



## **Argo (No. 607) Limited**

### **Report and Financial Statements**

**For the Year Ended 31 December 2020**

**Company No: 04311802**

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## Registered Officers and Advisors

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<b>Directors</b>	D Argyle D J Kirby	
<b>Company Number</b>	04311802	
<b>Registered Office</b>	1 Fen Court London EC3M 5BN	
<b>Auditors</b>	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY	<a href="http://www.ey.com">www.ey.com</a>
<b>Solicitors</b>	Hogan Lovells International LLP Atlantic House Holborn Viaduct London EC1A 2FG	<a href="http://www.hoganlovells.com">www.hoganlovells.com</a>
<b>Bankers</b>	Barclays Bank Plc 1 Churchill Place London E14 5HP	<a href="http://www.barclays.com">www.barclays.com</a>

# Report of the Directors

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The Directors present their report, together with the audited Financial Statements of the Argo (No. 607) Limited for the year to 31 December 2020.

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  
22 October 2021

# Strategic Report of the Directors

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## 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.

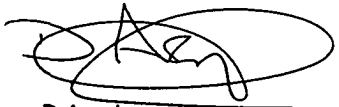
## Results and Review of Business

The result for the year after taxation was a profit of £3.5k (2019: £0.3k). The Company does not currently participate in Syndicate 1200. No dividend was paid in 2020 (2019: £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.

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



D Argyle  
Finance Director  
29 September 2021

## Statement of Directors Responsibilities

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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, 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 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 United Kingdom Accounting Standards, comprising FRS 102 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 (the Company) for the year ended 31 December 2020 which comprise the Statement of Profit or Loss, Statement of Changes in Equity, Statement of Financial Position and the related notes 1 to 7, 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 including 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 2020 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. 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.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

**Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.**

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### 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.

## Report of the Auditors (continued)

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### 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 5, 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.

#### *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006.
- We understood how the Company is complying with those frameworks by understanding the controls and processes in place.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding the entity's policies and procedures in place for our significant risk areas and other material areas of our engagement.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiring with management as well as inspection of minutes of meeting held by those charged with governance.

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.



## Report of the Auditors (continued)

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### 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  
29 September 2021

## Statement of Profit and Loss Year Ended 31 December 2020

	Note	2020 £'000	2019 £'000
<b>Technical Account – general business</b>			
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		-	-
<b>Total technical income</b>		-	-
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		-	-
<b>Total charges</b>		-	-
<b>Balance on technical account – general business</b>		-	-
<b>Non-Technical Account</b>			
Balance on technical account – general business		-	-
Profit on exchange		3.5	0.9
Investment income		-	-
Allocated investment return transferred to the technical account – general business		-	-
Other income		-	-
Other charges		-	(0.5)
<b>Profit on ordinary activities before taxation</b>		3.5	0.4
Taxation	3	-	(0.1)
<b>Retained profit for the year</b>		3.5	0.3

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 Statement and so no Statement of Comprehensive Income has been prepared.

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

## Statement of Changes in Equity

### Year Ended 31 December 2020

	Share Capital	Retained Earnings	Total
	£'000	£'000	£'000
At 1 January 2019	-	2,372.2	2,372.2
Total profit attributed to shareholders	-	0.3	0.3
At 31 December 2019	-	2,372.5	2,372.5
Total profit attributed to shareholders	-	3.5	3.5
At 31 December 2020	-	2,376.0	2,376.0

### Retained Earnings

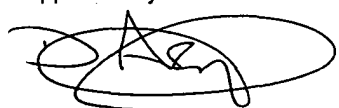
Retained earnings represent the cumulative income retained by the Company after taxation and dividends.

# Statement of Financial Position At 31 December 2020

	Note	2020 £'000	2019 £'000
<b>Assets</b>			
<b>Investments</b>			
Financial investments		-	-
Deposits with ceding undertakings		-	-
<b>Reinsurers' share of technical provisions</b>			
Claims outstanding		-	-
Provision for unearned premium		-	-
<b>Debtors</b>			
Arising out of direct insurance operations			
- intermediaries		-	-
Arising out of reinsurance operations		-	-
Other debtors	4	2,378.5	2,373.8
		<b>2,378.5</b>	<b>2,373.8</b>
<b>Other assets</b>			
Cash at bank and in hand		-	-
Other assets		-	-
		-	-
<b>Prepayments and accrued income</b>			
Deferred acquisition costs		-	-
Other prepayments and accrued income		-	-
		-	-
<b>Total assets</b>		<b>2,378.5</b>	<b>2,373.8</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Called up share capital		-	-
Profit and loss account		2,376.0	2,372.5
Shareholders' funds attributable to equity interests		<b>2,376.0</b>	<b>2,372.5</b>
<b>Technical provisions</b>			
Claims outstanding		-	-
Provision for unearned premium		-	-
<b>Creditors</b>			
Arising out of direct insurance operations		-	-
Arising out of reinsurance operations		-	-
Deferred tax		-	-
Other creditors including taxation and social security	5	2.5	1.3
		<b>2.5</b>	<b>1.3</b>
<b>Accruals and deferred income</b>		-	-
<b>Total equity and liabilities</b>		<b>2,378.5</b>	<b>2,373.8</b>

The notes on pages 12 to 14 form part of these financial statements.

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



D Argyle  
Finance Director  
29 September 2021

# Notes to the Financial Statements Year Ended 31 December 2020

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## 1. Accounting Policies

### Statement of compliance

Argo (No. 607) Limited 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 (No. 607) Limited were authorised for issue by the Board of Directors on 29 September 2021. 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 2020 the amount recharged to the Company was nil (2019: £500).

## Notes to the Financial Statements Year Ended 31 December 2020

### 3. Taxation on Profit on Ordinary Activities

	2020 £'000	2019 £'000
<b>Analysis of tax charge in year</b>		
Current tax:		
UK corporation tax at 19.0% (PY: 19.0%)	-	-
Group Relief payable	0.6	0.1
	0.6	0.1
Adjustments in respect of prior periods	-	-
Double taxation relief	-	-
Foreign taxation	(0.6)	-
Total current tax (credit) / charge	-	0.1
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax credit	-	-
<b>Tax on profit on ordinary activities</b>	-	0.1
	2020 £'000	2019 £'000
<b>Reconciliation of tax charge</b>		
(Loss) / profit on ordinary activities before tax	3.5	0.4
Tax on (loss) / profit on ordinary activities at standard CT rate of 19.0% (PY:19%)	0.6	0.1
Effects of:		
Adjustments to tax (credit) / charge in respect of prior periods	-	-
Foreign tax credits	-	-
Overseas tax	(0.6)	-
Rate change adjustment	-	-
<b>Tax (credit) / charge for the period</b>	-	0.1

## Notes to the Financial Statements Year Ended 31 December 2020

### 4. Other Debtors

	2020 £'000	2019 £'000
<b>Debtors due within 12 months:</b>		
Amounts due from group undertakings	2,378.5	2,373.8
Corporation tax recoverable	-	-
	<b>2,378.5</b>	<b>2,373.8</b>

### 5. Other Creditors Including Taxation and Social Security

	2020 £'000	2019 £'000
<b>Creditors payable within 12 months:</b>		
Amounts due to group undertakings	1.2	1.3
Group relief payable	0.6	-
Other creditors	0.7	-
Taxes payable	-	-
<b>Total</b>	<b>2.5</b>	<b>1.3</b>

### 6. Share Capital

	2020	2019
<b>Ordinary shares of £1 each</b>		
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. Holders of ordinary shares are entitled to vote on resolutions put to vote at general meetings, dividends paid by reference and any capitalised profits in the same proportions as a dividend would have been distributed.

### 7. Controlling Party

The Company's immediate parent undertaking is Argo Underwriting Agency Limited, a company incorporated in the United Kingdom.

The ultimate parent undertaking is Argo Group International Holdings Ltd ("Argo Group"), a company incorporated in Bermuda, which owns 100% of the economic interest of Argo Underwriting Agency Limited. The audited consolidated financial statements can be obtained from its registered offices at Wellesley House South, 90 Pitts Bay Road, Pembroke HM08, Bermuda.