

Registered number: 00228983

Annual Report and Financial Statements 2023
LV Assistance Services Limited

LV Assistance Services Limited

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LV Assistance Services Limited

Company Information

Directors M P Milliner (appointed 24 November 2023 and resigned 26 April 2024)
S Raffard (appointed 1 July 2023)
H Topham (appointed 24 November 2023)
S Treloar (resigned 30 June 2023)
K P Wenzel (resigned 14 September 2023)
The following director was appointed after the year end:
C J Johnson (appointed 18 July 2024)

Company secretary C M Twemlow

Registered office 57 Ladymead
Guildford
Surrey
GU1 1DB

Registered number 00228983

Independent Auditors PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

LV Assistance Services Limited

Strategic Report for the Year Ended 31 December 2023

The Directors present their Strategic Report for the year ended 31 December 2023.

Principal activities

LV Assistance Services Limited ("LVAS", "the Company") is a wholly owned subsidiary within the Allianz Holdings plc ("AzH") group of companies ("Allianz", "the Group") which is one of the largest general insurers in the United Kingdom. The Company provides pay-on-use road rescue services under the LV= Britannia Rescue brand.

Throughout 2023 the Company continued to provide Recovery After Accident and Out of Hours First Notification of Loss services to Allianz Personal along with esure's motor insurance customers. During the year agreement was reached to also extend Recovery After Accident and Out of Hours First Notification of Loss services to commercial motor insurance customers of Allianz Insurance Plc, commencing on 1st January 2024. As part of our growth strategy we anticipate further expanding our portfolio of partner schemes, with active of review opportunities in flight to provide similar services to additional prospective new partners.

Business review

The results for the year are set out in the Statement of Profit and Loss and Other Comprehensive Income on page 10. The profit after tax for the year amounted to £356k (2022: £367k).

Key performance Indicators ("KPIs")

The financial key performance indicators monitored by the Company are profit before tax and net asset value. The profit before tax for the year amounted to £465k (2022: £453k), and net assets are £2,101k (2022: £1,745k).

Principal risks and uncertainties

We continually assess the principal risks and uncertainties facing our business, monitoring potential impacts and where necessary implementing mitigation and management solutions.

Given the nature of the operations, the Directors do not consider there are any other significant risks and uncertainties facing the Company.

For further information on Capital management and risk management, please see note 16.

Future outlook

No changes in the principal activities are anticipated in the foreseeable future. The challenges presented by the economic environment will continue to be monitored.

Going concern

The Directors, having undertaken an assessment, are confident in the Company's ability to continue as a going concern, as the Company continues to provide pay-on-use road rescue services under the LV= Britannia Rescue brand to fellow Group undertakings and to an external third party. The business is well placed in managing the principal risks and uncertainties, has a good financial and sound capital position and is owned by one of the largest property and casualty insurers in the world.

On behalf of the Board



H Topham
Director

18 September 2024

Directors' Report for the Year Ended 31 December 2023

The Directors present their Annual report and audited financial statements for the year ended 31 December 2023.

As permitted by section 414C(11) of the Companies Act 2006, certain information is not included in the Directors' Report because it has instead been shown in the Strategic Report. This information is:

- Results for the year;
- Principal activities of the Company;
- Business review and future prospects;
- Principal risks and uncertainties.

Directors

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

M P Milliner (appointed 24 November 2023 and resigned 26 April 2024)

S Raffard (appointed 1 July 2023)

H Topham (appointed 24 November 2023)

S Treloar (resigned 30 June 2023)

K P Wenzel (resigned 14 September 2023)

The following director was appointed after the year end:

C J Johnson (appointed 18 July 2024)

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.

Results and dividends

The results for the year are set out in the Statement of Profit and Loss and Other Comprehensive Income on page 10. A review of the Company's business activities and any likely future developments can be found in the Strategic Report on page 2.

No interim dividend was paid for the year ended 31 December 2023 (2022: £nil). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: £nil).

Future outlook

The future outlook for the Company is outlined in the Strategic Report on page 2.

Going concern

The going concern assessment for the Company is outlined in the Strategic Report on page 2.

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. The 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.

LV Assistance Services Limited

Directors' Report for the Year Ended 31 December 2023 (continued)

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 member.

By order of the Board



C M Twemlow
Company secretary

18 September 2024

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 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



H Topham
Director

18 September 2024

Independent auditors' report to the members of LV Assistance Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, LV Assistance Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 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, which comprise: the Statement of Financial Position as at 31 December 2023; the Statement of Profit and Loss and Other Comprehensive Income, Statement of Cash Flows and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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.

LV Assistance Services Limited

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 Strategic report and 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.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities 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

LV Assistance Services Limited

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 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. Audit procedures performed by the engagement team included:

- Discussions with the Board and management, including consideration of known or suspected instances of non compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Board of Directors;
- Testing and challenging, where appropriate, the assumptions and judgements made by management in their accounting estimates;
- Identifying and testing journal entries, in particular any journal entries that are determined to demonstrate fraud characteristics; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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.



William Lewis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
18 September 2024

LV Assistance Services Limited

Statement of Profit and Loss and Other Comprehensive Income For the Year Ended 31 December 2023

	Note	2023 £'000	2022 £'000
Revenue	3	10,971	8,738
Cost of sales	4	(10,492)	(8,279)
Administrative expenses	5	<u>(14)</u>	<u>(6)</u>
Profit before tax		465	453
Income tax expense	8.1	<u>(109)</u>	<u>(86)</u>
Profit for the year wholly attributable to the equity holder		356	367

There has been no other comprehensive income in the year ended 31 December 2023 (2022: £nil).

The accounting policies and notes on pages 14 to 20 are an integral part of these financial statements.

LV Assistance Services Limited

Statement of Changes in Equity For the Year Ended 31 December 2023

	Share capital £'000	Share premium £'000	Capital reserve £'000	Accumulated losses £'000	Total £'000
At 1 January 2022	4,342	701	710	(4,375)	1,378
Profit for the year	-	-	-	367	367
At 31 December 2022	4,342	701	710	(4,008)	1,745
	Share capital £'000	Share premium £'000	Capital reserve £'000	Accumulated losses £'000	Total £'000
At 1 January 2023	4,342	701	710	(4,008)	1,745
Profit for the year	-	-	-	356	356
At 31 December 2023	4,342	701	710	(3,652)	2,101

The accounting policies and notes on pages 14 to 20 are an integral part of these financial statements.

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Statement of Financial Position As at 31 December 2023

	Note	2023 £'000	2022 £'000
Assets			
Accrued income	11	1,362	847
Trade and other receivables	10	695	894
Cash and cash equivalents	12	1,499	1,023
Total assets		3,556	2,764
Equity and liabilities			
Equity			
Share capital	13	(4,342)	(4,342)
Share premium	14	(701)	(701)
Capital reserve	15	(710)	(710)
Accumulated losses		3,652	4,008
Total equity		(2,101)	(1,745)
Liabilities			
Trade and other payables	16	(1,346)	(998)
Income tax liability	8.3	(109)	(21)
Total liabilities		(1,455)	(1,019)
Total equity and liabilities		(3,556)	(2,764)

These financial statements on pages 10 to 20 were approved by the Board of Directors on 3 September 2024 and signed on its behalf by:



H Topham
Director
18 September 2024

LV Assistance Services Limited
Registered Number: 00228983

The accounting policies and notes on pages 14 to 20 are an integral part of these financial statements.

LV Assistance Services Limited

Statement of Cash Flows For the Year Ended 31 December 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities			
Profit before tax		465	453
Working capital adjustments			
Increase in accrued income	11	(515)	(49)
Decrease/(increase) in trade and other receivables	10	199	(283)
Increase in trade and other payables	16	348	496
Cash generated from operations		497	617
Tax paid during the year	8.2	(21)	(89)
Net cash flow from operating activities		476	528
Net increase in cash and cash equivalents		476	528
Cash and cash equivalents at beginning of year		1,023	495
Cash and cash equivalents at end of year	12	1,499	1,023

The accounting policies and notes on pages 14 to 20 are an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2023

1 ACCOUNTING POLICIES

1.1 Company and its operations

LV Assistance Services Limited is a private company limited by shares, incorporated in England and Wales and domiciled in the United Kingdom. The principal activity of the Company is the provision of pay-on-use road rescue services under the LV= Britannia Rescue brand.

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 have been prepared on a going concern basis. For more information on the going concern assessment please refer to Going Concern within the Strategic 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 2023. 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 principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

(a) Income taxes

Income tax on profit or loss for the year comprises of current tax. Income tax is recognised in the income tax credit/(expense). 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.

(b) Accrued income

Accrued income is recognised when revenue has been earned but not yet received. This revenue relates to roadside recovery services.

**Notes to the Financial Statements for the Year Ended 31 December 2023
(continued)**

1 ACCOUNTING POLICIES (CONTINUED)

1.4 Summary of significant accounting policies (continued)

(c) Trade and other receivables

Trade and other receivables are initially recognised and subsequently re-measured at amortised cost after taking into account any impairment losses. Trade and 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”).

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand with an original maturity of three months or less at the date of placement.

(e) Trade and other payables

Trade and other payables 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.

(f) Revenue

Revenue relates to roadside recovery services performed on behalf of fellow group undertakings and to an external third party as well as direct to customers as a pay-on-use service. For both fellow group undertakings and the external third party, amounts are invoiced at the point of completion of the services. Revenue is recognised at this time as the performance obligation has been satisfied per IFRS 15. For pay-on-use customers, payment is made by the customer immediately before the service is delivered, with the revenue being recognised at that time.

(g) Cost of sales

Cost of sales relates to claims costs associated with the roadside recovery services undertaken by the Company. Cost of sales are recognised at the point of invoice when the claim costs have been incurred.

2 USE OF CRITICAL ESTIMATES, ASSUMPTION AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS requires the use of estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The Company has not used any significant estimates or judgements in preparing the financial statements in conformity with IFRS.

LV Assistance Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

3 REVENUE

	2023 £'000	2022 £'000
Rendering of services	<u>10,971</u>	<u>8,738</u>

4 COST OF SALES

	2023 £'000	2022 £'000
Cost of sales	<u>10,492</u>	<u>8,279</u>

Cost of sales represents the costs incurred on road recovery services.

5 ADMINISTRATIVE EXPENSES

	2023 £'000	2022 £'000
Administrative expenses	<u>14</u>	<u>6</u>

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. Other services supplied pursuant to legislation were £nil (2022: £nil).

	2023 £'000	2022 £'000
Fees payable for audit of the Company's financial statements	<u>35</u>	<u>37</u>

7 EMPLOYEE RELATED COSTS

The Company has no employees (2002: nil) and as such incurs no employee related costs.

8 INCOME TAX

8.1 Income tax recognised in profit and loss

Tax charged in the profit and loss

	2023 £'000	2022 £'000
Current taxation		
In respect of current year	<u>109</u>	<u>86</u>

The income tax expense for the year can be reconciled to the accounting profit as follows:

LV Assistance Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

8 INCOME TAX (CONTINUED)

	2023 £'000	2022 £'000
Profit before tax	<u>465</u>	<u>453</u>
Income tax at standard rate 23.5% (2022: 19%)	<u>109</u>	<u>86</u>
Total Income tax charge recognised in profit and loss	<u>109</u>	<u>86</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.

8.2 Tax paid for cash flow purposes

	2023 £'000	2022 £'000
Current tax liability at 1 January	21	24
Amounts charged to the statement of profit and loss	109	86
Tax paid during the year	<u>(21)</u>	<u>(89)</u>
Current tax liability at 31 December	<u>109</u>	<u>21</u>

The Organisation for Economic Co-operation and Development (OECD) Pillar Two model rules

The Allianz SE Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in the UK, the jurisdiction in which the company is incorporated, and will come into effect from 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the Allianz SE Group has no related current tax exposure. The Allianz SE Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the Allianz SE Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion Rules (GloBE) effective tax rate per jurisdiction and the 15% minimum rate. The Allianz SE Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation cannot yet be reliably estimated. Therefore, even for those entities with an accounting effective tax rate above 15%, there might still be Pillar Two tax implications. The Allianz SE Group is currently engaged with tax specialists to assist it with applying the legislation.

8.3 Income tax liability

	2023 £'000	2022 £'000
Current tax liability	<u>109</u>	<u>21</u>

LV Assistance Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

9 DIRECTORS' EMOLUMENTS

The remuneration of K P Wenzel and S Raffard was paid by Allianz Management Services Limited ("AMS") and the remuneration of H Topham and M P Milliner was paid by Liverpool Victoria General Insurance Group Limited ("LVGIG"). LVGIG and AMS are Group Service companies and make no recharge to the Company for such costs. These individuals provide services to AzH and a number of its subsidiaries including the Company, and it is not possible to make an accurate 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.

10 TRADE AND OTHER RECEIVABLES

	2023 £'000	2022 £'000
Trade receivables	690	808
Amounts due from related parties	5	86
Total trade and other receivables	695	894

All trade and 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 ACCRUED INCOME

	2023 £'000	2022 £'000
Accrued income	1,362	847

12 CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Cash and cash equivalents	1,499	1,023

13 SHARE CAPITAL

Share capital - allotted, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £0.20 each	21,709,054	4,341,810.80	21,709,054	4,341,810.80

14 SHARE PREMIUM

	2023 £'000	2022 £'000
Share premium	701	701

LV Assistance Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

14 SHARE PREMIUM (CONTINUED)

Share premium relates to the premium paid over the nominal value of shares issued by the Company.

15 CAPITAL RESERVE

	2023	2022
	£'000	£'000
Capital reserve	<u>710</u>	<u>710</u>

The Capital reserve relates to the historic repurchase and cancellation of shares.

16 TRADE AND OTHER PAYABLES

	2023	2022
	£'000	£'000
Accruals	1,340	992
Social security and other taxes	<u>6</u>	<u>6</u>
Total trade and other payables	<u>1,346</u>	<u>998</u>

All of the trade and other payables are payable within 12 months of the Statement of Financial Position date.

17 RISK MANAGEMENT POLICIES

Capital management

The Company's capital risk is determined with reference to the requirements of the AzH 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 2023 the Company had £2,101k (2022: £1,745k) of total capital employed.

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 rate risks, foreign currency exchange rates and equity prices will affect the value of the Company's assets and income. The Company is not exposed to market risk as all invested assets are cash related and are not held for the purpose of generating investment income.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts due to the Company in full when they fall due. The Company is exposed to credit risk through its trade and other receivables and cash and cash equivalents.

The Company deems the risk associated with its trade receivables to be low as a large proportion of receivables are due from fellow Allianz SE Group subsidiaries and as such are A- rated. The Company also has some exposure to an external third party, which is considered to be low risk by virtue of it being an entity regulated by the PRA. The Company deems the risk associated with its cash and cash equivalents to be low as the cash balances are held with a financial institution with an A credit rating.

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

17 RISK MANAGEMENT POLICIES (CONTINUED)

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. The Company is primarily exposed to liquidity risk through its amounts due to group undertakings and accruals. Liquidity risk for the Company is mitigated as the Company largely finances through intercompany transactions and the Company has sufficient liquid assets to meet its liabilities as they fall due. Whilst there is now some exposure to an external third party, annual due diligence is undertaken and as a PRA regulated insurance entity, the risk is deemed to be low.

18 PARENT AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Liverpool Victoria General Insurance Group Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party Allianz Societas Europaea ("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.

19 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 transactions carried out during the year with related parties are as follows:

	2023	2022
	£'000	£'000
Sales to Liverpool Victoria Insurance Company Limited ("LVIC")	6,845	5,122
Sales to Highway Insurance Company Limited ("HICO")	845	549
	<u>7,690</u>	<u>5,671</u>
	2023	2022
	£'000	£'000
Due from related parties at 31 December		
Due from LVGIG	673	478
Total	<u>673</u>	<u>478</u>

LVGIG settles any intercompany balances outstanding with the Company on behalf of LVIC and HICO. The £673k above includes £668k of accrued income (2022: £392k).

20 SUBSEQUENT EVENTS

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