

Company Number: 03437588

# **OMEGA UNDERWRITING HOLDINGS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2020**



## **Directors and Professional Advisors**

**Directors** Laurie Davison (resigned on 20 May 2021)  
Michael Duffy  
Nigel Meyer

**Registered Office** Floor 29  
Bishopsgate 22  
London  
EC2N 4BQ

**Company Number** 03437588

**Independent Auditors** Ernst & Young LLP ("EY")  
25 Churchill Place  
Canary Wharf  
London  
E14 5EY

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## Strategic Report

The directors present their Strategic Report on Omega Underwriting Holdings Limited ("the Company") for the year ended 31 December 2020.

### Review of the business

The principal activity of the Company is to act as a holding company.

The Company has reported a profit on ordinary activities before tax for the year of £24,000 (2019: Profit £55,000).

### Results

The results of the Company for the year ended 31 December 2020 are set out in the financial statements on pages 10 to 18.

### Principal risks and uncertainties

The directors consider that the Company is exposed to credit risk on its financial assets. As detailed in note 11 there are no significant risks or uncertainties.

### Key performance indicators (KPIs)

The Board monitors the progress of the Company by reference to the following KPIs:

	2020 £'000	2019 £'000
Profit for the year	24	55
Net assets	2,506	2,482

### Stakeholder Engagement

In 2020, the Company board undertook a variety of activities to engage with stakeholders and bring their voices into the boardroom. Key stakeholders and how we engage are detailed below.

### Shareholders

Our shareholders contribute to the long-term strategy of our parent, the Canopus Group, by providing financial security and support. Their support enables our business to grow, to continue its focus on underwriting excellence and to continue to enhance our capabilities in support of brokers and clients. In 2020, most of our existing shareholders have made further investments into the business as part of our capital raising efforts, indicating their confidence in, and support for Canopus. In addition, Canopus has also attracted investment from new shareholders, which we believe underscores the prospects for the company.

Canopus Group meets with its shareholders on a quarterly basis, engaging openly and collaboratively.

## **Strategic Report (continued)**

### **Principal Decisions 2020**

#### **Introduction**

The Company defines a principal decision as any decision of the Board that is material to the Company and/or is significant to any of its stakeholders. Thus, a key decision may include, but is not limited to:

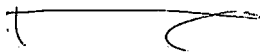
- New business strategy or significant changes to existing strategy.
- Capital allocation decisions, including payments of dividends.
- Material corporate activity including acquisitions and disposals.
- Large-scale restructuring.
- Appointments to the Board.
- Decisions relating to major regulatory and or legal matters.

The Company's governance framework, policies and procedures are designed to ensure that the Board takes into account the views of all the Company's stakeholders and the impact of its activities on the community, environment and the Company's reputation, to ensure that decision-making is collaborative and well informed. Discussed below are how the Directors considered the matters set out in section 172(1) (a)-(f) of the Companies Act 2006 when discharging their duties and the effect of that on principal decisions taken by the Board.

#### **Principal Decisions**

There were no principal decisions made by the Board during 2020.

The Strategic Report was approved by the board on 23 September 2021 and signed on its behalf by:



Nigel Meyer  
Director  
27 September 2021

## **Directors' Report**

### **Directors' Report for the year ended 31 December 2020**

The directors present their Report and the audited financial statements of the Company for the year ended 31 December 2020.

#### **Dividends**

There were no dividend payments made during the calendar year 2020 (2019 dividend: £nil). The directors do not recommend the payment of another dividend at present.

#### **Directors**

The directors set out on page 1 have held office during the whole of the period from 1 January 2020 to the date of this report, unless otherwise indicated.

None of the directors held a direct interest in the shares of the Company.

#### **Qualifying third party indemnity provision**

The Company has put in place D&O Insurance and an indemnity in the Articles of Association to indemnify directors and officers of the Company against losses or liabilities sustained in the execution of the duties of office. The indemnity is a qualifying third party indemnity provision under s.232 and s.234 of the Companies Act 2006.

#### **Going concern**

The directors have considered the going concern basis of preparation of the Company's financial statements as at 31 December 2020. This included the factors likely to affect its future performance as well as the Company's principal risks and uncertainties.

As at 31 December 2020 the Company had net assets of £2,506,000 (2019: £2,482,000 net assets).

The directors have a reasonable expectation that the Company has adequate resources to continue in the operational existence for at least until 30 September 2022. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Future developments**

There are no future developments to report in this section.

#### **Disclosure of information to auditors**

In the case of each of the persons who are directors of the company at the time the report is approved:

- So far as the director is aware, there is no relevant audit information, being information needed by the company's auditor in connection with the auditor's report, of which the auditor is unaware; and
- Having made enquiries of fellow directors of the company and the company's auditor, each director has taken all the steps that he or she ought to have taken as a director to become aware of any relevant audit information and to establish that the company's auditor is aware of that information.

## **Directors' Report (continued)**

### **Independent Auditors**

Ernst & Young LLP were the auditors for the year ended 31 December 2020.

Ernst & Young LLP have expressed their willingness to continue in office as auditor.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for 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.

Some information is not shown in the Directors' Report because it is shown in the Strategic Report instead under s414c (ii). This information is business review and principal activities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website.

The Directors' Report was approved by the board on 23 September 2021 and signed on their behalf by:



Nigel Meyer  
Director  
27 September 2021

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OMEGA UNDERWRITING HOLDINGS LIMITED**

### **Opinion**

We have audited the financial statements of Omega Underwriting Holdings Limited (the "Company") for the year ended 31 December 2020 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 14, 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 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view 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 the period to 30 September 2022 which is 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report 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 this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OMEGA UNDERWRITING HOLDINGS LIMITED (CONTINUED)**

### **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 directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the 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 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 6, 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 these financial statements.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are direct laws and regulations, related the financial reporting framework (UK GAAP and the Companies Act 2006), and the relevant direct and indirect tax compliance regulation in the United Kingdom. Our considerations of other laws and regulations that may have a material effect on the Company included permissions and supervisory requirements of the Prudential Regulation Authority and the Financial Conduct Authority.

**Omega Underwriting Holdings Limited Year ended 31 December 2020**  
A Canopus Group Company

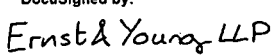
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OMEGA  
UNDERWRITING HOLDINGS LIMITED (CONTINUED)**

- We obtained a general understanding of how the Company is complying with those frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters of the Company. In assessing the effectiveness of the control environment, we also reviewed significant correspondence between the Company, and other UK regulatory bodies; reviewed minutes of the Board Committee and gained an understanding of the Company's approach to governance.
- The Company operates in the insurance industry which is a highly regulated environment. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the Company, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, including complex transactions, performance targets, external pressures and their potential to influence management to manage earnings or influence the perceptions of investors and stakeholders. We tested manual journals, including segregation of duties, and tested specific transactions backing to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions. These procedures were designed to provide reasonable assurance that the financial statements were materially free from fraud or error.
- In addition, we considered the impact of Covid-19 on the Company, including an assessment of the consistency of operations and controls in place as management transitioned to operating remotely for a significant proportion of 2020.
- Based on our understanding we designed our audit procedures to identify non-compliance with such laws and regulations impacting the Company. Our procedures involved making enquiry of those charged with governance and senior management for their awareness of any non-compliance of laws or regulations; inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees at a company level; inquiring about the Company's methods of enforcing and monitoring compliance with such policies; and inspecting significant correspondence with regulatory bodies.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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Neil Treadgold (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
27 September 2021

## Income statement

		Year ended 31 December	
	Note	2020 £'000	2019 £'000
<b>Operating profit</b>		-	-
<b>Profit on ordinary activities before interest and taxation</b>			-
Finance income	5	24	55
Finance costs	5	-	-
<b>Profit on ordinary activities before income tax</b>		24	55
Income tax expense on ordinary activities	6	-	-
<b>Profit for the financial year</b>		24	55

The income statement relates entirely to continuing activities.

There are no recognised gains or losses apart from those included in the income statement above. Accordingly no statement of comprehensive income is presented.

## Statement of financial position

		<b>As at 31 December</b>	
	<b>Note</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Fixed assets</b>			
Investments	7	400	400
		<b>400</b>	<b>400</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	2,106	2,082
		<b>2,106</b>	<b>2,082</b>
<b>Creditors amounts falling due within one year</b>		<b>-</b>	<b>-</b>
<b>Net current assets</b>		<b>2,106</b>	<b>2,082</b>
<b>Net assets</b>		<b>2,506</b>	<b>2,482</b>
<b>Equity</b>			
Called up share capital	9	1,000	1,000
Retained earnings		1,506	1,482
<b>Total shareholders' funds</b>		<b>2,506</b>	<b>2,482</b>

The notes on pages 13 to 18 are an integral part of these financial statements.

The financial statements on pages 10 to 18 were authorised for issue by the board of directors on 23 September 2021 and were signed on its behalf.



Nigel Meyer  
Director  
27 September 2021  
Omega Underwriting Holdings Limited  
Registered no. 03437588

## Statement of changes in equity

	Called up share capital (note 9)	Retained earnings	Total Share holders' funds
	£'000	£'000	£'000
<b>Balance as at 1 January 2019</b>	<b>1,000</b>	<b>1,427</b>	<b>2,427</b>
Profit for the financial year	-	55	55
<b>Balance as at 31 December 2019</b>	<b>1,000</b>	<b>1,482</b>	<b>2,482</b>
<b>Balance as at 1 January 2020</b>	<b>1,000</b>	<b>1,482</b>	<b>2,482</b>
Profit for the financial year	-	24	24
<b>Balance as at 31 December 2020</b>	<b>1,000</b>	<b>1,506</b>	<b>2,506</b>

## Notes to the financial statements

### 1. General information

The principal activity of the Company is to act as a holding company.

The Company is a subsidiary of Canopus Group Limited ("CGL") and is incorporated and domiciled in the UK. The address of its registered office is Floor 29, 22 Bishopsgate, London EC2N 4BQ. The company is limited by shares.

### 2. Summary of significant accounting policies

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

#### 2.1 Authorisation of the financial statements and basis of preparation

The financial statements of the Company for the year ended 31 December 2020 were authorised for issue by the board of directors on 23 September 2021 and the balance sheet was signed on the board's behalf by Nigel Meyer.

The financial statements of the Company have been prepared in accordance with the Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historic cost convention, as modified by financial assets and financial liabilities measured at fair value through profit and loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The Company meets the definition of a qualifying entity under FRS 100 issued by the FRC.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - o 10(d), (statement of cash flows);
  - o 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
  - o 16 (statement of compliance with all IFRS);
  - o 38A (requirement for minimum of two primary statements, including cash flow statements);
  - o 38B-D (additional comparative information);
  - o 40A-D (requirements for a third statement of financial position);
  - o 79(a)(iv) (outstanding shares at the beginning and end of the current period);
  - o 111 (cash flow statement information); and
  - o 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';
- Paragraphs 30 and 31 of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' (impact of IFRSs that have yet to be issued);
- Paragraph 17 and 18a of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group;
- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair Value Measurement' (disclosure);

## **2. Summary of significant accounting policies (continued)**

### **2.1 Authorisation of the financial statements and basis of preparation (continued)**

- Paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from contracts with customers'; and
- The company adopted the relevant presentation requirements of IAS 1 formats for the Statement of financial position and the Statement of profit or loss and other comprehensive income in accordance with Schedule 1 to the Regulations, as amended by Statutory Instrument 2015/980, which permits a company a choice of adapted or statutory formats. The company chose IAS 1 presentation format to be aligned with the Group financial statements.

Under the provisions of Section 401 (1) and (2) of the Companies Act 2006, the Company is exempt from the requirement to prepare and deliver consolidated group financial statements on the grounds that the ultimate parent undertaking, as set out in note 13, prepares group financial statements.

#### **2.1.1 Going concern**

The directors have considered the going concern basis of preparation of the Company's financial statements as at 31 December 2020. This included the factors likely to affect its future performance as well as the Company's principal risks and uncertainties.

As at 31 December 2020 the Company had net assets of £2,506,000 (2019: £2,482,000 net assets). The directors have a reasonable expectation that the Company has adequate resources to continue in the operational existence for at least until 30 September 2022. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

### **2.2 Foreign currency translation**

#### **(a) Functional and presentational currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

#### **(b) Transactions and balances**

Monetary assets and liabilities are translated into Pounds Sterling at the exchange rates prevailing at the balance sheet date. Income and expense transactions are translated using the rates prevailing at the date of transaction or appropriate average rates. All other foreign exchange gains are presented in the income statement within 'Other income' and losses within 'Administrative expenses'.

Non-monetary assets and liabilities carried at historical cost are translated in the balance sheet at the exchange rate prevailing on the original transaction date except where there has been a change in the functional currency.

### **2.3 Finance income**

Finance income consists of interest on loans to group undertakings.

### **2.4 Financial assets**

#### **2.4.1 Classification**

On initial recognition, financial assets are measured at fair value. Subsequently, they can be measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification depends on two criteria:

- I. the business model within which financial assets are managed; and
- II. their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principal and interest' (SPPI)).

## **2. Summary of significant accounting policies (continued)**

### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, are not intended to be sold in the short term and do not fall into the other categories of financial assets as described above. On initial recognition loans and receivables are measured at fair value. Subsequently they are measured at amortised cost.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within interest income or expenses in the period in which they arise.

### *Debtors*

Debtors are amounts due from associated group companies. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Debtors are measured at amortised cost using the effective interest method.

## **2.5 Impairment**

The impairment model assesses financial assets not held at FVTPL. As a result, the company must determine forward looking expected credit losses (ECL) for all its financial assets held at amortised cost.

The company has applied the simplified approach to establishing an ECL in relation to debtors. Debtors represent amounts due from managed syndicates and associated group companies.

## **2.6 Investments in Subsidiaries**

Investments in subsidiary undertakings are stated at cost, less any provision for impairment.

The recoverability of these balances is dependent on the financial position and future prospects of the subsidiary companies. The principal risks relating to these subsidiaries are outlined in their respective 31 December 2020 Annual report & financial statements.

## **2.7 Called up share capital**

Ordinary shares are classified as equity.

## **2.8 Current income tax**

The tax expense for the period comprises current 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 shareholder's funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Any tax balances are ceded to other group companies by way of group relief.



### 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There have been no estimates or judgements used during the year.

### 4. Auditors remuneration

	2020 £'000	2019 £'000
Audit of the company's financial statements	2	1

The audit fees have been borne by another group company.

### 5. Finance income

	2020 £'000	2019 £'000
Interest income	24	55
<b>Total finance income</b>	<b>24</b>	<b>55</b>

### 6. Income tax

#### Tax expense included in profit and loss

	2020 £'000	2019 £'000
Current tax:		
UK Corporation tax on profits for the year	-	-
Total current tax	-	-
<b>Tax on profit on ordinary activities</b>	<b>-</b>	<b>-</b>

Total tax assessed for the year is different from the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below.

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	24	55
Profit multiplied by the effective rate of tax in the UK of 19% (2019: 19%)	5	10
Effects of:		
Group relief at no charge	(5)	(10)
<b>Total tax charge</b>	<b>-</b>	<b>-</b>

In the current period, the enacted UK Corporation tax rate applicable to the company from 1 April 2020 was increased from 17% to 19%.

Since the balance sheet date, it was announced in the UK Government's Budget on 3 March 2021 that the main UK corporation tax rate will increase to 25% from 1 April 2023. This change has not yet been substantively enacted as at the end of 31 December 2020.

## 7. Investments

The Company's fixed asset investments represent investments in subsidiary undertakings at their cost less any provisions for impairment, where applicable.

	<b>2020</b> <b>£'000</b>	2019 £'000
At 1 January	400	400
Impairment during the year	-	-
At 31 December	400	400

Details of the Company's direct subsidiaries as at 31 December 2020 are stated below, all of which operate in the United Kingdom and are registered in England and Wales unless stated otherwise.

<b>Subsidiaries</b>	<b>Principal Activities</b>	<b>Country of incorporation</b>	<b>Registered address</b>	<b>Effective ordinary shares held by the Company (%)</b>
Omega Underwriting Agents Limited	Managing Agent at Lloyd's	UK	Floor 29 22 Bishopsgate London EC2N 4BQ	100%
Canopus Germany GmbH	Syndicate Service Company	Germany	Partnerschaftsgesellschaft Hohenstaufenring 57 50674 Cologne	100%
Omega Administration Services Limited	Service Company	UK	Floor 29 22 Bishopsgate London EC2N 4BQ	100%
Omega Dedicated (No.2) Limited	Dormant Lloyd's Corporate Member	UK	Floor 29 22 Bishopsgate London EC2N 4BQ	100%

Canopus Germany GmbH was put into liquidation on 1 July 2013.

## 8. Debtors: amounts falling due within one year

	<b>2020</b> <b>£'000</b>	2019 £'000
Amounts owed by group undertakings	2,106	2,082

Amounts owed by group undertakings include a loan to CGL which carries interest at LIBOR plus 2%.

## 9. Called up share capital

### Ordinary shares of £0.05 each

<b>Allotted, called up and fully paid</b>	<b>Number</b>	<b>£'000</b>
At 1 January 2019	20,000,000	1,000
At 31 December 2019	20,000,000	1,000
At 31 December 2020	20,000,000	1,000

## **9. Called up share capital (continued)**

### **Deferred share of £0.05 each**

Allotted, called up and fully paid	Number	£'000
At 1 January 2019	1	-
At 31 December 2019	1	-
At 31 December 2020	1	-

## **10. Directors' emoluments and staff costs**

No persons were employed by the Company during the year ended 31 December 2020 (2019: nil).

The Company's directors are employed by Canopus Services Limited ("CSL"). Staff and directors' costs were borne by a fellow group undertaking and no recharges were made by CSL to the Company for the year ended 31 December 2020 (2019: £nil).

The directors did not receive any emoluments from the Company for their qualifying services during the year ended 31 December 2020 (2019: £nil).

## **11. Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The company uses quantitative and qualitative information in order to reach a conclusion whether there has been any significant increase in credit risk from recognition.

Amounts owed by group companies – The amount includes inter-company balances with other group companies. The company assesses the risk by reviewing the going concern assessment, the long-term forecasts of the Group and whether there have been any historic defaults. The company has assessed the risk and does not consider there to be any significant risk of default given the credit rating and no history of default.

In 2020 the company has made a loss allowance of £nil (2019: £nil) given the factors above.

## **12. Capital and other commitments**

There were no capital commitments contracted for but not provided at 31 December 2020 (2019: £nil).

## **13. Immediate and ultimate parent undertaking and controlling party**

The Company's immediate parent CGL is registered in Jersey following a redomiciliation in August 2019.

CGL is the largest and smallest group of undertakings for which group accounts are drawn up and that are publicly available and of which the company is a member. The group accounts can be obtained from the Canopus website.

The ultimate controlling parties of CGL are CCP GP Investors Holdings (Cayman) LP, CCP III Cayman GP Limited and CCP III SBS Cayman Limited.

## **14. Events after the end of the reporting period**

There were no events after the end of the reporting period which require disclosure.