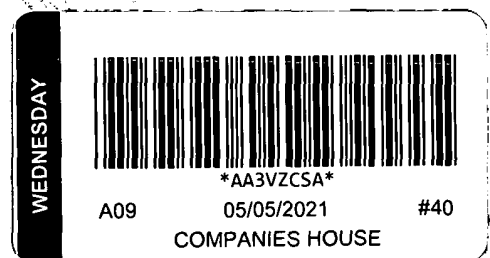


Assured Guaranty Finance Overseas Ltd.

Registered Number: 4031467

**Annual report and financial statements
For the year ended 31 December 2020**



Assured Guaranty Finance Overseas Ltd.

Registered in England No. 4031467

**Annual report and financial statements
For the year ended 31 December 2020**

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Assured Guaranty Finance Overseas Ltd.

Registered in England No. 4031467

Company Information

Directors

Robert Bailenson
Dominic Frederico
Nicholas Proud

Company secretary

Sandali Harvey

Registered office

6 Bevis Marks
London
EC3A 7BA

Independent auditors

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

Assured Guaranty Finance Overseas Ltd.

Registered in England No. 4031467

Directors' report for the year ended 31 December 2020

The directors present their report and the audited financial statements of Assured Guaranty Finance Overseas Ltd. (the "Company") for the year ended 31 December 2020. The Company has not prepared a strategic report as it has availed itself of the exemption for small companies within Part 15, section 414B of the Companies Act.

Principal activities

The principal activity of the Company is to introduce financial guarantee transactions to certain operating subsidiaries of Assured Guaranty Ltd. ("AGL"), primarily Assured Guaranty Municipal Corp. ("AGM"). AGM is an affiliated insurance company domiciled in the State of New York, United States of America.

The Company is authorised and regulated by the Financial Conduct Authority ("FCA") under Part IV of the Financial Services and Markets Act 2000 to conduct the business of advising on investments, arranging deals in investments and making arrangements with a view to transactions in investments.

The Company's target transactions are public finance and infrastructure obligations in the United Kingdom ("UK"), which would be co-insured by AGM together with Assured Guaranty UK Limited (formerly Assured Guaranty (Europe) plc) ("AGUK"), an affiliated, UK domiciled insurance company. Historically the Company's business had been to arrange credit derivative transactions between European counterparties and AG Financial Products Inc. ("AG FP"), an affiliated derivatives counterparty organised under the laws of the State of Delaware, United States of America. The Company has not arranged any transactions for AG FP since 2008.

The Company is not authorised as an insurer and does not participate in the transactions it arranges or places, and may not hold funds on behalf of its customers. The Company's role is limited to acting as an introducer of business to certain US affiliate companies. Additionally, the Company is also responsible for the provision of certain facilities services to other subsidiaries of AGL. The fee income received by the Company is based on a mark-up of overhead expenses incurred by the Company.

The Company is a wholly owned subsidiary of Assured Guaranty UK Holdings Limited ("AGUKH"), a company incorporated and registered in England and Wales. Following a group reorganisation, on 31 August 2020 ownership of the Company was transferred from AGL to AGUKH. At the same date, AGUKH contributed a 1% holding in Assured Investment Management (London) LLP (formerly Blue Mountain Capital Partners (London) LLP) to the Company.

Future outlook

The Company continues to develop its pipeline of new business opportunities. In the UK the Company continues to build upon the demand for AGM's financing solutions within the essential infrastructure markets, including the student accommodation, social housing, healthcare and transportation sectors as well as seeking to develop its offering in the structured finance markets.

COVID-19 triggered a global public health crisis and has caused unprecedented disruption to people lives, the global economy and financial markets. The pandemic related slowdown has pushed most global economies into recession with levels of unemployment continuing to rise despite unprecedented levels of central government support. While the development and rollout of effective vaccination programmes offer a potential route out of the current crisis, significant uncertainty remains as to the speed of economic recovery, as well as longer-term impacts to society, certain business sectors and the global economy generally.

Assured Guaranty Finance Overseas Ltd.

Registered in England No. 4031467

Directors' report for the year ended 31 December 2020 (continued)

As the pandemic took hold in the UK in March 2020, the Board moved quickly to invoke the Company's business continuity plans to ensure the safety and well-being of its staff. The Company has now operated on a remote working basis for over a year, with no significant impact on day-to-day operations. Appropriate changes have been made to key processes and internal controls to ensure their continued effective operation during the period of remote working. Additional employee training has also been provided. The Company will continue to take measures to appropriately support and minimise risks to its employees, including the use of travel restrictions, appropriate provisions for those staff providing childcare and the continuation of remote working. The Company has not sought to access the Coronavirus Job Retention Scheme.

The heightened focus upon credit quality and liquidity by investors and the prospect for further future ratings migration potentially increases the value of AGM's guarantee for certain issuers and investors, which will continue to provide opportunities for the Company to provide its introductory services.

Results and dividends

The Company's profit for the financial year is £40,000 (2019: £125,000). The directors do not recommend the payment of a dividend (2019: £nil).

Directors

The directors of the Company who were in office during the year or up to the date of the signing of the financial statements were:

Robert Bailenson
Dominic Frederico
Nicholas Proud

Financial risk management objectives

The Company is not exposed to financial risk through financial investments as the Company's financial assets are solely cash deposits. The Company carefully manages its assets to ensure there are sufficient resources to fund the Company's obligations as they fall due.

Currency risk

The Company is exposed to currency risk in respect of liabilities to fellow group companies denominated in currencies other than UK pound sterling. The US dollar is the most significant currency to which the Company is exposed. The Company manages this exposure by seeking to promptly settle these liabilities.

Liquidity risk

The Company monitors liquidity in order to ensure that the Company has sufficient available funds for operations. The financial resources of the Company are held in cash deposits and hence are available to meet the liabilities of the Company as they fall due.

Statement of disclosure of information to auditors

Each of the persons who is a director at the date of this report confirms that:

Assured Guaranty Finance Overseas Ltd.

Registered in England No. 4031467

Directors' report for the year ended 31 December 2020 (continued)

- 1) so far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2020 of which the auditors are unaware; and
- 2) they have taken all steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102, 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.

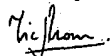
The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Independent auditors

Following a competitive tender process, Deloitte LLP ("Deloitte") is to be appointed as the Company's statutory auditor. PricewaterhouseCoopers LLP will resign as auditors following the signing of the Company's annual report and financial statements for the year ended 31 December 2020, and the Company's member will appoint Deloitte as statutory auditor to the Company in accordance with the provisions of the Companies Act 2006.

Approved by the Board of Directors on 26 April 2021 and signed for on its behalf by:



Nicholas James Proud

Director

26 April 2021

Assured Guaranty Finance Overseas Ltd.

Registered in England No. 4031467

Independent auditors' report to the members of Assured Guaranty Finance Overseas Ltd.**Report on the audit of the financial statements**

Opinion

In our opinion, Assured Guaranty Finance Overseas Ltd.'s 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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance sheet as at 31 December 2020; the Profit and loss account and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Assured Guaranty Finance Overseas Ltd.

Registered in England No. 4031467

**Independent auditors' report to the members of Assured Guaranty Finance Overseas Ltd.
(continued)**

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

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit***Responsibilities of the directors for the financial statements***

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those established by the Financial Conduct Authority, 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 financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed included:

- Discussions with management and individuals involved in the Risk and Compliance functions, including considerations of known or suspected instances of non-compliance with laws and regulation and fraud;
- Inspecting key correspondence with the Financial Conduct Authority in relation to compliance with relevant regulations;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

Assured Guaranty Finance Overseas Ltd.

Registered in England No. 4031467

**Independent auditors' report to the members of Assured Guaranty Finance Overseas Ltd.
(continued)**

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

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



Sundash Jassi (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 April 2021

Assured Guaranty Finance Overseas Ltd.

Registered in England No. 4031467

Profit and loss account for the year ended 31 December 2020

	<i>Note</i>	2020 £'000	2019 £'000
Turnover		5,044	7,411
Administrative expenses		(5,005)	(7,282)
Profit before taxation		39	129
Tax on profit on ordinary activities	9	1	(4)
Profit for the financial year		40	125

The notes on pages 12 to 17 form part of the financial statements.

All of the results set out are derived from continuing activities.

The Company has no material recognised gains and losses other than the profit above and therefore no separate statement of comprehensive income has been presented.

Assured Guaranty Finance Overseas Ltd.

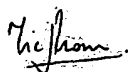
Registered in England No. 4031467

Balance sheet as at 31 December 2020

	<i>Note</i>	2020 £'000	2019 £'000
Investments			
Investment in group undertakings	8	40	-
Current assets			
Debtors	10	3,470	5,188
Cash at bank and in hand		1,587	1,034
Total Assets		5,097	6,222
Creditors: amounts falling due within one year	11	(2,501)	(3,706)
Net assets		2,596	2,516
Capital and reserves			
Called up share capital	12	200	200
Capital contribution reserve		59	19
Profit and loss account		2,337	2,297
Total shareholder's funds		2,596	2,516

The notes on pages 12 to 17 form part of the financial statements.

The financial statements on pages 9 to 17 were approved by the Board of Directors on 26 April 2021 and were signed on its behalf by:



Nicholas James Proud
Director

Assured Guaranty Finance Overseas Ltd.

Registered in England No. 4031467

Statement of changes in equity for the year ended 31 December 2020

	Called up Share capital	Capital contribution reserve	Profit and loss account	Total shareholder's funds
	£'000	£'000	£'000	£'000
Balance as at 1 January 2019	200	19	2,172	2,391
Profit for the financial year	-	-	125	125
Balance as at 31 December 2019	200	19	2,297	2,516
Capital contribution during the year	-	40	-	40
Profit for the financial year	-	-	40	40
Balance as at 31 December 2020	200	59	2,337	2,596

The addition to capital contribution reserve during the year reflects the parent company's contribution of a 1% holding in Assured Investment Management (London) LLP (formerly Blue Mountain Capital Partners (London) LLP) to the Company.

Assured Guaranty Finance Overseas Ltd.

Registered in England No. 4031467

Notes to the financial statements

For the year ended 31 December 2020

1. General information

Assured Guaranty Finance Overseas Ltd. (the "Company"), is a wholly owned subsidiary of Assured Guaranty UK Holdings Ltd. ("AGUKH"). The Company is authorised and regulated by the Financial Conduct Authority ("FCA") under Part IV of the Financial Services and Markets Act 2000 to conduct the business of advising on investments, arranging deals in investments and making arrangements with a view to transactions in investments.

The Company is a private company limited by shares and incorporated and domiciled in England. The Company's registered office is, 6 Bevis Marks, London EC3A 7BA.

2. Statement of compliance

The financial statements of Assured Guaranty Finance Overseas Ltd. have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, ("FRS 102") and the Companies Act 2006.

3. 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 years presented, unless otherwise stated.

a) Basis of preparation

The directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also sometimes requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no material areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements and as such a separate disclosure on critical accounting judgement and estimation has not been made.

b) Turnover

Turnover is comprised of service fee income from the provision of insurance introducing services and the provision of facilities services to certain Assured Guaranty Ltd. ("AGL") operating subsidiaries. The service fee income due to the Company for these services is equal to the cost of the Company's direct expenses plus a 10% mark up.

c) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated at the rate of exchange ruling at that date. All differences are recorded within the profit and loss account.

d) Administrative expenses

Administrative expenses are recognised and accrued as incurred. They are comprised of operational expenses paid by the Company.

Assured Guaranty Finance Overseas Ltd.

Registered in England No. 4031467

Notes to the financial statements (continued)

For the year ended 31 December 2020

3. Summary of significant accounting policies (continued)

e) Taxation

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

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.

Deferred taxation

A deferred tax asset or liability is recognised if transactions have occurred at the balance sheet date that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future. Deferred tax is measured using tax rates that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are not discounted.

f) Debtors and creditors

Debtors comprise service fee income due from AGL operating subsidiaries at the balance sheet date. Creditors comprise administrative expenses due to third parties and certain other AGL operating subsidiaries.

These amounts are recognised without any deductions and are not discounted.

g) Investment in group undertakings

The company's policy is to measure investment in group undertakings at cost less accumulated impairment losses.

h) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain exemptions. The Company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company includes the Company's cash flows in its own consolidated financial statements;
- (ii) from disclosing related party transactions on the basis the transactions are with related parties which are wholly owned within the same group.

Assured Guaranty Finance Overseas Ltd.

Registered in England No. 4031467

Notes to the financial statements (continued)**For the year ended 31 December 2020****4. Directors' emoluments**

The Company did not have any employees during the year (2019: nil). The directors of the Company are employees of Assured Guaranty UK Services ("AGUKS"), Assured Guaranty US Group Services Inc ("AGSRV") and AGL. In consideration for their services, management fees were levied on the Company by Assured Guaranty AGUKS. Amounts paid by AGUKS and by the Company to the directors in respect of their services to the Company are summarised below. The 2019 comparatives have been restated to include the amounts paid to directors by AGUKS.

	2020 £'000	Restated 2019 £'000
Aggregate remuneration	344	512
Aggregate amounts (excluding share options) receivable under long-term incentive plans of the ultimate parent company, AGL	134	169
	<u>478</u>	<u>681</u>

Share options

No directors (2019: no directors) exercised share options in the parent's shares during the year.

Long-term incentive scheme

One director (2019: one director) received shares (or had shares receivable) under a long-term incentive scheme. £134,000 (2019: £169,000) was paid or receivable by directors under a long-term incentive scheme.

Pension contributions

There were no directors to whom retirement benefits are accruing under money purchase schemes (2019: no directors).

There are no other assets (2019: £nil) (other than money, shares and share options) received or receivable by directors in respect of their services to the Company.

Highest paid director

The highest paid director's emoluments were as follows:

	2020 £'000	Restated 2019 £'000
Aggregate remuneration and benefits under long-term incentive schemes (excluding share options)	478	681
Company pension contributions to money purchase scheme	-	-
	<u>478</u>	<u>681</u>

The highest paid director did not exercise any share options in 2020 (2019: no shares exercised) and is accruing benefits under a long-term incentive scheme in 2020 and 2019.

The Company's key management are the Company's directors.

Assured Guaranty Finance Overseas Ltd.

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**Notes to the financial statements (continued)
For the year ended 31 December 2020****5. Employees**

The Company did not have any employees during the year (2019: nil). Both AGUKS and AGSRV provide certain services including the services of operational and management personnel employed by AGUKS and AGSRV to a number of companies within the AGL group, including the Company. In consideration for this service, management service fees were levied on the Company by AGUKS and by AGSRV. It is not feasible to ascertain separately the element of the service fee that relates to staff costs and hence no disclosure of staff costs is provided.

6. Profit before taxation	2020	2019
	£'000	£'000
Profit before taxation is stated after crediting / (charging):		
Foreign exchange gain	34	4

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2020	2019
	£'000	£'000
Fees payable to the Company's auditors for the audit of the Company's financial statements	40	35
	40	35

8. Investment in group undertakings

Following a group reorganisation, on 31 August 2020 ownership of the Company was transferred from AGL to AGUKH. At the same date, AGUKH contributed a 1% holding in Assured Investment Management (London) LLP (formerly Blue Mountain Capital Partners (London) LLP) to the Company. The Company's policy is to measure investments in group undertakings at cost less accumulated impairment losses. The recorded cost of the investment was based on its fair value as at the date of contribution to the Company.

Assured Guaranty Finance Overseas Ltd.

Registered in England No. 4031467

Notes to the financial statements (continued)**For the year ended 31 December 2020****9. Tax on profit on ordinary activities**

	2020	2019
	£'000	£'000
UK corporation tax (charge) / credit		
Adjustments in respect of prior periods	<u>1</u>	<u>(4)</u>
Tax on profit	<u>1</u>	<u>(4)</u>

The tax assessed in the year is lower (2019: lower) than the standard rate of corporation tax in the UK 19% (2019: 19%). The differences are explained below:

	2020	2019
	£'000	£'000
Profit before taxation	<u>39</u>	<u>129</u>
Profit multiplied by standard rate of corporation tax in the UK 19% (2019: 19%)	(7)	(25)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(10)	(14)
Group relief benefit	17	39
Adjustments in respect of prior periods	<u>1</u>	<u>(4)</u>
Tax income / (expense) for the year	<u>1</u>	<u>(4)</u>

The Company does not have any deferred tax assets or liabilities (2019: nil).

Assured Guaranty Finance Overseas Ltd.

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Notes to the financial statements (continued)**For the year ended 31 December 2020****10. Debtors**

	2020	2019
	£'000	£'000
Amounts owed by group undertakings	3,399	5,124
Other debtors	71	64
	<u>3,470</u>	<u>5,188</u>

11. Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Amounts owed to group undertakings	2,501	3,703
Accruals	-	3
	<u>2,501</u>	<u>3,706</u>

Amounts owed to group undertakings are unsecured and interest free repayable on demand.

12. Called up share capital

	2020	2019
	£'000	£'000
Authorised		
10,000,000 (2019: 10,000,000) ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted and fully paid		
200,001 (2019: 200,000) ordinary shares of £1 each	<u>200</u>	<u>200</u>

13. Ultimate and immediate parent company

The immediate parent undertaking of the Company is AGUKH, a company incorporated and registered in England and Wales. The ultimate parent undertaking and controlling party of the Company is AGL, a Bermuda incorporated insurance holding company.

AGL is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2020. The consolidated financial statements of AGL can be obtained from 30 Woodbourne Avenue, Hamilton HM 08, Bermuda or on the ultimate parent's website www.assuredguaranty.com.