

CARDINUS RISK MANAGEMENT LIMITED

(Registered No. 03127254)

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2019



CARDINUS RISK MANAGEMENT LIMITED

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CARDINUS RISK MANAGEMENT LIMITED
DIRECTORS, OFFICERS AND ADVISERS

DIRECTORS

J Abbott
E Brimfield
S Brimfield
A Hawkes (chief executive)
M Noble
D Tibbals
J Truscott (chairman)

COMPANY SECRETARY

C Sturgess

REGISTERED NUMBER

03127254

REGISTERED OFFICE

107 Leadenhall Street
London
EC3A 4AF

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

BANKERS

National Westminster Bank Plc
Wells Fargo

CARDINUS RISK MANAGEMENT LIMITED

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The principal activity of Cardinus Risk Management Limited (the Company) is to provide business support and risk management services within the UK and worldwide.

The Company is a private company limited by shares and is a subsidiary of the Taurus Acquisition Limited group of companies ('TAL')

REVIEW OF THE BUSINESS

Turnover increased by 8% to £7.28m (2018: £6.73m), as seen in the profit and loss account on p.10. Sales grew strongly in the ergonomics (17%), property (7%) and insurance (56%) divisions, which helped to offset the decline in sales in the fleet (-15%) division. The security division was new in 2018 and has posted minimal sales of less than £115k this year.

The management team continues to look for new ways to innovate, developing existing products, researching new markets and investing in new opportunities where a solid return can be achieved. The increase in Operating profit from a loss of £485k to a profit of £221k was driven by the growth in sales in lines including ergonomics and insurance, where cost of sales and employees' costs were able to maintain existing levels whilst supporting the growth in profit. This profitable growth helped support the increase in net current assets in the year.

KEY PERFORMANCE INDICATORS

The Board reviews both financial and operational performance indicators. The company sets budgets each year against which performance is tracked every month.

The main financial indicators are:

- i) Turnover in the year amounted to £7,278,558 (2018: £6,734,124).
- ii) Operating profit for the year was £221,372 (2018: loss of £484,759).

The directors consider this an acceptable performance in what continues to be a challenging environment.

FUTURE DEVELOPMENTS

The company continues to develop innovative software and services that respond to market demand and opportunity. In late 2019, a new no-code software application was licenced that will enable low cost, rapid development of a new industrial ergonomics assessment tool, Healthy Working Pro, which is part of the Next Gen asset. The tool is expected to be launched in mid-2020 and add industrial ergonomics to the existing office and lab programmes. The no code software will also enable a number of innovative self-assessment solutions as we respond to the current changeable marketplace.

Within the Property and Insurance survey division, we continue to offer a wider range of audit and assessment services and add new insurers, brokers and MGA's as well as winning new property clients. The Indigo software underpins the face to face services and is considered a core USP. We plan to offer Indigo as a software only solution in Q3 2020 for clients who have their own consultants.

Following consolidation in the fleet operations team in 2019 there have been a number of new initiatives such as a virtual driver training solution launching in 2020 which should continue to support acquiring new clients with a focus on strategic advice and support.

PRINCIPLE RISKS AND UNCERTAINTIES

The Company, which forms part of the AmWINS International Division, prepares strategic and operational business plans and updates these each year. Such plans are not always capable of full implementation within the timescales set because of the following external factors:

- The ability and willingness of the clients to continue to purchase services is affected by market and economic conditions;
- The Company operates in competitive markets and faces competition from other UK and overseas risk management providers;

**CARDINUS RISK MANAGEMENT LIMITED
STRATEGIC REPORT (Continued)**

- The Company faces the risk of business interruption as a result of natural, terrorist or market events. It has in place business continuity plans which endeavour to anticipate and mitigate the effect of such factors. Parts of the business rely on self-employed trainers to visit clients and provide training or surveys, which is mitigated by increasing development of virtual environments to help provide the services.

Operational Risk

The Company's operations are subject to the laws and regulations applicable in their markets. Changes to such laws and regulations may cause the Company to bear higher costs of compliance in future.

Financial Risk

Factors mentioned above may affect government and company spending on Risk management products and services. This may affect future revenues earned but is partially mitigated by a diverse client base which operates across the world.

The company's exposure to price, credit, liquidity and cash flow risk is not considered material to the assessment of the assets, liabilities, financial position and profit and loss of the company.

BREXIT

The Company have assessed the impact of Brexit on existing client and markets served and the direct impact is anticipated to be minimal, as the majority of its clients are based in the UK or the US.

COVID-19

On 11 March 2020 the WHO declared the Covid-19 outbreak a pandemic resulting in many countries introducing strict rules around movement of people and economic activity. As a result, there was a direct negative impact on the global economy and more specifically to the Company, the UK economy.

Operationally, the Company responded well to the initial UK Government requirements that Restricted movement of non-key workers. All staff were able to adapt to working from home thanks to good business recovery planning and the swift movement of IT equipment to allow for a prolonged period of being out of the office. Regular leadership communication to all staff, either via virtual townhalls, newsletters or joining recurring team meetings have ensured employees are kept at the forefront of the business and any decisions being made are clearly understood. Additional tools to help cope with remote working, including, training courses and well-being guidelines have been made available.

Financially, the Company do not have any exposure to high street retail or leisure sectors. Our clients are dominated by IT, Financial Services, Pharma, Professions (legal, Accountancy etc), Public sector, Property and logistics which should be more resilient during the Covid-19 period.

As a major online ergonomics supplier, Cardinus responded to Covid-19 by developing advice, guidance and resources for clients for temporary homeworkers. A new help for temporary homeworkers course has been launched and a new revenue has been secured in the short term. It is anticipated that homeworking will become more prevalent post Covid-19 and Cardinus Healthy Working will be well positioned to respond to this change.

Conversely driver training and insurance survey revenues will be impacted during any lock down period, but this work is expected to be postponed, not cancelled.

Fire Risk Assessment solutions, which are often connected to rebuild cost assessments, are considered essential for public safety, so we expect to maintain revenues at historic levels in the short term.

Overall, the impact of Covid-19 is not anticipated to cause a material effect to the 2020 financial year, however, at this stage we cannot quantify any impact.

**CARDINUS RISK MANAGEMENT LIMITED
STRATEGIC REPORT (Continued)**

Section 172 (1) Statement

In 2019 the Board considered the regulatory change introduced as part of their section 172 duty under the Companies Act 2006, including disclosure of which governance code has been adopted by the Board (or an explanation if no code has been adopted). This new legislation is implemented based on a Materiality threshold and the Company is not large enough to trigger the requirement to disclose which code has been adopted and as such is exempt from detailed reporting. However, being a subsidiary of the TAL group of companies, who are required to report based on size, their disclosures can be reviewed as part of their strategic report.

This report was approved by the Board on 23rd July 2020 and signed on its behalf

A handwritten signature in black ink, appearing to be 'A Hawkes', written over a horizontal line.

A Hawkes
Director

**CARDINUS RISK MANAGEMENT LIMITED
DIRECTORS' REPORT**

The directors present their annual report and financial statements of the company for the year ended 31 December 2019.

RESULTS AND DIVIDENDS

The profit and loss account for the year is set out on page 10.

The directors do not recommend the payment of a dividend (2018: £nil).

BOARD OF DIRECTORS

The directors who held office during the year and up to the date of signing the financial statements are given below:

J Abbott
E Brimfield (Appointed 1 January 2020)
S Brimfield
A Hawkes (Chief Executive)
M Noble
D Tibbals
J Truscott (Chairman)

No director holding office at 31 December 2019 had any direct interest in the shares of the company.

DIRECTORS' INDEMNITIES

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

POST BALANCE SHEET EVENTS

Non-adjusting event. On 11 March 2020 the WHO declared the Covid-19 outbreak a pandemic resulting in many countries introducing strict rules around movement of people and economic activity. As a result, there was a direct negative impact on the global economy and more specifically to the Company, the UK economy. As discussed in the strategic report, the impact of Covid-19 is not anticipated to cause a significant effect to the 2020 financial year, however at this stage we cannot quantify any impact.

GOING CONCERN

On the basis of current financial projections and other information available, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that accordingly it is appropriate for these financial statements to have been prepared on the going concern basis.

The Company is exposed to cash flow risk through its business activities; however the directors monitor and mitigate this risk through bi-weekly cash flow forecasts that are reviewed by the various boards of the subsidiaries to assess for potential upcoming threats or opportunities.

As discussed in the strategic report (page 3), the impact of Covid-19 is not anticipated to cause a significant effect to the 2020 financial year, however at this stage we cannot quantify any impact.

**CARDINUS RISK MANAGEMENT LIMITED
DIRECTORS' REPORT**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable

law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

DIRECTOR'S CONFIRMATIONS


In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

This report was approved by the Board on 23rd July 2020 and signed on its behalf.


A Hawkes
Director

CARDINUS RISK MANAGEMENT LIMITED

Independent auditors' report to the members of Cardinus Risk Management Limited

Report on the audit of the financial statements

Opinion

In our opinion, Cardinus Risk Management Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

CARDINUS RISK MANAGEMENT LIMITED***Independent auditors' report to the members of Cardinus Risk Management Limited (continued)***

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

CARDINUS RISK MANAGEMENT LIMITED

Independent auditors' report to the members of Cardinus Risk Management Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Zahid Khan

Zahid Khan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 July 2020

CARDINUS RISK MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2019

	Note	Year ended 31 December 2019 £	Year ended 31 December 2018 £
TURNOVER	2	7,278,558	6,734,124
Cost of sales	2	(1,850,051)	(1,845,127)
Gross Profit		<u>5,428,507</u>	<u>4,888,997</u>
Administrative expenses	3	<u>(5,207,135)</u>	<u>(5,373,756)</u>
OPERATING PROFIT/(LOSS)		221,372	(484,759)
Interest receivable and similar income		2,585	779
PROFIT/(LOSS)BEFORE TAXATION		<u>223,957</u>	<u>(483,980)</u>
Tax on profit/(loss)	7	<u>(46,486)</u>	<u>66,265</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>177,471</u>	<u>(417,715)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		<u>177,471</u>	<u>(417,715)</u>

The company's turnover and expenses all relate to continuing operations.

The company has no other comprehensive income other than the profit/(loss) for the financial year which has been calculated on the historical cost basis.

The accompanying notes on pages 13 to 20 form an integral part of these financial statements.

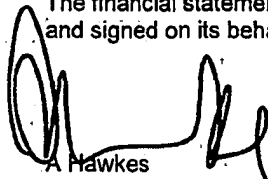
CARDINUS RISK MANAGEMENT LIMITED

BALANCE SHEET as at 31 December 2019

	Note	31 December 2019 £	31 December 2018 £
FIXED ASSETS			
Investments	5	<u>5,979,660</u>	<u>5,979,660</u>
CURRENT ASSETS			
Debtors	6	3,939,899	2,224,539
Deferred tax	7	584,617	631,103
Cash at bank and in hand	8	829,875	604,157
		<u>5,354,391</u>	<u>3,459,799</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(706,715)</u>	<u>(657,438)</u>
NET CURRENT ASSETS		4,647,676	2,802,361
TOTAL ASSETS LESS CURRENT LIABILITIES		10,627,336	8,782,021
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	<u>(4,795,915)</u>	<u>(3,128,071)</u>
NET ASSETS		<u>5,831,421</u>	<u>5,653,950</u>
CAPITAL AND RESERVES			
Called up share capital	11	3,105,872	3,105,872
Share premium account	12	1,494,490	1,494,490
Profit and loss account	13	1,231,059	1,053,588
TOTAL SHAREHOLDERS' FUNDS	14	<u>5,831,421</u>	<u>5,653,950</u>

The accompanying notes on pages 13 to 20 form an integral part of these financial statements.

The financial statements on pages 10 to 20 were approved by the Board of Directors on 23rd July 2020 and signed on its behalf by:



A. Hawkes
Director

CARDINUS RISK MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

	Notes	Called up Share Capital	Share Premium Account	Profit and Loss Account	Total shareholders' Funds
		£	£	£	£
Balance at January 2018	11, 12, 13, 14	3,105,872	1,494,490	1,471,303	6,071,665
Comprehensive expense:					
Loss for the financial year	13	-	-	(417,715)	(417,715)
Total comprehensive expense		-	-	(417,715)	(417,715)
Balance at 31 December 2018	11, 12, 13, 14	3,105,872	1,494,490	1,053,588	5,653,950
Comprehensive income:					
Profit for the financial year	13	-	-	177,471	177,471
Total comprehensive income		-	-	177,471	177,471
Balance at 31 December 2019	11, 12, 13, 14	3,105,872	1,494,490	1,231,059	5,831,421

CARDINUS RISK MANAGEMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 December 2019**1 ACCOUNTING POLICIES****(a) General Information**

Cardinus Risk Management Limited is a limited liability company incorporated in England. The Registered Office is 107 Leadenhall Street, London, EC3A 4AF.

(b) Statement of compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

(c) Significant accounting policies

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

(d) Basis of preparation

The financial statements are presented in sterling which is the functional currency of the company. They are prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit and loss.

(e) Going concern

The companies' forecasts and projections, taking account of reasonably possible changes in performance, show that the company should be able to operate within the level of its current facilities. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

(f) Exemptions for qualifying entities

The Company is a wholly owned subsidiary of Taurus Acquisition Limited and is included in the consolidated financial statements of Taurus Acquisition Limited which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, the exemption under FRS 102 paragraph 33.1A from disclosing transactions with other members of the group and the exemption under FRS 102 paragraph 33.7 from disclosing key management personnel compensation in total.

(g) Turnover

Turnover, which excludes value added tax and trade discounts, represents the value of services supplied during the year. Revenue is recognised when work is performed and earned. In accordance with FRS 102 section 23, the company has deferred a portion of revenue to recognise post year end obligations.

Additionally, the company has deferred a portion of revenue to recognise it in line with associated expenses over the life of a contract

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2019

1 ACCOUNTING POLICIES (continued)

(h) Cost of Sales

External costs, directly related to efforts to generate turnover, are classified as Cost of Sales and will be accounted for in the period in which the underlying turnover is recognised.

(i) Investments

Investments are stated at cost less any impairment.

(j) Taxation

The charge for taxation is based on the profit for the year, at current rates of tax, and takes into account deferred taxation on all timing differences between the treatment of certain items for financial statement purposes and their treatment for corporation tax purposes.

Deferred taxation is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised where it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date. Deferred tax assets and liabilities are not discounted.

(k) Interest and investment income

Interest is credited on the basis of amounts receivable for the year from cash balances held

(l) Trade debtors

Trade debtors are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is established when objective evidence indicates that the Company will not be able to collect all amounts due. The amount of the impairment loss is recognised in the income statement. Trade debtors are classified as current, being due within twelve months of the balance sheet date, or non-current, being due after twelve months.

(m) Creditors

Creditors are initially recognised at fair value and subsequently measured at amortised cost. Creditors are classified as current, being due within twelve months of the balance sheet date, or non-current, being due after twelve months.

(n) Judgements in applying accounting policies and key sources of estimation uncertainty

A deferred revenue provision is made as the company recognises that it has obligations arising from business entered into. This provision is calculated based on the company's assessment of the number of ongoing service contracts at the end of the year and the forecast costs of handling those items to expiry.

2 TURNOVER

Turnover by geographical area is as follows

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
UK	6,847,698	6,459,695
USA	416,226	279,638
Europe	1,824	2,779
Rest of world	12,810	(7,988)
	<u>7,278,558</u>	<u>6,734,124</u>

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2019

2 TURNOVER (continued)

Cost of sales expenses directly attributable to the Turnover for the year was £1,850,051 (2018: £1,845,127)

3 ADMINISTRATIVE EXPENSES

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Management charges from Group Companies	5,207,135	5,373,756
	<u>5,207,135</u>	<u>5,373,756</u>

Directors' emoluments (see note 4) and the auditors' remuneration were paid by THB Group Limited and form part of the management charge from that company.

The total remuneration payable excluding VAT, to its external auditor, PricewaterhouseCoopers LLP, in respect of the audit of these financial statements, was £28,080 (2018: £23,878). No other services were supplied by the external auditor to the Company (2018: £nil).

4 DIRECTORS' EMOLUMENTS

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Remuneration for management services	781,208	707,447
Contributions to money purchase pension schemes	44,215	62,108
	<u>825,423</u>	<u>769,555</u>

The emoluments of directors disclosed above include the following amounts paid to the highest paid director:

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Remuneration for management services	255,000	215,000
Contributions to money purchase pension schemes	0	0
	<u>255,000</u>	<u>215,000</u>
	Number	Number
During the year the following number of directors accrued benefits under money purchase pension schemes:	<u>5</u>	<u>5</u>

The directors are remunerated by THB Group Limited and their costs are incorporated in the management recharge from this company.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

5 INVESTMENTS

	31 December 2019 £	31 December 2018 £
Investments in group undertakings		
Cost and net book value	5,979,660	5,979,660
	<u>5,979,660</u>	<u>5,979,660</u>

Investments held comprise:

Name of undertaking	Principal activity	Country of registration	% of Ordinary Shares held
Fleet UK Limited	Dormant	England and Wales	100%
Property UK Limited	Dormant	England and Wales	100%
Property Risk Management Limited	Dormant	England and Wales	100%
Cardinus Limited	Non trading	England and Wales	100%
Cardinus LLC	Ergonomics	USA (1)	100%
Healthy Working Limited	Dormant	England and Wales	100%
Specialists in the Protection of Risks Limited	Dormant	England and Wales	100%

The registered office for all subsidiaries is 107 Leadenhall Street, London, EC3A 4AF, apart from those listed below:

1 4725 Piedmont Row Drive, Suite 600, Charlotte, NC 28210

The directors believe that the carrying value of the investments is supported by their underlying assets.

6 DEBTORS

	31 December 2019 £	31 December 2018 £
Trade debtors	2,288,346	1,550,470
Amounts owed by group undertakings	1,651,553	674,069
	<u>3,939,899</u>	<u>2,224,539</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

7 TAX ON PROFIT/(LOSS)

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Profit/(loss) before taxation	<u>223,957</u>	<u>(483,980)</u>
Tax on profit/(loss) before taxation at 19% (2018: 19%)	42,552	(91,956)
Non-taxable income	-	-
Adjustment relating to prior year		(2,525)
Deferred tax rate changes	<u>3,934</u>	<u>28,216</u>
Total tax charge/(credit) for the year	<u>46,486</u>	<u>(66,265)</u>
	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Deferred tax		
Opening balance	631,103	656,794
Utilisation of tax losses	<u>(46,486)</u>	<u>(25,691)</u>
Closing balance	<u>584,617</u>	<u>631,103</u>

New legislation was passed on 18 November 2015 to further reduce the UK Corporation tax rate. Therefore, to calculate the current tax on UK profits, the rate of tax used is 19% (2018: 19%), which is the UK rate of corporation tax applicable for the year.

The UK rate of tax used for the calculation of deferred tax is 17% (2018: 17%), which is the enacted rate of corporation tax as at the balance sheet date that is expected to apply when the differences as mentioned above reverse. This rate was due to apply from 1st April 2020 onwards. The 17% rate has since been repealed from law in the March Budget resulting in the tax rate for 2020 onwards remaining at 19%. Had this been an adjustable event the impact would have been a £69,000 (39%) increase to the profit for the year and to the deferred asset.

Based on the three-year business plan, the brought forward deferred tax on losses are anticipated to be utilised within that period.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

8. CASH AT BANK AND IN HAND

	31 December 2019	31 December 2018
	£	£
Other cash at bank and in hand	829,875	604,157
	<u>829,875</u>	<u>604,157</u>

9 CREDITORS: Amounts falling due within one year

	31 December 2019	31 December 2018
	£	£
Accruals and deferred income	706,715	657,438
	<u>706,715</u>	<u>657,438</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10 CREDITORS: Amounts falling due after more than one year

	31 December 2019	31 December 2018
	£	£
Amounts owed to group undertakings	4,795,915	3,128,071
	<u>4,795,915</u>	<u>3,128,071</u>

Amounts owed to the parent company are unsecured, interest free and have no fixed date of repayment. The parent company does not intend to seek repayment of these balances within the next 12 months.

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

11 CALLED UP SHARE CAPITAL

	31 December 2019 £	31 December 2018 £
Authorised share capital: 311,087,239 (2018: 311,087,239) Ordinary shares of 1p each:	<u>3,110,872</u>	<u>3,110,872</u>
Issued share capital: 310,587,239 (2018: 310,587,239) Fully paid ordinary shares of 1p each:	<u>3,105,872</u>	<u>3,105,872</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

12 SHARE PREMIUM ACCOUNT

	31 December 2019 £	31 December 2018 £
	<u>1,494,490</u>	<u>1,494,490</u>

The share premium account recognises the following transactions and includes a £24,638 issuance cost:

On 19 December 2000 the company issued 1,250,000 Ordinary shares 1p each at a premium of 79p each

On 15 April 2002 the company issued a further 1,690,429 Ordinary shares of 1p each at a premium of 10.8p each

On 15 April 2002 the company issued a further 2,646,810 Ordinary shares of 1p each at a premium of 13.2p each

13 PROFIT AND LOSS ACCOUNT

	Year Ended 31 December 2019 £	Year Ended 31 December 2018 £
Opening balance	1,053,588	1,471,303
Profit/(loss) for the financial year	177,471	(417,715)
	<u>1,231,059</u>	<u>1,053,588</u>
Closing balance	<u>1,231,059</u>	<u>1,053,588</u>

CARDINUS RISK MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year Ended 31 December 2019 £	Year Ended 31 December 2018 £
Opening shareholders' funds	5,653,950	6,071,665
Profit/(loss) for the financial year	177,471	(417,715)
	<u>5,831,421</u>	<u>5,653,950</u>
Closing shareholders' funds	<u>5,831,421</u>	<u>5,653,950</u>

15 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Taurus Acquisition Limited, the company is exempt from the requirements of FRS 102 33, 1(A) to disclose transactions with other members of the group headed by Taurus Acquisition Limited.

There were no other related party transactions or balances in the year.

16 SUBSEQUENT EVENTS

Non-adjusting event. On 11 March 2020 the WHO declared the Covid-19 outbreak a pandemic resulting in many countries introducing strict rules around movement of people and economic activity. As a result, there was a direct negative impact on the global economy and more specifically, to the Company, the UK economy.

Operationally, the Company responded well to the initial UK Government requirements that Restricted movement of non-key workers. All staff were able to adapt to working from home Thanks to good business recovery planning and the swift movement of IT equipment to allow for a prolonged period of being out of the office. Regular leadership communication to all staff, either via virtual townhalls, newsletters or joining recurring team meetings have ensured employees are kept at the forefront of the business and any decisions being made are clearly understood. Additional tools to help cope with remote working, including, training courses and well-being guidelines have been made available.

Financially, as discussed in the strategic report, the impact of Covid-19 is not anticipated to cause a material effect to the 2020 financial year, however at this stage we cannot quantify any impact.

17 IMMEDIATE AND ULTIMATE PARENT COMPANY

The parent company is THB UK Limited which owns the entire issued share capital of the company. The ultimate undertaking and controlling party is American Wholesale Insurance Holding Company, LLC, a company incorporated in the USA.

The largest and smallest groups of undertakings for which group financial statements have been drawn up are those headed, respectively, by AmWINS Group, Inc. and Taurus Acquisition Limited. Copies of Taurus Acquisition Limited group financial statements are available on request and can be obtained from 107 Leadenhall Street, London, EC3A 4AF.