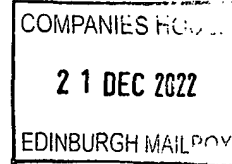


COMPANY REGISTRATION NUMBER 02745421



**Verisk Specialty Business Solutions Limited  
(Formerly known as Sequel Business Solutions Limited)**

**Financial Statements**

**31 December 2021**



# Verisk Specialty Business Solutions Limited

## Financial Statements

Year ended 31 December 2021

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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  
K E Thompson (Resigned 7 April 2021)  
T C Wong (Appointed 7 April 2021)  
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 2021

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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 Eclipse Underwriting and Eclipse 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; and Sequel Impact, a risk analytics and exposure management tool.

On March 2, 2021, the Company acquired a 51% ownership in Whitespace Software Limited ("Whitespace") for a net cash purchase price of £12,021,757. Whitespace is a provider of digital placing technology to the reinsurance market.

On September 1, 2021, the Company acquired 100% of the stock of Ignite Software Systems Limited ("Ignite") for a net cash purchase price of £10,035,982. Ignite provides end-to-end insurance policy management systems to brokers.

Turnover was £57,702,523 for the year ended 31 December 2021 (2020: £45,812,722), growth of 26%. The loss before taxation was £3,439,151 for the year ended 31 December 2021. The loss before taxation was primarily due to the amortization of certain acquisition related intangible assets and goodwill of £9,432,720. Excluding these items, profit before taxation would be £5,993,569. 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 an increase in the 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 2021

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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 and 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  
21 December 2022

## **Verisk Specialty Business Solutions Limited**

### **Directors' Report**

#### **Year ended 31 December 2021**

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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 2021. The comparative period shown, is for the year ended 31 December 2020.

#### **Results and dividends**

The loss attributable to the Group for the year ended 31 December 2021, after taxation, amounted to £3,237,060 (2020: £2,761,406 loss).

The directors do not recommend the payment of a dividend (2020: £nil).

#### **Directors' indemnity**

The Company's Articles of Association 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.

Illustrations of how s172 factors have been applied by the Board can be found throughout the Strategic Report.

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 2021**

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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 on 22 March, 2022.

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 2021

#### 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 2021:

	31 Dec, 2021	31 Dec, 2020
Scope 1 - Emissions from combustion of gas and fuel for transport purposes	-	-
Scope 2 - Emissions from purchased electricity and other utilities (location-based)	9,007	40,114
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>9,007</b>	<b>40,114</b>
Total gross emissions (kgCO <sub>2</sub> e)	9,007	40,114
Total turnover (£'000's)	57,703	45,812
<b>Carbon intensity ratio (kgCO<sub>2</sub>e/£'000's)</b>	<b>0.16</b>	<b>0.88</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 2021

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### Political contributions and charitable donations

The Group made no political contributions during the year (2020: £nil) and made no charitable donations during the year (2020: £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

Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Directors

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

I C Summers	(resigned 13 September 2022)
H Banton	
K E Thompson	(resigned 7 April 2021)
T C Wong	(appointed 7 April 2021)

### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

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

*Thomas Wong*

T C Wong  
Director  
21 December 2022

## Verisk Specialty Business Solutions Limited

### Statement of Directors' Responsibilities

Year ended 31 December 2021

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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 Group 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 Group will continue in business.

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

# 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 2021, 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 2021 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  
21 December 2022

## Verisk Specialty Business Solutions Limited

### Consolidated Statement of Comprehensive Income

Year ended 31 December 2021

	Note	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
<b>Turnover</b>	2	57,702,523	45,812,722
Administrative expenses		(61,453,973)	(47,717,193)
<b>Operating loss</b>	3	(3,451,450)	(1,904,471)
Interest receivable		12,299	195
<b>Loss before taxation</b>		(3,439,151)	(1,904,276)
Tax on loss	6	1,157,600	(857,130)
<b>Loss and total comprehensive loss for the year</b>		(2,281,551)	(2,761,406)
<b>Profit attributable to non-controlling interest</b>		(955,509)	-
<b>Loss attributable to Verisk Speciality Business Solutions</b>		(3,237,060)	(2,761,406)

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 19) on pages 18 to 36 form part of these financial statements.

## Verisk Specialty Business Solutions Limited

### Consolidated Statement of Financial Position

As at 31 December 2021

	Note	31 Dec 2021 £	31 Dec 2020 £
<b>Fixed assets</b>			
Tangible assets	7	1,141,493	1,084,573
Intangible assets	8	86,660,623	69,902,818
		<u>87,802,116</u>	<u>70,987,391</u>
<b>Current assets</b>			
Debtors	11	73,486,774	158,341,762
Cash at bank		6,748,937	1,508,181
		<u>80,235,711</u>	<u>159,849,943</u>
Creditors: amounts falling due within one year	12	(124,150,508)	(187,112,224)
Provisions for liabilities and charges falling due within one year	13	(288,564)	(211,447)
<b>Net current liabilities</b>		<u>(44,203,361)</u>	<u>(27,473,728)</u>
<b>Total assets less current liabilities</b>		<u>43,598,755</u>	<u>43,513,663</u>
Provisions for liabilities and charges	13	(1,350,587)	(1,164,663)
<b>Net assets</b>		<u>42,248,168</u>	<u>42,349,000</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
Non-controlling interest		3,136,228	-
Profit and loss account		38,741,195	41,978,255
<b>Shareholders' funds</b>		<u>42,248,168</u>	<u>42,349,000</u>

Approved by the Board and signed on its behalf by:

*Thomas Wong*

T C Wong  
 Director  
 21 December 2022  
 Company Registration Number: 02745421

The notes (1 to 19) on pages 18 to 36 form part of these financial statements.

## Verisk Specialty Business Solutions Limited

### Company Statement of Financial Position

Year ended 31 December 2021

	Note	31 Dec 2021 £	31 Dec 2020 £
<b>Fixed assets</b>			
Tangible assets	7	1,045,176	1,084,573
Intangible assets	8	59,536,482	68,302,904
Investments	9	25,685,619	2,291,758
		<u>86,267,277</u>	<u>71,679,235</u>
<b>Current assets</b>			
Debtors	11	74,389,733	158,286,668
Cash at bank		2,168,396	547,706
		<u>76,558,129</u>	<u>158,834,374</u>
Creditors: amounts falling due within one year	12	(124,950,146)	(190,117,704)
Provisions for liabilities and charges falling due within one year	13	(211,447)	(211,447)
		<u>(48,603,464)</u>	<u>(31,494,777)</u>
<b>Net current liabilities</b>		<b>(48,603,464)</b>	<b>(31,494,777)</b>
<b>Total assets less current liabilities</b>		<b>37,663,813</b>	<b>40,184,458</b>
Provisions for liabilities and charges	13	(511,241)	(1,126,414)
		<u>37,152,572</u>	<u>39,058,044</u>
<b>Net assets</b>		<b>37,152,572</b>	<b>39,058,044</b>
<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		36,781,827	38,687,299
		<u>37,152,572</u>	<u>39,058,044</u>
<b>Shareholders' funds</b>		<b>37,152,572</b>	<b>39,058,044</b>

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 £1,905,472 for the year ended 31 December 2021 (2020: £2,537,350 loss).

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

*Thomas Wong*

T C Wong  
Director  
21 December 2022  
Company Registration Number: 02745421

The notes (1 to 19) on pages 18 to 36 form part of these financial statements.

## Verisk Specialty Business Solutions Limited

### Consolidated Statement of Changes in Equity

Year ended 31 December 2021

	Called-up Share Capital £	Share Premium Account £	Other Reserves £	Non- controlling Interest £	Profit and Loss Account £	Total £
At 31 Dec 2019	99	370,578	68	-	44,739,661	45,110,406
Total comprehensive loss for the period	-	-	-	-	(2,761,406)	(2,761,406)
<b>At 31 December 2020</b>	<b>99</b>	<b>370,578</b>	<b>68</b>	<b>-</b>	<b>41,978,255</b>	<b>42,349,000</b>
Total comprehensive loss for the period	-	-	-	-	(3,237,060)	(3,237,060)
Investment in non- controlling interest	-	-	-	2,180,719	-	2,180,719
Profit attributable to non- controlling interest	-	-	-	955,509	-	955,509
<b>At 31 December 2021</b>	<b>99</b>	<b>370,578</b>	<b>68</b>	<b>3,136,228</b>	<b>38,741,195</b>	<b>42,248,168</b>

The notes (1 to 19) on pages 18 to 36 form part of these financial statements.

## Verisk Specialty Business Solutions Limited

### Company Statement of Changes in Equity

Year ended 31 December 2021

	Called-up Share Capital £	Share Premium Account £	Other Reserves £	Profit and Loss Account £	Total £
<b>At 31 December 2019</b>	99	370,578	68	41,224,649	41,595,394
Total comprehensive loss for the period	-	-	-	(2,537,350)	(2,537,350)
<b>At 31 December 2020</b>	99	370,578	68	38,687,299	39,058,044
Total comprehensive loss for the period	-	-	-	(1,905,472)	(1,905,472)
Investment in non- controlling interest	-	-	-	-	-
<b>At 31 December 2021</b>	99	370,578	68	36,781,827	37,152,572

The notes (1 to 19) 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 2021

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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 £57,702,523 for the year ended 31 December 2021 (2020: £45,812,722), growth of 26%. The loss before taxation was £3,439,151 for the year ended 31 December 2021. The loss before taxation was primarily due to the amortization of certain acquisition related intangible assets and goodwill of £9,432,720. Excluding these items, profit before taxation would be £5,993,569. EBITDA is used as a key performance metric, and it has increased 16.7%, at £18,206,273 (2020: £15,600,796). 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 2021

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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 2021. 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.

##### 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. 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 impairment test based on a discounted future cash flow model to ensure it reflects a true and fair view of the carrying value.

###### 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.

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2021

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#### 1. Accounting policies (continued)

##### *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.

##### **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.

# Verisk Specialty Business Solutions Limited

## Notes to the financial statements (continued)

**Year ended 31 December 2021**

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### 1. Accounting policies (continued)

#### 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.

#### 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:

- a) 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
- b) 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.

#### 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.

# Verisk Specialty Business Solutions Limited

## Notes to the financial statements (continued)

Year ended 31 December 2021

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### 1. Accounting policies (continued)

#### 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).

#### 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 £18,857,952 net book value at 31 December 2021 (2020: £18,523,933). 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.

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2021

#### 1. Accounting policies (continued)

##### *Non-Controlling Interest*

During the year the company purchased 51% interest in Whitespace and has agreed to purchase the remaining 49% in equal tranches over a 3 year period. 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 2021 £	Year ended 31 Dec 2020 £
Rendering of services	57,702,523	45,812,722
An analysis of turnover is given below:		
United Kingdom	53,083,000	43,808,894
Overseas	4,619,523	2,003,828
	<u>57,702,523</u>	<u>45,812,722</u>

#### 3. Operating loss

Operating loss is stated after charging:

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Depreciation of owned fixed assets	476,414	445,782
Amortisation of Intangible assets	21,179,990	17,007,339
Operating lease rentals	390,664	729,440
Net (gain)/loss on foreign currency translation	(1,423,741)	793,842
Auditors' remuneration	101,500	54,500

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2021

#### 4. Particulars of employees

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

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
	No	No
Number of production staff	432	320
Number of administrative staff	75	53
Directors	2	2
	<u>509</u>	<u>375</u>

The aggregate payroll costs of the above were:

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
	£	£
Wages and salaries	27,428,217	22,317,926
Social security costs	4,654,971	3,905,453
Other pension costs	1,702,817	1,187,322
	<u>33,786,005</u>	<u>27,410,701</u>

#### 5. Directors' remuneration

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

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
	£	£
Remuneration receivable	918,639	866,513
Value of Company pension contributions to money purchase schemes	35,230	33,532
	<u>953,869</u>	<u>900,045</u>

#### Remuneration of highest paid director:

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
	£	£
Remuneration	532,160	512,355
Pension Contributions	18,837	18,552
	<u>550,997</u>	<u>530,907</u>

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

	Year ended 31 Dec 2021	Year ended 31 Dec 2020
	No	No
Money purchase schemes	<u>1</u>	<u>2</u>

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2021

#### 6. Taxation on ordinary activities

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Current tax		
UK corporation tax on profits for the period	415,691	1,334,977
Adjustment in respect of previous periods	(1,223,336)	76,165
Foreign tax relief/other relief	-	-
	<u>454,122</u>	<u>296,849</u>
Foreign tax suffered	454,122	296,849
Total current tax	<u>(353,524)</u>	<u>1,707,991</u>
Deferred tax		
Origination and reversal of timing differences	(1,121,113)	(1,080,626)
Adjustment in respect of previous periods	(28,847)	61
Effect of changes in tax rates	345,883	229,705
Total deferred tax	<u>(804,077)</u>	<u>(850,860)</u>
Total tax per profit and loss account	<u>(1,157,600)</u>	<u>857,131</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>(3,439,151)</u>	<u>(1,904,276)</u>
Tax on loss at standard UK tax rate of 19% (2020: 19%)	(653,439)	(361,812)
Effects of:		
Expenses not deductible	1,139,618	913,012
Effects of group relief/other reliefs	(354,818)	-
Difference in deferred tax rate 17% to 19%	-	229,704
Adjustment from previous periods	(1,252,183)	76,226
Movement in deferred tax not recognised	(277,575)	-
Effect of deferred tax at 25% versus current tax 19%	(59,125)	-
Effect of change in rate from 19% to 25%	299,922	-
Tax charge for the period	<u>(1,157,600)</u>	<u>857,130</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 19.00% (2020: 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 2021

#### 7. Tangible fixed assets – Consolidated

	Leasehold Property £	Computer equipment £	Fixtures & Fittings £	Equipment £	Total £
<b>Cost</b>					
At 31 December 2020	1,430,063	3,131,137	309,772	33,750	4,904,722
Additions	57,584	442,776	-	-	500,360
Acquisitions	6,915	42,193	293	4,195	53,596
Disposals	(84,133)	-	(14,532)	-	(98,665)
<b>At 31 December 2021</b>	<b>1,410,429</b>	<b>3,616,106</b>	<b>295,533</b>	<b>37,945</b>	<b>5,360,013</b>
<b>Depreciation</b>					
At 31 December 2020	1,084,466	2,531,445	172,702	31,535	3,820,148
Charge for the period	20,910	421,814	32,966	724	476,414
Disposals	(76,225)	-	(1,817)	-	(78,042)
<b>At 31 December 2021</b>	<b>1,029,151</b>	<b>2,953,259</b>	<b>203,851</b>	<b>32,259</b>	<b>4,218,520</b>
<b>Net book value</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>
<b>At 31 December 2020</b>	<b>345,596</b>	<b>599,692</b>	<b>137,070</b>	<b>2,215</b>	<b>1,084,573</b>

#### Tangible fixed assets – Company

	Leasehold Property £	Computer equipment £	Fixtures & Fittings £	Equipment £	Total £
<b>Cost</b>					
At 31 December 2020	1,430,063	3,131,137	309,772	33,750	4,904,722
Additions	57,584	379,624	-	-	437,208
Disposals	(84,133)	-	(14,532)	-	(98,665)
<b>At 31 December 2021</b>	<b>1,403,514</b>	<b>3,510,761</b>	<b>295,240</b>	<b>33,750</b>	<b>5,243,265</b>
<b>Depreciation</b>					
At 31 December 2020	1,084,467	2,531,445	172,702	31,535	3,820,149
Charge for the period	20,910	404,827	30,067	177	455,981
Disposals	(76,225)	-	(1,816)	-	(78,041)
<b>At 31 December 2021</b>	<b>1,029,152</b>	<b>2,936,272</b>	<b>200,953</b>	<b>31,712</b>	<b>4,198,089</b>
<b>Net book value</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>
<b>At 31 December 2020</b>	<b>345,596</b>	<b>599,692</b>	<b>137,070</b>	<b>2,215</b>	<b>1,084,573</b>

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2021

#### 8. Intangible assets - Consolidated

	Technology	Marketing	Customers	Goodwill	Development costs	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 31 December 2020	14,160,000	1,790,000	3,940,000	47,241,333	33,558,448	100,689,781
Additions	-	-	-	-	12,081,288	12,081,288
Acquisitions	3,510,000	450,000	-	21,896,507	-	25,856,507
Disposals	-	-	-	-	-	-
<b>At 31 December 2021</b>	<b>17,670,000</b>	<b>2,240,000</b>	<b>3,940,000</b>	<b>69,137,840</b>	<b>45,639,736</b>	<b>138,627,576</b>
<b>Amortisation</b>						
At 31 December 2020	4,829,918	366,337	887,899	9,668,295	15,034,514	30,786,963
Charge for the period	2,890,461	251,155	425,928	5,865,176	11,747,270	21,179,990
<b>At 31 December 2021</b>	<b>7,720,379</b>	<b>617,492</b>	<b>1,313,827</b>	<b>15,533,471</b>	<b>26,781,784</b>	<b>51,966,953</b>
<b>Net book value</b>						
At 31 December 2020	9,330,082	1,423,663	3,052,101	37,573,038	18,523,934	69,902,818
<b>At 31 December 2021</b>	<b>9,949,621</b>	<b>1,622,508</b>	<b>2,626,173</b>	<b>53,604,369</b>	<b>18,857,952</b>	<b>86,660,623</b>

Refer to the Acquisitions note 10 for further details of intangibles acquired in the year.

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2021

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

##### Intangible assets - Company

	Technology	Marketing	Customers	Goodwill	Development costs	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 31 December 2020	14,160,000	1,790,000	3,430,000	45,482,846	33,558,448	98,421,294
Additions	-	-	-	-	10,331,978	10,331,978
<b>At 31 December 2021</b>	<b>14,160,000</b>	<b>1,790,000</b>	<b>3,430,000</b>	<b>45,482,846</b>	<b>43,890,426</b>	<b>108,753,272</b>
<b>Amortisation</b>						
At 31 December 2020	4,829,918	366,337	579,212	9,308,407	15,034,515	30,118,389
Charge for the period	2,360,000	179,000	263,846	4,548,285	11,747,270	19,098,401
<b>At 31 December 2021</b>	<b>7,189,918</b>	<b>545,337</b>	<b>843,058</b>	<b>13,856,692</b>	<b>26,781,785</b>	<b>49,216,790</b>
<b>Net book value</b>						
At 31 December 2021	<u>6,970,082</u>	<u>1,244,663</u>	<u>2,586,942</u>	<u>31,626,154</u>	<u>17,108,641</u>	<u>59,536,482</u>
At 31 December 2020	<u>9,330,082</u>	<u>1,423,663</u>	<u>2,850,788</u>	<u>36,174,439</u>	<u>18,523,932</u>	<u>75,961,711</u>

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 2021

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#### 9. Investments

The investments are as follows:

<b>Cost and Net Book Value</b>	<b>Subsidiary Undertakings £</b>
At 1 January 2021	2,291,758
Additions	23,393,861
At 31 December 2021	<u><u>25,685,619</u></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- 51% 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 2021

#### 10. Acquisitions

	Whitespace £	Ignite £
Technology	2,200,000	1,310,000
Marketing	400,000	50,000
Tangible fixed Assets	39,879	15,117
Cash	2,725,598	15,610
Trade Debtors	797,147	170,503
Other Current Assets	585,984	108,889
Trade Creditors	(77,970)	(82,135)
Deferred Income	(992,594)	(10,000)
Other Current Liabilities	(577,597)	(867,468)
Deferred Tax on Intangibles	(650,000)	(340,000)
Net identifiable assets and liabilities	<u>4,450,447</u>	<u>370,516</u>
Non-Controlling Interest	(2,180,719)	-
Net Assets less NCI	<u>2,269,728</u>	<u>370,516</u>
Total cost of business combination		
Cash Consideration	14,747,356	9,311,945
Costs directly attributable to the combination	327,413	150,037
Total consideration	<u>15,074,769</u>	<u>9,461,982</u>
<b>Goodwill</b>	<b><u>12,805,041</u></b>	<b><u>9,091,466</u></b>

On March 2, 2021, the Company acquired a 51% ownership in Whitespace Software Limited ("Whitespace") for a total consideration of £15,074,769. Whitespace is a provider of digital placing technology to the reinsurance market. Since acquisition, Whitespace and Datarise have included £812,948 in the Group revenue. The profit before taxes for Whitespace and Datarise was £2,056,633.

On September 1, 2021, the Company acquired 100% of the stock of Ignite Software Systems Limited ("Ignite") for a total consideration of £9,461,982. Ignite provides end-to-end insurance policy management systems to brokers. Since acquisition, Ignite has £619,703 included in the Group revenue. The profit before tax for Ignite is £194,567.

#### 11. Debtors

	31 Dec 2021		31 Dec 2020
	Consolidated	Company	Consolidated
			Company

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2021

	£	£	£	£
Trade debtors	10,325,258	9,138,699	8,260,383	8,149,233
Amounts owed by the group undertakings	53,468,150	55,897,277	137,759,357	137,958,345
Other debtors	696,409	703,210	2,086,505	2,018,573
Prepayments and accrued income	7,258,565	7,215,605	8,373,355	8,373,355
RDEC debtor	1,738,392	1,434,942	1,862,162	1,787,162
	<u>73,486,774</u>	<u>74,389,733</u>	<u>158,341,762</u>	<u>158,286,668</u>

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

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

	31 Dec 2021		31 Dec 2020	
	Consolidated	Company	Consolidated	Company
	£	£	£	£
Trade creditors	80,810	20,509	-	-
Amounts owed to group undertakings	104,978,709	107,917,182	169,979,825	172,996,472
Other Creditors	328,943	394,101	285,337	285,337
Taxation and social security	1,742,822	1,415,625	2,249,360	2,238,193
Accruals and deferred income	17,019,223	15,202,729	14,597,702	14,597,702
	<u>124,150,508</u>	<u>124,950,146</u>	<u>187,112,224</u>	<u>190,117,704</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 2021

#### 13. Provisions for liabilities and charges

	Consolidated £	31 Dec 2021 Company £	Consolidated £	31 Dec 2020 Company £
Falling due within one year:				
Employee Benefits	288,564	211,447	211,447	211,447
	<u>288,564</u>	<u>211,447</u>	<u>211,447</u>	<u>211,447</u>
Falling due in greater than one year:				
Deferred taxation	1,350,587	511,241	1,164,663	1,126,414
	<u>1,350,587</u>	<u>511,241</u>	<u>1,164,664</u>	<u>1,126,414</u>

#### Employee Benefits

	31 Dec 2021 £	31 Dec 2020 £
Falling due within one year:		
Opening Balance	211,447	198,282
Movement in provision	77,117	13,165
PTO Accrual	<u>288,564</u>	<u>211,447</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 2021

#### 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 2021 £	Year ended 31 Dec 2020 £
Deferred taxation	<u>1,350,587</u>	<u>1,164,663</u>

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

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Balance brought forward	1,164,663	2,015,523
Adjustment in respect of prior years	317,037	229,766
Deferred tax charge to Tax on loss for the year	(1,121,113)	(1,080,626)
Whitespace/Ignite acquisition	990,000	-
Balance carried forward	<u>1,350,587</u>	<u>1,164,663</u>

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

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Fixed asset timing differences	159,502	736,844
Other timing differences	(304,805)	(152,080)
Intangible Assets	<u>1,495,890</u>	<u>579,899</u>
	<u>1,350,587</u>	<u>1,164,663</u>
Deferred tax (assets)		
Recoverable within 12 months	<u>(304,805)</u>	<u>(152,080)</u>
Deferred tax liabilities		
Payable within 12 months	-	-
Payable after 12 months	<u>1,655,392</u>	<u>1,316,743</u>
	<u>1,655,392</u>	<u>1,399,174</u>

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2021

#### 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 2021 £	Year ended 31 Dec 2020 £
Deferred taxation	<u>511,241</u>	<u>1,126,413</u>

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

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Balance brought forward	1,126,413	1,959,069
Adjustment in respect of prior years	314,766	223,124
Deferred tax charge for the year	<u>(929,938)</u>	<u>(1,055,780)</u>
Balance carried forward	<u>511,241</u>	<u>1,126,413</u>

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

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Fixed asset timing differences	159,502	736,843
Other timing differences	<u>(304,804)</u>	<u>(152,080)</u>
Intangible Assets	<u>656,543</u>	<u>541,650</u>
	<u>511,241</u>	<u>1,126,413</u>
Deferred tax (assets)		
Recoverable within 12 months	<u>(304,804)</u>	<u>(182,080)</u>
Deferred tax liabilities		
Payable within 12 months	<u>816,045</u>	<u>1,278,493</u>
Payable after 12 months	<u>816,045</u>	<u>1,278,493</u>

## Verisk Specialty Business Solutions Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2021

#### 14. Commitments under operating leases

At 31 December 2021, the Group had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	31 Dec 2021	31 Dec 2020
	£	£
Operating leases which expire:		
No later than one year	373,917	213,587
Later than one year and not later than five years	995,398	847,001
Greater than five years	207,570	-
	<u>1,576,885</u>	<u>1,060,588</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 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 exempted 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 2021		31 Dec 2020	
	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 £1,702,817 (31 December 2020: £1,187,322) and have been recognised in the profit and loss account. Contributions totalling £578,926 were payable to the fund at the period end and are included in creditors (2020: £117,120).

## **Verisk Specialty Business Solutions Limited**

### **Notes to the financial statements (continued)**

**Year ended 31 December 2021**

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**18. Ultimate parent company**

The immediate parent company is Sequel Business Holdings Limited. The smallest group into which the Group's results are consolidated is Verisk Analytics, Inc. At 31 December 2021 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.

**19. Subsequent events**

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