

Audited Financial Statements for the Year Ended 31 December 2020

for

Insurtech Gateway Limited

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Insurtech Gateway Limited

Company Information
for the Year Ended 31 December 2020

Directors:

S A Brittain
R M M Chattock
R Lumley
J Moxley
P J Soliman

Secretary:

D Preiskel

Registered office:

Arquen House
4-6 Spicer Street
St. Albans
Hertfordshire
AL3 4PQ

Registered number:

09993810 (England and Wales)

Auditors:

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Statement of Financial Position

31 December 2020

		2020	2019
	Notes	£	£
Fixed assets			
Tangible assets	5	6,987	6,002
Investments	6	<u>7,993,277</u>	<u>5,221,981</u>
		<u>8,000,264</u>	<u>5,227,983</u>
Current assets			
Debtors	7	621,222	402,634
Cash at bank		<u>518,433</u>	<u>1,693,740</u>
		1,139,655	2,096,374
Creditors			
Amounts falling due within one year	8	<u>(168,839)</u>	<u>(91,271)</u>
Net current assets		<u>970,816</u>	<u>2,005,103</u>
Total assets less current liabilities		<u>8,971,080</u>	<u>7,233,086</u>
Deferred tax	10	<u>(462,749)</u>	-
Net assets		<u>8,508,331</u>	<u>7,233,086</u>
Capital and reserves			
Called up share capital	11	11,857	11,857
Share premium	12	5,353,879	5,353,879
Share Based Payments	12	206,388	39,543
Retained earnings	12	<u>2,936,207</u>	<u>1,827,807</u>
Shareholders' funds		<u>8,508,331</u>	<u>7,233,086</u>

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 18 August 2021 and were signed on its behalf by:

R M M Chattock - Director

1. Statutory information

Insurtech Gateway Limited is a private company, limited by shares, registered in England and Wales under the Companies Act 2006. The address of its registered office and principal place of business is Arquen House, 4-6 Spicer Street, St. Albans, Hertfordshire, AL3 4PQ. The principal activity of the company in the year under review was that of an insurance focused technology and compliance incubator.

2. Accounting policies

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operational existence for a period of at least 12 months from the date the statement of financial position is signed.

The directors have reviewed the forecast for the company for a period beyond one year from the date of approval of these financial statements. From this review the directors believe that there will be sufficient cash reserves to meet daily obligations throughout this period.

Based on this review the directors have concluded that the company will have sufficient cash reserves to meet daily obligations and external liabilities as they fall due and that the going concern basis of preparation is therefore appropriate.

Share based payments

Where share options are awarded to employees, the fair value of the options is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

2. Accounting policies - continued

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is provided on the following basis:

Computer equipment - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Investments in subsidiaries and associates

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose fair value can be reliably determined, are remeasured to fair value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where fair value cannot be reliably determined, such investments are stated at historic cost less impairment.

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2. Accounting policies - continued

Current and deferred taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP. Monetary amounts in these financial statements are rounded to the nearest £.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

2. Accounting policies - continued

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Creditors

Short term creditors are measured at the transaction price.

3. Employees and directors

The average number of employees during the year was 9 (2019 - 6).

4. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>41,500</u>	<u>28,250</u>

5. Tangible fixed assets

	Office equipment £	Computer equipment £	Totals £
Cost			
At 1 January 2020	-	10,867	10,867
Additions	<u>324</u>	<u>4,831</u>	<u>5,155</u>
At 31 December 2020	<u>324</u>	<u>15,698</u>	<u>16,022</u>
Depreciation			
At 1 January 2020	-	4,865	4,865
Charge for year	<u>64</u>	<u>4,106</u>	<u>4,170</u>
At 31 December 2020	<u>64</u>	<u>8,971</u>	<u>9,035</u>
Net book value			
At 31 December 2020	<u>260</u>	<u>6,727</u>	<u>6,987</u>
At 31 December 2019	<u>-</u>	<u>6,002</u>	<u>6,002</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

6. Investments

	Investment in subsidiary companies £	Investment in associate £	Unlisted investments £	Totals £
Cost or valuation				
At 1 January 2020	5,000	82,477	5,134,504	5,221,981
Additions	-	82,663	312,248	394,911
Revaluations	-	-	2,376,385	2,376,385
At 31 December 2020	5,000	165,140	7,823,137	7,993,277
Net book value				
At 31 December 2020	5,000	165,140	7,823,137	7,993,277
At 31 December 2019	5,000	82,477	5,134,504	5,221,981

Cost or valuation at 31 December 2020 is represented by:

	Investment in subsidiary companies £	Investment in associate £	Unlisted investments £	Totals £
Valuation in 2017	-	-	(31,104)	(31,104)
Valuation in 2018	-	-	1,212,752	1,212,752
Valuation in 2019	-	-	1,491,681	1,491,681
Valuation in 2020	-	-	2,376,385	2,376,385
Cost	5,000	165,140	2,773,423	2,943,563
	5,000	165,140	7,823,137	7,993,277

7. Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	14,039	25,680
Amounts owed by group undertakings	240,419	89,593
Amounts owed by participating interests	74,119	74,110
Other debtors	15,256	12,150
VAT	5,683	25,074
Accrued income	265,328	168,331
Prepayments	6,378	7,696
	<u>621,222</u>	<u>402,634</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

8. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	19,772	9,738
Social security and other taxes	29,480	24,489
Other creditors	356	4,558
Accrued expenses	119,231	52,486
	<u>168,839</u>	<u>91,271</u>

9. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	<u>12,000</u>	<u>-</u>

There are no lease obligations beyond 1 Year.

10. Deferred tax

	2020	2019
	£	£
Deferred tax	<u>462,749</u>	<u>-</u>
		Deferred tax
		£
Provided during year		462,749
Balance at 31 December 2020		<u>462,749</u>

11. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£	£
10,000,090	A Ordinary	.001	10,000	10,000
1,000,000	B Ordinary	.001	1,000	1,000
857,031	G Ordinary	.001	857	857
			<u>11,857</u>	<u>11,857</u>

11. Called up share capital - continued

The Ordinary A Shares are non-redeemable, entitled to one vote per share, 80% of any approved dividend distribution and a 80% return on capital (including on a winding up).

The Ordinary B Shares are non-redeemable, entitled to one vote per share, 20% of any approved dividend distribution and a 20% return on capital (including on a winding up).

The Ordinary G Shares are non-redeemable, do not carry voting rights and have a right to shares in dividends if certain financial hurdles are met.

12. Reserves

Share premium account

Share premium account represents the amount by which the consideration received by the company for shares issued exceeds its nominal value.

Retained earnings

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

13. Disclosure under Section 444(5B) of the Companies Act 2006

The Report of the Auditors was unqualified.

Robert Hawkins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP

14. Related party disclosures

The company has taken advantage of the exemption under paragraph 33.1A of Financial Reporting Standard 102 not to disclose transactions with other wholly owned subsidiaries of the company.

15. Controlling party

In the opinion of the directors, there is no single ultimate controlling party.

16. Subsequent events

There are no post balance sheet events that have any material impact on the financial statements, including as result of ongoing pandemic.

17. Group undertakings

As per Companies Act 2006 S399(2A) the company, together with its subsidiary, qualify for the small companies regime, and is therefore exempt from preparing group accounts. Below are the subsidiaries, associates and their addresses:

Gateway Platform Services - Arquen House, 4-6 Spicer Street, St. Albans, Hertfordshire, England, AL3 4PQ.

Gateway Fund GP Ltd - Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR.

Insurtech Gateway Australia Pty Ltd - Unit 3, 24 Edgar St, Coffs Harbour NSW 2450. (Associate)

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.