



ASCOT INSURANCE SERVICES LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



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Company Information

Directors	A L Brooks
	H R Jones-Bak
	P Patel
	K M Wilson
Company Secretary	E H Guyatt
Independent Auditors	Deloitte LLP
	Statutory Auditor
	Hill House
	1 Little New Street
	EC4A 3TR
Company Bankers	Lloyds Bank Plc
	25 Gresham Street
	London
	EC2V 7HN
Registered Office	20 Fenchurch Street
	London
	England
	EC3M 3BY
Registered number	05113369

Strategic report for the year ended 31 December 2021

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

Principal activity and review of business

Ascot Insurance Services Limited ("AISL" or "the Company") is a wholly owned subsidiary of Ascot Underwriting Limited ("AUL"), the managing agent of Syndicate 1414 ("the Syndicate") and Syndicate 1796 which has capital provided by Parsyl Syndicate Limited, a company outside of the Ascot Group. AISL's principal activity is to act as a service company for Syndicate 1414, providing services between the Syndicate and businesses who are acting as coverholders for the Syndicate.

The Company charges a service fee to Syndicate 1414 for the services it provides in the management of its operations. For 2021 this has been calculated based on actual expenses incurred plus a mark-up of 5% (2020: 5%).

Key Performance Indicators

	2021	2020
	£	£
Net assets	197,218	195,494

The Company is a service company for Syndicate 1414. Since revenues are linked to actual expenditure plus a mark-up, the performance of the Company can only really be measured on its ability to maintain continued net asset solvency. The performance of the Syndicate does not have a direct effect on the Company.

Results and Performance

The Company made an operating profit of £2,128 (2020: loss of £2,374), driven by a foreign exchange gain of £1,167 (2020: £3,222 expense) and the mark up charged on the service fee to Syndicate 1414 of £961 (2020: £848). The tax charge was £404 (2020: charge £1,659) giving a profit for the financial year of £1,724 (2020: profit of £7,073).

Future Outlook

The Company will continue to trade as a service company for Syndicate 1414 for the foreseeable future.

Principal risks and uncertainties

The principal risks of the Company are considered to be:

- Credit risk - this represents the loss of assets via the inability of a third party to pay monies owing. The main risk to the Company derives from the inability of a bank to pay monies deposited by the Company. The Company maintains monies with national institutions to mitigate this risk.
- Liquidity risk - the risk is that sufficient cash may not be available to settle obligations when due at a reasonable cost. The Company does, however, maintain some liquid balances to cover unforeseen eventualities.
- Currency risk - the Company's assets consist mainly of cash balances denominated in foreign currencies whose value in sterling equivalent will fluctuate because of changes in foreign exchange rates. The Company manages this risk by matching assets and liabilities by major currency.

Strategic report for the year ended 31 December 2021 (continued)**Environmental, Social and Governance, Diversity and Inclusion, Climate change and Transitions risks**

The directors of the Board would like to share the following statement as it represents the actions being taken by the Ascot Group, within the UK.

Environment – The Board recognises the importance of establishing an environmental, social and governance ("ESG") philosophy that best serves our stakeholders and shareholders. Ascot recognises the need to address the impact of climate change on global communities. In line with our commitment to improving the transparency of our contribution to climate change, the following table summarises the results of the Ascot carbon emissions report, which has been calculated following the standards set out under the Greenhouse Gas (GHG) reporting regime:

2021-2020 greenhouse gas emission figures (tonnes CO equivalent)

Greenhouse Gas (GHG) Emissions	Unit	2021	2020
Scope 1 – Direct	tCO ₂ e	24	35
Scope 2 (location based) – Indirect	tCO ₂ e	99	126
Scope 2 (market based) – Indirect*	tCO ₂ e	—	-
Total (Location)	tCO ₂ e	123	161
Total (Market)	tCO ₂ e	24	35

*Electricity supplied by Total Gas & Power; 100% renewable supplied from REGO accredited source.

As evidenced above in the year-on-year reduction in greenhouse gas emissions despite the return of employees to the office in 2021 on a hybrid working basis, the management company of 20 Fenchurch Street have undertaken a number of energy efficiency projects during the year to reduce the building's carbon footprint and continue the transition towards renewable energy.

In addition to understanding our operational carbon footprint, we have also confirmed our commitment towards a future where the insurance sector can better support global efforts in addressing climate change, by aligning ourselves with the Lloyd's market ESG principles, including reviewing our asset portfolio with an ESG focus to determine the potential for adjustments.

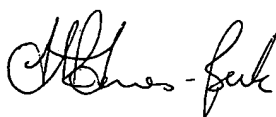
Social - Ascot endeavours not only to be a good corporate citizen and trusted insurer, but also a respected employer that prioritises the importance of staff wellbeing and success. For more detail and examples of how Ascot has supported staff through 2021, and other social initiatives, see our section 172 statement.

Governance - Ascot is committed to fostering and promoting responsible corporate governance and transparency. Strong governance practices underpin our commitment to ethics and integrity, board diversity and stakeholder engagement across all facets of the business. Oversight and discussion of ESG related items takes place across all committees of the governance framework with notable developments escalated to the Risk Committee, Executive Committee and ultimately, the Board. The structure is further supported by an Ascot Group Sustainability Steering Committee which has a more focused remit on ESG matters with specific workstreams responsible for aiding strategic decision making on ESG aspects of underwriting, operations, investments, social governance and communications.

Diversity and Inclusion - The Board continues to place emphasis on ensuring diversity in its broadest sense within the Company. It is committed to maintaining female Board and Executive level representation in line with targets that have been set across the Lloyd's market and actively monitors the development of diversity in senior management roles

Climate change and transition to renewable energy – As a global insurer the impact of climate change is fundamental to our business as we are witnessing a higher frequency and severity in natural catastrophes and extreme weather events, and Ascot endeavour to ensure the continued mitigation of our carbon footprint. To this end, the Syndicate has embedded ESG principles within the infrastructure of its underwriting and investment operations to ensure the day to day business is aligned with the ambition to reduce Ascot's greenhouse gas emissions.

The strategic report was approved at a meeting of the Board of Directors and signed on its behalf by:



H R Jones-Bak
Director
14 March 2022

Section 172 Statement

The directors are fully aware of their responsibilities to promote the success of the Company in accordance with s172 of the Companies Act and have acted in accordance with these responsibilities during the year. In respect to this disclosure the Board has identified that its key stakeholders are the Ascot UK workforce, our group shareholder (Canada Pension Plan Investment Board ("CPP Investments")), customers, brokers, regulators and suppliers. The Board considers and discusses information from across the organisation to assist in understanding the effect of Ascot's operations and the interests and views of our key stakeholders. It reviews strategy, financial and operational performance as well as information covering areas such as key risks and legal and regulatory compliance. This information is provided to the Board through reports circulated in advance of each Board meeting and through in-person presentations. Regarding our responsibilities to our key stakeholders the directors, individually and as a whole, have considered and acted in respect of:

The likely consequences of any decision in the long term

The directors have performed a review of the business and have considered the future outlook of the Company within the strategic report. Furthermore, our annual planning cycle is designed to ensure a long-term beneficial impact on the Ascot group, taking into account the strategic direction of the group, and overall profitability. In recent years, targeted underwriting actions have been taken by the Syndicate to improve stability of results and overall profitability; – this includes continuous performance monitoring and the non-renewal of consistently underperforming accounts. The directors have also focused on areas of expansion and opportunity, evident with the announcement during the year of the new Space insurance, UK Casualty Binders and expanded UK Cargo underwriting teams. We continue to operate our business within a structured control environment, ensuring ongoing compliance with all regulatory matters.

The interests of the employees working for the Ascot UK group

The directors strive to make Ascot an enjoyable and rewarding place to work, and periodically carry out employee surveys to ensure the level of staff engagement is on track with expectations. Employees are also encouraged to participate in the market-wide Lloyd's Culture Survey. Any areas of concern or issues highlighted are discussed at board level and appropriate action plans agreed. Furthermore, Ascot holds at least quarterly town hall meetings for all staff to discuss the Ascot group results, updates to Ascot's strategy, and opportunities and challenges that are being seen across the market. These regular meetings ensure Ascot staff are well informed and aligned to Ascot's core strategy, helping to keep standards and engagement at the expected level.

Although the pandemic restrictions were lifted by the UK Government during 2021, the well-being of our staff has continued to be paramount. The HR department has been proactive in ensuring all staff have access to mental well-being support, including a partnership with Campaign Against Living Miserably ('CALM') and the appointment of local Mental Health Champions in the UK who have received mental health first aid training. In recognition of Mental Health Awareness month, mental health awareness webinars were provided to all staff. A hybrid working policy has been introduced and implemented, designed to promote a positive work life balance, and increased flexibility has again been provided for staff to carry over untaken annual leave into 2022.

Ascot's commitment to maintaining an inclusive culture is enhanced by the formation of the Ascot Culture Council in 2021 to ensure that our employees help shape, reinforce and contribute to our culture. A series of roundtables were held in the year with all UK employees invited, with a focus on achieving wider input and feedback on Ascot culture and continuously shaping the Ascot culture strategy so it aligns with corporate objectives. Through the work supported by the Culture Council, Ascot is establishing an Employee Recognition and Mentorship Program in addition to establishing a Diversity Equality & Inclusion Advisory Council, as well as overseeing our charitable giving committees.

The need to foster the UK group's business relationships with suppliers, customers and others

Ascot strives to have a client-centric approach to business and is constantly reviewing how we engage with our customers to ensure we are able to transact as seamlessly and dynamically as possible. This includes reviewing the products on offer, the distribution channels used and ensuring the claims response time is among best in class within the London market, which is evidenced by our response times consistently being faster than the average for the market throughout 2021.

An initiative for Ascot through 2021 and beyond is fostering the "One Ascot" approach to business across the globe, whereby all staff members are encouraged to consider how we can better serve clients with our offerings available in other jurisdictions. Our internal digital strategy is focused on ensuring that all systems and processes are aligned to allow frictionless trade and reporting across regions giving our customers access to products that may have otherwise been difficult to service.

Section 172 Statement (continued)

The UK group has a robust accounts payable function that ensures suppliers are paid well within standard credit terms, with payments made weekly once invoices have been approved for settlement. Recent improvements to the underlying technology means that the approval process is automated, with staff able to approve invoices via mobile/email apps. This improved process means it is very rare for a legitimate invoice to be overdue for payment and ensures a good working relationship is maintained with our suppliers.

The impact of the UK group's operations on the community and the environment

Ascot has an active charity committee, which meets regularly to assess ongoing charitable partnerships, and other ways in which the UK group is able to support the local community. This has included continued support for staff raising money for charities close to them and donations to charities by service company Ascot Underwriting Holdings Limited ("AUHL") on behalf of the UK group of companies. The directors continue to consider the impact the UK group has on the environment and this will become an increasing area of focus over time. Staff are encouraged to take advantage of the cycle to work scheme and to limit the amount of printing in the office; processes can be conducted entirely digitally whilst ensuring controls are operating effectively with the appropriate audit trail. Ascot successfully implemented a hybrid working policy for employees once lockdown restrictions were lifted by the UK Government and this has significantly reduced the footfall and emissions incurred by employees previously travelling daily to the office.

The desirability of the UK group maintaining a reputation for high standards of business conduct

This is a core value of Ascot and every member of staff is expected to act with professionalism and integrity, which is reiterated within job descriptions, the staff handbook and the annual appraisal process. In order to ensure proper structures are in place to deliver these high standards of business conduct, the directors have put in place relevant committees and sub-committees that report to the Board for key areas of the business, including (but not limited to) Underwriting Management Committee, Risk Committee, Operations Committee, Executive Committee.

We have transparent communication and ongoing engagement with our key regulators facilitated through the compliance team and certain members of the executive team. Any significant regulatory matters are reported to the Board.

There is a clear policy in place for Whistleblowing ensuring employees are empowered to raise concerns in confidence and without fear of unfair treatment. The Risk Committee Chair, an Independent Non-Executive Director, is the Whistleblowing champion for the Company and the Risk Committee as a whole ensures that the processes in place are adequate; this includes the provision of an external whistleblowing hotline service.

The need to act fairly between members of Group

Ascot Group is privately owned by CPP Investments, with other minority investors being employees or former employees of Ascot. The Board includes CPP Investments appointed members who engage in all strategic and operational decisions.

Directors' Report for the year ended 31 December 2021

The directors present their report and audited Company financial statements for the year ended 31 December 2021.

Future Outlook

This has been discussed in the strategic report.

Dividends

The Company did not pay a dividend in 2021 (2020: £nil). There are no proposed dividends by the Company post the date of this report.

Directors and Officers

The directors who served during the year and up to the date of signing are listed below:

A L Brooks	Chairman
E H Guyatt	Secretary
H R Jones-Bak	
P Patel	
K M. Wilson	

Risk management

This has been discussed in the strategic report within *Principal risks and uncertainties*.

Charitable Donations

The Company did not make any donations for charitable purposes during the year (2020: £nil). No donations were made for political purposes (2020: £nil).

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report and the 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. 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 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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, with the exception of changes arising on the adoption of new accounting standards in the year;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including 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 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.

Directors' Report for the year ended 31 December 2021 (continued)**Disclosure of information to the auditors**

So far as each person who was a director of the Company at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow directors of the Company and the Company's auditors, each director has taken all the steps they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Energy and carbon reporting

This has been discussed in the strategic report within *Environmental, Social and Governance, Diversity and Inclusion, Climate change and Transitions risks*.

Independent Auditors

Deloitte LLP have expressed their willingness to continue in office as auditors.

The directors' report and the Section 172 statement was approved at a meeting of the Board of Directors and signed on its behalf by:



H R Jones-Bak
Director
14 March 2022

Independent auditor's report to the members of Ascot Insurance Services Limited**Report on the audit of the financial statements****Opinion**

In our opinion the financial statements of Ascot Insurance Services Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 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 our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Independent auditor's report to the members of Ascot Insurance Services Limited (continued)**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.

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 auditor's report.

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Lloyd's by-laws, environmental regulations and legislation regarding fraud and money laundering.

We discussed among the audit engagement team including and relevant internal specialists such IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with HMRC, Lloyds and the PRA.

Report on other legal and regulatory requirements**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 has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

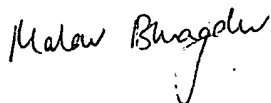
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Ascot Insurance Services Limited (continued)

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.



Malav Bhagdev FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
14 March 2022

**Statement of Comprehensive Income
for the year ended 31 December 2021**

	Note	2021 £	2020 £
Turnover	4	20,189	17,806
Gross profit		<u>20,189</u>	<u>17,806</u>
Administrative expenses		(18,061)	(20,180)
Operating profit/ (loss)	5	<u>2,128</u>	<u>(2,374)</u>
Interest receivable and similar income	8	—	11,106
Profit on ordinary activities before taxation		<u>2,128</u>	<u>8,732</u>
Tax on profit on ordinary activities	9	(404)	(1,659)
Profit for the financial year		<u>1,724</u>	<u>7,073</u>

All operations are continuing

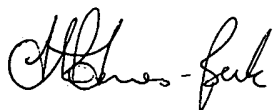
The notes on pages 15 to 19 form an integral part of these financial statements.

**Statement of Financial Position
as at 31 December 2021**

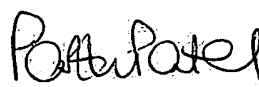
	Note	2021 £	2020 £
Debtors: Amount falling due within one year	10	645	274
Cash at bank and in hand		5,887,263	3,326,571
Current assets		5,887,908	3,326,845
Creditors: Amounts falling due within one year	11	(5,690,690)	(3,131,351)
Net current assets		197,218	195,494
Net Assets		197,218	195,494
Capital and reserves			
Called up share capital	12	1	1
Profit and Loss Account		197,217	195,493
Total shareholder's funds		197,218	195,494

The notes on pages 15 to 19 form an integral part of these financial statements.

The financial statements were approved at a meeting of the Board of Directors and signed on its behalf by:



H R Jones-Bak
Director
14 March 2022



P Patel
Director
14 March 2022

**Statement of Changes in Equity
for the year ended 31 December 2021**

	Note	Called Up Share Capital £	Profit and Loss Account £	Total Shareholder's Funds £
Balance as at 1 January 2020		1	188,420	188,421
Total comprehensive profit attributed to shareholders		-	7,073	7,073
Balance as at 31 December 2020		1	195,493	195,494
 Balance as at 1 January 2021		 1	 195,493	 195,494
Total comprehensive profit attributed to shareholders		-	1,724	1,724
Balance as at 31 December 2021		1	197,217	197,218

Notes to the financial statements**1. Statement of compliance**

The individual financial statements of Ascot Insurance Services Limited have been prepared in compliance with United Kingdom Accounting Standards, which includes Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), and the Companies Act 2006.

2. Summary of significant accounting policies

AISL is a private service company of Syndicate 1414 and is limited by its shares. The Company is incorporated in the United Kingdom and its registered address is 20 Fenchurch Street, London EC3M 3BY.

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.

Basis of presentation

The financial statements have been prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006, and reflect the provisions of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ('SI2008/410'), the accounting policies as set out below, and in accordance with applicable accounting standards in the United Kingdom (FRS 102). In selecting appropriate accounting policies and the disclosures needed to help users to understand the accounting policies adopted and how they have been consistently applied, consideration has been given to the provision of FRS 102.

Under FRS102 paragraphs 1.11, 1.12 and section 33, the Company qualifies for certain disclosure exemptions as the Company's result is included within the consolidated financial statements of Ascot Bermuda Limited ("ABL") and it has taken advantage of these exemptions from the preparation of a cash flow statement and related party disclosures. In compliance with FRS 102.8.6, there no significant judgments, or key assumptions and sources of estimation uncertainty concerning the future of the Company in the accounting policies presented below.

Going Concern

In arriving at a determination of going concern, the directors consider a number of risks, taking into account the economic, regulatory and environmental considerations as referenced in the Strategic Report;

- a. Credit risk - this represents the loss of assets via the inability of a third party to pay monies owing.
- b. Liquidity risk - the risk is that sufficient cash may not be available to settle obligations when due at a reasonable cost.
- c. Currency risk - the Company's assets consist mainly of cash balances denominated in foreign currencies whose value in sterling equivalent will fluctuate because of changes in foreign exchange rates.

The Company has concluded that it continues to be a going concern after taking into account the above risks, as it can evidence that it will continue to act as a service company for Syndicate 1414 for at least twelve months from the signing of the accounts.

Critical accounting judgements and estimation uncertainty

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 are no critical accounting judgements or estimation uncertainties for the Company.

Turnover

Turnover comprises a service fee charged by the Company to the Syndicate. The service fee is recognised in monthly instalments based on the service company agreement which is set at the beginning of each financial year.

Administrative expenses

All expenses are charged on an accruals basis. The Company retains expenses which are incurred directly in relation to running the Company, for example its audit fees.

Notes to the financial statements (continued)

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Foreign currencies

AISL's functional currency is pounds sterling. AISL income and expenses denominated in foreign currencies during the period are translated into sterling at the average rates of exchange during the year. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences arising from these transactions are recorded as a gain or loss in the Statement of Comprehensive Income.

Dividends

Interim dividends are recognised when paid and final dividends are recognised as a liability when they are approved by members passing a written resolution.

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

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on an undiscounted basis for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Current and deferred income taxes are recognised as income or expense in the Statement of Comprehensive Income.

Interest receivable and payable

Interest is recognised in the financial statements in the period to which it relates.

3. Cash flow statement

The Company is consolidated into the financial statements of ABL (see note 14). Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102.1.12 which states that a qualifying entity is entitled to do so.

4. Turnover

	2021	2020
	£	£
Service fees due from Syndicate 1414	20,189	17,806

5. Operating Profit / (Loss)

Operating profit/ (loss) is stated after charging:

	2021	2020
	£	£
Auditor's remuneration	6,748	6,551
Foreign Exchange (gains)/ losses	(1,167)	3,222

Auditor's remuneration relates purely to the audit of the statutory financial statements.

Notes to the financial statements (continued)

6. Employees

There are no employees. All staff are employed by other companies in the UK Group.

7. Directors

The Directors of the Company do not receive any emoluments for their service to the Company.

8. Interest receivable and similar income

Interest receivable relates to amounts earned from the Company's business accounts.

9. Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2021	2020
	£	£
Current Tax		
UK corporation tax charge on profit for the year	404	1,659
Current tax on income for the year	<u>404</u>	<u>1,659</u>
Deferred Tax:		
Deferred tax (credit) / charge	—	—
Total Tax Charge	<u>404</u>	<u>1,659</u>

(b) Factors affecting tax charge for the year

The standard rate of Corporation Tax in the UK is 19.00% (2020: 19.00%). Accordingly, the Company's profits for this accounting period are taxed at a rate of 19.00% (2020: 19.00%). The current tax assessed for the year is the same (2020: the same) as the standard rate of Corporation Tax in the UK for 2021 of 19% (2020: 19.00%). The differences are explained below:

	2021	2020
	£	£
Profit on ordinary activities before taxation	<u>2,128</u>	<u>8,732</u>
Profit on ordinary activities multiplied by corporation tax in the UK of 19.00% (2020: 19.00%)	404	1,659
Current tax charge on profit for the year	<u>404</u>	<u>1,659</u>

10. Debtors: Amounts falling due within one year

	2021	2020
	£	£
Amounts due from Syndicate 1414	645	34
Other debtors	—	240
	<u>645</u>	<u>274</u>

Amounts due from Syndicate 1414 have no associated terms and conditions, and will be settled within one year.

Notes to the financial statements (continued)

11. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Premium creditors	5,679,037	3,117,841
Accruals and deferred income	11,249	10,051
Corporation tax payable	404	1,659
Amount due to related parties	—	1,800
	<u>5,690,690</u>	<u>3,131,351</u>

Premium creditors represent amounts owed to Syndicate 1414. The Company provides services between the Syndicate and businesses who are acting as coverholders for the Syndicate. The balances represent insurance funds received from external parties which the Company then pays on to the Syndicate once transactions are identified and reconciled.

Amounts due to related parties represents expenses settled by the UK service company AUHL on the Company's behalf. The prior year amount due to parent companies represented group relief settlement of the Company's corporation tax payable amount which was subsequently settled during 2021.

12. Called up share capital

At 31 December 2020 and 31 December 2021	Authorised	Allotted & fully paid
	£	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

The issued share capital is wholly owned by the Company's parent, AUL.

13. Related party transactions

The only related parties that have transacted with Ascot Insurance Services Limited are companies within the Ascot Group.

The Company has taken advantage of exemptions under FRS 102 Section 33 to not disclose inter-group transactions as the Company is a wholly-owned subsidiary of ABL. Copies of the Ascot Group Limited consolidated financial statements can be obtained from the Company Secretary, Victoria Place, 5th Floor, 31 Victoria Street, Hamilton, HM10, Bermuda.

At the statement of financial position date, outstanding non insurance amounts due from the Syndicate were £645 (2020: £34). At 31 December 2020 the insurance balance owed by the Company to Syndicate 1414 was £5,679,037 (2020: £3,117,841).

During the year, group relief was utilised by the Company to settle its 2020 financial year corporate tax payable amount through AUHL. At the statement of financial position date, outstanding amounts due to AUHL were £nil in respect of expenses settled on the Company's behalf (2020: £1,800 in respect of expenses).

Other than those mentioned above and in the relevant disclosure notes, there were no other material related party transactions during the year.

Notes to the financial statements (continued)**14. Ultimate parent undertaking**

The immediate parent undertaking is Ascot Underwriting Limited. Copies of Ascot Underwriting Limited financial statements can be obtained from the Company Secretary, Ascot Underwriting Limited, 20 Fenchurch Street, London, EC3M 3BY.

The intermediate parent undertaking and smallest group to consolidate these financial statements is ABL. Copies of the Ascot Group Limited consolidated financial statements can be obtained from the Company Secretary, Victoria Place, 5th Floor, 31 Victoria Street, Hamilton, HM10, Bermuda.

The ultimate parent undertaking and controlling party is Canada Pension Plan Investment Board, incorporated in Canada with a registered address of: 1 Queen Street East, Suite 2500, Toronto ON M5C 2W5, Canada.