ALPHA INSURANCE ANALYSTS LTD.

STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

ALPHA INSURANCE ANALYSTS LTD.

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Page
Company Information	1
Strategic Report	2 to 7
Report of the Directors	8 to 9
Report of the Independent Auditors	10 to 12
Income Statement	13
Other Comprehensive Income	14
Statement of Financial Position	15
Statement of Changes in Equity	16
Notes to the Financial Statements	17 to 24

ALPHA INSURANCE ANALYSTS LTD.

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS:	Mrs E L Apple L J Dowley FCA Mrs J S C Doyle ACII A D Hussey R E J Gray Mrs E L Royds ACII D D Pattinson J P H S Scott FCII A J Sparrow ACII
SECRETARY:	Mrs J S C Doyle ACII
REGISTERED OFFICE:	107 Fenchurch Street London EC3M 5JF
REGISTERED NUMBER:	02915929 (England and Wales)
SENIOR STATUTORY AUDITOR:	Amanda Barker
AUDITORS:	Mazars LLP Chartered Accountants and Statutory Auditor 30 Old Bailey London EC4M 7AU

ALPHA INSURANCE ANALYSTS LTD.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the year ended 31 December 2021.

CHAIRMAN'S STATEMENT

I am pleased to be introducing Alpha's report and accounts for 2021, which was another successful year for the company. While these describe what has been happening within our business in the 12 months that have passed, given the three year accounting system adopted by the Lloyd's market it is the outcome of the 2019 underwriting year which most directly affects our members and, less directly, the business of Alpha Insurance Analysts.

The 2019 year of account has turned out to be a good year for Alpha's members in the context of the market overall. As James Sparrow explains in more detail, Alpha clients as a whole not only comprehensively out-performed the Lloyd's market, they also saw markedly better results than those who underwrite through other members' agencies, a trend which seems likely to be repeated when the 2020 year closes. This may explain why, at a time when private membership of Lloyd's seems to have stagnated, Alpha has been able to expand its client base and to increase its share of the private capital currently supporting the Lloyd's market. In addition to the successful marketing efforts of the Alpha team, many of our new clients have come to us as a result of the recommendations of our existing members, which I see as a welcome endorsement of the service we offer. We remain enormously grateful for introductions of this kind, which in 2022 are a continuing feature of our business.

The past two years have been dominated by COVID-19 and our efforts to keep our business running seamlessly with staff working remotely. Thanks to the strenuous efforts of many, we seem to have made our way through the organisational swamp deposited by the pandemic. The longer term legacy of this experience is the emergence of a hybrid working model, recognising the discovery that, with decent communication systems and the remote storage of documents, not everyone needs to be in Fenchurch Street for every working day of every week. This is one of the few silver linings to the coronavirus cloud which has hung over us for the past two years.

Meanwhile, another very different cloud has appeared, in the form of the brutal war taking place in Ukraine, following Russia's decision to invade its neighbour on 24th February 2022. At the time of writing, the information to date indicates there are already serious potential losses on account of war risks and we recognise that the conflict has the potential to intensify and last for some time. However, the financial impact on Alpha's clients and, therefore the fee income to the business, is unlikely to be material.

I joined Alpha as Chairman in the spring of 2013 when the business was still in its infancy. After nine years in this role, I have agreed with James and his team that this is the right time for me to step down and to allow my successor to shape Alpha's business for the next part of its journey. I am delighted that Justin Dowley, who joined the Alpha Board at the start of this year, has agreed to take over from me in September. Justin has been a client of Alpha since 2012 and, following a distinguished career in the City and elsewhere, holds a number of senior positions, including being in the chair at FTSE-100 member Melrose Industries.

I am delighted to find myself retiring from Alpha at a time when the business has never been stronger and when conditions at Lloyd's are delivering attractive returns for private capital. I am full of admiration for what James Sparrow and his team have achieved and, like James, I view the road ahead with great optimism.

JOHN SCOTT (May 23, 2022 16:24 GMT+3)

JPHS Scott FCII - Chairman

Date: 23 May 2022

ALPHA INSURANCE ANALYSTS LTD.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

MANAGING DIRECTOR'S REPORT
Introduction

It gives me great pleasure to present our fourteenth Annual Report, in a year when not only the Lloyd's market returned to an annualised profit, but more importantly our members are due to receive a positive return on the close of the difficult 2019 underwriting year of account; a year dramatically affected by the COVID-19 pandemic. As I write, there appears to be no obvious end in sight to the terrible war in Ukraine, an event which will inevitably produce claims on our market across the 2021 and 2022 years of account. In the meanwhile, our hearts and prayers go out to those incredibly brave people who are caught up in the conflict.

At Alpha, in common with everyone else in the UK, we have experienced a further period of lockdown in the past twelve months and now operate a hybrid system of working for all our staff, whereby they are able to operate part of the working week from home.

I am extremely happy with our results for the 2019 year of account, producing a profit of 3.2% for the average Alpha member, when the Lloyd's market produced a loss of -3.1%. I am pleased to say that this outperformance is currently forecast to continue for the 2020 year of account.

The 2021 annualised profit for Lloyd's at £2.277bn is clearly a great improvement on the -£887m loss for 2020. The year produced a much more acceptable combined ratio of 93.5% (as against 110.3% for 2020). Happily, major claims represented only 11.2% of premiums as against 23% in 2020, but a better reflection of the improved underwriting was the 3% fall in the attritional loss ratio (ordinary claims), falling to 48.9% of premiums, as against 51.9% in 2020. At the same time, the expense ratio has continued to fall, from 37.2% of premiums in 2020 to 35.5% of premiums in 2021. Most importantly, the underwriting result swung from a loss of -£2.676bn to a profit of £1.741bn. These figures certainly represent a great step forward from last year, and should, in my view, be considered good results rather than the "outstanding" description from some quarters. However, Lloyd's has made it clear that further improvement is necessary, from the lower quartiles of syndicates failing to achieve a combined ratio under 100%. We understand that much tougher conversations are being held with the senior managements of the underperformers, with a clear message - quite simply, that if you wish to stay on the Lloyd's platform, your performance has to improve. Non-achievement of syndicate business plans will no longer be acceptable. This time last year, we were awaiting the arrival from Aviva of Patrick Tiernan, the new Head of Markets, to replace Jon Hancock. Twelve months on, we can report that we believe Patrick is a great addition to the executive team at Lloyd's and are confident that the necessary improvements will be achieved. We now believe that the top jobs at Lloyd's are filled by highly competent insurance executives, but the "marzipan layer" needs to be bolstered to provide effective support to the leaders. Hopefully talent will attract talent and enable a more attractive career progression to be offered to the younger generations.

The last quarter was the seventeenth consecutive quarter of rate rises and the risk adjusted rate rises across all classes of business averaged 10.9% for 2021 (as against 10.8% for 2020 and 5.4% for 2019). Yet more marginal or unprofitable business was non-renewed by syndicates, whilst the better syndicates put on good growth. Further rate rises are expected to continue through 2022 and into 2023. What is also encouraging is that property reinsurers appear to be waking up from their torpor and recognising that after reporting five consecutive years of losses, something more needs to be done. Much of this is being driven by their own reinsurers (the retrocessionaires), who have dramatically reduced the amount of reinsurance cover they are prepared to offer, and that which is on offer is at distinctly enhanced prices. This has meant that as and when major US insurers' reinsurance programmes come up for renewal, they are finding it difficult to complete their planned amounts of cover and, for the first time in years, shortfalls are becoming more commonplace. This is only likely to become more aggravated as the year goes on, as demand increases and supply falls. The property reinsurance market is the latest market to become "verticalised", whereby each participant names his own price for their share of the risk, rather than all receiving the same premium for the same risk. We are not convinced that the right pricing is being achieved on all risks, but it certainly looks like a step in the right direction. At this stage there is no evidence that new capital is entering the market, possibly to spoil the party, and hopefully only the contrary.

Business Review

Your board determined to maintain its rigid syndicate selection policy for the 2022 year of account as, at the business planning season last October, the Lloyd's market had yet to produce a combined ratio under 100%. With no evidence of a proper recovery in the property reinsurance rates by the fourth quarter of 2021, (the recovery described in the section above only manifested itself in March 2022), we continued to maintain a tight grip on our catastrophe exposures for 2022. Perhaps surprisingly, only two of our core syndicates, Atrium 609 and Beazley 623, offered pre-emptions for 2022, being 4.0% and 14.1% respectively, and our capacity on these syndicates reached £85.0m and £75.7m respectively. Top performing Asta syndicate 2525 (a new light touch syndicate) offered a pre-emption of 7.4%, and we increased our capacity there to £23.9m. The other pre-emption of note was the Beazley "smart tracker" special purpose syndicate 5623, whose pre-emption enabled our capacity to increase to £16.0m. With a combination of these pre-emptions and new business, Alpha's capacity grew from £505m to £572m. Once again, we attracted a number of totally new members, who could see the increasingly improving market conditions, and a number of existing members, previously looked after by other agents, were persuaded by our continuing superior results.

Lloyd's continued to allow the best performing syndicates the lion's share of the market's growth. Unsurprisingly these syndicates were the most popular in the 2021 Capacity Auction season, where turnover reduced from £222m to £161m. The average price for capacity traded in the 2021 Auction season was 28.9p in the pound up from 20.9p in 2020. The average value of capacity held by Alpha members is 50.9p in the pound up from 41.0p.

The Key Performance Indicators

The directors consider the following measures to be our key performance indicators:

For 2022, our business is made up of 235 members, up from 225 in 2021, split between 39 unlimited members (42 in 2021) 79 LLPs (75 in 2021) and 117 Namecos (108 in 2021).

Alpha's turnover increased from £3,147,202 for 2020 to £3,541,908 in 2021, whilst our capacity increased from £431m in 2020 to £505m in 2021.

Our profit increased from £416,602 in 2020 to £587,723 in 2021.

Fidentia, our joint venture with Duncan & Toplis, managed 179 vehicles (77 LLPs and 102 Namecos) in 2021, of which 169 underwrote through Alpha, and has contributed a profit of £73,949 for 2021, up from £61,281 for 2020.

Underwriting Results

As mentioned above, the 2019 year of account has closed with an average profit of 3.2% for an Alpha member, as against a market loss of -3.1% for the same year. This result improved from a loss forecast for Alpha members of -1.4% this time last year. The 2019 year of account had a reduced level and cost of major property losses, which included Hurricane Dorian devastating the Bahamas and a second consecutive year of powerful typhoons (Faxai and Hagibis) in Japan. Swiss Re estimate the total cost at $60bn. However, the great majority (65%) of the insured losses arising from the COVID-19 pandemic fell upon the 2019 year of account. In spite of such a challenging year we were delighted to produce an overall profit for our members, particularly when the market was recording an overall loss.

2020 is currently forecast at 24 months to produce a profit of 1.7% for an average Alpha member, as against a forecast market profit of 0.9%. The 2020 year of account is receiving substantial reserves for losses from the COVID-19 pandemic, as well as having experienced another above average incidence of major property losses, which included Hurricanes Laura and Sally in the US and Winterstorm Uri in Texas in February 2021, the majority of which falls back on the 2020 year of account. The total cost of these losses is currently estimated at $99bn (the fifth highest ever).

However the 2020 year of account saw premium rates in virtually every class of insurance and reinsurance benefit from a rapid acceleration in the second quarter of 2020. Most syndicates achieved rate rises well in excess of the forecasts in their business plans, often at least double. At this stage we believe that the cost of claims falling upon our syndicates will be more than offset by the higher premium rates achieved and the substantially reduced attritional loss

The positive premium rate momentum continued into 2021, with direct insurance rates running ahead of forecasts, whilst reinsurance rates were slightly behind budget; albeit still healthily positive. Winterstorm Uri (mentioned above) was the first major loss of the year, initially forecast to cost between $10bn and $20bn, but now thought to be nearer the lower end. Hurricane Ida was the most expensive US windstorm, currently thought to be $35bn, whilst the European floods, particularly in Germany, are likely to be the largest European loss ever. These were followed by the tornadoes in Kentucky to round off another above average year for catastrophe losses, currently estimated to total $119bn. Some of the likely losses arising out of the Russian invasion of Ukraine will also fall back on the 2021 year of account, particularly affecting the aviation and political risk books. We expect the first forecasts for the 2021 year of account to be cautious, probably with a wide range, but we still expect the ultimate outcome of the year to be profitable for our members.

Rate rises have continued into 2022 and we are beginning to see the reinsurance market react to the aggregation of losses, both natural and manmade, with shortfalls on reinsurance placements; something not seen for several years. Earlier in the year it was becoming evident in the largest US property reinsurance programmes, but now shortfalls have spread to the aviation, war and political risk markets. The events in Ukraine have generally happened since most of the underwriters wrote their 2021 annual reports, but I will, as usual, quote from a few of our leading underwriters.

Rob Childs, chairman of Hiscox wrote:
"In the insurance industry catastrophes can happen at any time, but there is a fair wind behind us and I am looking forward to a great year - we are disciplined, rates are up, and we are attracting exceptional talent, and the opportunity ahead of us is huge".

His CEO, Aki Hussain, wrote:
"Since 2017 conditions have been improving and we now enjoy rate adequacy in all our lines of business. We have used these improving market conditions to create a better portfolio of business, improve terms and conditions, expand margins and grow net revenues in business lines with better risk adjusted returns". He continued that Hiscox London Markets (which is syndicate 33) had enjoyed a cumulative rate rise of 60% across its books of business since 2017.

Michael Meacock, in his annual report for Meacock Syndicate 727, wrote that he had found more business on offer at satisfactory terms in 2021, although the property catastrophe element was still well down on previous years:
"Throughout the course of the year we became increasingly upbeat about our prospects and we hope to have written close to £75m in premium income - a level not dissimilar to our previous peak of ten years earlier. The major difference between then and now is the proportion of property catastrophe related excess of loss business on the books - 31% then and 11% now"

Richard Trubshaw of MAP syndicate 2791 is possibly more measured than some and suggests, like Meacock, that the property treaty reinsurance market still needs careful underwriting:
"In summary there is a lot more volatility than I have seen for many years - which means there will likely be a broader range of outcomes. It certainly makes it more interesting than the moribund years of the soft market, but it is challenging".

As an underwriting member, I continue to be disappointed by the lack of useful commentary or detail in most underwriters' reports for 2021, but I like to assume that it may be down to the fear of the better performing syndicates that their underperforming competitors may be scanning their reports in the hope of finding some hints of what they should be doing for 2022 and going forwards. In an attempt to bridge the gap in the information provided by underwriters in their annual reports, we will continue our series of "Conversations with an Underwriter" which we hope will help our members achieve a better understanding of how our supported underwriters are dealing with the current opportunities and challenges within this stage of the cycle.

The Future at Lloyd's

The ambitious plans of Lloyd's to modernise via its Blueprint initiatives were inevitably impacted by COVID-19 and the subsequent changes to working practices that have arisen from the pandemic. Indeed, looking ahead there are still significant questions regarding the specific roles of both the Underwriting Room and the Lloyd's building itself. The focus of Blueprint Two has now shifted to the 'build out' of a sophisticated electronic platform that integrates not only placement of underwriting business, but middle- and back-office functions too. The pandemic gave an impetus to this initiative and proved to all market participants that such a platform has an important and valuable role to play in the future of the market. Lloyd's is now focusing upon five key areas of delivery:

1. Building a digital engine room to move the Lloyd's market to digital processing, which in turn will provide increased speed, improved efficiency and lower costs;
2. Redesigning open market placement to ensure accurate 'right first time' data;
3. Building a comprehensive data set and ecosystem for delegated business;
4. The digitalisation of the claims and settlement processes; and
5. The continued improvement of the Lloyd's core data record, supported by the Lloyd's Data Council.

Blueprint Two (Second Edition) provides a detailed timetable and roadmap for the delivery of this 'digital revolution' at Lloyd's. The adoption of new technology and governance, the first major change in this regard at Lloyd's in over 20 years, appears long overdue and is something that Alpha believes is critical for the future competitiveness of Lloyd's in the global (re)insurance market. The build-out will be managed by DXC Technology, the chosen technology partner of Lloyd's, and market participants will be able to adopt the new technologies and digital architectures in their own time.

Developments at Alpha

Our board's policy over the "soft market" period has been to reduce members' exposure to catastrophe risk and other areas of risk where we believed the premium to take that risk was largely inadequate. Happily, this has led to consecutive years of outperformance of the market and the other members' agents, but up until last year this sadly took the form of only minimising our members' downside. I am delighted that this patience has been rewarded and we are now seeing our members actually profit from the strategy. However, we still believe that the majority of the catastrophe exposures currently underwritten at Lloyd's is underpriced.

I was very pleased that we continued to show significant growth for 2022, in spite of all the restrictions imposed by the pandemic, and we are planning to take full advantage of the much improved rates in most areas and our outperformance to try to continue growing the company further for 2023.

On your behalf, I would like to thank all the members of the Alpha team for their tireless efforts, dedication and good humour over what has been another challenging twelve months. It is also with great sadness that we have said goodbye to Crawford Henderson who has retired from the board and will not be returning to work at Alpha following his stroke in 2019. He has made a remarkable recovery over the last two years but not to the extent of being able to return to his previous role. We wish him and his family all the very best for the future. Michael Meacock retired in December having provided enormously wise counsel to the board since the business was established in 2007. We owe both Michael and Crawford a great debt for their contributions to the business.

Finally I would also like to express my enormous gratitude to Johnny Scott, our chairman, who has announced that he will be retiring during the second half of 2022. Under his wise leadership over the past nine years, Alpha has matured and prospered. I am delighted that Justin Dowley, who joined the board in January, has agreed to succeed him.

Principal Risks

This agency's principal risk is that losses in the Lloyd's market, and in particular those syndicates supported by Alpha, could result in the resignation of those members represented and thereby reduce the income receivable by the company. If the results of the supported syndicates are not considered to be adequate by the members, this may also lead to members' resignations and thereby loss of income to the company.

The specific risks faced by the syndicates are managed and controlled by the respective managing agents and are outside the direct control of the company. The company manages the risk faced by the syndicates by monitoring the performance of the syndicates supported through vigilant analysis.

The company has no specific concentration of credit risk.

The company, as a members' agent, is subject to continuing approval by Lloyd's and the FCA.

ALPHA INSURANCE ANALYSTS LTD.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The company maintains systems and controls to ensure operational risks are minimised. There is close involvement of all the directors in the key decision making.

ON BEHALF OF THE BOARD:

A.J. Sparrow
A.J. Sparrow (May 23, 2022 17:12 GMT+1)

....
A J Sparrow ACII - Director

Date: 23 May 2022

ALPHA INSURANCE ANALYSTS LTD.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of a Lloyd's Members' Agent.

The company is authorised by Lloyd's and the Financial Conduct Authority ('FCA') and its registered number with the FCA is 467352.

DIVIDENDS
An interim dividend of 0.59 per share was paid on 31 March 2021. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2021 will be £295,000.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

Mrs E L Apple
Mrs J S C Doyle ACII
A D Hussey
R E J Gray
Mrs E L Royds ACII
D D Pattinson
J P H S Scott FCII
A J Sparrow ACII

Other changes in directors holding office are as follows:

W M C Henderson ACII - resigned 13 December 2021
M J Meacock - resigned 7 December 2021

L J Dowley FCA swas appointed as a director after 31 December 2021 but prior to the date of this report.

INDEPENDENT AUDITORS
Mazars LLP have expressed their willingness to continue in office. Mazars LLP are registered auditors and are registered by the Institute of Chartered Accountants in England and Wales. .

ALPHA INSURANCE ANALYSTS LTD.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

A.J. Sparrow
A.J. Sparrow (May 23, 2022 17:12 GMT+1)

....

A J Sparrow ACII - Director

Date: 23 May 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALPHA INSURANCE ANALYSTS LTD.

Opinion

We have audited the financial statements of Alpha Insurance Analysts Ltd (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, the Other Comprehensive Income, the Statement of Financial Position, the 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 FRS 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 company's affairs as at 31 December 2021 and of its profit 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 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

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.

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.

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

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Report of the Directors.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

As explained more fully in the statement of directors' responsibilities set out on page 9, 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 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.

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 the financial statements.

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

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: Financial Conduct Authority and Lloyd's Regulations.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:
- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular revenue recognition (which we pinpointed to the cut-off), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:
- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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. This description forms part of our auditor's report.

Use of the audit 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.

Amanda Barker (May 24, 2022 21:23 GMT+1)

Amanda Barker (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

Date: May 24, 2022

ALPHA INSURANCE ANALYSTS LTD.

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
TURNOVER	3	3,541,908	3,147,202
Administrative expenses		2,846,726	2,622,700
OPERATING PROFIT	5	695,182	524,502
Realised gain/(loss) on listed investments		-	(16,176)
Unrealised gain/(loss) on listed investments		15,757	(6,813)
Interest receivable and similar income		10,722	14,267
PROFIT BEFORE TAXATION		721,661	515,780
Tax on profit	6	133,938	99,178
PROFIT FOR THE FINANCIAL YEAR		587,723	416,602

The notes form part of these financial statements

ALPHA INSURANCE ANALYSTS LTD.

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		587,723	416,602
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		587,723	416,602

The notes form part of these financial statements

ALPHA INSURANCE ANALYSTS LTD. (REGISTERED NUMBER: 02915929)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	8		39,067		-
Tangible assets	9		13,106		33,121
Investments	10		254,154		228,070
			306,327		261,191
CURRENT ASSETS					
Debtors	11	534,143		457,205	
Cash at bank		1,719,818		1,401,823	
		2,253,961		1,859,028	
CREDITORS					
Amounts falling due within one year	12	601,569		457,350	
NET CURRENT ASSETS			1,652,392		1,401,678
TOTAL ASSETS LESS CURRENT LIABILITIES			1,958,719		1,662,869
CAPITAL AND RESERVES					
Called up share capital	15		500,000		500,000
Capital contribution reserve			30,831		27,704
Retained earnings			1,427,888		1,135,165
SHAREHOLDERS' FUNDS			1,958,719		1,662,869

The financial statements were approved by the Board of Directors and authorised for issue on 23 May 2022 and were signed on its behalf by:

A.J. Sparrow
A.J. Sparrow (May 23, 2022 17:12 GMT+1)

....

A J Sparrow ACII - Director

The notes form part of these financial statements

ALPHA INSURANCE ANALYSTS LTD.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 January 2020	500,000	943,563	-	1,443,563
Changes in equity				
Dividends	-	(225,000)	-	(225,000)
Share option movement	-	-	27,704	27,704
Total comprehensive income	-	416,602	-	416,602
Balance at 31 December 2020	500,000	1,135,165	27,704	1,662,869
Changes in equity				
Dividends	-	(295,000)	-	(295,000)
Share option movement	-	-	3,127	3,127
Total comprehensive income	-	587,723	-	587,723
Balance at 31 December 2021	500,000	1,427,888	30,831	1,958,719

The notes form part of these financial statements

1. STATUTORY INFORMATION

Alpha Insurance Analysts Ltd. is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

Financial Reporting Standard 102 - reduced disclosure exemptions
The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- From preparing a Statement of Cash Flows, based on the requirements of Section 7 Statement of Cash Flows;
- From requirements of Section 33 Related Party Disclosures – paragraph 33.7 for disclosing key management personnel compensation in total;
- From disclosing related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member, as required by Section 33 Related Party Disclosures – paragraph 33.1A.

The company is a wholly owned subsidiary of Archimedes Partners Limited. Consolidated financial statements of Archimedes Partners Limited can be obtained from:

107 Fenchurch Street
London
EC3M 5JF

Preparation of consolidated financial statements
The financial statements contain information about Alpha Insurance Analysts Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the financial statements of its parent, Archimedes Partners Limited, whose registered office is 3 Castlegate, Grantham, Lincolnshire NG31 6SF.

Related party exemption
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover
Turnover comprises underwriting agency fees charged on the basis of Lloyd's members' underwriting capacity on a year of account and other fees for specific advice to Lloyd's members.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of nil years.

continued...

2. ACCOUNTING POLICIES - continued

Tangible fixed assets
Tangible fixed assets are held at amortised cost and depreciated on a straight line basis. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures, fittings and equipment - 33% on cost

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost less impairment.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the 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 financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Going concern
These financial statements are prepared on a going concern basis.

The Coronavirus, as referred to in the directors Strategic Report and post balance sheet events note, is not considered to impact on the directors assessment of going concern.

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Listed Investments
Investments are recorded at their fair value. Any movement in the fair value of the investments is shown in the income statement.

continued...

2. ACCOUNTING POLICIES - continued

Share-based payments

From time to time the Company invites certain employees to invest in its share capital by transferring from own shares held. It does this by granting share options at exercise prices approved by HMRC. The granting of share options in this way is regarded by financial reporting standards as the making of "share-based payments".

The fair value of the options is calculated at the date the options are granted.

The fair value is charged to profit or loss equally over the vesting period, with adjustments made at each accounting date to reflect the best estimate of the number of options that will eventually vest.

Shareholders' equity is increased by an amount equal to the charge in profit or loss.

Financial instruments
The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other income and expenses
Other income and expenses are dealt with on an accruals basis.

Operating leases
Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

Critical accounting judgements and estimation uncertainty
In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

continued...

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

There are no critical accounting judgements or estimation uncertainty that, in the opinion of the directors, will have a material effect on the financial statements.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	1,637,084	1,590,867
Social security costs	196,711	191,512
Other pension costs	129,814	116,283
	1,963,609	1,898,662

The average number of employees during the year was as follows:

	2021	2020
	20	20

	2021	2020
	£	£
Directors' remuneration	1,146,130	1,104,803
Directors' pension contributions to money purchase schemes	50,315	46,379

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	3	3

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	245,815	236,079

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	23,107	26,647
(Profit)/loss on disposal of fixed assets	(15,757)	22,989
Operating lease rentals - land and buildings	65,088	65,088
Operating lease rentals - other	223,172	184,175
Auditors' remuneration	17,500	12,500

continued...

6. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	133,938	99,178
Tax on profit	133,938	99,178

UK corporation tax was charged at 19% in 2021.

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit before tax	721,661	515,780
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	137,116	97,998
Effects of:		
Effects of depreciation	4,390	3,819
Disallowable income and expenses	379	5,874
Capital allowances	(618)	(1,030)
Group relief utilised	(7,329)	(7,483)
Total tax charge	133,938	99,178

7. DIVIDENDS

	2021	2020
	£	£
Ordinary shares of £1 each		
Interim	295,000	225,000

8. INTANGIBLE FIXED ASSETS

	Computer software
	£
COST	
Additions	39,067
At 31 December 2021	39,067
NET BOOK VALUE	
At 31 December 2021	39,067

continued...

9. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £
COST	
At 1 January 2021	196,431
Additions	3,092
At 31 December 2021	199,523
DEPRECIATION	
At 1 January 2021	163,310
Charge for year	23,107
At 31 December 2021	186,417
NET BOOK VALUE	
At 31 December 2021	13,106
At 31 December 2020	33,121

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Listed investments £	Totals £
COST			
At 1 January 2021	2,575	225,495	228,070
Additions	-	10,327	10,327
Fair value adjustment	-	15,757	15,757
At 31 December 2021	2,575	251,579	254,154
NET BOOK VALUE			
At 31 December 2021	2,575	251,579	254,154
At 31 December 2020	2,575	225,495	228,070

The historical cost of the above listed investments is £194,887 (2020: £184,560).

The shares in group undertakings represents the group's interest in Fidentia Services LLP, a limited liability partnership in which the company has a 50% interest in the capital but controls by virtue of the casting vote of the chairman of the partnership who is appointed by the company. The value of the net assets at 31 December 2021 were £5,150 (2020: £5,150).

continued...

11. DEBTORS

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	1,600	6,579
Amounts owed by group undertakings	24,014	-
Other debtors	6,729	-
VAT	6,187	3,928
Prepayments and accrued income	313,021	206,046
	351,551	216,553
Amounts falling due after more than one year:		
Other debtors	182,592	240,652
Aggregate amounts	534,143	457,205

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	55,725	8,411
Amounts owed to group undertakings	-	4,520
Taxation	133,938	99,178
Other taxes and social security	176,936	157,549
Accruals and deferred income	234,970	187,692
	601,569	457,350

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	390,301	288,260
Between one and five years	-	65,088
	390,301	353,348

continued...

14. FINANCIAL INSTRUMENTS

The company has the following financial instruments:

	2021	2020
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	1,600	6,579
Amounts owed by group undertakings	24,014	-
Other debtors	182,592	240,652
Financial liabilities measured at amortised cost		
Trade creditors	55,723	8,411
Amounts owed to group undertakings	-	4,520

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through profit or loss was £Nil (2020 - £nil) and £Nil (2020 - £nil) respectively.

15. CALLED UP SHARE CAPITAL

	2021	2020
	£	£
Allotted, called up and fully paid		
Ordinary £1 shares	500,000	500,000

16. RELATED PARTY DISCLOSURES

A company in which a close family member of a director of the company was for the year in question a director, was charged a fee of £85,000 for services provided (2020: £83,333).

The directors of the company were charged members' agency fees totalling £52,629 (2020: £50,220).

A close family member of a director was charged a members' agency fee of £14,092 (2020: £13,874).

A LLP in which a director is a member was charged a members' agency fee of £10,135 (2020: £9,792).

A LLP in which a director, and the close family members of the director, are members was charged a members' agency fee of £7,781 (2020: £7,596).

A company in which a director, and a close family member of the director, are directors of, was charged a members' agency fee of £7,493 (2020: £7,497).

The company received a profit share of £74,699 (2020: £61,281), and was charged £Nil (2020: Nil) in relation to new application fees by a LLP in which the company is a designated member.

17. ULTIMATE CONTROLLING PARTY

The company is a subsidiary undertaking of Archimedes Partners Limited, a company registered in England & Wales. The group in which the results of the company are consolidated is that headed by Archimedes Partners Limited. The consolidated financial statements of the group are available to the public from Companies House, Crown Way, Cardiff, CF14 3UZ.