

Registered number: 05547227

AXIOM UNDERWRITING AGENCY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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AXIOM UNDERWRITING AGENCY LIMITED

COMPANY INFORMATION

Directors	M J Bottle S N Bashford J A Kittinger
Company secretary	Rix & Kay Company Secretarial Services Limited
Registered number	05547227
Registered office	5th Floor Plantation Place South 60 Great Tower Street London EC3R 5AZ
Independent auditor	Crowe U.K. LLP Riverside House 40 - 46 High Street Maidstone Kent ME14 1JH

AXIOM UNDERWRITING AGENCY LIMITED

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AXIOM UNDERWRITING AGENCY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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 to 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.

Directors

The directors who served during the year were:

M J Bottle
C Kelly (resigned 30 November 2019)
P Leoni (resigned 26 March 2020)

After the year end, S N Bashford and J A Kittinger were appointed to the board of directors.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AXIOM UNDERWRITING AGENCY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Going concern

Accounting standards require the Directors to consider the appropriateness of the going concern basis when preparing the financial statements.

For the year ahead, the Directors have considered the entity's ability to continue as a going concern, taking into consideration the outbreak of the COVID-19 pandemic, declared by the World Health Organisation on 11 March 2020. The outbreak is causing unprecedented social disruption, and global economic and financial markets volatility.

The key risks arising out of the COVID-19 pandemic, which could impact the entity's ability to continue as a going concern are operational risks and financial risks. Both have been considered detail below.

Operational

As the pandemic started to develop, the Company initiated an early working from home policy and closed the offices ahead of government mandated action. As a result, all staff are now successfully working from home.

New IT initiatives have been rolled out to facilitate better communication, positively impacting team collaboration.

Due to the operational steps taken, the COVID-19 pandemic has had limited operational impact on the entity.

Financial

As a non-risk-bearing entity, the financial risks to the entity arising from the pandemic are the valuation and recoverability of assets. In particular, the valuation of investments and recoverability of debtors.

At the year-end, the entity held £36,310 of unlisted investments, the valuation of which could be negatively affected by the increased market volatile. At the point of issuing the financial statements, the directors deem the valuation of £36,310 to remain appropriate but also concluded that a decrease in the valuation would not lead to any doubts over the entity's ability to continue as a going concern.

The directors acknowledge that the COVID-19 pandemic has led to an increased default risk relating to the entity's debtor balances. However, at present, the increase in risk has not led to an actual increase in defaults.

The situation continues to be monitored.

Whilst there an increase in defaults has not currently been observed, the directors acknowledge that even in the unlikely scenario of 100% of the debtors defaulting, the Company would have sufficient assets in form of cash to meet its liabilities due within one year, therefore still meeting the definition of a going concern entity.

Based on the considerations above, the directors confirm that they consider that the going concern basis remains appropriate. The directors believe that the company has sufficient resources to continue in operational existence in the foreseeable future. The directors believe this to be the case as the company has positive reserves, cash balances and no significant long-term liabilities. They have also concluded that there are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

AXIOM UNDERWRITING AGENCY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on **13 July 2020** and signed on its behalf.



M J Bottle
Director

AXIOM UNDERWRITING AGENCY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF AXIOM UNDERWRITING AGENCY LIMITED

Opinion

We have audited the financial statements of Axiom Underwriting Agency Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, 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 Financial Reporting Standard 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 state 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. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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

AXIOM UNDERWRITING AGENCY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF AXIOM UNDERWRITING AGENCY LIMITED (CONTINUED)

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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 1, 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.

AXIOM UNDERWRITING AGENCY LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF AXIOM UNDERWRITING
AGENCY LIMITED (CONTINUED)**

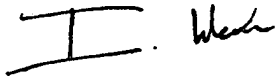
Auditor's responsibilities for the audit of the financial statements

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: 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.



Ian Weekes (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Riverside House
40 - 46 High Street
Maidstone
Kent
ME14 1JH
Date:

24th Nov 2020

AXIOM UNDERWRITING AGENCY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover		1,986,709	1,749,681
Gross profit		1,986,709	1,749,681
Administrative expenses		(1,492,293)	(1,349,319)
Operating profit		494,416	400,362
Income from fixed assets investments		-	(598)
Interest receivable and similar income	5	1,351	490
Profit before tax		495,767	400,254
Tax on profit	6	(95,998)	(77,698)
Profit for the year		399,769	322,556

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The notes on pages 11 to 24 form part of these financial statements.

AXIOM UNDERWRITING AGENCY LIMITED
REGISTERED NUMBER: 05547227

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	8	31,760	36,385
Tangible assets	9	177,919	31,316
Investments	10	36,410	36,410
		<u>246,089</u>	<u>104,111</u>
Current assets			
Debtors: amounts falling due within one year	11	909,066	844,126
Cash at bank and in hand	12	3,650,518	1,899,121
		<u>4,559,584</u>	<u>2,743,247</u>
Creditors: amounts falling due within one year	13	(3,445,758)	(1,910,268)
Net current assets		<u>1,113,826</u>	<u>832,979</u>
Total assets less current liabilities		<u>1,359,915</u>	<u>937,090</u>
Provisions for liabilities			
Deferred tax	14	(26,464)	(3,408)
		<u>(26,464)</u>	<u>(3,408)</u>
Net assets		<u><u>1,333,451</u></u>	<u><u>933,682</u></u>
Capital and reserves			
Called up share capital	15	500	500
Share premium account		43,604	43,604
Profit and loss account		1,289,347	889,578
		<u><u>1,333,451</u></u>	<u><u>933,682</u></u>

AXIOM UNDERWRITING AGENCY LIMITED
REGISTERED NUMBER: 05547227

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



M J Bottle
Director

13 July 2020

The notes on pages 11 to 24 form part of these financial statements.

AXIOM UNDERWRITING AGENCY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	500	43,604	889,578	933,682
Comprehensive Income for the year				
Profit for the year	-	-	399,769	399,769
Total transactions with owners	-	-	-	-
At 31 December 2019	500	43,604	1,289,347	1,333,451

The notes on pages 11 to 24 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	500	43,604	871,022	915,126
Comprehensive Income for the year				
Profit for the year	-	-	322,556	322,556
Dividends: Equity capital	-	-	(304,000)	(304,000)
Total transactions with owners	-	-	(304,000)	(304,000)
At 31 December 2018	500	43,604	889,578	933,682

The notes on pages 11 to 24 form part of these financial statements.

AXIOM UNDERWRITING AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

The principal activity of the company is that of the provision of insurance brokering services acting as a managing general agency on behalf of various insurers and Lloyd's Syndicates. The company continues to specialise in the core markets of personal accident, travel and home insurance with relationships across a number of key brokers who have been known to the management team for many years.

The registered office of the company is:

5th Floor Plantation Place South
60 Great Tower Street
London
EC3R 5AZ

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ('FRS 102') Section 1A Small Entities (which has been adopted early), and with the Companies Act 2006. The financial statements have been prepared on the historical cost convention.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate for the reasons outlined in the directors report.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue relates to brokerage and commission income accounted for in the year in which the related policies are written or renewed, after adjustment for lapsed or terminated policies.

AXIOM UNDERWRITING AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life of four years.

Other intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following bases:

Software	-	25 % straight line
Goodwill	-	25 % straight line

2.4 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Fixtures & fittings	-	25% straight line
Other fixed assets	-	25% straight line

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

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

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.6 Valuation of investments

Investments held as fixed assets are shown at cost less provision for impairment. Fixed asset investments relate to a bond held with HSBC and its valuation is carried at open market value. The change in the value of the bond is recognised in the year to which it relates within income from other fixed asset investments.

Investment in subsidiaries are held at cost less any provision for impairment.

AXIOM UNDERWRITING AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

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

2.10 Creditors

Short term creditors are measured at the transaction price.

2.11 Dividends

Equity dividends are recognised when they become legally payable.

2.12 Pensions

Defined contribution pension plan

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

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

2.13 Interest Income

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

AXIOM UNDERWRITING AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.15 Current and deferred taxation

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

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

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

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

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

AXIOM UNDERWRITING AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.16 Insurance broking assets and liabilities

Insurance brokers usually act as agents in placing the insurable risks of their clients with insurers and, as such, generally are not liable as principals for amounts arising from such transactions. Notwithstanding these legal relationships, debtors and creditors arising from insurance broking transactions are shown as assets and liabilities. This recognises that the insurance broker is entitled to retain the investment income on any cashflows arising from these transactions. Debtors and creditors arising between the broker and insurers (eg a premium or a claim) are recorded simultaneously. Consequently, there is a high level of correlation between the totals reported in respect of insurance broking debtors and insurance broking creditors.

The position of the insurance broker as agent means that generally the credit risk is borne by the principals. There can be circumstances where the insurance broker acquires credit risk through statute, or through the act or omission of the insurance broker or one of the principals. There is much legal uncertainty surrounding the circumstances and the extent of such exposures and consequently they cannot be evaluated. However, the total of insurance broking debtors appearing in the balance sheet is not an indication of credit risk. It is normal practice for insurance brokers to settle accounts with other intermediaries, clients, insurers and market settlement bureau on a net basis. Thus, large changes in both insurance broking debtors and creditors can result from comparatively small cash settlements. For this reason, the totals of insurance broking debtors and creditors give no indication of future cashflows.

The legal status of this practice of net settlement is uncertain and in the event of an insolvency it is generally abandoned. Financial Reporting Standard 102 requires that offset of assets and liabilities should be recognised in financial statements where, and only where, the offset would survive the insolvency of the other party. Accordingly, only such offsets have been recognised in calculating insurance broking debtors and creditors.

2.17 Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of comprehensive income.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Sales and administration	8	23

From 1 April 2019, all employees were transferred to Arch Europe Insurance Services Ltd.

AXIOM UNDERWRITING AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Income from investments

	2019 £	2018 £
Income from investments	-	(598)
	<u>-</u>	<u>598</u>

5. Interest receivable

	2019 £	2018 £
Other interest receivable	1,351	490
	<u>1,351</u>	<u>490</u>

6. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	75,908	80,509
Adjustments in respect of previous periods	(2,966)	-
	<u>72,942</u>	<u>80,509</u>
Total current tax	<u>72,942</u>	<u>80,509</u>
Deferred tax		
Origination and reversal of timing differences	20,402	(2,156)
Adjustment in respect of prior periods	2,654	-
Effect of tax rate change on opening balance	-	(655)
Total deferred tax	<u>23,056</u>	<u>(2,811)</u>
Taxation on profit on ordinary activities	<u>95,998</u>	<u>77,698</u>

AXIOM UNDERWRITING AGENCY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	495,767	400,254
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	94,196	76,048
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,212	2,051
Depreciation on ineligible fixed assets	302	-
Adjustments to tax charge in respect of prior periods	(312)	-
Deferred tax rate differences	(2,400)	(401)
Total tax charge for the year	95,998	77,698

AXIOM UNDERWRITING AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Dividends

	2019 £	2018 £
Dividends paid to "A" shareholders	-	99,000
Dividends paid to "B" shareholders	-	205,000
	<u>-</u>	<u>304,000</u>

8. Intangible assets

	Software £	Goodwill £	Total £
Cost			
At 1 January 2019	75,588	34,445	110,033
Additions	16,311	-	16,311
At 31 December 2019	<u>91,899</u>	<u>34,445</u>	<u>126,344</u>
Amortisation			
At 1 January 2019	39,203	34,445	73,648
Charge for the year on owned assets	20,936	-	20,936
At 31 December 2019	<u>60,139</u>	<u>34,445</u>	<u>94,584</u>
Net book value			
At 31 December 2019	<u>31,760</u>	<u>-</u>	<u>31,760</u>
At 31 December 2018	<u>36,385</u>	<u>-</u>	<u>36,385</u>

AXIOM UNDERWRITING AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Tangible fixed assets

	Fixtures & fittings £	Other fixed assets £	Total £
Cost or valuation			
At 1 January 2019	68,684	106,176	174,860
Additions	174,070	3,848	177,918
Disposals	(4,633)	(2,997)	(7,630)
At 31 December 2019	<u>238,121</u>	<u>107,027</u>	<u>345,148</u>
Depreciation			
At 1 January 2019	55,838	87,707	143,545
Charge for the year on owned assets	20,858	9,817	30,675
Disposals	(4,454)	(2,537)	(6,991)
At 31 December 2019	<u>72,242</u>	<u>94,987</u>	<u>167,229</u>
Net book value			
At 31 December 2019	<u>165,879</u>	<u>12,040</u>	<u>177,919</u>
At 31 December 2018	<u>12,847</u>	<u>18,469</u>	<u>31,316</u>

AXIOM UNDERWRITING AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Fixed asset investments

	Investments in subsidiary companies £	Unlisted Investments £	Total £
Cost or valuation			
At 1 January 2019	100	36,310	36,410
At 31 December 2019	100	36,310	36,410
Net book value			
At 31 December 2019	100	36,310	36,410
At 31 December 2018	100	36,310	36,410

AXIOM UNDERWRITING AGENCY LIMITED

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11. Debtors

	2019 £	2018 £
Trade debtors	609,621	592,598
Amounts owed by group undertakings	60,000	60,000
Other debtors	109,136	79,782
Prepayments and accrued income	130,309	111,746
	<u>909,066</u>	<u>844,126</u>

12. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	3,650,518	1,899,121
	<u>3,650,518</u>	<u>1,899,121</u>

13. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	3,271,611	1,617,336
Amounts owed to group undertakings	149,439	243,320
Other taxation and social security	-	21,274
Other creditors	2,243	4,778
Accruals and deferred income	22,465	23,560
	<u>3,445,758</u>	<u>1,910,268</u>

AXIOM UNDERWRITING AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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14. Deferred taxation

	2019 £	2018 £
At beginning of year	(3,408)	(6,219)
Charged to profit or loss	(23,056)	2,811
At end of year	(26,464)	(3,408)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(25,451)	(2,394)
Unrealised gains on unlisted investments	(1,013)	(1,014)
	(26,464)	(3,408)

15. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
375 (2018 - 375) Ordinary 'A' shares shares of £1.00 each	375	375
125 (2018 - 125) Ordinary 'B' shares shares of £1.00 each	125	125
	500	500

16. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	98,724	11,174
Later than 1 year and not later than 5 years	394,896	-
Later than 5 years	419,577	-
	913,197	11,174

AXIOM UNDERWRITING AGENCY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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17. Related party transactions

The company has taken advantage of the exemption from detailing related party transactions available under paragraph 33 of Financial Reporting Standard 102 on the grounds that it is a 100% subsidiary and included in consolidated accounts that are publicly available.

During the year a director received dividends totalling £nil (2018 - £205,000).

18. Post balance sheet events

The World Health Organisation declared a pandemic in relation to the Novel Coronavirus (COVID-19) on 11 March 2020. The outbreak is causing unprecedented social disruption, and global economic and financial markets volatility.

As the emergence of the situation is in its earlier stages, the full extent of exposures to and impacts on the Company are uncertain and therefore the financial impacts cannot be reliably estimated at this point in time. The pandemic is considered a non-adjusting event and therefore no allowance for losses or other financial impacts has been made in the financial statements. Further information related the potential impact of COVID-19 on the Company can be found in the Directors report on page 2.

19. Controlling party

As at 31 December 2019, Axiom Underwriting Agency is a 100% subsidiary of Arch Underwriting at Lloyd's Ltd.

The Directors regard Arch Capital Group Ltd., a company incorporated in Bermuda, as the ultimate parent company, which was also the parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up and of which the Company is a member.

Copies of the consolidated financial statements of Arch Capital Group Ltd can be obtained from The Secretary, Arch Capital Group Ltd., Waterloo House, Ground Floor, 100 Pitts Bay Road, Pembroke HM08, Bermuda.

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20. Insurance business monies

The company uses separately designated insurance broking accounts for the receipt and payment of all insurance business monies. Included in cash at bank and in hand was £2,492,643 (2018 - £1,607,611) relating to these transactions.