ALPHA INSURANCE ANALYSTS LTD.

STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

ALPHA INSURANCE ANALYSTS LTD.

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

ALPHA INSURANCE ANALYSTS LTD.

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

DIRECTORS:	Mrs E L Apple Mrs J S C Doyle ACII W M C Henderson ACII (absent on sick leave) A D Hussey R E J Gray M J Meacock 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 Tower Bridge House St Katherines Way London E1W 1DD

ALPHA INSURANCE ANALYSTS LTD.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report for the year ended 31 December 2020.

CHAIRMAN'S STATEMENT

Last year's statement, written just a few weeks into what turned out to be the first of three lockdowns (so far...), got certain things right - but by no means all. I was correct in casting doubt on the likelihood of a formal 2020 Autumn Meeting, but I confess that I had no inkling that, one year on, we would still be largely confined to our homes, that almost everything would be done remotely for over a year and that, despite the current plan to have everything back to normal by the end of June, experience suggests that even a gathering in Trinity House in October 2021 cannot be guaranteed.

The remarkable thing is that, while the pandemic has forced many changes in the way we live and run our business affairs we have all, to a greater or lesser extent, adapted to our new circumstances. I talked last year about Alpha's remote working systems, which had been put in place in anticipation of an incident like an office fire, to allow a short period of cover while premises were repaired or the office relocated. These systems have now been working round the clock for over a year, largely problem-free, and allowing our business to continue as normal, with the entire staff mostly working remotely.

Although COVID-19 has brought a slew of claims, there are many areas of the insurance market where 2020 has been kind to underwriters. This is dealt with in greater detail in James Sparrow's report, but the incidence of fewer claims (in many cases, simply because people were driving and flying less and no longer able to break their legs skiing), combined with increased premium rates, has worked to the advantage of insurers and has offset the enormous losses arising out of the disruption to so many businesses. A high profile example of the latter is the cancellation cover taken by Wimbledon which is believed to have resulted in a claim reported at £180m to fill the losses arising from the aborted 2020 championship. Perhaps fortunately for Lloyd's, there seem to have been few high profile sporting events which demonstrated the foresight of those running the home of tennis.

Alpha's members continue to do significantly better than the Lloyd's market as a whole, as well as seeing consistently better results than those being reported by the other Members' Agents. Not only is it gratifying to see our clients making good returns on their exposure, it is also very welcome that the stronger rating environment and other positive developments at Lloyd's have helped to bring us additional business in the form of new applications to join Lloyd's; the capacity for which we are responsible has increased by some 17% and now stands at £505m for 2021.

I hope that our members have continued to receive the same high standard of service from Alpha through 2020, notwithstanding the requirement for remote working, endless Zoom meetings and virtual sessions with underwriters. I suspect that there is an element of the swan here - what the world sees is a graceful bird sliding unhurriedly across the water, but what it does not necessarily appreciate is the energetic paddling below the surface which is often required for the swan even to maintain its position. What has been happening at Alpha behind the scenes since the pandemic hit has presented our staff with significant challenges, ones which they have not only met but have done so in a professional and uncomplaining manner. All have discovered that while there are many compensations for working from home, there are also disadvantages, the allure of swapping the daily commute for the home office soon wearing off. This is my way of asking our members to recognise what the team at Alpha has achieved in the past year and to say that, if there have been some bumps in the road, to ask for your continued understanding until such time as we can properly reopen the office at 107 Fenchurch Street and return to life (more or less) as it was before coronavirus changed the world.

John Scott (May 28, 2021 09:47 GMT+1)

JPHS Scott FCII - Chairman

May 28, 2021

MANAGING DIRECTOR'S REPORT

Introduction

I am delighted to be presenting our thirteenth Annual Report, after a challenging year dominated by the COVID-19 pandemic. Not only did it heavily impact the 2020 annualised results of the Lloyd's market, adding 13.3 percentage points to the combined ratio (or £3.4bn), but it also has meant that our business has had to operate on a remote basis for the majority of the past twelve months. In spite of all the challenges faced, I believe that both the Lloyd's market and Alpha have become stronger for it. I am particularly proud of the continuing resilience of the Alpha team and the ability to report a profit, however tiny, of 0.2% on the 2018 year of account for the average Alpha member, before personal expenses, whilst the market reported a loss of -5.9%. This significant outperformance is currently forecast to continue for the 2019 year of account.

There are some very positive signs to be gained from the 2020 annualised results, even though the market recorded a loss of £887m (as against a profit of £2.5bn for 2019). The whole cost of the insured COVID-19 losses fell upon the 2020 annualised results, whereas for the average Alpha member, on a three year of account basis, it falls 10% on 2018 (accounted for in the closed year result), 70% on the 2019 year of account and 20% on the 2020 year of account. This means that 80% of the loss is already included within the figures that we have for 2018 closed year and the current open year forecast for 2019. We receive the first forecast for the 2020 year of account next month.

The positive signs I refer to above include that the worst performing 20% parts of the market's business were cut out during 2020 leading to a much reduced attritional loss ratio at 51.9% (as against 56.3% in 2019). Risk adjusted premium rates improved by 10.8% (as against 5.4% in 2019), whilst our expense ratio dropped to 37.2% (38.7% 2019). The market's net resources increased by 10.8% to £33.9bn (£30.6bn 2019), providing Lloyd's with a central solvency ratio of 209%. Most importantly all the rating agencies re-affirmed their ratings of the market. The market's combined ratio ended up at 110.3% (102.1% 2019), but, as previously mentioned, 13.3 percentage points were added from COVID-19 claims, on top of the fifth worst ever year for natural catastrophes.

I still worry that the Lloyd's market as a whole continues to suffer from the underperforming, so called 'high touch' syndicates, which make up 27% of the market for 2021 albeit this is down from 45% in 2019. As evidenced by the 2020 annualised results, this continues to be unsustainable, but at least these syndicates are being required to reduce the amount of business that they can underwrite for 2021. If they do not achieve underwriting profits and their targeted business plan returns in the next three years, these syndicates may well be finally shown the door, or have their underwriting so reduced as to become immaterial. Clearly the time to undertake this transformation is during an improving market, when underperforming business written by bad underwriters can be replaced by better business underwritten by better underwriters. We will await, with great interest, the arrival of Patrick Tiernan, the new Chief of Markets, who joins this month from Aviva, to replace Jon Hancock in the role of market oversight.

It feels very much as if history, in some ways, is repeating itself from twenty years ago. In the year 2000 the market started to improve after a long and damaging soft period. Just as the recovery seemed to be taking hold in 2001, along came 9/11, the worst insured loss ever, to change totally the pace and scope of recovery. Similarly in 2020, which was the third year of improving rates, COVID-19, another enormous and totally unexpected insured loss, appeared causing huge uncertainty and has spurred the market into a totally different pace of recovery. However, what is different this time is that the property reinsurance classes do not seem to be reacting in any way as strongly as virtually all the direct classes. You would have thought that in reporting four consecutive years of loss in Lloyd's for property reinsurance, underwriters would realise that their pricing structure was wrong. Unfortunately, it does appear that global reinsurance capital is prepared to keep underwriting business that is showing consistent vulnerability to all the increased evidence of climate change, without reviewing the fundamentals of the product they are offering.

ALPHA INSURANCE ANALYSTS LTD.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Business Review

In spite of rapidly improving market conditions, for 2021 we continued our policy of rigid syndicate selection with a reduced appetite for property reinsurance. Pre-emptions on most of the "light touch" syndicates saw our support on Atrium 609 rise from £63.6m to £79.1m, Beazley 623 from £46.6m to £63.1m and Asta 2525 from £19.3m to £22.0m. Our support for the Beazley "smart tracker" syndicate 5623 increased from £4.6m to £10.3m. In the opposite direction our support for the Hiscox property reinsurance SPA 6104 reduced from £6.8m to £1.5m. Overall Alpha's capacity increased from £431.3m to £505.1m for 2021, with core syndicates representing 69% of the whole, up from 68% last year. The rise in capacity included a number of new members, attracted by the positive market conditions and a number of existing members transferring from their previous agents, attracted by the superior results shown by Alpha.

As reported last year, the top performing 25% of syndicates were granted "light touch" status by Lloyd's, which allows them to grow their businesses without much challenge. At this stage of the market cycle, this is proving to be a great advantage to such syndicates, particularly when many others are being required to shrink. Over 50% of Alpha capacity is on "light touch" syndicates. Conversely, we only support one "heavy touch" syndicate, Hiscox syndicate 33, which lost its "light touch" status during 2020. Once again, the pre-emptions offered by the "light touch" syndicates meant that they were in popular demand during the 2020 Auction season and were much of the reason why the turnover increased from £134.8m to £222.1m. The average price of capacity fell slightly from 23.5p to 20.8p, whereas the average price of the Alpha portfolio rose from 42.3p to 45.8p.

Key Performance Indicators

The directors consider the following measures to be the company's key performance indicators:

For 2021 our business is made up of 225 members up from 215 in 2020; split between 42 Unlimited members (49 in 2020), 75 LLPs (69 in 2020) and 108 Namecos (97 in 2020).

Alpha's turnover increased from £2.95m for 2019 to £3.15m for 2020, whilst our capacity increased from £405m to £431m. Our profit decreased slightly from £549,379 to £515,780.

Cash and investments at the end of the year increased from £1,299,420 to £1,629,893.

Fidentia, our joint venture with Duncan & Toplis, now manages 168 LLPs and Namecos (of which 155 underwrite through Alpha) and has contributed a profit of £61,281 for 2020 down from £70,269 in 2019 which was inflated due to a one off transaction.

Underwriting Results

The 2018 year of account has closed with an average tiny profit of 0.2% for an Alpha member, as against a market loss of -5.9% for the same year. This result improved from a forecast loss for Alpha members of -3.2% this time last year. The 2018 year had another high frequency of major losses, including Hurricanes Michael and Florence, Typhoons Jebi and Trami and was another year of severe Californian wildfires. The total estimated cost was $93bn according to Swiss Re. For Alpha this was a welcome return to profit, albeit marginal, and we are very happy to be the only members' agent to produce an aggregate profit over the three difficult years of 2016 to 2018.

2019 is currently forecast at 24 months to produce a loss of -1.4% for an average Alpha member, as against a forecast market loss of -5.3%. 2019 experienced a reduced amount and cost of major 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 of the insured losses arising from the COVID-19 pandemic fall upon the 2019 year of account, which we estimate to be circa 70% of the whole for an average Alpha member. In spite of this, we remain hopeful that the increased premium base for this year together with the reduced level of major losses arising from natural catastrophes, should enable the average Alpha member to end up in surplus for the 2019 year of account.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

One of the positive effects of the losses arising from COVID-19 was that premium rates in virtually every class of insurance and reinsurance benefitted 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. We currently estimate that only 20% of the syndicates' COVID-19 exposure will fall on the 2020 year of account. After a slight lull in 2019, 2020 experienced a much greater frequency of windstorms in the North Atlantic including Hurricanes Laura and Sally, and the severe convective storm (derecho) which hit Iowa and Illinois, Nebraska, Indiana and Wisconsin. Such was the frequency of windstorms that the National Hurricane Centre ran out of letters to name storms from the normal alphabet and had to borrow some from the Greek alphabet! Happily, in spite of the increased frequency, the actual cost of the insured damage was less than it might have been, had the storms made landfall in more highly populated areas. Nevertheless, the total cost is currently estimated at $89bn (the fifth highest ever). 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 ratios. The first forecasts for the 2020 year of account are issued in May, which we expect to be cautious in light of the general uncertainty, but assuming a reasonable run-off through 2021, we believe that a positive outcome is likely for Alpha members. It is worth commenting that the winter freeze in the US (Uri) in early 2021 will fall mainly back on the 2020 year of account, but, as far as we can ascertain, it is not likely to exceed syndicates' budgeted reserves for such losses.

The positive premium rate momentum continued into 2021, with direct insurance rates running ahead of forecasts, whilst at 1st January and 1st April 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 end up nearer the lower end. To date it looks as if the majority of the loss will be borne by the local US market, with only a small part coming to London. In any event it will be a further reminder for reinsurers, in particular, that large losses continue with some frequency and that they need to increase their rates further. As the year progresses, most underwriters are reporting that trading conditions in most direct classes are the best for over a decade, whilst reinsurance rates continue to improve.

Toby Drysdale, underwriter of Atrium Syndicate 609, comments in his annual report:

"Looking forward I do not see 2021 as a true hard market......However we definitely see trading conditions as being better....We are in growth mode where we see great opportunities, particularly in Aviation, Cargo, Property and some of our Casualty classes".

Likewise, Michael Meacock, in his annual report for Meacock Syndicate 727:

"We go into 2021 with some optimism, with rates on the move from year end, we are now seeing the impact of compounding rate increases.......If this momentum continues, it is our hope that we will be asking you for a pre-emption in order to increase our stamp capacity for 2022".

And Bronek Masojada, in the Hiscox Syndicate 33 annual report:

"We see opportunity for good growth in 2021 in classes where the strong stance taken by Lloyd's over several planning cycles has positively and materially impacted pricing, terms and conditions. We expect to continue to take advantage of the improving market environment, while continuing to judiciously optimise the portfolio".

As a member, I am disappointed by the lack of useful commentary or detail in most underwriters reports for 2020, but it is perhaps the fear by 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 2021 and going forwards. I would commend you all to read Richard Trubshaw's report for MAP Syndicate 2791, who never pulls his punches. We are hoping that our series of "Conversations with an Underwriter" which we continued in March and are going to start again in June, will help our members achieve a proper understanding of how our supported underwriters are dealing with the current opportunities and challenges within this stage of the cycle. I am glad to say that we have had a very positive response to their introduction and plan to continue them, even when life returns closer to normality (whatever that will be!).

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Future at Lloyd's

The ambitious plan to modernise Lloyd's under John Neal, the CEO, and the Blueprint initiative, has clearly been affected by COVID-19 and the six initial targets for 2020 were reduced to three. The market is fully supportive of the measures, but some of the implementation will be delayed, whilst the market digests the effects of, and the claims arising out of, the pandemic. The trading floor of Lloyd's is planned to reopen on May 17th 2021 and there is discussion on what it will look like for the future. It is evident that the modern technology is enabling the market to continue to trade forward without face to face engagement. It is encouraging that the flow of new business to the market has not been affected.

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 sadly only in the form of minimising our members' downside. We now believe that we have the opportunity, the market having moved into a much more positive stage, to start to reward our members for their patience. As ever, timing in everything is key.

I was thrilled that we were able to achieve significant growth for 2021, in spite of all the restrictions imposed by the pandemic, and we are planning to take full advantage of the much improved rates and our outperformance to try to grow the company further for 2022.

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 a challenging twelve months.

Finally I would also like to express my enormous gratitude to Clive Richards, Alpha's previous chairman, for his great contribution to the development of the business, who sadly died last month.

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. Also, 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 risks 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.

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.

ALPHA INSURANCE ANALYSTS LTD.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Brexit

Lloyd's has established a subsidiary, Lloyd's Brussels, which opened for business on 13th November 2018 and provides certainty for the market and Lloyd's clients. All legacy European Economic Area business moved to Lloyd's Brussels before the end of 2020 via a Part VII transfer. Brexit has had minimal impact on the Group.

ON BEHALF OF THE BOARD:

A J Sparrow
A J Sparrow (May 28, 2021 09:50 GMT+1)

A J Sparrow ACII - Director

May 28, 2021

ALPHA INSURANCE ANALYSTS LTD.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

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 0.45 per share was paid on 31 March 2020. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2020 will be £225,000.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

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

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.

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.

ALPHA INSURANCE ANALYSTS LTD.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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 28, 2021 09:50 GMT+1)

A J Sparrow ACII - Director

May 28, 2021

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

Opinion

We have audited the financial statements of Alpha Insurance Analysts Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, the Statement of 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 2020 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.

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 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 Directors' Report.

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 Directors' Responsibilities Statement set out on page 8, 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.

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 identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, employment regulations, anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and 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 manual journal entries to manipulate financial performance, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:
- *Discussing with the directors and management their policies and procedures regarding compliance with laws and* regulations;
- Communicating identified laws and regulations throughout our 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.

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

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.

ABarker

Amanda Barker (May 28, 2021 11:18 GMT+1)

Amanda Barker (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katherines Way
London
E1W 1DD

May 28, 2021

ALPHA INSURANCE ANALYSTS LTD.

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
TURNOVER	3	3,147,202	2,945,317
Administrative expenses		2,622,700	2,467,720
OPERATING PROFIT	5	524,502	477,597
Realised gain/(loss) on listed investments		(16,176)	-
Unrealised gain/(loss) on listed investments		(6,813)	52,514
Interest receivable and similar income		14,267	19,268
PROFIT BEFORE TAXATION		515,780	549,379
Tax on profit	6	99,178	98,796
PROFIT FOR THE FINANCIAL YEAR		416,602	450,583

The notes form part of these financial statements

ALPHA INSURANCE ANALYSTS LTD.

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
PROFIT FOR THE YEAR		416,602	450,583
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		416,602	450,583

The notes form part of these financial statements

ALPHA INSURANCE ANALYSTS LTD. (REGISTERED NUMBER: 02915929)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Tangible assets	8		33,121		54,542
Investments	9		228,070		344,996
			261,191		399,538
CURRENT ASSETS					
Debtors	10	457,205		507,614	
Cash at bank		1,401,823		954,424	
		1,859,028		1,462,038	
CREDITORS					
Amounts falling due within one year	11	457,350		418,013	
NET CURRENT ASSETS			1,401,678		1,044,025
TOTAL ASSETS LESS CURRENT LIABILITIES			1,662,869		1,443,563
CAPITAL AND RESERVES					
Called up share capital	14		500,000		500,000
Capital contribution reserve			27,704		-
Retained earnings			1,135,165		943,563
SHAREHOLDERS' FUNDS			1,662,869		1,443,563

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 26 May 2021 and were signed on its behalf by:

A J Sparrow
A J Sparrow (May 28, 2021 09:50 GMT+1)

A J Sparrow ACII - Director

May 28, 2021

The notes form part of these financial statements

ALPHA INSURANCE ANALYSTS LTD.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Retained earnings £	Capital contribution reserves £	Total equity £
Balance at 1 January 2019	500,000	1,002,980	-	1,502,980
Changes in equity				
Dividends	-	(510,000)	-	(510,000)
Total comprehensive income	-	450,583	-	450,583
Balance at 31 December 2019	500,000	943,563	-	1,443,563
Changes in equity				
Dividends	-	(225,000)	-	(225,000)
Total comprehensive income	-	416,602	27,704	444,306
Balance at 31 December 2020	500,000	1,135,165	27,704	1,662,869

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":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

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.

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

Fixtures, fittings and equipment	-	33% on cost

continued...

2. **ACCOUNTING POLICIES - continued**

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.

continued...

2. **ACCOUNTING POLICIES - continued**

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

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.

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.

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	1,590,867	1,471,870
Social security costs	191,512	194,172
Other pension costs	116,283	101,784
	1,898,662	1,767,826

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

	2020	2019
	20	18

	2020	2019
	£	£
Directors' remuneration	1,104,803	1,048,457
Directors' pension contributions to money purchase schemes	46,379	36,619

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:

	2020	2019
	£	£
Emoluments etc	236,079	276,750

5. OPERATING PROFIT

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

	2020	2019
	£	£
Depreciation - owned assets	26,647	19,137
Loss/(profit) on disposal of fixed assets	22,989	(52,514)
Operating lease rentals - land and buildings	65,088	65,088
Operating lease rentals - other	184,175	158,276
Auditors' remuneration	12,500	9,860

continued...

6. TAXATION

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

	2020	2019
	£	£
Current tax:		
UK corporation tax	99,178	98,300
Adjustment re previous years	-	496
Tax on profit	99,178	98,796

UK corporation tax has been charged at 19% (2019 - 19%).

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

	2020	2019
	£	£
Profit before tax	515,780	549,379
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	97,998	104,382
Effects of:		
Effects of depreciation	3,819	3,636
Disallowable income and expenses	5,874	2,832
Capital allowances	(1,030)	(5,132)
Group relief utilised	(7,483)	(7,418)
Under-provision of prior year	-	496
Total tax charge	99,178	98,796

7. DIVIDENDS

	2020	2019
	£	£
Ordinary shares of £1 each		
Interim	225,000	510,000

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

8. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £
COST	
At 1 January 2020	191,205
Additions	5,226
At 31 December 2020	196,431
DEPRECIATION	
At 1 January 2020	136,663
Charge for year	26,647
At 31 December 2020	163,310
NET BOOK VALUE	
At 31 December 2020	33,121
At 31 December 2019	54,542

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Listed investments £	Totals £
COST			
At 1 January 2020	2,575	342,421	344,996
Disposals	-	(93,938)	(93,938)
Share of profit/(loss)	-	(16,176)	(16,176)
Fair value adjustment	-	(6,812)	(6,812)
At 31 December 2020	2,575	225,495	228,070
NET BOOK VALUE			
At 31 December 2020	2,575	225,495	228,070
At 31 December 2019	2,575	342,421	344,996

The historic cost of the above listed investments is £184,560 (2019: £259,021)

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.

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

10. DEBTORS

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	6,579	-
Amounts owed by group undertakings	-	33,158
Other debtors	-	11,840
VAT	3,928	19,099
Prepayments and accrued income	206,046	224,322
	216,553	288,419
Amounts falling due after more than one year:		
Other debtors	240,652	219,195
Aggregate amounts	457,205	507,614

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	8,411	36,729
Amounts owed to group undertakings	4,520	-
Taxation	99,178	98,300
Other taxes and social security	157,549	128,906
Accruals and deferred income	187,692	154,078
	457,350	418,013

12. LEASING AGREEMENTS

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

	2020	2019
	£	£
Within one year	288,260	249,263
Between one and five years	65,088	65,088
	353,348	314,351

continued...

13. FINANCIAL INSTRUMENTS

The company has the following financial instruments:

	2020	2019
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	6,579	-
Amounts owed by group undertakings	-	33,158
Other debtors	240,652	1,961,137
Financial liabilities measured at amortised cost		
Trade creditors	8,411	36,729
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 (2019 - £nil) and £Nil (2019 - £nil) respectively.

14. CALLED UP SHARE CAPITAL

	2020	2019
	£	£
Allotted, called up and fully paid		
Ordinary £1 shares	500,000	500,000

15. 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 £83,333 for services provided (2019: £79,500).

The directors of the company were charged members' agency fees totalling £50,220 (2019: £49,041).

A close family member of a director was charged a members' agency fee of £13,874 (2019: £13,050).

A LLP in which a director is a member was charged a members' agency fee of £9,792 (2019: £9,287).

A LLP in which a director, and the close family members of the director, are members was charged a members' agency fee of £7,596 (2019: £7,292).

A company in which a director, and a close family member of the director, are directors of was charged a members' agency fee of £7,497 (2019: £7,182).

The company received a profit share of £61,281 (2019: £70,269), and was charged £Nil (2019: Nil) in relation to new application fees by a LLP in which the company is a designated member.

16. 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.