

Registered Number: 05995136

Annual Report and Financial Statements 2022
Vet Envoy Limited

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Company Information

Directors	F K Dyson (ceased 11 July 2022) S C McGinn (ceased 11 July 2022) K Misson (appointed 11 July 2022) S Raffard (appointed 1 July 2023) S Treloar (appointed 11 July 2022, ceased 30 June 2023) K P Wenzel (appointed 11 July 2022)
Company secretary	C M Twemlow
Registered Office	57 Ladymead Guildford Surrey GU1 1DB
Registered Number	05995136
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

Directors' Report for the Year Ended 31 December 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Directors

The Directors, who held office during the year, and up to the date of signing the financial statements, were as follows:

F K Dyson (ceased 11 July 2022)

S C McGinn (ceased 11 July 2022)

K Misson (appointed 11 July 2022)

S Raffard (appointed 1 July 2023)

S Treloar (appointed 11 July 2022, ceased 30 June 2023)

K P Wenzel (appointed 11 July 2022)

Directors' liabilities

A qualifying third party indemnity was in force during the financial year and also at the date of approval of the financial statements.

Principal activities

Vet Envoy Limited ("the Company") operates as a communications hub providing a data transfer system allowing customers in the veterinary profession and pet insurance market to securely deliver data and manage workflow. The service provided by the Company provides consistency in format and quality of claims submissions and enables data consolidation for technical analysis and potential for straight through claims processing.

Business Review

The profit for the year ended 31 December 2022 amounted to £28,283 (2021: £45,811). The decrease in the year is a result of an increase in revenue more than offset by an increase in administrative expenses.

Results and dividends

The results for the year are set out in the Statement of Profit and Loss and Other Comprehensive Income on page 8.

No interim dividend was paid for the year ended 31 December 2022 (2021: £nil). The Directors do not recommend the payment of a dividend for the year ended 31 December 2022 (2021: £nil).

Key performance indicators

The financial key performance indicators monitored by the Company are profit before tax and total equity. The profit before tax for the year is £37,518 (2021: £57,083). At the year end, the Company had total equity of £660,149 (2021: £631,866).

The Company does not monitor any non-financial key performance indicators.

Principal risks and uncertainties

The principal risk facing the Company is unauthorised third party access to the data. The Company mitigates this risk through the application of controls and processes preventing access to the data stored. Ring-fencing prevents third parties from accessing data other than their own. More detail is provided in note 13.

Future outlook

The future development strategy focuses on incentivising vets to increase utilisation of the Company's services.

Rising inflation in the wider economy particularly driven by rising energy costs could also present business challenges due to impacts on our customers and general upward pressure on the company's costs.

Going concern

The Directors, having undertaken an assessment, are confident in the Company's ability to continue as a going concern.

Strategic Report

The Company has taken an exemption from preparing a Strategic Report in accordance with section 414B of the Companies Act 2006.

Directors' Report for the Year Ended 31 December 2022 (continued)

Directors' responsibility to the Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

Pursuant to section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will have been deemed to be re-appointed as auditors at the end of 28 days beginning with the day on which copies of these report and financial statements are sent to the members.

By order of the Board



C M Twemlow

Company secretary

7 July 2023

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

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

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

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

The directors are also 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.

The directors are responsible for the maintenance and integrity of the Company's financial statements published on the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



K P Wenzel
Director
7 July 2023

Independent auditors' report to the members of Vet Envoy Limited

Report on the audit of the financial statements

Opinion

In our opinion, Vet Envoy Limited's financial statements:

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

We have audited the financial statements, included within the Annual Report and Financial Statements 2022 (the "Annual Report"), which comprise the Statement of Financial Position as at 31 December 2022; the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material

misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries which may impact the financial performance and position of the company, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing relevant meeting minutes including those of the Board of Directors;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Auditing the risk of management override of controls, including testing journal entries and testing accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Natalie Brookes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
7 July 2023

**Statement of Profit and Loss and Other Comprehensive Income
For the Year Ended 31 December 2022**

	Note	2022 £	2021 £
Revenue	3	408,452	335,820
Administrative expenses	4	<u>(370,934)</u>	<u>(278,737)</u>
Profit before tax		37,518	57,083
Income tax charge	7.1	<u>(9,235)</u>	<u>(11,272)</u>
Total comprehensive income for the year wholly attributable to the equity holder		<u>28,283</u>	<u>45,811</u>

There has been no other comprehensive income in the year ended 31 December 2022 (2021: £nil).

**Statement of Changes in Equity
For the Year Ended 31 December 2022**

	Note	Share capital £	Retained earnings £	Total £
At 1 January 2021	11	100	585,955	586,055
Total comprehensive income		-	45,811	45,811
At 31 December 2021		<u>100</u>	<u>631,766</u>	<u>631,866</u>
	Note	Share capital £	Retained earnings £	Total £
At 1 January 2022	11	100	631,766	631,866
Total comprehensive income		-	28,283	28,283
At 31 December 2022		<u>100</u>	<u>660,049</u>	<u>660,149</u>

The accounting policies and notes on pages 11 to 17 are an integral part of these financial statements.

Statement of Financial Position
As at 31 December 2022

	Note	2022 £	2021 £
Assets			
Intangible assets	9	1,453	1,816
Other receivables	10	723,857	681,250
Total assets		725,310	683,066
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	11	100	100
Retained earnings		660,049	631,766
Total equity		660,149	631,866
Liabilities			
Other payables	12	56,343	40,187
Current tax liabilities	7.3	8,818	11,013
Total liabilities		65,161	51,200
Total equity and liabilities		725,310	683,066

These financial statements on pages 8 to 17 were approved by the Board of Directors on 6 July 2023 and signed on its behalf by:



K P Wenzel

Director

Vet Envoy Limited

Registered Number: 05995136

The accounting policies and notes on pages 11 to 17 are an integral part of these financial statements.

**Statement of Cash Flows
For the Year Ended 31 December 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit before tax		37,518	57,083
<i>Adjusted for non-cash items</i>			
Amortisation of intangible assets	9	363	7,268
		37,881	64,351
<i>Changes in working capital</i>			
Increase in other receivables		(42,607)	(77,318)
Increase in other payables		16,156	19,484
Cash generated from operations		11,430	6,517
Income tax paid	7.2	(11,430)	(6,517)
Net cash flow generated from operating activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		-	-

The Company does not have its own bank account, all cash items are dealt with through intercompany accounts.

The accounting policies and notes on pages 11 to 17 are an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES

1.1. Company and its operations

Vet Envoy Limited ("the Company") is a private company limited by shares, incorporated in England and Wales and domiciled in the United Kingdom.

1.2. Statement of compliance

The financial statements of the Company have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

1.3. Basis of preparation

The financial statements have been prepared on the historical cost basis. The functional and presentational currency is British Pounds.

Going concern

The financial statements are prepared on a going concern basis. For more information on the going concern assessment please refer to the Directors' Report on page 2.

New standards and interpretations adopted by the Company

There are no new standards and interpretations affecting the Company that are mandatorily effective from 1 January 2022. The accounting policies have been consistently applied unless a new policy has been implemented.

New standards and interpretations not yet adopted by the Company

New standards and interpretations which are not mandatorily effective have not been applied in preparing these financial statements. The Company does not plan to adopt these standards early; instead it will apply the standards from the effective date as determined by the date of UK Endorsement Board ("UKEB").

1.4. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the financial statements are set out in the following paragraphs:

(a) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired separately from a business are carried initially at cost.

Intangible assets with a finite life are amortised on a straight line basis over their expected useful lives. Computer licences are amortised over 5 years.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

(b) Income taxes

Income tax on profit or loss for the year comprises current tax. Income tax is recognised in the Statement of Profit and Loss and Other Comprehensive Income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the Statement of Financial Position date, together with adjustments to tax payable in respect of prior years.

Group tax losses are utilised when available. Consideration paid for group relief is accounted for in the financial statements as though the payment has been made to the relevant tax authorities.

(c) Other payables

Other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. They are initially recognised and subsequently measured at cost because they are expected to be settled within twelve months and their carrying value is a reasonable approximation of fair value.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**1. ACCOUNTING POLICIES (continued)****1.4. Summary of significant accounting policies (continued)****(d) Other receivables**

Other receivables are initially recognised and subsequently re-measured at amortised cost after taking into account any impairment losses. Other receivables shall be derecognised when the contractual right to receive cash flows expire or when the asset is transferred.

An expected credit loss (“ECL”) provision is assessed as at the Statement of Financial Position date and the carrying amount of the receivables balance is reported after deduction of any ECL.

The Company has adopted the “simplified approach” in determining the ECL. Under this approach, the ECL is calculated as the book cost of the receivables multiplied by a 1 year probability of default (“PD”), an appropriate loss given default (“LGD”) and the number of days to maturity as a fraction of a year (“tenor”).

(e) Revenue recognition

Revenue is recognised in respect of the provision of services via operating a communications hub to facilitate and deliver data and manage workflow processes for veterinary practices and its partners. Revenue is measured at the fair value of the consideration.

The Company has two performance obligations within its revenue stream:

- Provision of subscription service - The transaction price has been allocated to this obligation based on a monthly rate as outlined in the Company’s terms and conditions. All contracts have duration of one month (the coverage period) effective from the 1st of the month when the payment is made. By nature, subscription fees are paid regardless of volume of usage. This obligation is satisfied on a straight-line basis over the month but given the monthly accounting, the Company recognises the revenue immediately as this is considered to be a reasonable proxy.
- Fixed fee usage charges - The transaction price has been allocated to this obligation based on a fixed rate per transaction as outlined in the Company’s terms and conditions. This obligation is fully satisfied upon the facilitation of each transaction and as such the revenue is recognised immediately. As amounts due are collected in the following month, the revenue due is accrued at the reporting date.

2. USE OF CRITICAL ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Company makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities. Estimates, assumptions and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company does not consider any particular accounting policy or estimate to be susceptible to significant changes in estimates and assumptions.

3. REVENUE

	2022	2021
	£	£
Provision of subscription services	118,010	112,996
Fixed fee usage charges	290,442	222,824
Total revenue	408,452	335,820

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

4. ADMINISTRATIVE EXPENSES

	2022	2021
	£	£
Administrative service fees recharged from related party	370,579	271,469
Amortisation of intangible assets	363	7,268
Interest on income taxes	(8)	-
Total administrative expenses	<u>370,934</u>	<u>278,737</u>

5. EMPLOYEE RELATED COSTS

The Company has no employees (2021: none) and as such incurs no employee related costs (2021: £nil). Allianz Management Services Limited ("AMS"), a company within the Group, provides services and staff resources to the Company as well as to other Group Companies.

6. AUDITORS' REMUNERATION

The total remuneration payable by the Company excluding VAT, to its auditors in respect of the audit of these financial statements, is shown below. The Company's audit fees are borne by AMS. Other services supplied pursuant to legislation were £nil (2021: £nil).

	2022	2021
	£	£
Fees payable to the Company's auditors and associates	<u>33,378</u>	<u>29,684</u>

7. INCOME TAX

7.1 Income tax recognised in profit or loss

Tax charged in the Statement of Profit and Loss and Other Comprehensive Income

	2022	2021
	£	£
Current taxation		
In respect of the current year	8,818	10,672
In respect of prior year	417	600
Total tax charge recognised in the current year	<u>9,235</u>	<u>11,272</u>

The tax assessed on the year is higher (2021: higher) than the standard rate of corporation tax in the United Kingdom of 19% (2021: 19%). The differences are reconciled below:

	2022	2021
	£	£
Profit before tax	<u>37,518</u>	<u>57,083</u>
Corporation tax at standard rate	7,128	10,846
Increase in current tax from adjustment for prior periods	417	600
Increase/(decrease) from transfer pricing adjustments	1,690	(174)
Total tax charge	<u>9,235</u>	<u>11,272</u>

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**7. INCOME TAX (continued)****7.2 Tax paid for cash flow purposes**

	2022	2021
	£	£
Current tax payable at 1 January	11,013	6,258
Amounts charged to profit and loss	9,235	11,272
Tax paid during the year	(11,430)	(6,517)
Current tax payable at 31 December	<u>8,818</u>	<u>11,013</u>

7.3 Current tax liabilities

	2022	2021
	£	£
Current tax liabilities	<u>8,818</u>	<u>11,013</u>

The UK Government announced its intention in the budget of 3 March 2021 to legislate to increase the rate of corporation tax from 19% to 25% with effect from 1 April 2023. This legislation was substantively enacted on 24 May 2021.

8. DIRECTORS' EMOLUMENTS

F K Dyson, S C McGinn, S Treloar, K P Wenzel and K Misson provided services to the Company and other companies within the Allianz UK Group and it is not possible to make an appropriate apportionment of an individual's remuneration in respect of their role as a Director of the Company. Accordingly, no remuneration is being disclosed for such individuals. F K Dyson, K P Wenzel and S C McGinn were paid by AMS. S Treloar and K Misson were paid by Liverpool Victoria General Insurance Group Limited ("LVGIG"). AMS and LVGIG are fellow Allianz Holdings plc subsidiaries.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

9. INTANGIBLE ASSETS

	Total £
Cost	
At 1 January 2021	36,336
At 31 December 2021	36,336
At 1 January 2022	36,336
At 31 December 2022	36,336
Accumulated amortisation	
At 1 January 2021	27,252
Charge for year	7,268
At 31 December 2021	34,520
At 1 January 2022	34,520
Charge for year	363
At 31 December 2022	34,883
Carrying amount	
At 31 December 2021	1,816
At 31 December 2022	1,453

The amortisation charge has been included within administrative expenses.

The Company has considered whether there are any indications of impairment of the intangible assets at the Statement of Financial Position date.

The carrying value of £1,453 has a remaining amortisation term of 5 years (2021: 5 years). The remaining useful life was reassessed to be 5 years in 2022.

10. OTHER RECEIVABLES

	Note	2022 £	2021 £
Amounts due from related parties	15	644,303	627,639
Accrued income		79,554	53,611
Total other receivables		723,857	681,250

The carrying amounts disclosed above reasonably approximate fair values at year end. All of the Company's other receivables are due within 12 months of the Statement of Financial position date.

The Company has concluded that the ECL model has made no significant impact on the valuation of receivables reported in the financial statements.

11. SHARE CAPITAL

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

12. OTHER PAYABLES

	Note	2022 £	2021 £
Amounts due to related parties	15	-	6,256
Accrued expenses		56,343	33,931
Total other payables		56,343	40,187

Other payables approximate to fair value. All of the liabilities are payable within 12 months of the Statement of Financial Position date.

13. RISK MANAGEMENT POLICIES

Financial Risk

The key financial risk is that proceeds from the realisation of assets are insufficient to meet obligations as they fall due. The most important aspects of financial risk comprise market risk, credit risk and liquidity risk

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the value of the Company's assets and income. The Company is not directly exposed to market risk.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts due to the Company in full when the fall due. The Company is exposed to credit risk through its amounts due from group undertakings and other receivables. The Company deems this risk to be low as the amounts are due from fellow Allianz Societas Europaea ("Allianz SE") Group subsidiaries and as such they are A rated and are deemed to be current.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. The Company is exposed to liquidity risk through its other payables and current tax liabilities. Liquidity risk for the Company is mitigated as the Company has sufficient liquid assets to meet its liabilities as they fall due. All payables are deemed to be settled within 12 months of the Statement of Financial Position date and the Company would be able to draw down from the liquid assets held elsewhere in the Group should the need arise.

Capital management

The Company's capital risk is determined with reference to the requirements of the Group. In managing capital, the Company seeks to maintain sufficient, but not excessive, financial strength to support the requirements of all stakeholders. The sources of capital used by the Company are equity shareholders' funds. At 31 December 2022 the Company had £660,149 (2021: £631,866) of total capital employed.

The Company operates as a communications hub providing services to securely deliver data and workflow processes in the veterinary profession and pet insurance market. Its operations are primarily based in the United Kingdom hence any risk exposure is almost entirely confined within the United Kingdom.

14. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent is Allianz Holdings plc, a company registered in the UK.

The ultimate parent undertaking, Allianz SE, is incorporated in Germany and is the parent of the largest and smallest group of undertakings for which Allianz SE Group financial statements are drawn up and of which the Company is a member.

The most senior parent entity producing publicly available financial statements is Allianz SE. These financial statements are available upon request from their registered office address of Allianz SE, Königinstrasse 28, 80802 München, Germany.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15. RELATED PARTY TRANSACTIONS

Transactions with and balances from or to related parties

The Company enters into transactions with fellow group undertakings and key management personnel in the normal course of business. Details of all transactions carried out during the year with related parties are as follows:

	2022	2021
	£	£
Income from related parties	60,000	60,000
Administration service fees	370,579	271,469
	<u>630,579</u>	<u>331,469</u>

Year-end balances arising from transactions carried out with related parties are as follows:

	2022	2021
	£	£
Due from related parties at 31 December		
Parent	-	314,938
Other related party	644,303	312,701
Total amounts due from related parties	<u>644,303</u>	<u>627,639</u>

	2022	2021
	£	£
Due to related parties at 31 December		
Other related party	-	6,256
Total amounts due to related parties	<u>-</u>	<u>6,256</u>

The Company has concluded that the ECL model has made no significant impact on the valuation of receivables reported in the financial statements.

Key management personnel

The Company considers its key management personnel to be the Directors only. Further information is disclosed in note 8.

16. SUBSEQUENT EVENTS

There have been no subsequent events after the Statement of Financial Position date.