

**COMPANY REGISTRATION NUMBER 02745421**

**Verisk Specialty Business Solutions Limited**

**Financial Statements**

**31 December 2022**



# Verisk Specialty Business Solutions Limited

## Financial Statements

Year ended 31 December 2022

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# Verisk Specialty Business Solutions Limited

## Officers and Professional Advisers

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### **The Board of Directors**

I C Summers (Resigned 13 September 2022)  
H Banton  
T C Wong  
T G Rayner (Appointed 13 September 2022)

### **Registered Office**

Level 26  
22 Bishopsgate  
London  
EC2N 4BQ

### **Bankers**

HSBC Bank plc  
2 Buchanan Street  
Glasgow  
G1 3LB

### **Solicitors**

Dickson Minto WS  
16 Charlotte Square  
Edinburgh  
EH2 4DF

### **Auditor**

Grant Thornton UK LLP  
Statutory Auditors  
110 Queen Street  
Glasgow  
G1 3BX

# Verisk Specialty Business Solutions Limited

## Strategic report

Year ended 31 December 2022

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### Principal activities and business review

The principal activity of Verisk Specialty Business Solutions Limited (the "Company") and its subsidiaries (collectively, the "Group") is delivering business software to broking and underwriting companies within the global, complex insurance and reinsurance industries.

The Group's core solutions address the full complex insurance operational process. The products include the Sequel Underwriting and Sequel Broking software, which provide end-to-end underwriting and broking workflow solutions; Sequel Claims, a commercial and specialty insurance claims management solution; Sequel Re, an end to end platform for outward re-insurance; Sequel Impact, a risk analytics and exposure management tool; Sequel Rulebook a SaaS platform providing rules, rating and document production services; Whitespace Platform, a digital platform for insurance and reinsurance business and Sequel Ignite, a cloud based end to end insurance policy management platform.

In March 2022, the Company acquired an additional 16.33% ownership in Whitespace Software Limited ("Whitespace") in accordance with the previously executed share purchase agreement.

Turnover was £66,282,339 for the year ended 31 December 2022 (2021: £57,702,523), growth of 15%. The loss before taxation was £6,177,519 for the year ended 31 December 2022. The loss before taxation was primarily due to the amortization of certain acquisition related intangible assets and goodwill of £10,359,032. Excluding these items, profit before taxation would be £4,181,513. EBITDA is used as a key performance metric and was adversely impacted by foreign currency revaluation in the year. Excluding this impact, EBITDA it has increased 12%, at £16,404,408 (2021: £14,619,499). Overall turnover growth has been driven by sales of multi-year licences and associated consultancy revenues to new and existing customers and the acquisitions of Whitespace and Ignite during the year. The majority of turnover continues to be derived from recurring multi-year licences.

The Group has continued to invest in its solutions, in collaboration with its clients, through increased investment in research and development. The Board continues to prioritise the development of its products to meet and exceed the expectations of the specialty insurance market, and to extend the capability of the product suite into adjacent insurance markets. The Group fosters innovation, through the use of innovation forums, held regularly with clients.

The Group and Company balances sheets remain strong with positive net asset position. The net current liability balance is primarily driven by amounts due to and from other Verisk companies in respect of cash pooling and transfer pricing.

The Directors consider that the level of business and the year-end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

### Principal risks and uncertainties

The principal risks and uncertainties facing the Group relate to customer retention, success of new product development, employee retention, cyber security, and the protection of the Group's intellectual property. The Group has an established risk management framework designed to identify, assess, monitor and manage risk in line with the Group's risk appetite in order to achieve business objectives and strategic aim, as well as identify material changes to the Group's risk profile. There is dedicated risk management resources to operate risk management practices and support the Group in implementing appropriate controls proportionate to the identified risks, which provides independent assurance to the Board.

### Financial risk management objectives and policies

The Group operates a centralised treasury function, which is responsible for managing the liquidity, interest and foreign currency risks associated with the Group's activities.

The Group ensures that it has sufficient liquid resources to meet the operating needs of its business.

No hedging activities are entered into by the Group.

# Verisk Specialty Business Solutions Limited

Strategic report (continued)

Year ended 31 December 2022

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## Credit risk

The Group's credit risk is attributable to its trade debtors. Balances are concentrated in a controlled number of large customers which are blue chip companies and Lloyd's Syndicates.

All prospective customers must fulfil credit rating criteria approved by the Board. Receivable balances are monitored on an ongoing basis.

## Other risks

The Company continues to monitor risk associated with climate change, the on-going war in Ukraine and resulting energy cost crisis. Management do not believe the Company has any greater exposure to these risks compared to the wider economy.

## Performance Monitoring

The Group believes its ability to generate recurring revenues is a key indicator of a successful execution of its business strategy. The Group uses year over year revenue growth plus EBITDA margin as metrics to measure its performance.

## Future developments

The Group has evaluated subsequent events through the date these financial statements were approved, other than the additional investment in Whitespace and the acquisition of Moring Data Ltd as outlined within note 20, the Group has not identified any significant subsequent events that require consideration as an adjustment.

The Group continues to invest in its solutions, in collaboration with its clients, through increased investment in research and development. The Board continues to prioritise the development of its products to meet and exceed the expectations of the specialty insurance market, and to extend the capability of the product suite into adjacent insurance markets. The Group fosters innovation, through the use of innovation forums, held regularly with clients.

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

*Thomas Wong*

T C Wong  
Director  
29 September 2023

# Verisk Specialty Business Solutions Limited

## Directors' Report

### Year ended 31 December 2022

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The directors have the pleasure in presenting this report and the financial statements of the Group for the year ended 31 December 2022. The comparative period shown, is for the year ended 31 December 2021.

#### Results and dividends

The loss attributable to the Group for the year ended 31 December 2022, after taxation, amounted to £7,966,703 (2021: £3,168,828 loss).

The directors do not recommend the payment of a dividend (2021: £nil).

#### Directors' indemnity

The Company's Articles of Associations provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company.

Appropriate directors' and officers' liability insurance cover is in place in respect of the Company's directors.

#### The Board's statement on s172(1) of the Companies Act 2006

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Group are appropriately informed by s172 factors. Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture. As part of the Board's decision-making process, the Board and its Committees consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Group's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

The following comments highlights some of the ways we have continued to engage with the key stakeholder groups throughout the year and how we measured the effectiveness of that engagement.

#### Shareholders

As owners of our Group we rely on the support of shareholders and their opinions are important to us. We have an open dialogue with our shareholders, our ultimate parent company, Verisk Analytics, Inc., through one-to-one meetings, group meetings, quarterly and annual operational excellence reviews. Discussions with shareholders cover a wide range of topics including financial performance, strategy, outlook, governance, and ethical practices.

#### Colleagues

Our people are key to our success and we want them to be successful individually and as a team. There are many ways we engage with and listen to our people including colleague surveys, forums, listening groups, face-to-face briefings, internal communities, newsletters, and quarterly briefings. Key areas of focus include health and well-being, development opportunities, pay and benefits.

# Verisk Specialty Business Solutions Limited

## Directors' Report *(continued)*

Year ended 31 December 2022

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### Customers

Our ambition is to deliver best-in-class service to our clients. We build strong lasting relationships with them and spend time collaborating with them to understand their needs and views and listen to how we can improve our offer and service for them. We use this knowledge to inform our decision-making, for example to tailor our product development to suit customer needs.

### Suppliers

We build strong relationships with our suppliers to develop mutually beneficial and lasting partnerships. Engagement with suppliers is primarily through a series of interactions and formal reviews. The Board recognises that relationships with suppliers are important to the Group's long-term success and is briefed on supplier feedback and issues on a regular basis.

### Communities

We engage with the communities in which we operate to build trust and understand the local issues that are important to them. Key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and help to look after the environment. We support local charities and organisations at a site level through encouraging staff to give their time to support local causes.

### Government and regulators

We regularly engage with the governments around the world through a range of industry consultations, forums, meetings, and conferences to communicate our views to policy makers relevant to our business. Key areas of focus for the Group are compliance with laws and regulations, health and safety and ensuring timely and accurate filing. The Board is updated on legal and regulatory developments and takes these into account when considering future actions.

### Events since after the balance sheet date (separate to s172(1))

The Company purchased a further 16.33% ownership in Whitespace in March 2023.

The Company purchased the share capital of Morning Data Ltd ("Morning Data") on 25 May 2023. Morning Data are a supplier of state-of-the-art software to brokers and managing general agents (MGAs) in London and across the globe.

There have been no other significant events since the balance sheet date.

### Streamlined energy and carbon reporting ("SECR")

The Company seeks to minimize the impact of its operations on the environment and is committed to reducing its greenhouse gas ("GHG") emissions.

Key sources of energy, primarily electricity and other utilities, are monitored by our facilities management team.

The Company is working on a comprehensive environmental monitoring and control process to measure environmental performance with a focus on improvements.

# Verisk Specialty Business Solutions Limited

## Directors' Report *(continued)*

### Year ended 31 December 2022

#### Streamlined energy and carbon reporting ("SECR") *(continued)*

The table shows the total gross GHG emissions in kg of CO<sub>2</sub> ("kgCO<sub>2</sub>e") in the year ended 31 December 2022:

	31 Dec, 2022	31 Dec, 2021
Scope 1 - Emissions from combustion of gas and fuel for transport purposes	-	-
Scope 2 - Emissions from purchased electricity and other utilities (location-based)	12,214	9,007
Scope 3 - Emissions from business travel in rental cars or employee-owned vehicles where the Company is responsible for purchasing the fuel	-	-
<b>Total gross emissions (kgCO<sub>2</sub>e)</b>	<b>12,214</b>	<b>9,007</b>
Total gross emissions (kgCO <sub>2</sub> e)	12,214	9,007
Total turnover (£'000's)	66,282	57,703
<b>Carbon intensity ratio (kgCO<sub>2</sub>e/£'000's)</b>	<b>0.18</b>	<b>0.16</b>

#### Methodology

Scope 1 - Emissions from combustion of gas and fuel for transport purposes - Not applicable

Scope 2 - Emissions from purchased electricity and other utilities (location-based)

Scope 3 - Emissions from business travel in rental cars or employee-owned vehicles where the Company is responsible for purchasing the fuel - Not applicable

Using an operational approach, the Company identified its population to ensure that all activities and facilities are being recorded and reported in line with mandatory GHG protocol corporate accounting and reporting standards. The validity, accuracy and completeness of the data was checked and used to calculate the GHG of the Company. Emissions are calculated as activity data multiplied by the emissions factor (sourced from the Government greenhouse gas reporting conversion factors).

The Company uses total turnover to calculate the intensity ratio as this allows emissions to be monitored over time considering changes in the size of the Company. This factor provides the greatest degree of accuracy and is the metric best aligned with business growth.

#### Energy Efficiency

The Company is working on a comprehensive environmental monitoring and control process to measure environmental performance with a focus on improvements as follows:

- Setting targets and objectives for reducing energy use and maintaining energy efficiency programs;
- managing and reducing energy use relating to our business premises;
- respecting all existing, applicable environmental regulations and meeting all new applicable regulations; and
- providing training on good energy management practices and encouraging employee energy involvement initiatives.

# Verisk Specialty Business Solutions Limited

## Directors' Report *(continued)*

Year ended 31 December 2022

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### Political contributions and charitable donations

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

### Employment of disabled persons

Our policy is to give full and fair consideration to applications for employment made by disabled persons having regard to their attitudes and abilities. This policy has the commitment that appropriate training will be arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the Group.

### Statement as to disclosure of information to auditors

The directors confirm that:

- So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Directors

The directors who served the Company during the year were as follows:

I C Summers	(resigned 13 September 2022)
H Banton	
T C Wong	
T G Rayner	(Appointed 13 September 2022)

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

*Thomas Wong*

T C Wong  
Director  
29 September 2023

# Verisk Specialty Business Solutions Limited

## Statement of Directors' Responsibilities

Year ended 31 December 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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# Verisk Specialty Business Solutions Limited

## Independent Auditor's Report to the Shareholders of Verisk Specialty Business Solutions Limited

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### Opinion

We have audited the financial statements of Verisk Specialty Business Solutions Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Comprehensive Income, Consolidated and company Statement of Financial Position, Consolidated and company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the 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 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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 the 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

# Verisk Specialty Business Solutions Limited

## Independent Auditor's Report to the Shareholders of Verisk Specialty Business Solutions Limited

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### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors for the financial statements

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.

# Verisk Specialty Business Solutions Limited

## Independent Auditor's Report to the Shareholders of Verisk Specialty Business Solutions Limited

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### 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and industry in which it operates through our general commercial and sector experience and discussions with management. We determined the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic Ireland' and the Companies Act 2006.
- We have enquired with management as to any instances of non-compliance with any of the applicable laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We have assessed the susceptibility of the financial statements to material misstatement, including how fraud may occur:
  - Identifying and testing journal entries, with a focus on large or unusual journals, considered by the engagement team to carry a higher risk of fraud;
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the following:
  - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - Knowledge and experience of the industry in which the client operates; and
  - Understanding of the requirements of FRS 102 in conformity with the requirements of the Companies Act 2006 and the application of the legal and regulatory requirements to the Group.
- In assessing the potential risk of material misstatement, we have obtained an understanding of:
  - The Group's operations, including the nature of its revenue sources, to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risk of material misstatement; and

## Verisk Specialty Business Solutions Limited

### Independent Auditor's Report to the Shareholders of Verisk Specialty Business Solutions Limited

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- The Group's control environment, including management's knowledge of relevant laws and regulations and how the company is complying with those laws and regulations, the adequacy of procedures surrounding authorisation of transactions, and procedures to ensure that any possible breaches of laws and regulations are appropriately investigated and reported.

#### 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.



James Chadwick  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Glasgow  
29 September 2023

# Verisk Specialty Business Solutions Limited

## Consolidated Statement of Comprehensive Income

Year ended 31 December 2022

	Note	Year ended 31 Dec 2022 £	(restated) Year ended 31 Dec 2021 £
<b>Turnover</b>	2	66,282,339	57,702,523
Administrative expenses		(72,460,878)	(61,085,742)
<b>Operating loss</b>	3	(6,178,539)	(3,383,219)
Interest receivable		1,020	12,299
<b>Loss before taxation</b>		(6,177,519)	(3,370,920)
Tax on loss	6	(721,824)	1,157,600
<b>Loss for the year</b>		(6,899,343)	(2,213,320)
<b>Foreign currency gain on translation</b>		6,962	-
<b>Total comprehensive loss for the year</b>		(6,892,381)	(2,213,320)
<b>Total comprehensive income attributable to non-controlling interest for the year</b>		366,649	955,509
<b>Total comprehensive loss attributable to Verisk Speciality Business Solutions</b>		(7,259,030)	(3,168,829)
<b>Total comprehensive loss for the year</b>		(6,892,381)	(2,213,320)

All the activities of the Group are classed as continuing.

The Group has not recognised any gains or losses other than the results for the year as set out above.

The notes (1 to 20) on pages 18 to 35 form part of these financial statements.

# Verisk Specialty Business Solutions Limited

## Consolidated Statement of Financial Position

As at 31 December 2022

	Note	31 Dec 2022 £	(Restated) 31 Dec 2021 £
<b>Fixed assets</b>			
Tangible assets	7	1,507,467	1,141,493
Intangible assets	8	78,480,501	83,162,179
		<u>79,987,968</u>	<u>84,303,672</u>
<b>Current assets</b>			
Debtors	11	143,884,722	73,486,774
Cash at bank		9,837,857	6,748,937
		<u>153,722,579</u>	<u>80,235,711</u>
Creditors: amounts falling due within one year	12	(205,151,122)	(124,150,508)
Provisions for liabilities and charges falling due within one year	13	(313,046)	(288,564)
<b>Net current liabilities</b>		<u>(51,741,589)</u>	<u>(44,203,361)</u>
<b>Total assets less current liabilities</b>		<u>28,246,379</u>	<u>40,100,311</u>
Provisions for liabilities and charges	13	(2,251,122)	(1,350,587)
<b>Net assets</b>		<u>25,995,257</u>	<u>38,749,724</u>
<b>Capital and reserves</b>			
Called-up equity share capital	15	99	99
Share premium account		370,578	370,578
Other reserves		68	68
Translation Reserve		6,962	-
Non-controlling interest		2,483,197	3,136,228
Profit and loss account		23,134,353	35,242,751
<b>Shareholders' funds</b>		<u>25,995,257</u>	<u>38,749,724</u>

Approved by the Board and signed on its behalf by:

*Thomas Wong*

T C Wong  
Director  
29 September 2023  
Company Registration Number: 02745421

The notes (1 to 20) on pages 18 to 35 form part of these financial statements.

# Verisk Specialty Business Solutions Limited

## Company Statement of Financial Position

Year ended 31 December 2022

	Note	31 Dec 2022 £	(Restated) 31 Dec 2021 £
<b>Fixed assets</b>			
Tangible assets	7	1,159,040	1,045,176
Intangible assets	8	51,515,869	56,038,038
Investments	9	31,579,628	25,685,619
		<u>84,254,537</u>	<u>82,768,833</u>
<b>Current assets</b>			
Debtors	11	146,998,469	74,389,733
Cash at bank		4,299,453	2,168,396
		<u>151,297,922</u>	<u>76,558,129</u>
Creditors: amounts falling due within one year	12	(205,485,857)	(124,950,146)
Provisions for liabilities and charges falling due within one year	13	(211,447)	(211,447)
		<u>(54,399,382)</u>	<u>(48,603,464)</u>
<b>Net current liabilities</b>			
		<u>(54,399,382)</u>	<u>(48,603,464)</u>
<b>Total assets less current liabilities</b>		<u>29,855,155</u>	<u>34,165,369</u>
Provisions for liabilities and charges	13	(1,556,749)	(511,241)
		<u>28,298,406</u>	<u>33,654,128</u>
<b>Net assets</b>		<u>28,298,406</u>	<u>33,654,128</u>
<b>Capital and reserves</b>			
Called-up equity share capital	15	99	99
Share premium account		370,578	370,578
Other reserves		68	68
Profit and loss account		27,927,661	33,283,383
		<u>28,298,406</u>	<u>33,654,128</u>
<b>Shareholders' funds</b>		<u>28,298,406</u>	<u>33,654,128</u>

As permitted under section 408 of the Companies Act 2006, the Company elected not to present its Statement of Comprehensive Income for the year. The Company reported a loss of £5,355,722 for the year ended 31 December 2022 (2021: £1,837,241 loss).

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

*Thomas Wong*

T C Wong  
Director  
29 September 2023  
Company Registration Number: 02745421

The notes (1 to 20) on pages 18 to 35 form part of these financial statements.

# Verisk Specialty Business Solutions Limited

## Consolidated Statement of Changes in Equity

Year ended 31 December 2022

	Called-up Share Capital £	Share Premium Account £	Other Reserves £	Translation Reserve £	Non- controlling Interest £	Profit and Loss Account £	Total £
At 31 December 2020 (as previously reported)	99	370,578	68	-	-	41,978,255	42,349,000
Prior period adjustment (note 19)	-	-	-	-	-	(3,566,675)	(3,566,675)
At 31 December 2020 (restated)	99	370,578	68	-	-	38,411,580	38,782,325
Total comprehensive loss for the period	-	-	-	-	-	(3,168,829)	(3,168,829)
Investment in non-controlling interest	-	-	-	-	2,180,719	-	2,180,719
Profit attributable to non-controlling interest	-	-	-	-	955,509	-	955,509
At 31 December 2021 (restated)	99	370,578	68	-	3,136,228	35,242,751	38,749,724
Total comprehensive loss for the period	-	-	-	6,962	-	(7,265,992)	(7,259,030)
Purchase of non-controlling interest	-	-	-	-	(1,019,680)	(4,842,406)	(5,862,086)
Profit attributable to non-controlling interest	-	-	-	-	366,649	-	366,649
At 31 December 2022	99	370,578	68	6,962	2,483,197	23,134,353	25,995,257

The notes (1 to 20) on pages 18 to 35 form part of these financial statements.

## Verisk Specialty Business Solutions Limited

### Company Statement of Changes in Equity

Year ended 31 December 2022

	Called-up Share Capital £	Share Premium Account £	Other Reserves £	Profit and Loss Account £	Total £
<b>At 31 December 2020 (as previously reported)</b>	<b>99</b>	<b>370,578</b>	<b>68</b>	<b>38,687,299</b>	<b>39,058,044</b>
Prior period adjustment (note 19)	-	-	-	(3,566,675)	(3,566,675)
<b>At 31 December 2020 (restated)</b>	<b>99</b>	<b>370,578</b>	<b>68</b>	<b>35,120,624</b>	<b>35,491,369</b>
Total comprehensive loss for the period	-	-	-	(1,837,241)	(1,837,241)
<b>At 31 December 2021 (restated)</b>	<b>99</b>	<b>370,578</b>	<b>68</b>	<b>33,283,383</b>	<b>33,654,128</b>
Total comprehensive loss for the period	-	-	-	(5,355,722)	(5,355,722)
<b>At 31 December 2022</b>	<b>99</b>	<b>370,578</b>	<b>68</b>	<b>27,927,661</b>	<b>28,298,406</b>

The notes (1 to 20) on pages 18 to 35 form part of these financial statements.

# Verisk Specialty Business Solutions Limited

## Notes to the financial statements

Year ended 31 December 2022

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### 1. Accounting policies

The Company is a company limited by shares and incorporated and domiciled in England in the UK.

#### Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest Pounds Sterling.

As permitted under section 408 of the Companies Act 2006, the Company elected not to present its Statement of Comprehensive Income for the year.

The Group's ultimate parent undertaking, Verisk Analytics, Inc., includes the Group in its consolidated financial statements. The consolidated financial statements of Verisk Analytics, Inc. are prepared in accordance with Generally Accepted Accounting Principles in the United States of America. In these financial statements, the Group is a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Verisk Analytics, Inc. include the equivalent disclosures, the Group has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### Measurement Convention

The financial statements are prepared on the historical cost basis except financial instruments classified at fair value through the profit or loss that are stated at fair value.

#### Going concern

Turnover was £66,282,339 for the year ended 31 December 2022 (2021: £57,702,523), growth of 15%. The loss before taxation was £6,177,519 for the year ended 31 December 2022. The loss before taxation was primarily due to the amortization of certain acquisition related intangible assets and goodwill of £10,359,032. Excluding these items, profit before taxation would be £4,181,513. EBITDA is used as a key performance metric and was adversely impacted by foreign currency revaluation in the year. Excluding this impact, EBITDA it has increased 12%, at £16,404,408 (2021: £14,619,499). The directors have considered the projected trading performance for the group for a period of at least the next 12 months. Based on this, the directors have a reasonable expectation that the Group will have adequate resources available to them and financial support from the ultimate parent company to continue in operational existence for at least the next twelve months from the date of these financial statements.

# Verisk Specialty Business Solutions Limited

## Notes to the financial statements (continued)

Year ended 31 December 2022

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### 1. Accounting policies (continued)

#### Basis for Consolidation

The consolidated financial statements include the financial statements of the Group's undertakings made up to 31 December 2022. A subsidiary within the Group is an entity that is controlled by the Company. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that are currently exercisable. In the Company's financial statements, investments in subsidiaries are carried at cost less impairment.

#### Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Company. At the acquisition date, the Company recognises goodwill as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration; plus
- the fair value of the equity instruments issues; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Where control is obtained and less than 50% of a subsidiary's share capital is not owned by the group, the portion of the net assets attributable to the non-controlling interest are measured at fair value and recognised within equity. Subsequent transactions with such non-controlling interests are accounted for within equity.

#### Turnover

Turnover represents the value of work done for customers after adjusting for all foreseeable losses, and excluding value added tax. Turnover from the sale of software licenses is recognised from customer acceptance, over the term of the license. Under specific contractual arrangements there are software licences that are recognised as perpetual. Turnover from software support and maintenance agreements is recognised proportionally over the period that the services are provided. Turnover from professional services (implementation, consultancy, project management and training) is recognised as the services are performed. On major projects extending over more than one accounting period, turnover is taken based on the stage of completion when the outcome of the contract can be seen with reasonable certainty. Where revenue has been earned and not invoiced it is recognised as accrued income until billing occurs. Payments received in advance are included in deferred income in creditors.

#### Intangible assets

##### Goodwill

Goodwill arising on acquisition, being the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised in the year of acquisition. Under FRS 102, Goodwill has been amortised over ten years as the directors believe that the acquired businesses have useful economic life on the basis of their assessment of the strength of the acquired brands, the underlying business and their assets, including their intellectual property, research data, customer relationships and market position, as evidenced by the strength of historic and projected cash flows.

In addition, Goodwill is subject to a further annual review for indicators of impairment. To the extent that such indicators are identified, a formal impairment assessment is performed on a discounted future cash flow model to ensure it reflects a true and fair view of the carrying value.

# Verisk Specialty Business Solutions Limited

## Notes to the financial statements (continued)

Year ended 31 December 2022

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### 1. Accounting policies (continued)

#### *Sales relationships*

Sales relationships, which were acquired in a business combination, are recognised at fair value at the acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of sales relationships over their estimated useful lives of 13 years.

#### *Technology*

Developed technology, which were acquired in a business combination, are recognised at fair value at the acquisition date. Technology has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of acquired technologies over their estimated useful lives of 4-6 years.

#### *Marketing*

Marketing intangible assets, including trademarks/tradenames, which were acquired in a business combination, are recognised at fair value at the acquisition date. Marketing has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of acquired marketing intangible assets over their estimated useful lives of 3-10 years.

#### *Research and development*

Expenditures on research activities is recognised in the Consolidated Statement of Comprehensive Income as an expense as incurred.

Expenditures on development activities may be capitalised if the product or process is technically and commercially feasible, the Company intends and has the technical ability to complete development, future economic benefits are probable, and the Company can reliably measure the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditures are recognised in the profit and loss account as an expense as incurred. Capitalised development expenditures are stated at cost less accumulated amortisation and accumulated impairment losses.

#### *Amortisation*

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- |                                 |            |
|---------------------------------|------------|
| • Capitalised development costs | 3 years    |
| • Acquired Technology           | 4-6 years  |
| • Sales Relationships           | 13 years   |
| • Goodwill                      | 10 years   |
| • Marketing                     | 3-10 years |

The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Intangible assets are tested for impairment in accordance with Section 27 Impairment of Assets when there is an indication that an intangible asset may be impaired.

# Verisk Specialty Business Solutions Limited

## Notes to the financial statements (continued)

Year ended 31 December 2022

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### 1. Accounting policies (continued)

#### Fixed assets

Tangible fixed assets are stated at cost less depreciation. Asset retirement obligations are capitalised at the expected present value of the obligation, with a corresponding liability being recognised in provisions, and are depreciated over the useful economic life of the related asset.

#### Depreciation

Depreciation is calculated to write off the cost of an asset, less its estimated residual value, over the economic useful life of that asset as follows:

Leasehold Improvements	- Over the Life of the lease (monthly basis)
Computer Equipment	- 3 years (straight line basis)
Fixtures, Fittings & Equipment	- 10 years (straight line basis)
Office Equipment	- 10 years (straight line basis)

#### Operating lease agreements

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

#### Pension costs

The Group operates defined contribution schemes for directors and employees. Contributions payable to the Group's stakeholder pension scheme are charged to the profit and loss account in the period to which they relate.

#### Foreign currencies

Costs expensed in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities are translated at rates of exchange ruling at the balance sheet date. Differences on the translation of such items are recorded in Consolidated Statement of Comprehensive Income. The financial statements of subsidiaries are translated into Pounds Sterling on consolidation on the following basis:

- Income statement items at the average rate of exchange during the period, and
- Assets and liabilities at the rate of exchange ruling at the balance sheet date.

Exchange differences arising on translation of the opening net assets and results of foreign subsidiaries are reported in other comprehensive income.

#### Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

#### Financial instruments

Following the adoption of FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent they meet the following two conditions:

- They include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variance number of the Company's own equity instruments or is a derivative that will be settled by the Company in exchange for a fixed amount of cash or other financial asset for a fixed number of its own equity instruments.

Financial payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Financial payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

# Verisk Specialty Business Solutions Limited

## Notes to the financial statements (continued)

Year ended 31 December 2022

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### 1. Accounting policies (continued)

#### Basic Financial Instruments

##### *Trade and other debtors/creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. After initial recognition, they are measured at cost less any impairment losses in the case of trade debtors.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances only.

#### Current taxation

Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Group operates and generates income.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed in the Consolidated and Company's Statement of Financial Position date. Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the directors consider that it is sufficiently probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Consolidated and Company's Statement of Financial Position date.

#### Provisions

A provision is recognised in the Consolidated and Company's Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

#### Significant Judgements and Estimates

In determining the carrying amounts of certain assets and liabilities, the Group makes assumptions of the effects of uncertain future events on those assets and liabilities at the Consolidated and Company's Statement of Financial Position date. The Group's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. For all purchase price allocations, the Group uses external advisors to appropriately allocate the purchase price between the net assets of the acquired company and any intangibles that arise upon consolidation.

At the end of each reporting period, the Group review the carrying amount of its investments & acquired intangibles to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated to determine the extent of the impairment loss (if any).

# Verisk Specialty Business Solutions Limited

## Notes to the financial statements (continued)

### Year ended 31 December 2022

#### 1. Accounting policies (continued)

##### Critical judgements in applying the Group's accounting policies

###### Capitalised Development Costs

During the year, management considered the recoverability of its Development Costs which are included in the Consolidated and Company's Statement of Financial Position at a total of £24,557,854 net book value at 31 December 2022 (2021: £18,857,952). Management reviews individual projects to ensure that their development continues to progress in a satisfactory manner, and that the projected revenues and costs are in line with previous estimates, and more than recover the current carrying value. This situation will continue to be closely monitored.

###### Non-Controlling Interest

During 2021 the company purchased 51% interest in Whitespace and has agreed to purchase the remaining 49% in equal tranches over a 3 year period with an additional 16.33% purchased in the current year. The remaining consideration payable is based on the future performance of Whitespace. Management have reviewed the agreement and have determined that due to the nature of the agreement it would not be appropriate to account for the remaining consideration as a deferred consideration liability and should be accounted for as Non-controlling interest within Equity.

#### 2. Turnover

The turnover and loss before tax are attributable to the one principal activity of the Group.

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Rendering of services	66,282,339	57,702,523
An analysis of turnover is given below:		
United Kingdom	61,087,444	53,083,000
Overseas	5,194,895	4,619,523
	<u>66,282,339</u>	<u>57,702,523</u>

#### 3. Operating loss

Operating loss is stated after charging:

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Depreciation of owned fixed assets	468,044	476,414
Amortisation of Intangible assets	19,312,795	18,950,045
Operating lease rentals	357,768	390,664
Net (gain)/loss on foreign currency translation	2,802,108	(1,423,741)
Auditors' remuneration	81,140	101,500

# Verisk Specialty Business Solutions Limited

## Notes to the financial statements (continued)

### Year ended 31 December 2022

#### 4. Particulars of employees

The average number of staff employed by the Group during the financial period amounted to:

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	No	No
Number of production staff	444	432
Number of administrative staff	77	75
Directors	2	2
	<u>523</u>	<u>509</u>

The aggregate payroll costs of the above were:

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£	£
Wages and salaries	32,450,188	27,428,217
Social security costs	5,142,540	4,654,971
Other pension costs	2,082,153	1,702,817
	<u>39,674,881</u>	<u>33,786,005</u>

#### 5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£	£
Remuneration receivable	1,050,727	918,639
Value of Company pension contributions to money purchase schemes	34,901	35,230
	<u>1,085,628</u>	<u>953,869</u>

Remuneration receivable includes both income related to vested shares and gains made on exercised share options under the Verisk long term incentive schemes.

#### Remuneration of highest paid director:

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	£	£
Remuneration	535,769	532,160
Pension Contributions	19,951	18,837
	<u>555,720</u>	<u>550,997</u>

The number of directors who accrued benefits under the Company's pension schemes was as follows:

	Year ended 31 Dec 2022	Year ended 31 Dec 2021
	No	No
Money purchase schemes	<u>-</u>	<u>1</u>

# Verisk Specialty Business Solutions Limited

## Notes to the financial statements (continued)

Year ended 31 December 2022

### 6. Taxation on ordinary activities

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Current tax		
UK corporation tax on profits for the period	273,309	415,691
Adjustment in respect of previous periods	(543,954)	(1,223,336)
Foreign tax relief/other relief	(275,799)	-
	<u>367,732</u>	<u>454,122</u>
Foreign tax suffered	367,732	454,122
Total current tax	<u>(178,712)</u>	<u>(353,524)</u>
Deferred tax		
Origination and reversal of timing differences	(1,532,036)	(1,121,113)
Adjustment in respect of previous periods	2,432,572	(28,847)
Effect of changes in tax rates	-	345,883
Total deferred tax	<u>900,536</u>	<u>(804,077)</u>
Total tax per profit and loss account	<u>721,824</u>	<u>(1,157,600)</u>
The charge for the year can be reconciled to the loss per the profit and loss account as follows:		
Loss for the period	<u>(6,177,519)</u>	<u>(3,370,920)</u>
Tax on loss at standard UK tax rate of 19% (2021: 19%)	(1,173,729)	(640,475)
Effects of:		
Expenses not deductible	1,140,543	1,126,654
Effects of overseas tax rates	91,933	-
Effects of group relief/other reliefs	(855,365)	(354,818)
Adjustment from previous periods	1,886,131	(1,252,183)
Movement in deferred tax not recognised	-	(277,575)
Effect of deferred tax at 25% versus current tax 19%	(315,789)	(59,125)
Effect of change in rate from 19% to 25%	(51,900)	299,922
Tax charge for the period	<u>721,824</u>	<u>(1,157,600)</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 19.00% (2021: 19.00%). Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 during the year and these changes are reflected within the tax figures. This included an increase to the main rate of corporation tax to 25% from 1 April 2023 and this is the rate which has been used in calculating deferred tax at the year-end. Finance Act 2022 which received Royal Assent on 24 February 2022 will not have any impact on the corporation tax figures.

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

Year ended 31 December 2022

#### 7. Tangible fixed assets – Consolidated

	Leasehold Property £	Computer equipment £	Fixtures & Fittings £	Equipment £	Total £
<b>Cost</b>					
At 31 December 2021	1,410,429	3,616,106	295,533	37,945	5,360,013
Additions	-	830,217	50,281	9,596	890,094
Disposals	(880,331)	(305,415)	(250,887)	(17,595)	(1,454,218)
<b>At 31 December 2022</b>	<b>530,098</b>	<b>4,140,908</b>	<b>94,937</b>	<b>29,946</b>	<b>4,795,879</b>
<b>Depreciation</b>					
At 31 December 2021	1,029,151	2,953,259	203,851	32,259	4,218,520
Charge for the period	20,911	410,902	33,614	2,617	468,044
Disposals	(873,416)	(285,987)	(221,154)	(17,595)	(1,398,152)
<b>At 31 December 2022</b>	<b>176,646</b>	<b>3,078,174</b>	<b>16,311</b>	<b>17,281</b>	<b>3,288,412</b>
<b>Net book value</b>					
<b>At 31 December 2022</b>	<b>353,452</b>	<b>1,062,724</b>	<b>78,616</b>	<b>12,665</b>	<b>1,507,467</b>
<b>At 31 December 2021</b>	<b>381,278</b>	<b>662,847</b>	<b>91,682</b>	<b>5,686</b>	<b>1,141,493</b>

#### Tangible fixed assets – Company

	Leasehold Property £	Computer equipment £	Fixtures & Fittings £	Equipment £	Total £
<b>Cost</b>					
At 31 December 2021	1,403,514	3,510,761	295,240	33,750	5,243,265
Additions	-	534,702	-	9,596	544,299
Disposals	(870,827)	(236,706)	(222,917)	(17,595)	(1,348,046)
<b>At 31 December 2022</b>	<b>532,687</b>	<b>3,808,758</b>	<b>72,323</b>	<b>25,751</b>	<b>4,439,518</b>
<b>Depreciation</b>					
At 31 December 2021	1,029,152	2,936,272	200,953	31,712	4,198,089
Charge for the period	20,910	335,796	26,541	2,265	385,512
Disposals	(870,827)	(221,506)	(193,195)	(17,595)	(1,303,123)
<b>At 31 December 2022</b>	<b>179,235</b>	<b>3,050,562</b>	<b>34,299</b>	<b>16,382</b>	<b>3,280,478</b>
<b>Net book value</b>					
<b>At 31 December 2022</b>	<b>353,452</b>	<b>758,195</b>	<b>38,024</b>	<b>9,369</b>	<b>1,159,040</b>
<b>At 31 December 2021</b>	<b>374,362</b>	<b>574,489</b>	<b>94,287</b>	<b>2,038</b>	<b>1,045,176</b>

## Verisk Specialty Business Solutions Limited

Notes to the financial statements (continued)

Year ended 31 December 2022

### 8. Intangible assets – Consolidated (restated per note 19)

	Technology	Marketing	Customers	Goodwill	Development costs	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 31 December 2021	17,670,000	2,240,000	3,940,000	69,137,840	38,104,750	131,092,590
Additions	-	-	-	-	14,599,194	14,599,194
Acquisitions	-	-	-	31,923	-	31,923
<b>At 31 December 2022</b>	<b>17,670,000</b>	<b>2,240,000</b>	<b>3,940,000</b>	<b>69,169,763</b>	<b>52,703,944</b>	<b>145,723,707</b>
<b>Amortisation</b>						
At 31 December 2021	7,720,379	617,492	1,313,827	15,533,471	22,745,242	47,930,411
Charge for the period	3,128,333	275,667	263,846	6,691,186	8,953,763	19,312,795
<b>At 31 December 2022</b>	<b>10,848,712</b>	<b>893,159</b>	<b>1,577,673</b>	<b>22,224,657</b>	<b>31,699,005</b>	<b>67,243,206</b>
<b>Net book value</b>						
At 31 December 2022	6,821,288	1,346,841	2,362,327	46,945,106	21,004,939	78,480,501
At 31 December 2021	9,949,621	1,622,508	2,626,173	53,604,369	15,359,508	83,162,179

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

Year ended 31 December 2022

#### 8. Intangible assets – (continued)

##### Intangible assets – Company (restated per note 19)

	Technology	Marketing	Customers	Goodwill	Development costs	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 31 December 2021	14,160,000	1,790,000	3,430,000	45,482,846	36,355,440	101,218,286
Additions	-	-	-	-	10,883,028	10,883,028
<b>At 31 December 2022</b>	<b>14,160,000</b>	<b>1,790,000</b>	<b>3,430,000</b>	<b>45,482,846</b>	<b>47,238,468</b>	<b>112,101,314</b>
<b>Amortisation</b>						
At 31 December 2021	7,189,918	545,337	843,058	13,856,692	22,745,243	45,180,248
Charge for the period	2,360,000	179,000	263,846	4,548,284	8,054,066	15,405,196
<b>At 31 December 2022</b>	<b>9,549,918</b>	<b>724,337</b>	<b>1,106,904</b>	<b>18,404,976</b>	<b>30,799,309</b>	<b>60,585,445</b>
<b>Net book value</b>						
At 31 December 2021	6,970,082	1,244,663	2,586,942	31,626,154	13,610,197	56,038,038
<b>At 31 December 2022</b>	<b>4,610,082</b>	<b>1,065,663</b>	<b>2,362,326</b>	<b>27,007,870</b>	<b>16,439,159</b>	<b>51,515,869</b>

Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with FRS 102 Section 18.

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

Year ended 31 December 2022

#### 9. Investments

The investments are as follows:

	Subsidiary Undertakings £
<b>Cost and Net Book Value</b>	
At 1 January 2022	25,685,619
Additions	5,894,009
At 31 December 2022	<u>31,579,628</u>

Details of investments held are shown below. All investments principle activity is delivering business software to broking and underwriting companies within the global, complex insurance and reinsurance industries.

Sequel Rulebook Limited- 100% ownership

The subsidiary is located at Level 26, 22 Bishopsgate, London, United Kingdom, EC2N 4BQ.

Whitespace Software Limited- 67.33% ownership

The subsidiary is located at Level 26, 22 Bishopsgate, London, United Kingdom, EC2N 4BQ.

Datarise Limited- 51% indirect ownership via Whitespace

The subsidiary is located at Level 26, 22 Bishopsgate, London, United Kingdom, EC2N 4BQ.

Ignite Software Systems Limited- 100% ownership

The subsidiary is located at Level 26, 22 Bishopsgate, London, United Kingdom, EC2N 4BQ.

Arturo Software System Pvt Ltd – 100% ownership via Ignite

The subsidiary is located at 3156 Anjanadari Road, Mysuru, India, 570018.

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2022

#### 10. Debtors

	Consolidated £	31 Dec 2022 Company £	Consolidated £	31 Dec 2021 Company £
Trade debtors	8,421,566	6,469,837	10,325,258	9,138,699
Amounts owed by the group undertakings	124,047,140	130,069,039	53,468,150	55,897,277
Other debtors	1,234,172	913,320	696,409	703,210
Prepayments and accrued income	7,442,287	7,345,167	7,258,565	7,215,605
RDEC debtor	2,739,557	2,201,106	1,738,392	1,434,942
	<u>143,884,722</u>	<u>146,998,469</u>	<u>73,486,774</u>	<u>74,389,733</u>

Amounts owed by group undertakings are repayable on demand and are non-interest bearing.

#### 12. Creditors: amounts falling due within one year

	Consolidated £	31 Dec 2022 Company £	Consolidated £	31 Dec 2021 Company £
Trade creditors	63,641	53,775	80,810	20,509
Amounts owed to group undertakings	182,787,664	185,795,627	104,978,709	107,917,182
Other Creditors	278,774	218,120	328,943	394,101
Taxation and social security	2,472,667	2,108,163	1,742,822	1,415,625
Accruals and deferred income	19,548,376	17,310,172	17,019,223	15,202,729
	<u>205,151,122</u>	<u>205,485,857</u>	<u>124,150,508</u>	<u>124,950,146</u>

Amounts owed by group undertakings are repayable on demand and are non-interest bearing.

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

Year ended 31 December 2022

#### 13. Provisions for liabilities and charges

	Consolidated £	31 Dec 2022 Company £	Consolidated £	31 Dec 2021 Company £
Falling due within one year:				
Employee Benefits	313,046	211,447	288,564	211,447
	<u>313,046</u>	<u>211,447</u>	<u>288,564</u>	<u>211,447</u>
Falling due in greater than one year:				
Deferred taxation	2,251,122	511,241	1,350,587	511,241
	<u>2,951,834</u>	<u>511,241</u>	<u>1,350,587</u>	<u>511,241</u>

#### Employee Benefits

	31 Dec 2022 £	31 Dec 2021 £
Falling due within one year:		
Opening Balance	288,564	211,447
Movement in provision	24,482	77,117
PTO Accrual	<u>313,046</u>	<u>288,564</u>

The provision for employee benefits represents the future costs of providing an allowance of holiday to employees of the business. The total amount provided is expected to be utilised within 12 months of the balance sheet date.

# Verisk Specialty Business Solutions Limited

## Notes to the financial statements (continued)

### Year ended 31 December 2022

#### 13. Provisions for liabilities and charges (continued)

##### Deferred taxation - Consolidated

The deferred tax included in the Balance sheet is as follows:

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Deferred taxation	<u>2,251,122</u>	<u>1,350,587</u>

The movement in the deferred taxation account during the year was:

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Balance brought forward	1,350,587	1,164,663
Adjustment in respect of prior years	2,432,572	317,037
Deferred tax charge to Tax on loss for the year	(1,532,037)	(1,121,113)
Whitespace/Ignite acquisition	-	990,000
Balance carried forward	<u>2,251,122</u>	<u>1,350,587</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Fixed asset timing differences	1,245,590	159,502
Other timing differences	(208,146)	(304,805)
Intangible Assets	<u>1,213,678</u>	<u>1,495,890</u>
	<u>2,251,122</u>	<u>1,350,587</u>
Deferred tax (assets)		
Recoverable within 12 months	<u>(208,146)</u>	<u>(304,805)</u>
Deferred tax liabilities		
Payable after 12 months	<u>2,459,268</u>	<u>1,655,392</u>
	<u>2,459,268</u>	<u>1,655,392</u>

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2022

#### 13. Provisions for liabilities and charges (continued)

##### Deferred taxation - Company

The deferred tax included in the Balance sheet is as follows:

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Deferred taxation	<u>1,556,749</u>	<u>511,241</u>

The movement in the deferred taxation account during the year was:

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Balance brought forward	511,241	1,126,413
Adjustment in respect of prior years	2,416,630	314,766
Deferred tax charge for the year	<u>(1,371,122)</u>	<u>(929,938)</u>
Balance carried forward	<u>1,556,749</u>	<u>511,241</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	Year ended 31 Dec 2022 £	Year ended 31 Dec 2021 £
Fixed asset timing differences	1,182,669	159,502
Other timing differences	<u>(206,694)</u>	<u>(304,804)</u>
Intangible Assets	<u>580,774</u>	<u>656,543</u>
	<u>1,556,749</u>	<u>511,241</u>
Deferred tax (assets)		
Recoverable within 12 months	<u>(206,694)</u>	<u>(304,804)</u>
Deferred tax liabilities		
Payable within 12 months	<u>1,763,443</u>	<u>816,045</u>
Payable after 12 months	<u>1,763,443</u>	<u>816,045</u>

# Verisk Specialty Business Solutions Limited

## Notes to the financial statements (continued)

### Year ended 31 December 2022

#### 14. Commitments under operating leases

At 31 December 2022, the Group had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	31 Dec 2022	31 Dec 2021
	£	£
Operating leases which expire:		
No later than one year	306,554	373,917
Later than one year and not later than five years	681,822	995,398
Greater than five years	-	207,570
	<u>988,376</u>	<u>1,576,885</u>

#### 15. Related party transactions

The Group has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared for the parent company, Verisk Analytics, Inc. and are publicly available. The Group has also take advantage of exemptions in FRS 102 from the requirement to disclosure transactions between companies within this set of consolidated financial statements.

The parent undertaking has provided a guarantee over the outstanding liabilities at the balance sheet date of the subsidiaries listed below pursuant to sections 479 A-C of Companies Act 2006. These subsidiaries are excepted from the requirement of the UK Companies Act 2006 related to the audit of the individual accounts by virtue of section 479A of that Act:

Sequel Rulebook Limited

The subsidiary is located at Level 26, 22 Bishopsgate, London, United Kingdom, EC2N 4BQ.

Whitespace Software Limited

The subsidiary is located at Level 26, 22 Bishopsgate, London, United Kingdom, EC2N 4BQ.

Datarise Limited

The subsidiary is located at Level 26, 22 Bishopsgate, London, United Kingdom, EC2N 4BQ.

Ignite Software Systems Limited

The subsidiary is located at Level 26, 22 Bishopsgate, London, United Kingdom, EC2N 4BQ.

#### 16. Share capital

Allotted, called up and fully paid:

	31 Dec 2022		31 Dec 2021	
	No	£	No	£
7,401 Ordinary shares of £0.01 each	7,401	74	7,401	74
2,471 Ordinary A shares of £0.01 each	2,471	25	2,471	25
	<u>9,872</u>	<u>99</u>	<u>9,872</u>	<u>99</u>

#### 17. Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions payable by the Company during the period amounted to £2,082,153 (31 December 2021: £1,702,817) and have been recognised in the profit and loss account. Contributions totalling £196,537 were payable to the fund at the period end and are included in creditors (2021: £578,926).

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

Year ended 31 December 2022

#### 18. Prior period adjustment

The prior period opening statement of financial position, prior period statement of comprehensive income and statement in changes in equity, for both the consolidated and company only financial statements, have been restated as a result of an error in the calculation of employment related overheads when determining amounts to capitalised as development costs. The error resulted in an overstatement of intangible assets. The impact of the restatement is outlined below.

##### Statement of Financial Position

Consolidated financial statements	Intangible assets	Profit and loss account	Company financial statements	Intangible assets	Profit and loss account
31 Dec 2021 £	86,660,623	38,741,195	31 Dec 2021 £	59,536,482	36,781,827
Opening balance adjustment £	(3,566,675)	(3,566,675)	Opening balance adjustment £	(3,566,675)	(3,566,675)
2021 Adjustment £	68,231	68,231	2021 Adjustment £	68,231	68,231
<b>31 Dec 2021 £ (restated)</b>	<b>83,162,179</b>	<b>35,242,751</b>	<b>31 Dec 2021 £ (restated)</b>	<b>56,038,038</b>	<b>33,283,383</b>

##### Statement of Comprehensive income

Consolidated financial statements	Administrative expenses	Loss before taxation	Tax on loss	Loss and total comprehensive loss for the year	Total comprehensive income attributable to Verisk Specialty Business Solutions
31 Dec 2021 £	(61,453,973)	(3,439,151)	1,157,600	(2,281,551)	(3,237,060)
2021 Adjustment £	68,231	68,231	-	68,231	68,231
<b>31 Dec 2021 £ (restated)</b>	<b>(61,085,742)</b>	<b>(3,370,920)</b>	<b>1,157,600</b>	<b>(2,213,320)</b>	<b>(3,168,829)</b>

#### 19. Ultimate parent company

The immediate parent company is Sequel Business Holdings Limited. At 31 December 2022 Verisk Analytics, Inc., who is a leading provider of information about risk to professionals in insurance, energy, financial services, government and risk management, is headquartered in Jersey City, New Jersey, United States, at the registered address 545 Washington Boulevard, Jersey City, New Jersey. Verisk Analytics, Inc. is the ultimate parent company and both the largest and smallest group into which the results are consolidated. Verisk Analytics, Inc. is a quoted company trading under the ticker symbol "VRSK" on the Nasdaq Global Select Market.

#### 20. Subsequent events

The Company has completed the purchase of the second tranche of additional shares in Whitespace as set out under the purchase agreement.

In May 2023 the Company purchased the share capital of Morning Data Limited, a supplier of state-of-the-art software to brokers and managing general agents (MGAs) in London and across the globe.