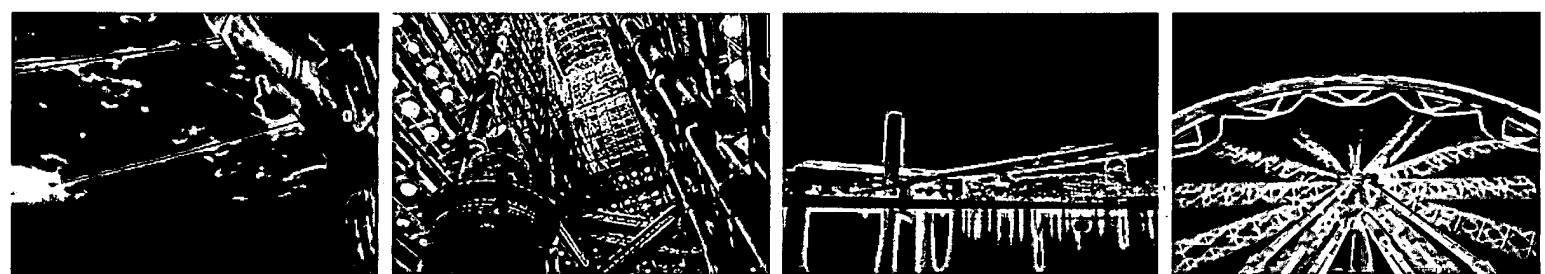




## AEGIS LONDON SERVICES LIMITED



### Annual Report and Financial Statements

Year Ended 31 December 2022

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# Report of the directors

The directors of AEGIS London Services Limited ("the Company") present their annual report and audited financial statements for the year ended 31 December 2022.

The Company is, through intermediate holding companies, a wholly owned subsidiary of Associated Electric & Gas Insurance Services Limited ("AEGIS") incorporated in Bermuda. AEGIS London Holdings Limited ("ALHL") is the immediate parent and with its fellow subsidiaries comprises the AEGIS London group of companies ("the Group").

## 1. Directors' report

### Directors

Chief Executive Officer: A J P Powell (Appointed 1 July 2022)  
Non-Executive Chairman: T G S Busher

The directors of the Company who have served through the period and up to the date of signing are shown above. David Croom-Johnson served as a Director in his role as Chief Executive Officer from 1 January 2022 to 30 June 2022.

On 30 June 2022, David Croom-Johnson retired and was succeeded as Chief Executive Officer by Alex Powell, who was the Chief Underwriting Officer for the Group until that date.

### Results and proposed dividend

The Company made a profit on ordinary activities after taxation of £506k (2021: £95k). There is no dividend paid or proposed for the year ended 31 December 2022 (2021: £nil).

### Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis for preparing the annual report and financial statements.

The directors are satisfied that the on-going financial performance of Syndicate 1225 (the "Syndicate"), which is managed by the Company's affiliate, AEGIS Managing Agency Ltd (the "Managing Agent"), is sufficient to enable the Company to operate for the foreseeable future, given it will continue to provide services to the Syndicate in its role as an authorized broker for the Syndicate. Additional details supporting the going concern assumption can be found in Note 1 of these financial statements.

### Future developments

Details regarding future developments of the Company have been set out in the Strategic Report.

### Use of financial instruments

In relation to the use of financial instruments, objectives and policies as well as exposure to risks are discussed in note 3 to these financial statements and in the Strategic Report on page 3.

### Directors' indemnities

The Company has agreed to indemnify, to the extent permitted by law, each of the directors against any liability incurred by a director in respect of acts or omissions arising in the course of their office. The indemnities were in force throughout 2022 and remain so.

### Disclosure of information to auditor

Each director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

### Independent auditors

The auditors for the year ended 31 December 2022 were Deloitte LLP. They have indicated their willingness to be appointed for another term and appropriate arrangements have been put in place for them to be re-appointed.

## Report of the directors *continued*

### 2. Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

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 United Kingdom Accounting Standards 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.

Approved by the Board of Directors of AEGIS London Services Limited on 7<sup>th</sup> June 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A J P Powell', written in a cursive style.

**A J P Powell**  
Chief Executive Officer  
7<sup>th</sup> June 2023

# Strategic report

## Principal activities and review of the business

The Company is an appointed representative of the Managing Agent, transacting insurance business on behalf of the Syndicate. The Company will continue to transact business on behalf of the Syndicate for the foreseeable future. Premium volumes transacted on behalf of the Syndicate, for which the Company receives a 5% brokerage, increased to £15.7m (2021: £12.6m) driven primarily by the Hull and Property classes of business.

The Company is a private company limited by shares and is incorporated under the laws of England and Wales in accordance with the Companies Act 2006. Its registered office is at 25 Fenchurch Avenue, London, EC3M 5AD. Further details of the Company can be found in the Administration section on page 16.

## Future developments of the Company

The Company is looking to continue to provide its services as an authorised broker of the Syndicate and to continue to support the Group's strategy of the pursuit of underwriting excellence whilst achieving a sustainable profit. The Company will look to continue improving its digital product offerings, whilst striving to deliver excellence in underwriting and service levels.

## Section 172(1) of the Companies Act 2006

The directors consider that they have had appropriate regard to the matters set out in section 172(1)(a) to (f) when performing their duties. The directors of the Company are comfortable that the policies and decisions taken by the Managing Agent are appropriate for the Company and have considered the wider impact of strategic decisions to the Company's stakeholders. This included, for example, approval of the Syndicate's business plan for the 2023 year of account.

The Board has identified the Company's stakeholders as those entities and individuals with whom it has business relationships, the community, and the shareholder. The directors have detailed below the engagements with these stakeholders.

## Business Relationships

The delivery of a first class claims service to brokers and clients is a key strategic initiative. The Managing Agent has been recognised for having outstanding London Market Claims service quality. Underwriting policies aim to meet the changing needs of clients, and proactive communication with brokers is always encouraged.

The directors recognise that a commitment to a high standard of business conduct is critical to the delivery of the Group's strategy. The 'Conduct Risk Policy' is reviewed and approved by the Managing Agent's Board annually.

## Community

The directors encourage a positive relationship with the community. Voluntary and fundraising efforts occurred during the year.

## Shareholder Engagement

The directors are committed to co-ordinating and collaborating with the ultimate parent company, and continue to work closely across all areas.

## Principal risks and uncertainties

The principal risks to the Company have been evaluated through our enterprise risk management ("ERM") framework and the most significant risk is that the Company will not generate sufficient income to cover its operating expenses. The Directors consider that sufficient cash reserves are available to cover the liabilities falling due in the next 12 months. All of these are closely monitored and managed.

Our outlook remains positive for the Company. Our focus remains on the key objectives for the Syndicate of delivering the 2023 Syndicate Business Plan, maintaining first class claims service, and meeting reporting deadlines. These objectives are all considered reasonable. The Company's key objectives and focus remains on providing brokerage services to the Syndicate.

The subsidiaries of the Company (see note 8 to the financial statements) will continue to provide services to the Company.

## Key Performance Indicators

Turnover is a key performance indicator for the Company, given its purpose is to provide brokerage services for the Syndicate. The Company recognised turnover for the year of £785k (2021: £630k).

## **Strategic report** *continued*

### **Climate Change**

The directors are aware of climate change and its potential to impact the principal risks affecting the business. As part of its risk management framework, and through the existing ERM infrastructure, the Company and its directors monitor the potential impact of climate change through the analysis of various scenarios, predominantly through Own Risk and Solvency Assessment processes; refer to note 3 of these financial statements.

### **Use of financial instruments**

The Company makes no use of financial instruments in the management of its risk exposures. Balance Sheet debtors and creditors are valued at fair value.

Approved by the Board of Directors of AEGIS London Services Limited and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A J P Powell', written in a cursive style.

**A J P Powell**  
*Chief Executive Officer*  
7<sup>th</sup> June 2023

# **Independent auditor's report to the members of AEGIS London Services Limited**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of AEGIS London Services Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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 total comprehensive income;
- the balance sheet;
- the statement of changes in shareholder's funds; and
- the related notes 1 to 13.

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

We have nothing to report in this regard.

# Independent auditor's report to the members of AEGIS London Services Limited *continued*

## 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.

## 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](http://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 and internal audit about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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 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.

We discussed among the audit engagement team 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, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated 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.



# **Independent auditor's report to the members of AEGIS London Services Limited** *continued*

## **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 have 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 strategic report or 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.

We have nothing to report in respect of these matters.

### **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.



Adam Ely FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
7<sup>th</sup> June 2023

## Statement of total comprehensive income

(For the year ended 31 December 2022)

	Notes	2022	2021
		£000	£000
Turnover	2	785.2	629.5
Administrative expenses	5	(160.7)	(503.5)
<b>Profit on ordinary activities before taxation</b>	4	<b>624.5</b>	<b>126.0</b>
Tax charge on profit on ordinary activities	6	(118.6)	(30.8)
<b>Profit on ordinary activities after taxation</b>		<b>505.9</b>	<b>95.2</b>
Other comprehensive income – currency translation differences on foreign currency		166.2	20.6
<b>Total comprehensive income for the year</b>		<b>672.1</b>	<b>115.8</b>

The total comprehensive income relates to continuing activities.

There were no recognised gains or losses other than those reported in the Statement of total comprehensive income for the financial year.

The notes on pages 11 to 15 form an integral part of these financial statements.

# Balance sheet

(As at 31 December 2022)

	Notes	2022	2021
		£000	£000
<b>Non-current assets</b>			
Investments in subsidiaries	7	-	-
<b>Current assets</b>			
Debtors	8	105.0	1,050.4
Cash at bank and in hand		179.1	948.0
Cash in trust		3,411.5	2,098.0
		<b>3,695.6</b>	<b>4,096.4</b>
<b>Creditors: amounts falling due within one year</b>	9	<b>(1,599.2)</b>	<b>(2,684.1)</b>
<b>Net current assets</b>		<b>2,096.4</b>	<b>1,412.3</b>
<b>Net assets</b>		<b>2,096.4</b>	<b>1,412.3</b>
<b>Capital and reserves</b>			
Called up share capital	10	62.0	50.0
Profit and loss account		2,034.4	1,362.3
<b>Total shareholder's funds</b>		<b>2,096.4</b>	<b>1,412.3</b>

The financial statements of AEGIS London Services Limited (registered number: 06872527) were approved by the Board and signed on their behalf by:



**A J P Powell**  
Chief Executive Officer  
7<sup>th</sup> June 2023

The notes on pages 11 to 15 form an integral part of these financial statements.

## Statement of changes in shareholder's funds

(for the year ended 31 December 2022)

<b>2022</b>	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Shareholder's funds £'000</b>
At 1 January 2022	50.0	1,362.3	1,412.3
Profit on ordinary activities after taxation	-	505.9	504.8
Other comprehensive income – currency translation differences on foreign currency	12.0	166.2	178.1
Total comprehensive income	12.0	672.1	682.9
<b>At 31 December 2022</b>	<b>62.0</b>	<b>2,034.4</b>	<b>2,095.2</b>
<b>2021</b>	<b>Called up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Shareholder's funds £'000</b>
At 1 January 2021	50.0	1,246.5	1,296.5
Profit on ordinary activities after taxation	-	95.2	95.2
Other comprehensive income – currency translation differences on foreign currency	-	20.6	20.6
Total comprehensive income	-	115.8	115.8
<b>At 31 December 2021</b>	<b>50.0</b>	<b>1,362.3</b>	<b>1,412.3</b>

The notes on pages 11 to 15 form an integral part of these financial statements.

# Notes to the financial statements

(Forming part of the financial statements)

## 1. Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with FRS 102 issued by the Financial Reporting Council. A cash flow statement has not been prepared, as the Company is exempt under FRS 102, being a qualifying entity by virtue of being a subsidiary undertaking where 90% of the voting rights are within the group. The Company's financial statements are fully consolidated within the financial statements of the ultimate parent and controlling company, Associated Electric & Gas Insurance Services Limited ("AEGIS"), which are publically available and may be obtained at 1 Meadowlands Plaza, East Rutherford, NJ 07073.

AEGIS London Services Limited is a private limited company, limited by shares and incorporated under the laws of England and Wales under the Companies Act. The address and registered office is given on page 16. The nature of the Company's operation and its principal activities are set out in the Strategic Report on page 3.

The Company has taken exemption from preparing consolidated financial statements under the Companies Act 2006 section 400, as the Company is a wholly owned subsidiary of a consolidated group. Furthermore, the Company has also taken advantage of the exemption to disclose related party transactions with its parent undertaking and fellow subsidiary undertakings under FRS 102 Section 33. No contract existed at any time during the year in which a director or key manager was materially interested or which required disclosure as a related party transaction as defined under FRS 102 section 33.

## Principal accounting policies

The following accounting policies have been applied consistently in the current and preceding year, unless specifically stated as having changed, in dealing with items which are considered material in relation to the Company's financial statements.

## Critical accounting judgements and key sources of estimation uncertainty

There are no key assumptions concerning the future and no other key sources of estimation uncertainty to disclose at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. No critical judgements have been made in applying the accounting policies.

## Turnover

Turnover consists of brokerage receivable from Lloyd's Syndicate 1225 in respect of insurance premium placed with the Syndicate. The Company's entire turnover is derived from the Syndicate.

## Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based upon current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

## Foreign exchange

In accordance with FRS 102, the functional currency of the Company is US Dollars as this is the currency of the primary economic environment in which the entity operates and is the one in which it primarily generates and expends cash. The reporting currency of the Company is Pounds Sterling.

Transactions in foreign currencies are translated to the functional currency using the exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historic cost are translated to the functional currency using the exchange rate at the date of the transaction. Income and expenditure in foreign currencies are translated to the functional currency using the exchange rates at the date of the transactions. All differences on the translation of foreign currency amounts are dealt with in the profit and loss account. Any gains or losses arising on the retranslation from functional currency to presentational currency are recorded as Other Comprehensive Income as per FRS 102.

## Notes to the financial statements *continued*

(Forming part of the financial statements)

### 1. Basis of preparation *continued*

#### Cash in trust

Cash in trust is the amounts held by the Company in relation to its services provided as an authorised broker of the Syndicate. They are amounts received and paid in relation to the Company's brokerage business and are not used for non-brokerage operating activities of the Company.

#### Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 3 and 4 and the Report of the Directors on pages 1 and 2. Its forecasts and projections, taking account of reasonably possible changes in trading performance, show that the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, given it will continue to provide services to the Syndicate in its role as an authorized broker for the Syndicate. Accordingly they continue to adopt the going concern basis in preparing the annual report and financial statements.

### 2. Turnover - segmental analysis

	2022	2021
	£000	£000
Property	228.5	202.5
Livestock	36.1	22.3
Energy	11.7	22.2
Accident and health	117.3	111.1
Hull	314.5	195.8
Casualty	77.0	75.6
Errors & Omissions	0.1	0.0
	<hr/>	<hr/>
	785.2	629.5
	<hr/>	<hr/>

### 3. Principal risks and uncertainties

The principal risks to the Company have been evaluated through our enterprise risk management ("ERM") framework and the most significant risk is that the Company will not generate sufficient income to cover its operating expenses.

Detailed below are additional risks the Company is exposed to and how they are managed.

#### Credit Risk

This is the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations. The company is exposed to credit risk through its cash holdings with credit institutions. All of the Company's cash is held with highly rated financial institutions. The remainder of the credit risk is in the form of receivables from fellow Group companies and are hence highly rated.

#### Liquidity Risk

This is the risk that cash may not be available, or assets cannot be liquidated at a reasonable price, to pay obligations as they fall due. The Company is exposed to liquidity risk arising from the inability to recover its debtor balances and consequential inability to pay liabilities as they fall due. As all of the company's debtors are from related parties liquidity risk is considered to be minimal.

#### Currency Risk

A significant portion of the Company's income and debtors are denominated in US dollars, while the majority of the Company's expenses and corresponding creditors are incurred in Sterling. This risk is considered minimal as the currency risk exposure is with the Syndicate and managed at Group level.

#### Interest Rate Risk

The Company has no significant exposure to interest rate risk as it has no investments in debt and other fixed income securities.

## Notes to the financial statements *continued*

(Forming part of the financial statements)

### 4. Profit on ordinary activities before taxation

2022	2021
£000	£000

Included within profit on ordinary before taxation activities are:

Auditor's remuneration:

- Audit of the financial statements	10.9	11.8
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### 5. Administrative expenses

During the financial year the Company was charged £282k (2021: £315k) for salaries and £128k (2021: £89k) for office rent, desktop and computer support, paid for on the Company's behalf by a fellow Group company.

No director's remuneration was paid in the financial year (2021: £nil), the director's remuneration was borne by another Group company.

The Company had no employees during the year (2021: Nil), all employees are employed by another Group company.

### 6. Tax on profit on ordinary activities

#### a) Analysis of the tax charge in the year

	2022 £000	2021 £000
Current year	118.7	23.9
Adjustment in respect of prior years	(0.1)	6.9
<b>Total current taxation</b>	<b>118.6</b>	<b>30.8</b>

#### b) Factors affecting the tax charge for the year

	2022 £000	2021 £000
Profit on ordinary activities before tax	624.5	126.0
Profit on ordinary activities multiplied by the rate of corporation tax 2022: 19% (2021: 19%)	118.7	23.9
Adjustment in respect of prior years	(0.1)	6.9
<b>Total tax charge for the year</b>	<b>118.6</b>	<b>30.8</b>

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 now been substantively enacted, however as the Company does not hold deferred tax balances, this change will have no impact on the Company.

## Notes to the financial statements *continued*

(Forming part of the financial statements)

### 7. Investments in subsidiaries

	2022 £	2021 £
Subsidiary undertakings:		
AEGIS London Services (Canada) Inc	6	6
AEGIS London Adjusting (Canada) Inc	6	6
	<u>12</u>	<u>12</u>

Subsidiary undertakings accounted at cost, relate to the following group investments:

	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Holding</i>	<i>%</i>
<i>AEGIS London Services (Canada) Inc</i>	<i>Canada</i>	<i>Service Company</i>	<i>Ordinary shares</i>	<i>100</i>
<i>AEGIS London Adjusting (Canada) Inc</i>	<i>Canada</i>	<i>Service Company</i>	<i>Ordinary shares</i>	<i>100</i>

AEGIS London Services (Canada) Inc, and AEGIS London Adjusting (Canada) Inc, provide insurance related services to Syndicate 1225. The registered address and offices of both companies is 79 Wellington St. W., 30<sup>th</sup> Floor, Box 270, TD South Tower, Toronto, Ontario, M5K 1N2.

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

	2022 £000	2021 £000
Amounts due by group undertakings	<u>105.0</u>	<u>1,050.4</u>
	<u>105.0</u>	<u>1,050.4</u>

The amounts due by group undertakings principally represent amounts owed to the Company from the Syndicate, which have been calculated on an arm lengths basis.

### 9. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Accruals and deferred income	15.3	14.3
Trade creditors	1,327.7	224.1
Amounts owed to group undertakings	<u>256.2</u>	<u>2,445.7</u>
	<u>1,599.2</u>	<u>2,684.1</u>

Amounts owed to group undertakings principally represent recharges of expenses from the Managing Agent and amounts owed to other group undertakings in the ordinary course of business, which have been calculated on an arm's length basis.



## Notes to the financial statements *continued*

(Forming part of the financial statements)

### 10. Called up share capital

	2022	2021
	£000	£000
Allocated, called up and fully paid - 50,000 £1 ordinary shares	50.0	50.0
Translation of share capital from functional to presentation currency	12.0	-
	<u>62.0</u>	<u>50.0</u>

### 11. Capital and operating lease commitments

There were no capital commitments or operating lease commitments at 31 December 2022 (2021: £nil).

### 12. Contingent liabilities

There were no contingent liabilities at 31 December 2022 (2021: £nil).

### 13. Ultimate parent

The Company's immediate parent is AEGIS London Holdings Limited, incorporated in the United Kingdom with its registered address at 25 Fenchurch Avenue, London EC3M 5AD, and is the smallest group of undertakings for which group financial statements are prepared. Its ultimate parent is Associated Electric & Gas Insurance Services Limited (AEGIS), incorporated in Bermuda with its registered address at 6<sup>th</sup> Floor, 141 Front Street, Hamilton, HM19, Bermuda. AEGIS is the largest group of undertakings for which group financial statements are prepared. A copy of the AEGIS accounts may be obtained from 1 Meadowlands Plaza, East Rutherford, NJ 07073, USA.

## Administration

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*AEGIS Syndicate 1225 at Lloyd's of London ("Syndicate 1225") commenced operations in 1999. Syndicate 1225 operations are supported by AEGIS Managing Agency Limited ("AMAL"), which provides professional employees and services for Syndicate 1225. AEGIS Electric & Gas International Services Limited ("AISL") is a corporate member of Lloyd's and the capital provider of Syndicate 1225. AISL, AMAL, AEGIS London Services Limited, AEGIS Electric & Gas International Services 2 Limited, AEGIS Electric & Gas International Services 3 Limited, AEGIS Electric & Gas International Services 4 Limited, and AEGIS Electric & Gas International Services 5 Limited are subsidiaries of AEGIS London Holdings Limited, and ultimately owned by Associated Electric & Gas Insurance Services Limited ("AEGIS").*