



IQUW

**IQUW UK Limited
Annual Accounts
31 December 2022**

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Directors and Officers

Directors

Peter A Bilsby
Francois X Boisseau
Richard A Hextall

Company Secretary

Renuka S Fernando

Registered Office

30 Fenchurch Street
London
EC3M 3BD

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Strategic report

For the year ended 31 December 2022

The directors of IQUW UK Limited (the "Company") present their Strategic report for the year ended 31 December 2022.

Review of business

The Company is part of the IQUW Holdings Bermuda Limited group ("IQUW Group"). The Company is a holding company for Lloyd's underwriting agency interests and the IQUW Group's UK operations. The principal activity of its subsidiary undertakings is to underwrite or manage the transactions of general insurance business at Lloyd's. The principal subsidiary undertakings of the IQUW Group include IQUW Syndicate Management Limited ("IQUW SML"), the managing agent for Syndicates 218, 1856, and 3268, IQUW Corporate Member Limited ("IQUW CML"), a corporate member at Lloyd's participating on Syndicates 218 and 1856, and IQUW Administration Services Limited ("IQUW ASL"), a service company for the Group.

During the year the Company made £nil capital contributions to its subsidiaries (2021: £nil).

Results and dividends

The Company generated a profit after taxation for the year of £19,894,000 (2021: Profit £57,773,000). The profit for the year included the following notable items:

- Intra-group loan arrangement interest income of £1,940,000 (2021: £899,000)
- Intra-group loan arrangement interest expense of £1,161,000 (2021: £899,000)
- Administrative expenses of £1,209,000 (2021: £1,678,000)
- Dividends received from subsidiaries of £20,000,000 (2021: £59,211,000)

The Company did not pay an interim or final dividend in the year (2021 interim: £71,466,000).

Key performance indicators

The Company's key performance indicators (KPI) during the year were as follows:

	2022 £000	2021 £000
Profit for the year	19,894	57,773
Net assets	92,512	72,618

The Directors consider the profit or loss after taxation and net assets as the key performance indicators of the Company, with the understanding that the loan interest expense has a significant impact on the results of the Company and that dividend income is the main source of income for the Company. As the principal business of the Company is that of a holding company, there are no other specific key performance indicators to report.

Principal risks and uncertainties

The Company is an intermediate holding company in the IQUW Group. The Company's primary source of revenue comprises dividend receipts from its subsidiaries, which in 2022 totaled £20.0 million (2021: £59.2 million).

The Company is part of the IQUW Group, whose Board has developed a governance framework and set group-wide risk management policies and procedures which cover specific areas such as risk identification, risk management and mitigation, and risk reporting. The overall appetite for accepting and managing varying classes of risk is defined by the Board.

The Company's balance sheet includes significant investments in, and amounts receivable from, subsidiary companies. The recoverability of these balances is dependent on the continued solvency of these companies. The principal risks relating to each of these companies are outlined in their respective 31 December 2022 financial statements.

Strategic report (continued)

For the year ended 31 December 2022

Principal risks and uncertainties

The Company has exposures to credit risk, which is the risk that a counterparty will suffer a deterioration in perceived financial strength or be unable to pay amounts in full when due. The key area where the Company is exposed to credit risk is counterparty risk from other companies in the IQUW Group. The Company evaluates the required allowance for credit losses on amounts due from the Group undertakings based on the repayment terms and the ability of the Group company to make the repayment in accordance with the terms of the arrangement.

The IQUW Group largely centralises the treasury function for its subsidiaries and so repayment balances from other Group companies may require the borrower to collect balances that it has owing from other Group companies. Management has determined that amounts due from Group undertakings are low credit risk and that the expected credit default related to any amounts due from Group undertakings is immaterial. Accordingly, no loss allowance has been made for impairment.

The Company has no significant exposure to interest rate risk as it has no investments in debt and other fixed income securities.

The Company has no significant exposure to liquidity risk as all expenses, taxes and liabilities are settled by other group companies as they fall due and are recharged to the Company through the appropriate inter-company accounts.

The Company has no significant exposure to operational risk as it has no employees.

The Company is exposed to the risk of continuing operations of its subsidiaries and the carrying value of its investments in them. The Directors have an expectation that the Company's subsidiaries will continue in operation for the foreseeable future.

Directors' statement in performance of their statutory duties per s172 Companies Act 2006

The way the Directors have performed their duty under Section 172 (1) (s.172) of the Companies Act 2006 is set out below. S.172 sets out a series of matters to which the Directors must have regard to in performing their duty to promote the success of the Company for the benefit of its shareholders, which includes having regard to other stakeholders. Where this statement draws upon information contained in other sections of the Strategic report, this is signposted accordingly.

The Board considers it crucial that the Company maintains a reputation for high standards of business conduct. The Board is responsible for setting, monitoring, and upholding the culture, values, standards, ethics and reputation of the Company to ensure that obligations to shareholders, employees, customers and others are met, and that the desired culture is embedded throughout the organisation. The Board monitors adherence to the Company's policies and to compliance with local corporate governance requirements across the Group, and the Board is committed to acting where the businesses fall short of the expected standards. The Board is also focused on the wider social context within which the businesses operate, including those issues related to climate change.

The Directors of IQUW UK Limited fulfil their duties through a governance framework that delegates day to day management and decision making to an Executive Team.

Key strategic decisions in 2022

For each matter that comes before the Board, the Board considers the likely consequences of any decision in the long term, identifies stakeholders who may be affected, and carefully considers their interests and any potential impact as part of the decision-making process. There were no key strategic decisions for the company in 2022 beyond the normal course of business.

Strategic report (continued)

For the year ended 31 December 2022

Stakeholder engagement

The table below sets out the approach to stakeholder engagement during 2022.

Stakeholders	Why are they important to the Company?	What is the Board's approach to engaging with them?
Customers	Understanding what is important to customers is essential to long-term success.	The Company, through its principal subsidiaries, has continued to maintain strong levels of service for individual and commercial customers within the Syndicates. The principal subsidiaries are committed to delivering fair treatment of customers by delivering the good customer outcome principles set out by the FCA.
Suppliers	The Company works with a wide range of suppliers to deliver services to customers	The success of the business depends on relationships with a network of experts beyond the Company and principal subsidiaries. All activities are informed by appropriate engagement with stakeholders to gain an understanding of the operating environment and market. Long-term relationships with brokers are based on professionalism, fairness, and integrity. The business actively engages with intermediaries at industry events and events hosted by the company and the Syndicates.
Employees	Employee well-being is key to the Company's long-term success	Employees are fundamental to the delivery of the Company's business. Staff are supplied via service agreements with a sister IQUW company, IQUW Administrative Services Limited ("IQUW ASL"). The staff engagement mechanisms align with those of the IQUW Group. IQUW ASL has put steps in place for workforce engagement, training and development, employee networks, and regular communication updates. The IQUW Group executives act on the outputs of an annual global employee engagement survey and during 2022 ran additional surveys to gather feedback on whether employees felt supported. Extensive support is provided for employees including introducing a flexible working policy to promote the wellbeing of staff.
Communities and environment	The Company takes account of its impact on the community, environment, and wider social responsibilities	IQUW Group's plans take account of the impact of its operations on the community, environment, and wider social responsibilities and employees undertake a variety of charity work and fundraising. As a key company in the IQUW Group, the Company takes part in the Group's Environmental, Social and Governance ("ESG") framework and working group. The IQUW Group is committed to considering sustainability in its business decisions by using data intelligently with automation to enhance the management of risks from climate change, and to support its customers to move towards a low carbon economy. The syndicates' (re)insurance products actively support climate change resilience; protecting society from the physical risks due to climate change through underwriting classes of business that help rebuild buildings and wider communities after natural disasters. Managing the largest motor insurance syndicate in Lloyd's, the IQUW Group is well placed to help society in the transition to alternative fuel vehicles, supporting the UK's ambition for all new cars to be zero-emission by 2035. In addition, IQUW Group is committed to reduce and eliminate by 2030, its exposure to thermal coal-fired power plants, thermal coal mines, oil sands and new arctic energy exploration activities across our insurance offerings and investment holdings.

Strategic report (continued)

For the year ended 31 December 2022

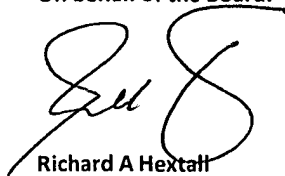
Stakeholder engagement (continued)

Stakeholders	Why are they important to the Company?	What is the Board's approach to engaging with them?
Regulators	The Company is a holding company in the IQUW UK Group, as such it is not subject to financial services regulations and approvals.	The Company is not regulated.
Capital providers and shareholders	Shareholders are the owners of the Company.	The Company plans are designed to have a long-term beneficial impact on the Company and to contribute to the success in delivering the business of the primary decision-making body, IQUW SML, which is the managing agent of Syndicate 218 and 1856. The Company, through intermediate companies, is ultimately a wholly owned subsidiary of IQUW Bermuda Holdings Limited (the "IQUW Group"). The Company continues to operate its business within a structured control environment. The IQUW Group values reiterate this longer-term perspective and the desire to build a business that lasts.

Future developments

The Company will continue to act as an intermediate holding company in the IQUW Group.

On behalf of the Board:



Richard A Hextall
Director
16 June 2023

Directors' report

For the year ended 31 December 2022

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2022.

Directors

The directors who held office during the year and up to the date of signing of the financial statements were as follows:

Peter A Bilisby
Francois X Boisseau
Richard A Hextall

The directors have no interests in the shares of the Company, nor in the shares of any other Group company other than in the ultimate parent company.

Principal activities and review of business

Principal activities and a review of the business of the Company are discussed in the Strategic Report.

Going concern

The Company has a net asset position of £92,512,000 at 31 December 2022 (2021: £72,618,000). Having consideration of the key risks, the financial statements have been prepared on a going concern basis as the Directors believe the Company's 2023 budget, its medium and long-term plans, and its cash flow forecasts, taking account of the risks and uncertainties to which the Company is exposed, demonstrate that the Company has sufficient resources to continue in operational existence for the foreseeable future.

Dividends

The Company did not pay a dividend in the year (2021: £71,466,000). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: £nil).

Employees

During the year all staff were employed by IQUW Administration Services Limited ("IQUW ASL"), a subsidiary undertaking of the Company. The amount recharged to the Company by IQUW ASL in respect of employee costs was £nil (2021: £nil).

Directors' and officers' liability insurance

As permitted by the Companies Act 2006, the Company has maintained insurance cover for directors and officers against potential liabilities arising in relation to the IQUW Group and its subsidiaries.

Directors' report (continued)

For the year ended 31 December 2022

Energy and carbon report

Streamlined Energy Carbon Reporting ("SECR") was introduced by the UK Government on 1 April 2019 when the Companies (Directors Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations came into force for entities in scope, with accounting period beginning on or after 1 April 2019. IQUW UK falls under the scope of this regulation as it is a large unquoted company. The emissions data reported is for the IQUW UK Group, based upon property energy use and business car use.

UK Greenhouse gas emissions and energy use data for the period 1 January 2022 to 31 December 2022		
	2022	2021
	kWh	kWh
Energy consumption used to calculate emissions	1,347,804	1,166,549
	tCO2e	tCO2e
Scope 2 - Energy consumption incurred in the operation of facilities	260.64	247.69
Scope 3 - Business travel employee owned vehicles	12.62	3.69
Total gross emissions	273.26	251.38
Emission intensity ratio – Tonnes of CO2e per £m gross written premium	0.97	0.57

Reported greenhouse gas emissions are calculated using the carbon conversion factors published by the UK's Department for Business, Energy and Industrial Strategy published in July 2020. This includes all activities we have operational control including our offices at Crucible Park Swansea.

Independent auditors

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed and approved by the Board.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

Directors' report (continued)

For the year ended 31 December 2022

Statement of directors' responsibilities in respect of the financial statements (continued)

- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Future developments

Future developments of the Company are discussed in the Strategic Report.

On behalf of the Board:



Richard A Hextall
Director
16 June 2023

Independent auditors' report to the members of IQUW UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, IQUW UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the IQUW UK Limited Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2022; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journals and management bias in accounting estimate. Audit procedures performed by the engagement team included:

- Discussions with the Board, management, internal audit, senior management involved in the Risk and Compliance functions and legal function, including consideration of known or suspected instances of non compliance with laws and regulation and fraud;
- Assessment of matters reported on the whistleblowing helpline and management's investigation of such matters;
- Reviewing relevant board meeting minutes;
- Identifying and testing journal entries and data integrity including the completeness and accuracy of journals listings, in particular journal entries posted with unusual account combinations or posted by senior management; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Sean Forster (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 June 2023

Statement of comprehensive income

For the year ended 31 December 2022

	Note	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Administrative expenses	3	(1,209)	(1,678)
Operating loss		(1,209)	(1,678)
Income from shares in group undertakings	4	20,000	59,211
Other interest receivable and other income	5	2,014	906
Other interest payable and other charges	6	(1,161)	(1,187)
Profit before taxation		19,644	57,252
Tax on profit	7	250	521
Profit for the financial year		19,894	57,773

All amounts relate to continuing operations.

The Company has no recognised gains and losses other than as shown above and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 16 to 21 form an integral part of these financial statements.

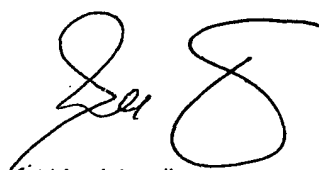
Balance sheet

As at 31 December 2022

	Note	2022 £000	2021 £000
Investments			
Investment in Group undertakings and participating interests	8	82,578	82,578
Non-current assets			
Debtors*	9	30,000	30,000
Current assets			
Debtors	9	3,640	6,817
Cash at bank and in hand		184	184
		3,824	7,001
Current liabilities			
Creditors: amounts falling due within one year	10	(13,890)	(16,961)
Net current liabilities		(10,066)	(9,960)
Non-current liabilities			
Creditors: amounts falling due after one year	10	(10,000)	(30,000)
Net assets		92,512	72,618
Capital and reserves			
Called up share capital	11	49,390	49,390
Share premium account		8,610	8,610
Profit and loss account		34,512	14,618
Total shareholders' funds		92,512	72,618

*Non-current assets in PY have been reclassified, refer to Note 9.

The financial statements on pages 13 to 15 were approved by the Board on 16 June 2023 and were signed on its behalf by:



Richard Hextall
Director
16 June 2023

Statement of changes in equity

For the year ended 31 December 2022

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2021	41,370	8,610	28,311	78,291
Profit and total comprehensive income for the financial year	-	-	57,773	57,773
Share issue	8,020	-	-	8,020
Dividend	-	-	(71,466)	(71,466)
At 31 December 2021	49,390	8,610	14,618	72,618

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2022	49,390	8,610	14,618	72,618
Profit and total comprehensive income for the financial year	-	-	19,894	19,894
At 31 December 2022	49,390	8,610	34,512	92,512

Notes to the financial statements

For the year ended 31 December 2022

1. Accounting policies

General information

IQUW UK Limited is a company limited by shares, domiciled and incorporated in the United Kingdom. The Registered Office is 30 Fenchurch Street, London, EC3M 3BD.

Basis of presentation

The individual financial statements of IQUW UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom" ("FRS 102") and the Companies Act 2006.

The financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value. The financial statements are prepared in sterling which is the functional currency of the Company.

The principal accounting policies are set out below and have been applied consistently to all years presented.

(i) Consolidated financial statements

The company is a wholly owned subsidiary of IQUW Midco Bermuda Limited and is included within the consolidated financial statements of IQUW Holdings Bermuda Limited ("IQUW HBL") which are publicly available. Therefore, the company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The consolidated financial statements of IQUW HBL can be obtained from the Company Secretary at Appleby Global Corporate Services (Bermuda) Ltd., Canon's Court, 22 Victoria Street, Hamilton Bermuda HM 12.

(ii) Cash flow statement

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, IQUW HBL, includes the Company's cash flows in its consolidated financial statements.

(iii) Related parties

The Company has taken advantage of the exemption, under FRS 102 paragraph 33.1A, from disclosing transactions entered into with its ultimate parent company, IQUW HBL, and its subsidiaries.

(iv) Investments in subsidiary undertakings

Shares in subsidiary undertakings are stated at cost unless their value has been impaired, in which case they are valued at their realisable value or value in use as appropriate.

(v) Taxation

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be recovered.

(vi) Operating expenses

Operating expenses are incurred on behalf of the Group by IQUW Administration Services Limited ("IQUW ASL") the Group's administration services company. IQUW ASL charges out these costs as either a direct expense to the relevant subsidiary undertaking, where the expense can be wholly attributable to that undertaking or as a recharge expense where the expense is considered an overhead expense.

Notes to the financial statements (continued)

For the year ended 31 December 2022

1. Accounting policies (continued)

(vi) Operating expenses (continued)

The Group regularly reviews the basis of allocation of such overhead expenses to ensure they remain appropriate and equitable to each subsidiary undertaking.

(vii) Income from shares in group undertakings

Income from shares in group undertakings is recognised when receivable.

2. Directors' emoluments

The directors are remunerated by IQUW ASL for their services to the Group as a whole. The recharges from IQUW ASL for their services as directors of this Company amounted to £294,436 (2021: £1,024,807). The remuneration of the highest paid director during the year amounted to £294,926 (2021: £604,317).

The Company operates a single defined contribution pension plan for its employees. The recharges from IQUW ASL to the Company in respect of the pension contributions of the directors during the year amounted to £nil (2021: £nil).

There were no directors (2021: nil) in the Company's defined contribution pension scheme.

3. Administrative expenses

Administrative expenses comprise:

	2022 £000	2021 £000
Director emoluments including bonus	294	1,025
Salaries and other short-term benefits	447	1,243
Legal and professional	49	(496)
Other	419	(94)
Total	1,209	1,678

Auditors' remuneration costs are borne by IQUW ASL. Disclosures of the full amounts are shown in the notes to the financial statements of IQUW ASL. The auditors' remuneration for the audit of the Company's financial statements, which is incurred by IQUW ASL, is £18,450 (2021: £12,000).

4. Income from shares in group undertakings

	2022 £000	2021 £000
Dividends received from subsidiary undertakings	20,000	59,211
Total	20,000	59,211

During the year the Company received a dividend of £20,000,000 (2021: £59,211,137) from its subsidiary undertakings.

Notes to the financial statements (continued)

For the year ended 31 December 2022

5. Other interest receivable and other income

	2022 £000	2021 £000
Intra-group loan arrangement interest	1,940	899
Other income	74	7
Total	2,014	906

6. Other interest payable and other charges

	2022 £000	2021 £000
Intra-group loan arrangement interest	(1,161)	(899)
Other interest	-	(288)
Total	(1,161)	(1,187)

7. Tax on profit

(a) Analysis of tax charge for the year	2022 £000	2021 £000
UK Corporation tax at 19% (2021: 19%)		
Tax on income for the year	(250)	(521)
Total current tax credit	(250)	(521)
Deferred tax	-	-
Tax on profit	(250)	(521)

(b) Factors affecting tax for the year	2022 £000	2021 £000
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The tax assessed for the year is lower (2021: lower) than the standard rate of corporation tax of 19% (2021: 19%). The differences are explained below:

Profit before taxation	19,643	57,252
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	3,732	10,878
Effects of:		
Expense (credit)/charge not deductible for tax purposes	80	(120)
Income not subject to tax	(3,800)	(11,250)
UK to UK transfer pricing adjustments	(262)	(29)
Total tax credit for the year	(250)	(521)

(c) Factors affecting current and future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

Notes to the financial statements (continued)

For the year ended 31 December 2022

8. Investments

	2022 £000	2021 £000
At 1 January	82,578	70,246
Acquisition	-	12,332
At 31 December	82,578	82,578

On 23 December 2021, IQUW UK Limited acquired 100% of the share capital and voting rights of Agora Syndicate Holdings Ltd ("ASHL") and Lloyds's corporate member Agora CCM 4 Limited. ASHL has several subsidiaries including Agora Syndicate Management Limited, Agora Syndicate Services Limited and Lloyds's corporate members Agora CCM 3 Limited, and Agora CCM 5 Limited.

The Company directly owns the issued share capital of the following companies incorporated in England and Wales, except where indicated:

Name of subsidiary	Nature of business	Percentage shareholding
IQUW UK Insurance Group Limited	Insurance Holding Company	100%
Agora Syndicate Holdings Limited	Insurance Holding Company	100%
Agora CCM4 Limited	Lloyd's Corporate Capital Member – non trading	100%
Agora Syndicate Management Limited	Managing agent at Lloyd's – non trading	12.5%

The registered address for the subsidiary companies in the table above is 30 Fenchurch Street, London, EC3M 3BD.

9. Debtors

	2022 £000	2021 £000
Due within one year		
Amounts owed by group undertakings	3,317	6,004
Other debtors	323	813
Due after one year		
Intra-group loan agreement	30,000	30,000
Total	33,640	36,817

On 2 June 2021 the Company entered into an intra-group loan arrangement with its parent company IQUW Mid-Co Bermuda Limited for £35,000,000 and at 31 December 2022 £30,000,000 of this facility had been drawn down. Interest is payable at 5% above base rate and at 31 December 2022 £2,838,740 (2021: £899,014) was receivable by the Company.

Within the prior year debtor figures, £30,000,000 has been reclassified as non-current to accurately reflect the payment terms of the intergroup loan arrangement, which is due on 2 June 2026. This change has been reflected in the note above, and on the face of the financial statements on page 14.

Notes to the financial statements (continued)

For the year ended 31 December 2022

10. Creditors

	2022 £000	2021 £000
Due within one year		
Amounts owed to group undertakings	11,556	4,503
Accruals and deferred income	418	-
Other creditors	1,916	12,458
Due after one year		
Intra-group loan agreement	10,000	30,000
Total	23,890	46,961

Included in other creditors is an amount of £1,916,338 (2021: £12,332,355) in respect of the consideration due for the Agora acquisition.

On 2 June 2021 the company entered into an intra-group loan arrangement with its subsidiary IQUW UK Insurance Group Limited for £35,000,000. At 31 December 2022 £10,000,000 of this facility had been drawn down. Interest is payable at 5% above base rate and at 31 December 2022 £2,059,562 (2021: £899,014) was payable by the Company.

11. Called up share capital

	2022 £	2021 £
Ordinary shares		
Allotted, issued and fully paid:		
850,000 (2021: 850,000) A ordinary shares of £0.01 each	8,500	8,500
5,000 (2021: 5,000) B ordinary shares of £0.01 each	50	50
37,500 (2021: 37,500) D ordinary shares of £0.01 each	375	375
Total	8,925	8,925

The ordinary share classes A and B have equal rights with respect to voting, distributions and repayment of capital.

The ordinary share classes D have full voting rights, but rights regarding distributions and returns of capital are restricted in accordance with the Articles.

	2022 £	2021 £
Preference shares		
Allotted, issued and fully paid:		
49,389,849 (2021: 49,389,849) preference shares of £1 each	49,389,849	49,389,849

Notes to the financial statements (continued)

For the year ended 31 December 2022

11. Called up share capital (continued)

Dividends	2022 £000	2021 £000
Equity – Ordinary		
Interim 2022: paid	-	71,466
Total dividends paid	-	71,466

12. Controlling parties

The immediate parent undertaking is IQUW Midco Bermuda Limited.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is IQUW HBL. Copies of IQUW HBL's consolidated financial statements can be obtained from the Company Secretary at Appleby Global Corporate Services (Bermuda) Ltd., Canon's Court, 22 Victoria Street, Hamilton Bermuda HM 12.