

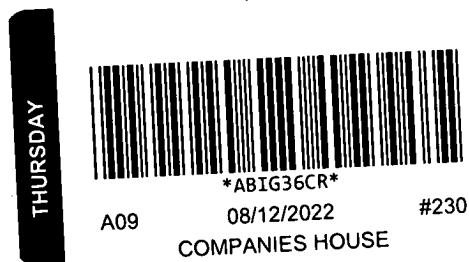


**ARGENTA PRIVATE CAPITAL LIMITED**

**ANNUAL REPORT & FINANCIAL STATEMENTS**

**31 December 2021**

**Company registration number: 741597**



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## Argenta Private Capital Limited

### Strategic Report For the year ended 31 December 2021

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The directors present their Strategic Report for Argenta Private Capital Limited ("the Company") for the year ended 31 December 2021.

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

#### Principal activities and review of the business

The Company is a licensed Lloyd's adviser and Members' Agent authorised and regulated by the Financial Conduct Authority. The Company advises both individual and limited liability members of Lloyd's on their underwriting business, with an aggregate underwriting capacity for 2021 of £2.72 billion.

The Company specialises in creating niche, innovative structures for members of Lloyd's in the UK and overseas. It has established and manages over 500 limited liability underwriting vehicles for both small and large scale participants.

The Company's existing client base is spread throughout the United Kingdom and internationally in Europe, North America, Australasia, South Africa and the Far East.

	2021	2020
Number of active clients	523	544
Managed underwriting capacity (£000)	2,717,000	2,437,000
Management fees (£000)	8,875	8,723
Profit commission (£000)	129	-
Profit before taxation (£000)	1,471	1,170
Net assets (£000)	3,433	3,241
Net assets solvency margin (£000)	1,431	1,239

Profit commission reported in 2021 is in respect of the 2019 year of account. The majority of the Company's client base reported an underwriting loss for the 2019 year of account however a number of clients had an underwriting profit which generated a small amount of profit commission for this year of account.

#### Financial performance during the year

The results of the Company for the year are shown on page 8. The profit for the year amounted to £1,181,000 (2020: £944,000).

#### Principal risks

The Company does not enter into any hedging transactions. It has normal exposure to price, credit, liquidity and cash flow risks, arising from its trading activities as a Members' Agent, which are only conducted in Sterling. These are actively monitored by the Board during the course of the year and action taken accordingly. The Company manages its cash and borrowing requirements to maximise interest income and minimise interest expense, whilst ensuring that it has sufficient liquidity to meet the operational needs of its business.

#### Future developments

There is continuing interest from prospective clients to diversify their investment portfolio into the Lloyd's insurance market due to the lack of correlation with other holdings or business involvements. The Company was able to increase its fee income for 2022 and has a resilient client base. There remains some, albeit reducing, uncertainty surrounding the impact of the COVID-19 pandemic and whilst there has been a negative effect on the forecast underwriting returns of our clients for the 2019, 2020 and 2021 years of account there are improving market conditions for the 2022 year of account. The Company will continue to provide advice and assistance to its clients and continue to develop both existing and new products.

#### ON BEHALF OF THE BOARD



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Flach  
Date: 2022.04.25  
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**Mr R P Flach**  
Director  
25 April 2022

## Argenta Private Capital Limited

### Directors' Report For the year ended 31 December 2021

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The directors present their report and the audited financial statements for the year ended 31 December 2021. The Company's registration number is 741597.

#### Going concern

The Company has adequate financial resources and, consequently, the directors believe that it is well placed to manage its business risks successfully in the current market and economic environment.

Having made similar enquiries with the management of Argenta Holdings Limited ("AHL"), the directors therefore have a reasonable expectation that the Company and its parent undertaking, AHL, have sufficient resources to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these reports and financial statements.

#### Dividend

On 21 April 2021, the Company paid a final dividend of £988,500 for 2020. On 25 April 2022 the directors proposed a final dividend of £1,180,500 for 2021.

#### Board of directors

The directors listed below have held office during the whole of the period, since 1 January 2021, up to the date of this report, unless stated otherwise:

Mr A J Hubbard	(Non-Executive Chairman)	
Mr A J Annandale	(Non-Executive Director)	
Ms A C J Bowdery	(Non-Executive Director)	(Appointed 23 March 2022)
Ms N M A Burch	(Non-Executive Director)	(Appointed 23 March 2022)
Mr R P Flach		
Mr P J F Glaze	(Non-Executive Director)	(Appointed 23 March 2022)
Mr M G H Heald	(Non-Executive Director)	(Resigned 1 March 2021)
Mr G B Hudson		
Mr D Monksfield	(Executive Chairman)	(Resigned 30 June 2021)
Mr M G Warner		

During the year Messrs Heald and Monksfield underwrote at Lloyd's through the Company, via one or more limited liability members or on an unlimited liability basis.

#### Directors' and officers' insurance

The Company had directors' and officers' insurance in place during the whole of the period, since 1 January 2021, up to the date of this report.

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;

## **Argenta Private Capital Limited**

### **Directors' Report (continued) For the year ended 31 December 2021**

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#### **Directors' responsibilities statement (continued)**

- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

#### **Directors' confirmations**

The directors consider that the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

#### **Disclosure of information to the auditors**

Under the Companies Act 2006, we can confirm that:

- so far as we are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make us aware of any relevant information and to establish that the Company's auditors are aware of that information.

#### **Independent auditors**

Pursuant to section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP ("PwC") will have been deemed to be re-appointed as auditors at the end of 28 days beginning with the day on which copies of these reports and financial statements are sent to members.

ON BEHALF OF THE BOARD



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Date: 2022.04.25  
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**Mr R P Flach**  
Director

25 April 2022

## **Argenta Private Capital Limited**

### **Independent Auditors' Report to the member of Argenta Private Capital Limited**

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

##### **Opinion**

In our opinion, Argenta Private Capital Limited's financial statements:

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

We have audited the financial statements, included within the Annual Report, which comprise: statement of financial position as at 31 December 2021; statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

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

##### *Independence*

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

##### **Conclusions relating to going concern**

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

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

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

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

##### **Reporting on other information**

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

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

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

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

*Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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

*Responsibilities of the directors for the financial statements*

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

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

*Auditors' responsibilities for the audit of the financial statements*

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Prudential Regulation Authority and the Financial Conduct Authority, and regulations and bylaws of the Council of Lloyd's, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to risk of fraud within revenue recognition; and risk of fraud through management override of control through management bias in the recognition of revenue and other accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and the compliance function, including consideration of known or suspected instances of fraud and non-compliance with laws and regulations;
- Reviewing relevant meeting minutes, including those of the Board, Risk Framework and Compliance Committee and Audit Committee, and correspondence with regulatory authorities, including Lloyd's of London, the Prudential Regulation Authority and the Financial Conduct Authority;
- Testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias); and
- Performing test of details over the transactions in the major streams of revenue.

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

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

## **Argenta Private Capital Limited**

### **Independent Auditors' Report to the member of Argenta Private Capital Limited (continued)**

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#### *Use of this report*

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

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Mark Bolton (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

Date: 26 April 2022



**Argenta Private Capital Limited**

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

		2021 £000	2020 £000
<b>Continuing operations</b>	<b>Note</b>		
<b>Turnover</b>	<b>3</b>	9,804	9,249
Expenses		<u>(8,334)</u>	<u>(8,086)</u>
<b>Operating profit</b>	<b>4</b>	1,470	1,163
Interest receivable and similar income	7	1	7
<b>Profit on ordinary activities before taxation</b>		<u>1,471</u>	<u>1,170</u>
Tax on profit	8	(290)	(226)
<b>Profit for the financial year</b>		<u><u>1,181</u></u>	<u><u>944</u></u>
Other comprehensive income		-	-
<b>Total comprehensive income attributable to the owner of the Company</b>		<u><u>1,181</u></u>	<u><u>944</u></u>

The notes on pages 11 to 19 form an integral part of these financial statements.

# Argenta Private Capital Limited

## Statement of Financial Position As at 31 December 2021

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Investments in related undertakings	10	<u>5</u>	<u>5</u>
<b>Current assets</b>			
Debtors	11	460	367
Cash at bank and in hand		<u>5,113</u>	<u>4,145</u>
		5,573	4,512
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	12	<u>(2,145)</u>	<u>(1,276)</u>
<b>Net current assets</b>		<u>3,428</u>	<u>3,236</u>
<b>Total assets less current liabilities</b>		<u>3,433</u>	<u>3,241</u>
<b>Net assets</b>		<u>3,433</u>	<u>3,241</u>
<b>Capital and reserves</b>			
Called up share capital	13	500	500
Profit and loss account		<u>2,933</u>	<u>2,741</u>
<b>Total shareholders' funds</b>		<u>3,433</u>	<u>3,241</u>

The financial statements on pages 8 to 19 were approved and authorised for issue by the Board of directors on 25 April 2022 and signed on its behalf by:



**Mr M G Warner**  
Director

The notes on pages 11 to 19 form an integral part of these financial statements.

# Argenta Private Capital Limited

## Statement of Changes in Equity For the year ended 31 December 2021

	Note	Called up share capital £000	Profit and loss account £000	Total £000
<b>At 1 January 2020</b>		<u>500</u>	<u>3,682</u>	<u>4,182</u>
Profit and total comprehensive income for the year		-	944	944
Dividends paid	14	-	(1,885)	(1,885)
<b>At 31 December 2020</b>		<u>500</u>	<u>2,741</u>	<u>3,241</u>
Profit and total comprehensive income for the year		-	1,181	1,181
Dividends paid	14	-	(989)	(989)
<b>At 31 December 2021</b>		<u>500</u>	<u>2,933</u>	<u>3,433</u>

### Reserves

#### *Profit and loss account*

The profit and loss account reserve represents cumulative profits and losses of the Company.

The notes on pages 11 to 19 form an integral part of these financial statements.

## Argenta Private Capital Limited

### Notes to the Financial Statements For the year ended 31 December 2021

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#### 1. Accounting policies

##### General information

The Company is a private company, limited by shares and registered in England and Wales. The address of its registered office and principal place of business is 5<sup>th</sup> Floor, 70 Gracechurch Street, London, EC3V 0XL. The principal activity of the Company is that of being a licensed Lloyd's adviser and members' agent.

These financial statements have been presented in Pounds Sterling as this is the Company's functional and presentational currency, being the primary economic environment in which the Company operates.

##### Basis of preparation

These financial statements have been prepared in accordance with FRS 102 and applicable legislation, as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. These financial statements have been prepared under the historical cost convention.

The Company has taken the exemption available under Section 400 of the Companies Act 2006 not to prepare consolidated financial statements on the basis that it is a wholly owned subsidiary and the immediate holding company produces consolidated financial statements in which the Company is included.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, (which have been complied with). In preparing the financial statements, the Company has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33: Related Party Disclosures;
- from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by paragraph 12 of Section 4: Statement of Financial Position; and
- from presenting a statement of cash flows, as required by Section 7: Statement of Cash Flows.

On the basis that equivalent disclosures are given in the consolidated financial statements the Company has also taken advantage of the exemption not to provide:

- certain disclosures required by Section 11: Basic Financial Instruments and Section 12: Other Financial Instrument Issues.

##### Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts for the provision of services, net of sales-related taxes.

Management fees receivable annually in advance are deferred and recognised as income over the period in which the services are performed.

Profit commission is recognised as income when the contractual right to receive it is established, but only to the extent that it can be estimated with sufficient reliability.

Other income relating to services rendered is recognised as income when the services are performed.

Interest income is recognised as interest accrues, using the effective interest rate method.

**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2021**

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**1. Accounting policies (continued)**

**Employee benefits**

***Retirement benefits***

The Company participates in a group personal pension scheme operated by its immediate parent company, AHL, the assets of which are held separately from those of the Company in independently administered funds.

Contributions to the defined contribution pension scheme are charged to the profit or loss in the year to which the contributions relate, based on an apportionment of the costs incurred by the group in respect of the Company.

***Short-term benefits***

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. An accrual is recognised for short-term compensated absences where entitlement has accumulated, but has not been taken, at the reporting date.

**Taxation**

The tax expense for the year comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated, but not reversed, at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income, as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred income tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Investments in related undertakings**

Investments in equity instruments are initially recognised at the transaction price, excluding any transaction costs, and are subsequently measured at fair value through profit or loss, unless the fair value cannot be reliably determined, in which case they are measured at cost less impairment.

At the end of each reporting year, the Company assesses whether there is objective evidence that any financial asset amount may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to recover the carrying value of the asset according to the original terms of the financial assets. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the provision is recognised immediately in profit or loss.

**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2021**

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**1. Accounting policies (continued)**

**Impairment of assets**

At each reporting date, the Company reviews the carrying value of its assets and other indicators of impairment 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.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. The present value calculation involves estimating the future cash inflows and outflows to be derived from the continuing use of the asset, and those from its ultimate disposal, applying an appropriate discount rate to the future cash flows.

Where the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent year if, and only if, the reasons for the impairment loss have ceased to apply.

**Financial instruments**

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds only basic financial instruments, which comprise cash at bank and in hand, debtors, investments in equity instruments and creditors. Other than the exemptions noted, the Company has chosen to apply the provisions of Section 11: Basic Financial Instruments and Section 12: Other Financial Instrument Issues in full.

***Financial assets – classified as basic financial instruments***

***Debtors***

Debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the amount expected to be receivable, net of any impairment.

Where a financial asset constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

***Financial liabilities – classified as basic financial instruments***

***Creditors***

Creditors are initially measured at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the amount expected to be payable.

Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

**Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease rentals are charged on a straight-line basis over the term of the lease. Any benefits receivable as an incentive to enter into an operating lease are spread on a straight-line basis over the lease term.

## Argenta Private Capital Limited

### Notes to the Financial Statements (continued) For the year ended 31 December 2021

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#### 2. Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

The Company's critical accounting judgement is as follows:

##### Recoverability of debtors

A provision for debtors is established where it is estimated that the debtors are not considered to be fully recoverable. When assessing recoverability, the directors consider factors such as the ageing of the receivables, past experience of recoverability and the credit profile of individual or groups of customers.

#### 3. Turnover

An analysis of turnover by category is as follows:

	2021 £000	2020 £000
Management fees	8,875	8,723
Profit commission	129	-
Other services	800	526
	<u>9,804</u>	<u>9,249</u>

Turnover arises wholly within the United Kingdom.

#### 4. Operating profit

	2021 £000	2020 £000
Operating profit is stated after charging:		
Salaries and associated expenses (note 5)	3,931	3,895
Fees payable to the Company's auditors for the audit of the Company's annual report and financial statements	35	28
Other expenses	4,368	4,162

Fees paid to the Company's auditors for services other than the statutory audit of the Company are not disclosed in the Company's annual report and financial statements, on the basis that the Company's immediate parent, AHL, is required to disclose non-audit fees on a consolidated basis.

# Argenta Private Capital Limited

## Notes to the Financial Statements (continued) For the year ended 31 December 2021

### 5. Employee information

	2021 £000	2020 £000
Salaries and associated expenses:		
Wages and salaries	3,278	3,269
Social security costs	409	404
Other pension costs	<u>244</u>	<u>222</u>
	<u>3,931</u>	<u>3,895</u>
	2021 Number	2020 Number
Average number of persons employed during the year:		
Management	4	5
Administration	<u>25</u>	<u>22</u>
	<u>29</u>	<u>27</u>

### 6. Directors' emoluments

Emoluments disclosed below relate to amounts paid during the year to directors who are remunerated specifically for their services to the Company.

	2021 £000	2020 £000
Aggregate remuneration	678	1,068
Company pension contributions	<u>23</u>	<u>33</u>
	<u>701</u>	<u>1,101</u>

During the year three directors (2020: three) accrued benefits under a defined contribution scheme. Aggregate remuneration includes bonuses paid in respect of previous years.

Directors' remuneration includes amounts paid to the highest paid director. This is outlined below and relates specifically to services to the Company.

	2021 £000	2020 £000
Aggregate remuneration	199	304
Company pension contributions	<u>23</u>	<u>15</u>
	<u>222</u>	<u>319</u>



# Argenta Private Capital Limited

## Notes to the Financial Statements (continued) For the year ended 31 December 2021

### 7. Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable on cash at bank and in hand	<u>1</u>	<u>7</u>

### 8. Tax on profit

#### a) Analysis of profit or loss charge in the year

	2021 £000	2020 £000
Current tax:		
United Kingdom corporation tax on profit for the year	(291)	(226)
Adjustment in respect of prior periods	<u>1</u>	<u>1</u>
Total current tax charge	<u>(290)</u>	<u>(225)</u>
Deferred tax:		
Origination and reversal of timing differences	(2)	1
Effect of changes in tax rates	<u>2</u>	<u>(2)</u>
Total deferred tax (note 9)	<u>-</u>	<u>(1)</u>
Total tax charge	<u>(290)</u>	<u>(226)</u>

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

Tax on profit for the year is higher (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled below:

	2021 £000	2020 £000
Profit before taxation	<u>1,471</u>	<u>1,170</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(279)	(222)
Effects of:		
Expenses not deductible for tax	(14)	(2)
Effect of changes in tax rates	2	(2)
Adjustment in respect of prior periods	<u>1</u>	<u>-</u>
Total tax charge	<u>(290)</u>	<u>(226)</u>

#### Factors that may affect future tax charges

The increase in the UK corporation tax rate from 19% to 25% was enacted within the Finance Act 2021 and will be effective from 1 April 2023. As a result, the relevant deferred tax balances have been re-measured. Deferred tax expected to reverse in the year to 31 December 2022 has been measured using the effective rate that will apply in UK for the period (19%). Deferred tax expected to reverse in the year to 31 December 2023 has been measured using a rate of 23.5%. For years ending after 31 December 2023, the group has used the new tax rate of 25%.

# Argenta Private Capital Limited

## Notes to the Financial Statements (continued) For the year ended 31 December 2021

### 9. Deferred taxation

	Total 2021 £000	Total 2020 £000
At 1 January	8	9
Charge to profit or loss in the year	-	(1)
At 31 December	<u>8</u>	<u>8</u>
The deferred tax asset at 31 December is made up of:		
Decelerated capital allowances	<u>8</u>	<u>8</u>

The deferred tax asset expected to reverse in 2022 is £1,175. This relates to timing differences on capital allowances.

### 10. Investments in related undertakings

	2021 £000	2020 £000
At 1 January and 31 December	<u>5</u>	<u>5</u>

#### The Company's subsidiary undertakings held directly at 31 December 2021 were:

	Country of Registration	Class of share and percentage held
APCL Corporate Director No. 1 Limited	England and Wales	100% of voting shares of £1 each
APCL Corporate Director No. 2 Limited	England and Wales	100% of voting shares of £1 each
Argenta Secretariat Limited	England and Wales	100% of voting shares of £1 each
Fountain Continuity Limited	Scotland	100% of voting shares of £1 each
Names Taxation Service Limited	England and Wales	100% of voting shares of £1 each

#### The Company's subsidiary undertakings held indirectly at 31 December 2021 were:

	Country of Registration	Class of share and percentage held
Argenta Continuity Limited	England and Wales	100% of voting shares of £1 each
Argenta General Partner Limited	Scotland	100% of voting shares of £1 each
Argenta General Partner II LLP	Scotland	LLP Partnership with significant control
Argenta LLP Services Limited	England and Wales	100% of voting shares of £1 each
Argenta SLP Continuity Limited	Scotland	100% of voting shares of £1 each

The above subsidiary undertakings have not traded during the year.

The registered office of the subsidiary undertakings registered in Scotland is Quartermile One, 15 Lauriston Place, Edinburgh, EH3 9EP, Scotland. The registered office of subsidiary undertakings registered in England and Wales is 5<sup>th</sup> Floor, 70 Gracechurch Street, London, EC3V 0XL.

# Argenta Private Capital Limited

## Notes to the Financial Statements (continued) For the year ended 31 December 2021

### 11. Debtors

	2021 £000	2020 £000
Amounts owed by group undertakings	52	-
Deferred tax asset (note 9)	8	8
Profit commission receivable	124	-
Other debtors	203	136
Prepayments and accrued income	73	223
	<u>460</u>	<u>367</u>

Amounts owed by other group undertakings are unsecured, interest free and are repayable on demand.

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

	2021 £000	2020 £000
Amounts owed to parent company	227	169
Amounts owed to subsidiary undertakings	5	5
Amounts owed to group undertakings	29	20
Other creditors	72	168
Corporation tax	515	225
Accruals and deferred income	1,297	689
	<u>2,145</u>	<u>1,276</u>

Amounts owed to the parent company, subsidiary and other group undertakings are unsecured, interest free and are repayable on demand.

### 13. Called up share capital

	2021 Number	2021 £	2020 Number	2020 £
Authorised, issued and fully paid:				
Voting ordinary shares of £1 each	100	100	100	100
Non-voting ordinary shares of £1 each	499,900	499,900	499,900	499,900
	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

Ordinary shares with voting rights entitle each shareholder to one vote per share. Voting shareholders have no rights to receive dividends or assets upon the winding up of the Company. Non-voting shareholders have the right to receive dividends and assets upon the winding up of the Company.

## Argenta Private Capital Limited

### Notes to the Financial Statements (continued) For the year ended 31 December 2021

#### 14. Dividends

The results of the Company are shown on page 7. The profit for the year amounted to £1,181,000 (2020: £944,000).

	2021 £000	2020 £000
Dividends paid	<u>989</u>	<u>1,885</u>

During the year the Company paid a final dividend of £988,500 for the year ended 31 December 2020. The directors propose a final dividend of £1,180,500 for 2021. Dividends proposed after the reporting date are not included as a liability in the statement of financial position.

#### 15. Related party transactions

The following directors underwrote through the Company at Lloyd's during 2021:

Mr Heald had underwriting interests on an unlimited liability basis and through the corporate members Carrick Capital UK Limited, Jennings Underwriting Limited and Silver Lining 55 Limited.

Mr Monksfield underwrote through the Limited Liability Partnership Monksfield LLP.

The fees payable to the Company in respect of directors' underwriting were:

	2021 £000	2020 £000
Mr M G H Heald	22	29
Carrick Capital UK Limited, Jennings Underwriting Limited and Silver Lining 55 Limited (Mr M G H Heald)	15	53
Monksfield LLP (Mr D Monksfield)	1	1

Carrick Capital UK Limited had no underwriting activities in 2021.

The Company has taken advantage of the exemption conferred by Section 33: Related Party Disclosures not to disclose transactions entered into between two or more wholly owned members of the group.

#### 16. Operating leases

The Company had no outstanding commitments (2020: £nil) for future minimum lease payments under non-cancellable operating leases as at the reporting date.

#### 17. Parent undertaking

The Company's immediate parent company is Argenta Holdings Limited, a company registered in England and Wales. The financial statements of this company can be obtained from 70 Gracechurch Street, London, EC3V 0XL.

The Company's ultimate controlling party is Haftpflichtverband der Deutschen Industrie V.a.G, a company registered in Germany. The financial statements of this company can be obtained from the website of Argenta Holdings Limited's immediate parent company, Hannover re ([www.hannover-re.com](http://www.hannover-re.com)).