

# Ascot Underwriting Group Limited (AUGL) Management Accounts June 2023

## **Notable events:**

- A dividend of £3.5m was declared to parent company AUG on 27 March 2023 from subsidiary Ascot Underwriting Holdings Limited (AUHL).
- A dividend of £2.2m was declared to parent company AUG on 28 February 2023 from subsidiary Ascot Underwriting Limited (AUL).
- The \$150m principal loan notes on a \$200m drawdown facility with Ascot Bermuda Limited (ABL) was renewed in November 2021 at a 3.35% (previously 4%) interest rate, until the term end in November 2026.

# Ascot Underwriting Group Limited (AUGL)

## Statement of Comprehensive Income for the period ended June 2023

	June 2023	June 2022	Dec 2022
	\$	\$	\$
Administrative expenses	(533,769)	(81,676)	(839,987)
<b>Operating (loss)</b>	<b>(533,769)</b>	<b>(81,676)</b>	<b>(839,987)</b>
Dividends received	6,918,762	6,627,910	6,627,910
Interest receivable and similar income	111,286	37,496	240,059
Interest payable and similar charges	(2,831,620)	(2,526,458)	(5,763,712)
<b>Profit before taxation</b>	<b>3,664,659</b>	<b>4,057,272</b>	<b>264,270</b>
Taxation	936,332	478,898	1,404,226
<b>Profit after taxation</b>	<b>4,600,991</b>	<b>4,536,170</b>	<b>1,668,496</b>
<b>KPIs</b>			
Effective tax rate	25.6%	11.8%	531.4%
<b>Other information:</b>			
Foreign exchange gains/(losses)	589,849	(57,302)	741,725

- Administrative expenses consists primarily of six month's worth of recharged expenses (\$1,032k), being Executive costs, IT Security and Distribution costs combined with associated mark up (\$78k) based on budget. In addition, there were direct costs which included external audit (\$13k), and irrecoverable VAT and bank and e-charges (\$1k).
- This is partially offset by foreign exchange gains of \$589.8k.
- Interest income represents interest on cash balances held by the Company. This has increased by \$74k from this time last year due to AUGL holding cash in a money market platform (Invesco) and gaining income due to rates increasing.
- Interest payable has arisen on the \$150m loan notes held by Ascot Bermuda Limited (ABL). Interest is only being charged on the principle \$150m at 3.35% p.a.
- AUGL's effective tax rate is higher than expected (23.5%) because of disallowable items such as dividends.
- AUGL holds balances in GBP, whilst being a functional USD entity. USD has weakened from prior year end to current month against GBP resulting in foreign exchange gains due to AUG being a functional USD entity with large sterling assets (owing to the short term ico funding to Ascot Corporate Name Limited (ACNL) in GBP).
- A total of \$6.9m dividends have been settled in 2023 (2022: \$6.6m) from subsidiaries AUH and AUL. The money received was used to provide short term funding to ACNL.

# Ascot Underwriting Group Limited (AUGL)

## Statement of Financial Position as at June 2023

	June 2023	Dec 2022
	\$	\$
Investments in subsidiaries	506,726,967	506,726,967
<b>Non-current assets</b>	<b>506,726,967</b>	<b>506,726,967</b>
Investments	420,403	12,347,334
Cash	35,700	46,894
Debtors	21,478,282	6,452,287
Deferred tax asset	2,912,245	1,975,913
<b>Current assets</b>	<b>24,846,630</b>	<b>20,822,428</b>
Creditors due within one year	(172,537)	(1,054,488)
<b>Net current assets</b>	<b>24,674,093</b>	<b>19,767,940</b>
<b>Total assets less current liabilities</b>	<b>531,401,060</b>	<b>526,494,907</b>
Creditors due after more than one year	(149,056,565)	(148,751,403)
<b>Net assets</b>	<b>382,344,495</b>	<b>377,743,504</b>
Share capital	(305,993)	(305,993)
Share premium	(355,684,982)	(355,684,982)
Retained earnings brought forwards	(21,752,529)	(20,084,033)
Current period result	(4,600,991)	(1,668,496)
<b>Total equity and reserves</b>	<b>(382,344,495)</b>	<b>(377,743,504)</b>

- Investment in subsidiaries balance relates to AUGL's shareholding in Ascot Corporate Name Limited (ACN), Ascot Employees Corporate Member Limited (AEC), Ascot Underwriting Holdings Limited (AUH), Ascot Underwriting Limited (AUL) and Ascot MGA Limited (MGA). Management assesses investments annually for indicators of impairment.
- Cash at bank/ short term investments has decreased by \$12m. This is predominately due to additional funding during the year to ACNL of £12.7m (primarily to cover the bonus payments in April) offset by £3.5m dividend received from AUH.
- Debtors balance is primarily from intercompany. AUGL provided subsidiary ACNL \$21.5m intercompany short term support to cover cashflow restraints in the corporate member and bonus payments in April. Debtors also consist of accrued interest sweep accounts (\$2.9k), which has been confirmed received in July 2023, and VAT control account (\$4k).
- Deferred Tax Asset has increased by \$0.9m due to taxable losses being deferred for future offset.
- Creditors due within one year primarily relates to an intercompany payable to AUHL relating to allocation expenses.
- Creditors due after one year comprise of the intercompany loan arrangement with ABL.
  - \$150m principal loan notes on a \$200m drawdown facility with ABL.
  - The loan was renewed at 3.35% commencing November 2021 until November 2026.
  - The loan has been discounted to present value (\$0.9m discount).
- Share capital and share premium have remained constant within the period.