

Company Registration No. 09640934 (England and Wales)

ACCELERATE UNDERWRITING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
PAGES FOR FILING WITH REGISTRAR

LB GROUP
Number One
Vicarage Lane
Stratford
London
England
E15 4HF

ACCELERATE UNDERWRITING LIMITED

COMPANY INFORMATION

Directors	Mr C. G. Harman	(Resigned 19 February 2021)
	Mr S. Brown	
	Mr C. M. Davies	(Resigned 30 April 2021)
	Mr N. H. Topche	(Resigned 19 February 2021)
	Mr F. J. A. Smith	Chairman
	Mrs S.C. Alexander	(Appointed 19 February 2021)
	Mr P.G. Cullum	(Appointed 19 February 2021)
	Mr C.N. Hawes	(Appointed 1 May 2021)

Company number 09640934

Registered office Number One
Vicarage Lane
Stratford
London
England
E15 4HF

Business address Third Floor
153 Fenchurch Street
London
Greater London
UK
EC3M 6BB

Auditors LB Group (Stratford)
Number One
Vicarage Lane
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London
England
E15 4HF

ACCELERATE UNDERWRITING LIMITED

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ACCELERATE UNDERWRITING LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	4		407,237		392,490
Tangible assets	5		5,700		3,596
			<u>412,937</u>		<u>396,086</u>
Current assets					
Debtors	6	238,652		378,240	
Cash at bank and in hand		198,571		81,679	
		<u>437,223</u>		<u>459,919</u>	
Creditors: amounts falling due within one year	7	<u>(2,679,345)</u>		<u>(2,472,080)</u>	
Net current liabilities			<u>(2,242,122)</u>		<u>(2,012,161)</u>
Total assets less current liabilities			<u>(1,829,185)</u>		<u>(1,616,075)</u>
Creditors: amounts falling due after more than one year	8		-		(497,080)
Net liabilities			<u>(1,829,185)</u>		<u>(2,113,155)</u>
Capital and reserves					
Called up share capital			1,000		1,000
Profit and loss reserves	9		<u>(1,830,185)</u>		<u>(2,114,155)</u>
Total equity			<u>(1,829,185)</u>		<u>(2,113,155)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 9 November 2021 and are signed on its behalf by:

Mr S Brown
Director

Company Registration No. 09640934

ACCELERATE UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Accelerate Underwriting Limited is a private company limited by shares incorporated in England and Wales. The registered office is Number One, Vicarage Lane, Stratford, London, England, E15 4HF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Company is a managing general agent ("MGA") underwriting insurance on behalf of major insurance companies and Lloyd's syndicates ("Carriers"). The company operates as an Appointed Representative ("AR") of Resolution Underwriting Partnership Limited ("RUPL"), a company regulated by the UK Financial Conduct Authority ("FCA") and a Lloyd's approved coverholder.

As at 31 December 2020 the Company has been advanced loans of £1,742,296 by the group holding company Resolution Underwriting Holdings Limited ("RUHL"), as well as a further £700,000 being advanced by RUPL. Following disposal of the Company on 19 February 2021, the new group holding company Minority Ventures Partners 10 Limited ("MVP") agreed to provide £2,200,000 of loans to be used to repay loans due to RUHL and RUPL. MVP have confirmed they will not seek repayment of the loans until the company generates sufficient cash flow in excess of working capital requirements.

The directors have considered the outlook for the Company, which they consider to be positive and the business plans and forecasts prepared for the period to 31 December 2022 have been prepared on a prudent basis and the directors considered the outlook for the Company and believe that the Company will be profitable during 2022.

Detailed consideration and planning has also been given to the impact and uncertainty relating to the ongoing Covid-19 pandemic. Financial risks and revenue threats are recognised and measures will be taken to ensure the business remains profitable, leveraging and maintaining the Company's strong cash reserves as required.

MVP has confirmed its intention to provide necessary financial support for a minimum of 12 months from the date of the approval of the financial statements. At the time of approving the financial statements the directors have considered the availability of the financial support described above and are of the opinion that MVP has adequate resources in order to fulfil this requirement for the foreseeable future. Therefore, the directors, with expected profitability of the 2022 financial year, and ongoing support, have adopted the going concern basis of accounting in preparing the financial statements.

ACCELERATE UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.3 Turnover

The company generates revenue principally from commissions, profit commissions and fees associated with underwriting and administering insurance contracts.

Brokerage, commission and fees not due until after the year end are recognised on the inception of the insurance contracts concerned, which is when the underwriting services have been substantially completed. Adjustments to commission and fees are recognised when they can be ascertained with reasonable certainty, which is normally when the amounts concerned are advised or confirmed by the relevant third parties.

Profit commissions are receivable based upon the underwriting performance of certain schemes. They are recognised when the Company can be certain that the commission will be paid and the amount can be reasonably accurately ascertained.

1.4 Innovation and development expenditure

Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer software development costs	5 years straight line
-------------------------------------	-----------------------

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	4 years straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

ACCELERATE UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ACCELERATE UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

ACCELERATE UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Taxation

Current tax, including UK corporation 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.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of intangible assets

The company tests annually whether intangibles have suffered any impairment in accordance with the accounting policy stated. The recoverable amounts have been determined based on value-in-use calculations.

Capitalisation of development expenditure

The company capitalises a proportion of the development annual expenses. This is based on management's judgement that these relate to expenses incurred to produce or substantially improve products or systems, rather than pure and applied research costs.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 16 (2019 - 16).

	2020 Number	2019 Number
Total	16	16

ACCELERATE UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Intangible fixed assets

	Computer software £
Cost	
At 1 January 2020	803,975
Additions	219,428
	<hr/>
At 31 December 2020	1,023,403
	<hr/>
Amortisation and impairment	
At 1 January 2020	411,485
Amortisation charged for the year	204,681
	<hr/>
At 31 December 2020	616,166
	<hr/>
Carrying amount	
At 31 December 2020	407,237
	<hr/>
At 31 December 2019	392,490
	<hr/>

5 Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2020	20,163
Additions	4,878
	<hr/>
At 31 December 2020	25,041
	<hr/>
Depreciation and impairment	
At 1 January 2020	16,567
Depreciation charged in the year	2,774
	<hr/>
At 31 December 2020	19,341
	<hr/>
Carrying amount	
At 31 December 2020	5,700
	<hr/>
At 31 December 2019	3,596
	<hr/>

ACCELERATE UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Debtors		
	2020	2019
	£	£
Amounts falling due within one year:		
Amounts due from related parties	197,842	353,949
Other debtors	28,510	24,291
	<u>226,352</u>	<u>378,240</u>
Amounts falling due after more than one year:		
Other debtors	12,300	-
	<u>12,300</u>	<u>-</u>
Total debtors	<u>238,652</u>	<u>378,240</u>

7 Creditors: amounts falling due within one year		
	2020	2019
	£	£
Trade creditors	3,306	18,175
Amounts due to related parties	2,456,341	2,262,672
Other taxation and social security	122,166	26,045
Other creditors	1,818	1,770
Accruals and deferred income	95,714	163,418
	<u>2,679,345</u>	<u>2,472,080</u>

Included within other creditors is an amount of £1,818 (2019: £1,770) relating to unpaid pension fund contributions.

8 Creditors: amount falling due between one and five years		
	2020	2019
	£	£
Notes		
Other borrowings	-	497,080
	<u>-</u>	<u>497,080</u>

The loan agreement provides for interest at 6% on the long term balance.

ACCELERATE UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Profit and loss reserves

	2020 £	2019 £
At the beginning of the year	(2,114,155)	(2,310,182)
Profit for the year	283,970	196,027
At the end of the year	<u>(1,830,185)</u>	<u>(2,114,155)</u>

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Richard Lane
The auditor was LB Group Ltd.

11 Events after the reporting date

On 19 February 2021 Resolution Underwriting Holdings Limited sold all of its 40,000 ordinary shares, equating to 40% of the issued share capital, to Minority Venture Partners 10 Limited (MVP). There was no change in the ultimate controlling party.

MVP also agreed to provide £2,200,000 of loans to be used to repay loans to Resolution Underwriting Holdings Limited and Resolution Underwriting Partnership Limited.

The loans are secured by a charge over the Company's all present and future intellectual property.

As at 31 December 2020 the potential purchase of the Company by MVP was in due diligence, and there was no contractual certainty of this deal completing at the balance sheet date. As the deal was completed subsequent to the year end, as noted above, the terms entered into will govern a number of accounting treatments. This includes the write off of an intercompany liability to Resolution Underwriting Holdings Limited of £228,484 and the amortisation of interest free loans due to Resolution Underwriting Partnership Limited that are to be repaid over a number of years.

ACCELERATE UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020 £	2019 £
Within one year	25,000	24,600
Between two and five years	50,000	-
	<u>75,000</u>	<u>24,600</u>

13 Directors' transactions

As at year end 31 December 2020, the Company owed £32 (2019: £3,302) to the director.

14 Related party transactions

As at 31 December 2020, the Company owed £1,742,296 (2019: £2,028,252 including £375,163 falling due over one year) to Resolution Underwriting Holdings Limited, of which the total amount is repayable within one year as per the loan agreement terms. The loan interest is charged at 6% as per annum. During the year, the Company was charged £92,297 (2019: £96,152) interest by Resolution Underwriting Holdings Limited. As at 31 December 2020, the Company owed interest of £nil (2019: £79,768) to Resolution Underwriting Holdings Limited in respect of these loans.

The company acts as an Appointed Representative of Resolution Underwriting Partnership Limited, a managing general agent. Resolution Underwriting Partnership Limited are wholly owned by Resolution Underwriting Holdings Limited. During the year, the company earned commission of £1,758,689 (2019: £1,673,922) relating to this agreement with Resolution Underwriting Partnership Limited. As at 31 December 2020, the Company was owed £197,842 (2019: £348,616) from Resolution Underwriting Partnership Limited in respect of this agreement.

Mr C G Harman and Mr N H Topche are also directors in Resolution Underwriting Partnership Limited.

As at 31 December 2020, the Company owed £700,000 (2019: £700,000 including £121,917 falling due within one year) to Resolution Underwriting Partnership the total amount is repayable within one year as per the loan agreement terms. Interest is due at 6% to Resolution Underwriting Partnership Limited and totalled £42,000 (2019: £42,000) for the period. As at 31 December 2020, the Company owed interest of £Nil (2019: £31,500) to Resolution Underwriting Partnership Limited in respect of these loans.

The Company charged Resolution Underwriting Partnership Limited £8,000 (2019: £8,000) for the rent of desk space, of which £NIL (2019: £5,333) was owed to the Company as at 31 December 2020.

As at 31 December 2020, the Company owed £14,045 to Resolution Group Services Limited, of which the total amount is repayable on demand. Resolution Group Services Limited is under the common control of Resolution Underwriting Holdings Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.