creditors: amounts falling due after more than one year	8		(926,125)		(443,219)
Provisions for liabilities	9		<u>(52,055)</u>		<u>(24,695)</u>
Net assets			<u><u>125,217</u></u>		<u><u>152,421</u></u>
Capital and reserves					
Called up share capital	10		301		301
Share premium account			201,595		201,595
Profit and loss reserves			<u>(76,679)</u>		<u>(49,475)</u>
Total equity			<u><u>125,217</u></u>		<u><u>152,421</u></u>

As permitted by S408 Companies Act 2006, the Company has not presented its own statement of profit or loss and related notes. The Company's loss for the year was £27,204k (2021: £23,526k).

The accompanying notes are an integral part of the financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 27 June 2023 and are signed on its behalf by:

DocuSigned by:



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D Winkett

Director**Company Registration No. 09900466**

PIB GROUP LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £000	Share premium account £000	Profit and loss reserves £000	Total equity £000
Balance at 1 January 2021	300	200,686	(25,949)	175,037
Loss for the year	-	-	(23,526)	(23,526)
Issue of share capital	1	909	-	910
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	301	201,595	(49,475)	152,421
Loss for the year	-	-	(27,204)	(27,204)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	<u>301</u>	<u>201,595</u>	<u>(76,679)</u>	<u>125,217</u>

PIB GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

PIB Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Rossington's Business Park, West Carr Road, Retford, Nottinghamshire, DN22 7SW.

These financial statements present information about the Company as an individual undertaking.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments'- Paragraphs 11.42, 11.44, 11.45, 11.47, 11.48 (a) (iii), 11.48 (a) (iv), 11.48 (b), and 11.48 (c).
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

This information is included in the consolidated financial statements of PIB Group Limited which are available from Registrar of Companies (England and Wales), Companies House, Crown Way, Cardiff CF14 3UZ.

1.2 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The assessment of future performance included the collation and review of in-depth annual budgets, review of the Company's structure and detailed cash flow plans.

The Company has sufficient cash resources and has no concerns over the ability to meet its commitments. Well established business continuity plans have been used and the Company is able to continue to support its clients and expects to be able to do so for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

PIB GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

1.4 Cash at bank and in hand

Cash at bank and in hand is a basic financial asset and includes cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in creditors.

1.5 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors (except deferred tax) and cash at bank and in hand, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

PIB GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, loan notes and amounts due to Group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.7 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Provisions

Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost to profit or loss in the period it arises.

PIB GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (continued)

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as fixed assets.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in profit or loss for the period.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

There were no critical judgements made that had a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of assets

The Company tests annually whether investments in subsidiaries have suffered any impairment.

The recoverable amount of investments in subsidiaries is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of a subsidiary is less than its cost; and the financial health of and near-term business outlook for the subsidiary, including factors such as industry and sector performance, changes in regional economies and operational and financing cash flow.

As a result of this assessment, an impairment loss of £nil (2021: £nil) was recognised in the year (see note 5).

3 Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's financial statements amounted to £16k (2021: £15k).

PIB GROUP LIMITED**NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****4 Directors' remuneration**

	2022	2021
	£000	£000
Remuneration for qualifying services	863	4,292

The number of Directors who received remuneration for qualifying services was 2 (2021: 3).

Remuneration disclosed above include the following amounts paid to the highest paid Director:

	2022	2021
	£000	£000
Remuneration for qualifying services	405	2,766

There were no pension contributions made to the highest paid Director during the year (2021: £nil).

Apart from the Directors, there were no other employees or staff costs.

5 Fixed asset investments

	2022	2021
	£000	£000
Shares in Group undertakings	756,696	547,489

Please refer to note 17 in the Group financial statements for a full list of subsidiaries at the reporting date.

Movements in fixed asset investments

	Shares in Group undertakings £000
Cost or valuation	
At 1 January 2022	547,489
Additions	209,207
At 31 December 2022	756,696
Carrying amount	
At 31 December 2022	756,696
At 31 December 2021	547,489

Please refer to note 30 in the Group financial statements for further information relating to additions in the year.

PIB GROUP LIMITED**NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****6 Debtors**

	2022	2021
	£000	£000
Amounts falling due within one year:		
Corporation tax recoverable	684	691
Amounts due from subsidiary undertakings	323,793	47,612
Amounts due from related parties	2,915	2,908
Other debtors	572	443
Deferred tax asset	875	861
	<u>328,839</u>	<u>52,515</u>

Amounts due from subsidiary undertakings and related parties are unsecured, interest free and repayable on demand.

The deferred tax asset is due after more than one year.

7 Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Amounts due to Group undertakings	153,489	83,887
Amounts due to related parties	35,977	11,317
Other taxation and social security	-	469
Deferred consideration	2,443	2,300
Accruals	1,218	-
	<u>193,127</u>	<u>97,973</u>

Deferred consideration relates to future non contingent payments resulting from business combinations.

Amounts due to Group undertakings and related parties are unsecured, interest free and repayable on demand.

8 Creditors: amounts falling due after more than one year

	2022	2021
	£000	£000
Loan notes	16,743	14,949
Amounts due to related parties	909,382	428,270
	<u>926,125</u>	<u>443,219</u>

The loan notes represent a principal of £7,826k (2021: £7,826k) plus accrued interest which is compounded annually on 31 December. The loan notes carry an effective interest rate of 12% and are redeemable in 2026 in full.

PIB GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Creditors: amounts falling due after more than one year (continued)

Amounts due to related parties relate to loans from Ivy Finco Limited amounting to £290,866k and from Paisley Bidco Limited for £618,516k.

The loan from Ivy Finco Limited expires in 2028 and carries an interest rate of 6.25%.

Paisley Bidco Limited has a borrowing facility which it draws down on and lends to the Company on similar terms. As at the year end, the facility consisted of a £1,032m long term loan due to mature in 2028 with an initial margin of either 5.5% or 6.0% depending on the currency of the drawdown and the tranche facility. In addition, there is a £50m revolving facility due to mature in 2027 with an initial margin of 2.75%, plus a commitment fee on any undrawn amount of the facility. Both are subject to a ratchet starting on 17 March 2022 that would result in margins between 4.75% and 6.25% on the long term loan and between 2.25% and 2.75% on the revolving facility. In addition to these respective margins, each loan attracts an interest charge equivalent to SONIA (Sterling overnight interbank average rates)(previously GBP LIBOR, London Interbank Offered Rate) or EURIBOR (Euro Interbank Offered Rate) on euro denominated draw downs.

9 Provisions for liabilities

	2022	2021
	£000	£000
Contingent consideration	52,055	24,695

Contingent consideration relates to estimated future earn out payments resulting from business combinations. Earn out payments are linear based on either revenue or EBITDAE and typically cover a period of one to two years. Estimates of these payments are made by reference to detailed reviews of historical performance, forecasts and expected customer retention.

Reconciliation of movement during the year:

	Contingent consideration £000
At 1 January 2022	24,695
Additional provisions in the year	58,497
Utilisation of provision	(27,507)
Unwinding of discount	2,800
Other movements	(6,430)
At 31 December 2022	<u>52,055</u>

PIB GROUP LIMITED**NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****10 Called up share capital**

	2022	2021
	£000	£000
Ordinary share capital		
Issued and fully paid		
296,922,439 Ordinary A of £0.001 each	297	297
4,000 Ordinary B of £1 each	4	4
	<u>301</u>	<u>301</u>

The Company has two classes of ordinary shares neither of which carry a right to fixed income. All share classes have full voting rights, the right to receive a dividend and the right on a distribution of capital (including on a winding up) to participate equally with the other shares in issue.

11 Related party transactions

The Company meets the definition of a 'qualifying' entity under FRS 102 and has taken advantage of the exemption permitted by FRS 102 not to disclose transactions with entities that are wholly owned by the Group or total compensation of key management personnel.

12 Controlling party

As at 31 December 2022, the Company's immediate and ultimate parent companies were Paisley Bidco Limited (registered company number 68632) and Paisley Equityco Limited (registered company number 68633) respectively. Both companies are registered in Guernsey with a registered office at PO Box 656, East Wing Trafalgar Court, Les Banques, St Peter Port, GY1 3PP. As at 31 December 2022, those companies were ultimately owned by entities trading as 'the Apax Funds'.

The smallest set of consolidated financial statements to include the Company are those of PIB Group Limited. The largest consolidated set of financial statements to include the Company are those of Paisley Equityco Limited. These consolidated financial statements are available from the registered offices of PIB Group Limited.

13 Events after the reporting date

Following the reporting date, the Company acquired 100% of the share capital of the following companies:

Acquisition	Date
Jigsaw Insurance Services PLC	16 February 2023
Pure Risks Ltd	5 April 2023
Bloom Broking (Number 2) Limited, St. Giles Holdings (Number 2) Limited and St Luke Underwriting Ltd	15 April 2023

At the time of the issue of the financial statements, the accounting for the acquisitions is incomplete and therefore the fair value of the consideration has not been disclosed.