



Argo (No. 607) Limited

Report and Financial Statements

For the Year Ended 31 December 2019

Company No: 04311802

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Registered Officers and Advisors

Directors	D Argyle D J Kirby	
Company Number	04311802	
Registered Office	1 Fen Court London EC3M 5BN	
Auditors	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY	www.ey.com
Solicitors	Reynolds Porter Chamberlain LLP Tower Bridge House St Katharine's Way London E1W 1AA	www.rpc.co.uk
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP	www.barclays.com

Report of the Directors

The Directors present their report, together with the audited Financial Statements of the Argo (No. 607) Limited for the year to 31 December 2019.

Argo (No.607) Limited ('607' or 'the Company') is incorporated and registered in United Kingdom as a company limited by shares, with registered number 04311802. The address of the registered office and principal place of business is 1 Fen Court, London, EC3M 5BN.

Directors and Officers

The Directors and officers who served during the year and to the date of this report were:

D Argyle
D J Kirby

No Directors held an interest in the shares of the company during the year or were remunerated from holding a directorship position in the entity during the year that is being reported in these financial statements.

Directors Indemnities

Argo Managing Agency Limited ('AMA'), a fellow subsidiary of this company, has granted indemnities to one or more of the Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of approving the Directors' report.

Shares

The entire issued share capital of the Company, being 1 ordinary share of £1, is owned by Argo Underwriting Agency Limited ('AUA').

Going Concern

These financial statements have been prepared on a going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and comply with accounting standards applicable in the United Kingdom. These accounting policies have been applied consistently during the year.

Specific consideration has been given to the current COVID-19 global pandemic. The directors have made key assessments on credit risk, liquidity risk and operational risk as they pertain to the Company. The Company commenced underwriting at Lloyd's with effect from the 2002 year of account and following distribution of the 2013 year of account syndicate profit the underwriting activities of the Company ceased. The Directors expect the Company to remain non-trading for the foreseeable future. On this basis the Company does not expect COVID 19 to have a material impact on the ability of the company to meet its liabilities as they fall due and therefore these accounts have been prepared on a going concern basis. With regards to Operational risk the Company is operating a 'working from home' model where staff and systems are responding well and 'business as usual' is being maintained as far as practicable and the impact on the Company is minimal.

Whilst the Company assesses the current risks as limited in scope, the situation will be monitored and reassessed as facts and circumstances change.

Disclosure of Information to Auditors

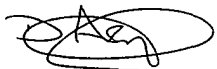
In accordance with section 418 of the Companies Act 2006 each of the Directors at the date of the approval of this Report of the Directors confirms that:

- there is no relevant audit information of which the Company's Auditors are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information

Auditors

The Company's Auditors, Ernst & Young LLP, are deemed to be reappointed under the provisions of Section 485 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board:



D Argyle
Finance Director
11 December 2020

Strategic Report of the Directors

Principal Activities, Business Review and Future Developments

The Company was incorporated on 26 October 2001 with the intention of underwriting as a corporate capital member at Lloyd's.

The Company commenced underwriting at Lloyd's with effect from the 2002 year of account and following distribution of the 2013 year of account syndicate profit the underwriting activities of the Company ceased.

The Directors expect the Company to remain non-trading for the foreseeable future.

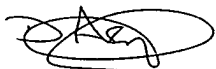
Results and Review of Business

The result for the year after taxation was a profit of £0.3k (2018 profit of £0.1k). The Company does not currently participate in Syndicate 1200. No dividend was paid in 2019 (2018: £nil). The Directors do not recommend the payment of a final dividend.

Environmental Matters

The Company does not consider that a business such as a corporate vehicle at Lloyd's has a large adverse impact upon the environment. As a result the Company does not manage its business by reference to any environmental key performance indicators. The Directors and employees of Argo (No.607) Limited are not provided with company cars and travel requisitions and expenses are subject to review as to whether it is necessary for the business. The Company seeks to maintain a high proportion of its records electronically and of the paper it does use, over 80% of its paper consumption is recycled through the use of recycling bags.

Approved by the Board of Directors and signed on behalf of the Board:



D Argyle
Finance Director
11 December 2020

Statement of Directors Responsibilities

The Directors are responsible for preparing the Strategic Report of the Directors, the Report of the Directors and the financial statements in accordance with applicable United Kingdom 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). 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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 proper 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.

Report of the Auditors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARGO (No. 607) LIMITED

Opinion

We have audited the financial statements of Argo (No. 607) Limited for the year ended 31 December 2019 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity and the related notes 1 to 8, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 below. 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 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.

Emphasis of matter – Effects of COVID-19

We draw attention to Note 1 and 8 of the financial statements, which describes the economic and operational consequences the company is facing as a result of COVID-19 which is impacting financial markets, potential future income and personnel available for work. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Report of the Auditors (continued)

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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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 Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:

Ernst & Young LLP

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Angus Millar (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
16 December 2020

Statement of Comprehensive Income Year Ended 31 December 2019

	Note	2019 £'000	2018 £'000
Technical Account – general business			
Gross premiums written		-	-
Outward reinsurance premiums		-	-
Net premiums written		-	-
Change in the gross provision for unearned premiums		-	-
Change in the provision for unearned premiums, reinsurers' share		-	-
Change in the provision for unearned premiums		-	-
Earned premiums net of reinsurance		-	-
Allocated investment return transferred from the non-technical account			
Other technical income		-	-
Total technical income		-	-
Gross claims paid		-	-
Reinsurers' share		-	-
Net claims paid		-	-
Change in provision for claims:			
Gross amount			-
Reinsurers' share		-	-
Net change in provision for claims		-	-
Claims incurred net of reinsurance		-	-
Net operating expenses		-	-
Total charges		-	-
Balance on technical account – general business		-	-
Non-Technical Account			
Balance on technical account – general business		-	-
(Loss) / profit on exchange		0.9	(2.6)
Investment income		-	-
Allocated investment return transferred to the technical account – general business		-	-
Other income		-	-
Other charges		(0.5)	-
(Loss) / profit on ordinary activities before taxation		0.4	(2.6)
Taxation	3	(0.1)	2.7
Retained profit for the year		0.3	0.1

All items relate only to continuing operations and are attributable to the owners of the Company.

There are no recognised gains or losses in the current and prior financial year other than those included in the Income Statements and so no statement of comprehensive income has been prepared.

The notes on pages 11 to 14 form part of these financial statements.

Statement of Changes in Equity

Year Ended 31 December 2019

	Share Capital £'000	Retained Earnings £'000	Total £'000
At 1 January 2018	-	2,372.1	2,372.1
Total comprehensive income attributed to shareholders	-	0.1	0.1
At 31 December 2018	-	2,372.2	2,372.2
Total comprehensive income attributed to shareholders	-	0.3	0.3
At 31 December 2019	-	2,372.5	2,372.5

Retained Earnings

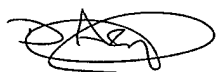
Retained earnings represent the cumulative comprehensive income retained by the Company after taxation and dividends.

Statement of Financial Position At 31 December 2019

	Note	2019 £'000	2018 £'000
Assets			
Investments			
Financial investments		-	-
Deposits with ceding undertakings		-	-
Reinsurers' share of technical provisions			
Claims outstanding		-	-
Provision for unearned premium		-	-
Debtors			
Arising out of direct insurance operations			
- intermediaries		-	-
Arising out of reinsurance operations		-	-
Other debtors	4	2,373.8	2,372.4
		2,373.8	2,372.4
Other assets			
Cash at bank and in hand		-	-
Other assets		-	-
		-	-
Prepayments and accrued income			
Deferred acquisition costs		-	-
Other prepayments and accrued income		-	-
		-	-
Total assets		2,373.8	2,372.4
Equity and liabilities			
Capital and reserves			
Called up share capital		-	-
Profit and loss account		2,372.5	2,372.2
Shareholders' funds attributable to equity interests		2,372.5	2,372.2
Technical provisions			
Claims outstanding		-	-
Provision for unearned premium		-	-
Creditors			
Arising out of direct insurance operations		-	-
Arising out of reinsurance operations		-	-
Deferred tax		-	-
Other creditors including taxation and social security	5	1.3	0.2
		1.3	0.2
Accruals and deferred income		-	-
Total equity and liabilities		2,373.8	2,372.4

The notes on pages 11 to 13 form part of these financial statements.

Approved by the Board of Directors and signed on behalf of the Board:



D Argyle
Finance Director
11 December 2020

Notes to the Financial Statements Year Ended 31 December 2019

1. Accounting Policies

Statement of compliance

Argo (No. 607) Ltd is a limited liability company incorporated in England. The registered office of 607 is 1 Fen Court, London EC3M 5BN.

The financial statements have been prepared in compliance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS102) and FRS 103 'Insurance Contract (FRS103)' being applicable UK GAAP accounting standards, and in accordance with the provision of Schedule 3 of the Large and Medium – sized Companies and Groups (Accounts and Reports) Regulations 2008.

Basis of preparation

The financial statements for Argo 607 were authorised for issue by the board of directors on 11 December 2020. The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards except for certain financial instruments which are measured at fair value. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000.0 unless otherwise stated. The company participates on Syndicate 1200 and thus the company's proportional share of the syndicate's results have been used as a basis for preparing the financial statements. Accounting policies and risk disclosure narratives specifically related to the results of the syndicate have been taken from the syndicate's published financial statements.

Under FRS 102 paragraph 1.11 and 1.12 the company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent company, Argo Group International Holdings Limited (Argo Group), publishes consolidated financial statements which include the affairs of this company. The consolidated financial statements of Argo Group, within which this company's affairs are included, are publicly available (see note 7).

The company has taken advantage of section 33.1A contained in FRS 102 not to disclose related party transactions or balances with wholly owned entities which form part of the group. The consolidated financial statements of Argo Group, within which this company's affairs are included, are publicly available (see note 6).

Specific consideration has been given to the current COVID-19 global pandemic. The directors have made key assessments on credit risk, liquidity risk and operational risk as they pertain to the Company. The Company commenced underwriting at Lloyd's with effect from the 2002 year of account and following distribution of the 2013 year of account syndicate profit the underwriting activities of the Company ceased. The Directors expect the Company to remain non-trading for the foreseeable future. On this basis the Company does not expect COVID 19 to have a material impact on the ability of the company to meet its liabilities as they fall due and therefore these accounts have been prepared on a going concern basis. With regards to Operational risk the Company is operating a 'working from home' model where staff and systems are responding well and 'business as usual' is being maintained as far as practicable and the impact on the Company is minimal.

2. Auditors' Remuneration

All audit fees are borne by Argo Management Services Limited, a fellow subsidiary undertaking, and recharged to other group companies. In 2019 the amount recharged to the company was £500 (2018: £18).

Notes to the Financial Statements Year Ended 31 December 2019

3. Taxation on Profit on Ordinary Activities

	2019 £'000	2018 £'000
Analysis of tax charge in year		
Current tax:		
UK corporation tax at 19.0% (PY: 19.0%)	-	-
Group Relief payable	0.1	(0.5)
	0.1	(0.5)
Adjustments in respect of prior periods	-	(2.2)
Double taxation relief	-	-
Foreign taxation	-	-
Total current tax (credit) / charge	0.1	(2.7)
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax credit	-	-
Tax on profit on ordinary activities	0.1	(2.7)
	2019 £'000	2018 £'000
Reconciliation of tax charge		
(Loss) / profit on ordinary activities before tax	0.4	(2.6)
Tax on (loss) / profit on ordinary activities at standard CT rate of 19.0% (PY: 19%)	0.1	(0.5)
Effects of:		
Adjustments to tax (credit) / charge in respect of prior periods	-	(2.2)
Foreign tax credits	-	-
Overseas tax	-	-
Rate change adjustment	-	-
Tax (credit) / charge for the period	0.1	(2.7)

Notes to the Financial Statements Year Ended 31 December 2019

4. Other Debtors

Debtors due within 12 months:	2019	2018
	£'000	£'000
Amounts due from group undertakings	2,373.8	2,368.8
Corporation tax recoverable	-	3.6
	2,373.8	2,372.4

5. Other Creditors Including Taxation and Social Security

	2019	2018
	£'000	£'000
Creditors payable within 12 months:		
Amounts due to group undertakings	1.3	0.2
Total	1.3	0.2

6. Share Capital

	2019	2018
Ordinary shares of £1 each		
Authorised	100	100
Allotted, called up, and fully paid	1	1

The entire issued share capital of the Company, being 1 ordinary share of £1, is owned by AUA. The ultimate holding company is Argo Group incorporated and registered in Bermuda.

7. Controlling Party

The ultimate parent company is Argo Group, incorporated and registered in Bermuda. Group financial statements may be obtained from the registered office of the company at 110 Pitts Bay Road, Pembroke, HM08 Bermuda 11.

8. Post Balance Sheet Events

In December 2019 an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China, and has since spread to a number of other countries. In January 2020, the World Health Organization declared the outbreak a global health emergency, and on March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic.

The Company has assessed its exposure to the current COVID-19 global pandemic, and the key areas for assessment are on credit risk, liquidity risk and operational risk as they pertain to the Company. The Company commenced underwriting at Lloyd's with effect from the 2002 year of account and following distribution of the 2013 year of account syndicate profit the underwriting activities of the Company ceased. The Directors expect the Company to remain non-trading for the foreseeable future. On this basis the Company does not expect COVID to have a material impact on the ability of the company to meet its liabilities as they fall due and therefore these accounts have been prepared on a going concern basis. The Company is operating a 'working from home' model with all internal and external meetings taking place via conference call and staff accessing IT systems remotely. Staff and systems are responding well and 'business as usual' is being maintained as far as practicable.

The company has also taken various measures to ensure business continuity and protect the health and safety of its employees.

Detailed Profit and Loss Account Year Ended 31 December 2019

	2019	2018
	£'000	£'000
Technical income	-	-
Investment Income	-	-
Other income	-	-
Total income	-	-
Administrative expenses		
Acquisition costs	-	-
Salaries and related costs	-	-
Lloyd's expenses	-	-
Auditors' remuneration	0.5	-
Office and administration	-	-
Miscellaneous income	-	-
Legal and professional fees	-	-
Total Administrative expenses	0.5	-
Loss / (profit) on exchange	(0.9)	2.6
(Loss) / profit on ordinary activities before taxation	0.4	(2.6)
Taxation	(0.1)	2.7
Profit for the year	0.3	0.1

This statement is unaudited and is for Directors' information only.