

Registered Number: 07912813

**UNDERWRITE ME LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 December 2020**

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**UNDERWRITEME LIMITED  
OFFICERS AND KEY DETAILS**

<b>DIRECTORS</b>	J A Evans D L Hayward D R Howell J Tait M Werth (resigned on 1 April 2020) (appointed on 1 November 2020) W Copp
<b>COMPANY SECRETARY</b>	R Sterling
<b>AUDITOR</b>	Deloitte LLP (London)
<b>BANKER</b>	HSBC Bank plc
<b>REGISTERED NUMBER</b>	07912813
<b>REGISTERED OFFICE</b>	Tower Bridge House St Katharine's Way London England E1W 1BA

**UNDERWRITEME LIMITED  
STRATEGIC REPORT (continued)**

The Directors of UnderwriteMe Limited ("the Company") present their Strategic Report for the year ended 31 December 2020.

**Objectives and review of the year**

The Company has two purposes. First, it is the holding company for UnderwriteMe Technology Solutions Limited ("UMTS") and UnderwriteMe Australia Pty Limited ("UMA"). UMTS develops software products for use by life insurance companies in automating underwriting and claims decisions. UMTS and, in the case of Australia & New Zealand, UMA sell those software products in many markets around the world. Secondly, the Company provides an online platform using UMTS's software products to enable intermediaries in the UK to provide comparable "buy now" terms from multiple insurers to consumers, enabling them to complete a sale immediately in the majority of cases (the "Protection Platform").

The Company is regulated by the Financial Conduct Authority ("FCA").

A new Chief Executive Officer was appointed in February 2020 and a Chief Product and Technology Officer in June 2020. The formal appointment of the Chief Product and Technology Officer to the Board is subject to the awaited approval by the FCA of Senior Management Function ("SMF") status. During the year, the Company and its subsidiaries moved to full remote working as a result of the global pandemic. This had minimal impact on the Company's operations and *no impact on the service provided to its clients.*

In 2020, the volumes of business placed through the Protection Platform continued to grow despite a fall in market volumes. The Company added a major insurer to the panel, extended its distribution and made significant technological improvements to the proposition. These developments make it well placed to deliver further growth in 2021.

UMTS faced challenges from the impact of the pandemic on life insurance companies' appetite for short-term technology transformation, but also continued to grow. Given those challenges and an already strong market share in the United Kingdom and Ireland, there were no new contracts signed in those markets. However, there was one significant renewal and UMTS's first contract was signed with a client based in the United States of America. In addition, UMTS Singapore branch continued to grow its client base with new sales in South East Asia. There is some indication that sales volumes for the UK market were negatively affected as an indirect result of the pandemic. Similarly, the sales pipeline for the Company's subsidiary's software products has been affected negatively. This has been factored into the Company's revenue projections and this situation will continue to be monitored and assessed by management of the Company.

In Australia and New Zealand, there was a very limited pipeline of new sales for UMA and there were no new sales. The size of the team based in Australia was significantly reduced in 2020.

The Company's key financial and other performance indicators during the year were as follows:

**UNDERWRITEME LIMITED**  
**STRATEGIC REPORT (continued)**

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Revenue	4,374	2,737
Net loss for the financial year	(8,796)	(13,350)
	As at 31 December 2020 £'000	As at 31 December 2020 £'000
Shareholder's equity	13,370	14,216

The revenue recorded in the year is for both the Protection Platform and for management services provided by the Company to UMTS. The increase is mainly due to sales resulting from an increase in the number of intermediaries using the Protection Platform, as well as increased sales through existing intermediaries. The performance of the Company is impacted by the net loss in its subsidiary UMTS, which is growing its infrastructure.

The Directors do not recommend the payment of a dividend for the year ended 31 December 2020 (2019: £nil).

Martin Werth has resigned as Director and Chief Executive Officer of the Company effective from 1 April 2020 and 24 February 2020 respectively and was re-appointed as a Non-Executive Director on 1 November 2020. James Tait has been appointed the Chief Executive Officer of the Company.

Julie Evans has resigned as Director and Chief Operations Officer of the Company and was re-appointed as a Non-Executive Director in the year. The role of Chief Operations Officer was removed, and a new role of Chief Product and Technology Officer was created. Ian McLean has been appointed as Chief Product and Technology Officer (awaiting FCA SMF approval for formal appointment to the Board).

**Future developments**

The Company and its subsidiaries intend to invest further in software products and to continue their business growth in existing and new territories. As part of a wider corporate re-organisation, all share capital of the Company was divided in specie by Pacific Life Re Services Limited to Pacific Life Re Holdings LLC on 4 January 2021. Significant funding was made available to the Company by Pacific Life Re Holdings LLC in January 2021 to support these activities.

The Company continues its rapid growth but has recorded a loss for the year in 2020; this will continue in the short term as the Company will provide funding to its Subsidiaries in developing its Protection Platform and extending the scope of and territories for its software products.

The extent of the impact of the COVID-19 virus on the Company is continuously evolving and will depend on future developments, including the severity, duration and frequency of any new "waves" of the pandemic or the timetable for the development and implementation, and the efficacy, of any therapeutic treatments or vaccines for COVID-19. PLRL continues to monitor and respond to the COVID-19 pandemic and related governmental action and regulation.

The Company continues to plan for further impacts to its business that may arise as a result of COVID-19, as well as evaluate its operating models to adapt to the evolving environment.

**UNDERWRITE ME LIMITED  
STRATEGIC REPORT (continued)**

**Principal risks and uncertainties**

The Company has four principal risks, which are sales risk, operational risk, competition risk and legal and regulatory risk. Each is described in more detail below.

*Sales risk*

A material delay in engaging insurers and intermediaries and insufficient sales volumes will restrict sales growth and have a significant financial impact on the Company, as it will not be able to cover its expense base.

*Operational risk*

There is a risk that significant unexpected expenditure may be required to make the Protection Platform and the software products operate in the manner intended and may lead to an unanticipated increase in expenditure.

The Business is dependent on delivering leading technology and so needs to recruit and retain quality resources.

The technology is also subject to the risk of a security breach and the costs of maintaining secure platforms can increase.

In response to COVID-19, The Company has modified its operations and policies to implement working from home for the majority of its workforce, increased sanitisation measures at facilities where a small number of its employees and third parties are working, implemented health screenings for those working in its facilities and is providing supportive health, wellness and workplace equipment benefits and programs.

*Competition risk*

Competitors could improve their product offering, which could result in the failure of the Company to secure future sales, impacting revenue and losing existing business.

*Legal and regulatory risk*

The Company is regulated by the FCA to act as an insurance intermediary, so must meet the FCA's capital requirements and other regulations.

Target clients operate in a highly regulated environment in multiple jurisdictions. Changes to regulations could result in a change in the demand for the Company's services, or changes in the cost or ability of the Company to perform its services.

The Company processes data from clients regarding their customers for the purposes of carrying out business analytics for clients and undertaking statistical analysis and R&D internally and within the Company group. Adverse changes in regulation or the intervention of a regulatory authority could limit or prevent the Company's processing of data.

The Strategic Report of UnderwriteMe Limited was approved by the Board of Directors on 30 March 2021.

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**J Tait**

Chief Executive Officer

30 March 2021

**UNDERWRITEME LIMITED  
DIRECTORS' REPORT (continued)**

**Directors**

The following held office as Directors of the Company during the year and up to 30 March 2021:

J A Evans  
D L Hayward  
D R Howell  
J Tait  
M Werth (resigned on 1 April 2020)  
(appointed on 1 November 2020)  
W Copp

UnderwriteMe Limited is a private company limited by shares, incorporated in the United Kingdom.

As at the date of this Directors' report, none of the remaining Directors have any beneficial or legal interest in the shares of the Company or any other UK group company (2019: none).

Pursuant to its Articles of Association, the Company has granted a qualifying third-party indemnity to its Directors against liability in respect of proceedings brought by third parties.

Please refer to the Strategic Report for Future Developments and Dividend recommendation.

**Post balance sheet events**

The Company has evaluated events subsequent to 31 December to 30 March 2021, the date the financial statements were issued.

All share capital of the Company was dividended in specie by Pacific Life Re Services Limited ("PLRS") to Pacific Life Re Holdings LLC on 4 January 2021. Significant funding was injected in to the Company by Pacific Life Re Holdings LLC at the same time by way of a purchase of further ordinary shares. The Company issued 10,000,000 shares for an amount of £10,000,000 on the 6 January 2021.

Deferred tax assets and liabilities are required to be valued using the tax rate which will be in force at the time when the temporary difference is expected to unwind. In line with the requirements of IAS12, the impact of the change in rate has not been reflected in the deferred tax balances at 31 December 2020 and will be recognised once it has been substantively enacted by the UK Parliament. On 3 March 2021, it was announced corporation tax will increase from 19% to 25% and will take effect from 1 April 2023. The estimated impact of the change in tax rate would be an increase in the deferred tax asset of c.£116k.

**Going concern**

The Strategic Report and Directors' Report summarise the Company's principal activities, which includes developing the Protection Platform and the software products. The Company has received sufficient funding from its new parent company, Pacific Life Re Holdings LLC, for development of this technology. The Directors have also considered the withdrawal of the United Kingdom from the European Union ("Brexit") and the impact of the COVID-19 outbreak, including potential market volatility and business continuity as part their assessment of going concern. The funding that is currently in place is considered sufficient to meet the Company's needs for the foreseeable future.

Having considered the current exposure to market uncertainties and principal risks the Company faces, and the capital resources available to the Company, the Directors believe the Company will continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**UNDERWRITEME LIMITED  
DIRECTORS' REPORT (continued)**

**Brexit**

Management do not anticipate that Brexit will have a material impact on future new business given that the majority of current business arises in the UK, Asia and Australia, however the Company does have licenses with customers in Ireland. Furthermore, within its assessment management have assessed the potential impact of currency fluctuations and adverse market conditions arising from Brexit on UMTS and do not deem the risks to have a material impact.

**Share capital**

The Company issued 7,950,000 ordinary shares in the year (2019: 10,500,000) to PLRS for an amount of £7,950,000 (2019: £10,500,000).


**Disclosure of information to the auditor**

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

**Appointment of the auditor**

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an annual general meeting.

The Directors' Report of UnderwriteMe Limited were approved by the Board of Directors on 30 March 2021.

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**J Tait**  
Chief Executive Officer  
30 March 2021

**UNDERWRITE LIMITED  
STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare such financial statements for each financial year. Under that law the Directors are required to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**UNDERWRITEME LIMITED  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNDERWRITEME LIMITED**

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of UnderwriteMe Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive loss;
- the statement of changes in equity;
- the statement of financial position;
- the statement of cash flows; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law, international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the IASB.

**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 Financial Reporting Council's (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 at least twelve 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.

**UNDERWRITEME LIMITED  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNDERWRITEME LIMITED  
(continued)**

**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 our 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 this gives rise to 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of directors**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

**Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

**UNDERWRITEME LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNDERWRITEME LIMITED**  
**(continued)**

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Financial Conduct Authority (FCA).

We discussed among the audit engagement team including relevant internal specialists such as tax, and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- The significant risk of fraud in revenue recognition, specifically pertaining to the cut-off assertion. In response to this risk we performed the following:
  - Tested relevant controls over the revenue booking process; and
  - Performed substantive testing to ensure that revenue has been recognised in the correct period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

**Report on other legal and regulatory requirements**

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

**UNDERWRITEME LIMITED  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNDERWRITEME LIMITED  
(continued)**

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 any material misstatements in the strategic report or the directors' report.

**Matters on which we are required to report by exception**

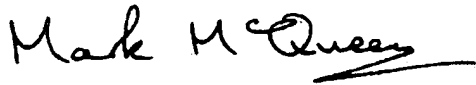
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

**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.



Mark McQueen (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, UK

30 March 2021

**UNDERWRITEME LIMITED**  
**STATEMENT OF COMPREHENSIVE LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £'000	2019 £'000
<b>Income</b>			
Revenue	2	4,374	2,737
<b>Total income</b>		<b>4,374</b>	<b>2,737</b>
<b>Expenses</b>			
Decrease in the value of investment in subsidiary undertakings	7	(8,491)	(11,830)
Administrative expenses	3,4,5	(4,849)	(4,573)
Foreign currency gains/(losses)		53	(37)
<b>Total expenses</b>		<b>(13,287)</b>	<b>(16,440)</b>
<b>Loss before tax</b>		<b>(8,913)</b>	<b>(13,703)</b>
Tax credit	6	117	353
<b>Loss for the year</b>		<b>(8,796)</b>	<b>(13,350)</b>

There is no other comprehensive income.

All the amounts above are in respect of continuing operations.

The accompanying notes are an integral part of the financial statements.

**UNDERWRITEME LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

		Ordinary share capital £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 1 January 2019</b>		48,240	(31,174)	17,066
Loss for the year		-	(13,350)	(13,350)
Issuance of share capital	12	10,500	-	10,500
<b>Balance at 31 December 2019</b>		<b>58,740</b>	<b>(44,524)</b>	<b>14,216</b>
<b>Balance at 1 January 2020</b>		58,740	(44,524)	14,216
Loss for the year		-	(8,796)	(8,796)
Issuance of share capital	12	7,950	-	7,950
<b>Balance at 31 December 2020</b>		<b>66,690</b>	<b>(53,320)</b>	<b>13,370</b>


The accompanying notes are an integral part of the financial statements. There is no other comprehensive income or loss.

**UNDERWRITEME LIMITED  
STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2020**

	Notes	2020 £'000	2019 £'000
<b>Assets</b>			
Investment in subsidiary undertakings	7	11,556	10,472
Intangible assets	8	103	238
Property and equipment		1	3
Deferred tax assets	6	366	317
Receivables and other financial assets	9	1,359	1,255
Prepayment and accrued income	10	249	196
Cash and cash equivalents		2,015	4,384
<b>Total assets</b>		<b>15,649</b>	<b>16,865</b>
<b>Equity</b>			
Ordinary share capital	12	66,690	58,740
Retained earnings		(53,320)	(44,524)
<b>Total equity</b>		<b>13,370</b>	<b>14,216</b>
<b>Liabilities</b>			
Payables and other financial liabilities	11	2,279	2,649
<b>Total liabilities</b>		<b>2,279</b>	<b>2,649</b>
<b>Total equity and liabilities</b>		<b>15,649</b>	<b>16,865</b>

The financial statements of UnderwriteMe Limited (company number: 07912813) were approved by the Board of Directors on 30 March 2021.

Signed on behalf of the Board of Directors

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**J Tait**  
 Chief Executive Officer  
 30 March 2020

**UNDERWRITE ME LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £'000	2019 £'000
<b>Loss before tax</b>		<b>(8,913)</b>	<b>(13,703)</b>
Adjustments for:			
Decrease in the value of investment in subsidiary undertakings	7	8,491	11,830
Amortisation of intangible assets	8	135	178
Foreign currency (gains)/losses		(53)	37
		<b>(340)</b>	<b>(1,658)</b>
<b>Changes in working capital</b>			
(Increase)/ Decrease in receivables and other financial assets (excluding group relief)	9	(357)	38
Increase in prepayments and accrued income	10	(53)	(20)
(Decrease)/Increase in payables and other financial liabilities	11	(370)	1,518
Group relief received	14	321	-
		<b>(459)</b>	<b>1,536</b>
<b>Net cash outflow from operating activities</b>		<b>(799)</b>	<b>(122)</b>
<b>Cash flows from financing activities</b>			
Capital Injections from PLRS	12	7,950	10,500
Subscription for ordinary share capital in subsidiaries	7	(9,522)	(7,667)
<b>Net cash inflow from financing activities</b>		<b>(1,572)</b>	<b>2,833</b>
<b>Net increase in cash and cash equivalents</b>		<b>(2,371)</b>	<b>2,711</b>
<b>Cash and cash equivalents at 1 January</b>		<b>4,384</b>	<b>1,690</b>
Net increase in cash and cash equivalents		(2,371)	2,711
Effect of exchange rates on cash and cash equivalents		2	(17)
<b>Cash and cash equivalents at 31 December</b>		<b>2,015</b>	<b>4,384</b>

The accompanying notes are an integral part of the financial statements.

**UNDERWRITEME LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

**1. ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these financial statements under the historical cost convention are set out below.

*a) Basis of preparation:*

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and as issued by the International Accounting Standards Board ("IASB") and in accordance with the provisions of Sections 1165(5) and 1165(6) of the Companies Act 2006. IFRS comprises standards issued by the IASB and interpretations issued by the IFRS Interpretations Committee ("IFRIC").

The financial statements present information about the Company as an individual undertaking as it is exempt from the obligation to prepare consolidated financial statements under Section 401 of the Companies Act 2006. The Company's results are included in the consolidated financial statements of Pacific Mutual Holding Company ("PMHC"), a Company incorporated in the USA.

Of the new standards, amendments or interpretations to the standards issued for Company's financial statements for the financial year beginning 1 January 2020, no amendments are relevant to these financial statements.

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

<b>Standard</b>	<b>Subject</b>
Admendments to IAS 1	Classification of Liabilities as Current or Non-current
Admendments to IFRS 3	Reference to the Conceptual Framework
Admendments to IAS 16	Property, Plant and Equipment- Proceeds before Intended Use
Admendments to IAS 37	Onerous Contracts- Cost of fulfilling a contract
Annual improvements to IFRS- Standards 2018-2020 Cycle	Financial Reportin Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

*b) Going concern:*

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors' Report on pages 2 to 6. The Directors adopt the going concern basis in preparing the annual report and financial statements.

*c) Critical accounting policies and the use of judgements and estimates:*

The preparation of financial statements requires the Company to select accounting policies and make estimates and assumptions that affect items reported in the Statement of Comprehensive Income, Statement of Financial Position, other primary statements and notes to the financial statements. All estimates are based on management's knowledge of current facts and circumstances, on assumptions based on that knowledge and on their predictions of future events and actions. Actual results may differ from those estimates, possibly significantly. We consider the following item to be particularly susceptible to changes in estimates and assumptions, and to the chosen accounting policy.

**UNDERWRITEME LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

Item	Critical accounting estimates and judgements
<b>Carrying value of investments in subsidiaries</b>	<p>Management assesses at each reporting period, whether there is objective evidence that investments in subsidiaries is impaired.</p> <p>Management applies judgment in assessing the valuation of impairments and any impairment required, using an internally generated cash flow forecast to assess economic performance of the investment. This cash flow forecast is based on current and anticipated market conditions, which is approved by the Board. Based on this model management do not believe there to be any material risk of impairment in the next 12 months.</p>
<b>Deferred tax asset</b>	<p>The realisation of deferred tax assets is dependent on the generation of sufficient future taxable profits of the UK Group subsidiaries. The Company recognises deferred tax assets to the extent that it is probable that sufficient taxable profits of the UK Group subsidiaries will be available in the future. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.</p>

*d) Investment in subsidiary undertakings:*

The interest in the Company's subsidiary undertakings are stated at cost less provision for diminution in value. The carrying values of investments in subsidiaries are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Assessment for impairment involved comparing the book value of investment in subsidiary with its recoverable amount (Being the higher of value in use and fair value less cost to sell).

*e) Intangible assets:*

Research expenditure is written off as incurred. Development expenditure is also written off, except where the Directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure (including directly attributable staff costs) is capitalised as an intangible asset and amortised over the period during which the Company is expected to benefit. Provision is made for any impairment (see policy note g). The amortisation expense on intangible assets is recognised in the Statement of Comprehensive Income, within administrative expenses.

Amortisation is calculated on a straight line basis over the estimated useful life as follows:

	Estimated useful life
Development costs	5 years

Management use an internally generated cash flow forecast to assess economic performance of the asset when assessing for indicators of impairment. The cash flow forecasts are based on current and anticipated market conditions, which is approved by the Board. Within the cash flows, the revenue projections are inherently uncertain largely due to the timing of implementing clients on the Protection Platform.

**UNDERWRITEME LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

*f) Property and equipment:*

Items classified as property and equipment within the Statement of Financial Position are carried at historical cost less accumulated depreciation. Depreciation is calculated on a straight line basis so as to write down the cost of the assets to their residual values over their depreciation period as follows:

	<b>Estimated useful life</b>
Computer equipment	3 years
Fixtures and fittings	Up to 10 years
Leasehold improvements	Over the period of the lease

*g) Non-financial assets*

The residual values, useful lives and method of depreciation of non-financial assets are reviewed regularly, and at least at each financial year end, and adjusted if appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount, and an impairment loss is recognised in the Statement of Comprehensive Income.

Gains and losses of disposal of non-financial assets are determined by reference to carrying amount.

*h) Receivables and other financial assets:*

Receivables and other financial assets are assets that have fixed or determinable payments that are not quoted in an active market. These assets are, unless designated at fair value through profit or loss, initially measured at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest method less any impairment.

*i) Impairment of financial assets*

The impairment of financial assets is performed in line with the expected credit loss model under IFRS 9. Recognition of credit losses is no longer dependent on the company first identifying a credit loss event. Instead the company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and;
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

*j) Cash and cash equivalents:*

Cash and cash equivalents consist of cash at bank and in hand.

## **UNDERWRITEME LIMITED NOTES TO THE FINANCIAL STATEMENTS**

### *k) Taxation:*

The current tax charge (UK corporation tax) is based on the taxable profits or losses for the year, after adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Provision is also made for deferred tax liabilities, or credit taken for deferred tax assets, in respect of all temporary differences that have originated but not reversed at the date of the Statement of Financial Position where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax or to receive more tax benefit, with the following exception: deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

When unused tax losses are transferred from the Company to another group company, the Company receives a payment in cash that is equal to the amount of the tax losses surrendered multiplied by the prevailing tax rate.

### *l) Revenue and deferred income (IFRS 15 Revenue from Contracts with Customers):*

IFRS 15 provides a single, principles based five step model to be applied to all sales contracts. It is based on the transfer of control of goods and services to customers. The recognition of revenue is based on identifying and assessing the satisfaction of delivery of each performance obligation in contracts in order to recognise revenue.

A performance obligation is a promise in the contract with a customer to transfer to the customer either goods or services. A performance obligation can either be a distinct good or service or series of distinct goods or services that are substantially the same that have the same pattern of transfer to the customer.

When a payment is received in advance of a performance obligation being satisfied it is recorded on the Statement of Financial Position as deferred revenue. Revenue is recognised at the point in time or over the period that the performance obligation is satisfied.

Revenue is measured at the respective transaction prices specified in the contract, which is the amount of consideration the entity expects to be entitled to and is recognised in the period to which the service relates. In particular:

- Regulated income revenue relates to the access by an insurer of the web-based comparison platform and is charged at a pre-determined rate per activated policy, in the month the policy is activated. The Customer is considered to be in control of the service once the policy is activated.
- Management services revenue relates to the recharge to other group companies of expenses incurred by the Company. The Company allows for revenue to be charged at the amount invoiced in the month the expenses are incurred. The Customer is considered to be in control of the service once the expenses are incurred by the Company.

No other performance obligations have been identified. Modifications are treated as amendments to existing contracts. Customer advance payments are recognised as liabilities until the performance obligations have been completed and revenue recognised. Customers are not offered a contract with significant funding components. There are not warranties in place.

The practical expedient where the Company may recognise revenue of the amount to which it has a right to invoice, as consideration from its customers corresponds directly with the value of the Company's performance completed to date, is applied to the all revenue streams.

**UNDERWRITEME LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

*m) Administrative expenses:*

Management expenses are charged in the period they are incurred or, if different, in the period in which the related goods or services were received.

*n) Operating leases:*

The total rent payable under operating leases is charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

*o) Operating segments:*

The Company is not required to include a segmental analysis as it is outside the scope of IFRS 8 *Operating Segments* because it does not have debt or equity that is traded in a public market.

**UNDERWRITEME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2. REVENUES**

Revenue comprises the following items:

	2020	2019
	£'000	£'000
Regulated income revenue	3,370	2,001
Management services	1,004	736
<b>Total revenue</b>	<b>4,374</b>	<b>2,737</b>

All revenue for the year ended 31 December 2020 has been generated in the United Kingdom (2019: UK).

**3. AUDITOR'S REMUNERATION**

During the year, the following services from the Company's auditor were payable by the Company:

	2020	2019
	£'000	£'000
Fees payable to the Company's auditor and their associates for:		
The audit of the Company's annual accounts	28	26
<b>Total auditor's remuneration</b>	<b>28</b>	<b>26</b>

**4. STAFF COSTS**

As at 31 December 2020, the Company employed 23 staff (2019: 15) in the UK. The average monthly number of employees (including executive directors) was:

	2020	2019
	Number	Number
Marketing and pricing	15	8
Management and administration	8	7
<b>Average monthly number of employees</b>	<b>23</b>	<b>15</b>

The aggregate payroll cost of employees was as follows:

	2020	2019
	£'000	£'000
Wages and salaries	2,165	2,040
Social security costs	207	171
Post-employment benefits - defined contribution schemes	314	300
<b>Total staff costs</b>	<b>2,686</b>	<b>2,511</b>

The Company expensed £2,686k (2019: £2,511k) of staff costs in the Statement of Comprehensive Income during the year ended 31 December 2020. No (2019: £nil) staff costs were capitalized that were directly attributable to the development of new business technology during the year.

**UNDERWRITE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**5. DIRECTORS' EMOLUMENTS**

Directors D L Hayward, D R Howell, J Tait, J Evans and W Copp were remunerated by PLRS, total emoluments were £1,679,864 (2019: £1,948,311). Directors M Werth, J Evans, I McLean and J Tait were remunerated by the Company, which then recharged a proportion of this to the UMTS.

Directors' remuneration for Director's remunerated by UM was as follows:

	2020	2019
	£'000	£'000
Short-term benefits	630	755
Pension Contributions	12	20
Other total long-term benefits	10	4
<b>Total Directors' emoluments</b>	<b>652</b>	<b>779</b>
Highest paid Director:		
Short-term benefits	255	401
<b>Total highest paid Director</b>	<b>255</b>	<b>401</b>

**6. TAXATION**

a) *Tax credited to the Statement of Comprehensive Income:*

	2020	2019
	£'000	£'000
<b>Current tax</b>		
Current year credit	-	-
Group relief receivable	(68)	(338)
Adjustment in respect of previous periods	-	-
<b>Total current tax credited</b>	<b>(68)</b>	<b>(338)</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(12)	(15)
Effect of changes in tax rates	(37)	-
<b>Total deferred tax credited</b>	<b>(49)</b>	<b>-</b>
<b>Total tax credited to the Statement of Comprehensive Loss</b>	<b>(117)</b>	<b>(353)</b>

b) *Factors affecting the tax credit for the year:*

The tax provision assessed for the year is different from the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020	2019
	£'000	£'000
<b>Loss before tax</b>	<b>(8,913)</b>	<b>(13,703)</b>
Tax calculated at standard UK corporation tax rate of 19% (2018: 19%)	(1,693)	(2,604)
Decrease in the value of subsidiary undertakings	1,613	2,248
Expenses not deductible for tax purposes	-	1
Effect of changes in tax rate	(37)	2
<b>Total tax credited to the Statement of Comprehensive Loss</b>	<b>(117)</b>	<b>(353)</b>

**UNDERWRITE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

c) *Factors that may affect future tax charges:*

Deferred tax assets and liabilities have been measured in line with IAS 12 using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply when the asset is realised or the liability is settled. As the rate of 19% was substantively enacted on 17 March 2020 this is the rate used (2019:17%). The tax rate has remained constant at 19% from 1 April 2020. Deferred taxes at the Statement of Financial Position date have been measured using this enacted tax rate and reflected in these financial statements.

The deferred tax has therefore been calculated using the reducing rate when the temporary differences are expected to reverse.

At 31 December 2020, the Company had unused tax losses of £1,658k (2019: £1,658k) available for offset against future taxable profits of the UK Group subsidiaries.

The Company has the following deferred tax assets:

	2020	2019
	£'000	£'000
Plant, property and equipment and intangibles	45	29
Unused tax losses	322	288
<b>Total deferred tax assets</b>	<b>366</b>	<b>317</b>

**7. INVESTMENT IN SUBSIDIARY UNDERTAKINGS**

Throughout the year the Company owned 100% of the Class A issued share capital of UMTS and UMA.

Registered addresses:

UMTS -Tower Bridge House, St Katharine's Way, London, England, E1W 1BA (incorporated in the United Kingdom)

UMA - Level 46, Gateway Building, 1 Macquarie Place, Sydney, NSW 2000 (incorporated in Australia)

The principal activity of UMTS has been to develop the software products. This software products have been licensed to insurers for use in their own new business activity and to the Company for its Protection Platform. UMTS continues to further develop and enhance the functionality of the software products. The principal activity of UMA is to develop, market and licence the software products in Australia.

	2020	2019
	£000	£000
<b>Cost</b>		
Balance at beginning of year	46,905	39,238
Additions	9,522	7,667
Exchange movements	53	-
<b>At 31 December</b>	<b>56,480</b>	<b>46,905</b>
<b>Change in investment in subsidiary undertakings</b>		
Balance at beginning of year	(36,433)	(24,603)
Decrease during the year	(8,491)	(11,830)
<b>At 31 December</b>	<b>(44,924)</b>	<b>(36,433)</b>
<b>Carrying amount</b>	<b>11,556</b>	<b>10,472</b>

**UNDERWRITEME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

The Company made ordinary share subscriptions in UMTS during the year as follows:

	Number of Shares	Value of shares
<b>Subscription Date</b>	<b>'000</b>	<b>£'000</b>
11 December 2020	9,522	9,522
<b>Total Ordinary Shares Issued</b>	<b>9,522</b>	<b>9,522</b>

UMA issued nil (2019:1,000,000) ordinary shares of 1AUD to the Company for the year ended 31 December 2020.

The decrease in the value of the investment in subsidiary undertakings during the year of £8,491,156 (2019: £11,829,797) is primarily attributable to the net losses made in each Subsidiary, UMA: £285,491 (2019: £607,936) and UMTS: £8,212,629 (2019: £11,266,668).

The net asset positions as at 31 December 2020 for UMTS and UMA are £11,002,010 (2019: £9,403,489) and £553,836 (2019: £797,135) respectively.

**8. INTANGIBLE ASSETS**

	Development £'000
<b>Cost</b>	
At 1 January 2020	968
Additions	-
<b>At 31 December 2020</b>	<b>968</b>
<b>Amortisation</b>	
At 1 January 2020	730
Charge for the year	135
<b>At 31 December 2020</b>	<b>865</b>
<b>Carrying amount</b>	
At 31 December 2019	238
<b>At 31 December 2020</b>	<b>103</b>

There were no intangible asset additions during the year ending 31 December 2020 (2019:£nil).

**9. RECEIVABLES AND OTHER FINANCIAL ASSETS**

	2020 £'000	2019 £'000
<b>Due within one year</b>		
Amount due from UnderwriteMe Technology Solutions Limited (Note 13)	1,150	782
Trade receivables	141	127
Group tax receivable (Note 13)	68	321
Other receivables	-	25
<b>Total receivables</b>	<b>1,359</b>	<b>1,255</b>

Based on the aged debt analysis performed, all debts fall due within a year. It has therefore been decided that due to the nature and recoverability of the receivables no impairment is necessary under IFRS 9.

**UNDERWRITE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**10. PREPAYMENTS AND ACCRUED INCOME**

	2020	2019
	£'000	£'000
<b>Due within one year</b>		
Prepayments	1	14
Accrued income	248	182
<b>Total prepayments and accrued income</b>	<b>249</b>	<b>196</b>

**11. PAYABLES AND OTHER FINANCIAL LIABILITIES**

	2020	2019
	£'000	£'000
<b>Due within one year</b>		
Accruals	1,825	1,795
Payable to Pacific Life Re Services Limited (Note 14)	13	527
Other payables	441	327
<b>Total payables</b>	<b>2,279</b>	<b>2,649</b>

The provision for insurer rebates as at 31 December 2020 was £904,954 (2019: £635,818), this balance sits within the accruals.

**12. SHARE CAPITAL**

	2020	2020	2019	2019
	Number of shares '000	£'000	Number of shares '000	£'000
The allotted, called up, authorised and fully paid ordinary share capital of the Company at 31 December (10p per share)	66,690	66,690	58,740	58,740

Movement in shares issued, allotted, called up and fully paid during the year:

	Ordinary Shares £'000	Total £'000
At 31 December 2019	58,740	58,740
Issued		
26 June 2020	3,700	3,700
14 October 2020	2,750	2,750
10 November 2020	1,500	1,500
<b>At 31 December 2020</b>	<b>66,690</b>	<b>66,690</b>

The Company issued shares to its immediate parent at the time being PLRS for an amount of £7,950,000 ordinary shares in the year.

**13. COMMITMENTS UNDER OPERATING LEASES**

UMTS entered into a lease agreement on 22 April 2016, for a period of 10 years with an option to exit the contract in 2022 via a break clause. In 2020, UMTS charged the Company £100,595 (2019: £83,067) for the provision of office space.

**UNDERWRITEME LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**14. RELATED PARTY TRANSACTIONS**

The remuneration of the key management personnel of the Company is set out in Note 5.

The following table lists major related parties with which the Company has transacted during the year and amounts outstanding at the Statement of Financial Position date.

	Amounts due from/(to) at 1 January 2020 £'000	Amount of transactions for the year £'000	Settlements paid/(received) for the year £'000	Amounts due from/(to) 31 December 2020 £'000
<b>Management services</b>				
- UnderwriteMe Technology Solutions Limited	782	6,652	(6,284)	1,150
- Pacific Life Re Services Limited	(527)	(961)	1,476	(13)
<b>Total management services</b>	<b>255</b>	<b>5,691</b>	<b>(4,808)</b>	<b>1,137</b>
<b>Group relief</b>				
- Pacific Life Re Limited	321	-	(321)	-
- Pacific Life Re Services Limited	-	68	-	68
<b>Total related party</b>	<b>576</b>	<b>5,759</b>	<b>(5,129)</b>	<b>1,205</b>

	Amounts due from/(to) at 1 January 2019 £'000	Amount of transactions for the year £'000	Settlements paid/(received) for the year £'000	Amounts due from/(to) 31 December 2019 £'000
<b>Management services</b>				
- UnderwriteMe Technology Solutions Limited	823	4,135	(4,176)	782
- Pacific Life Re Services Limited	(367)	(834)	674	(527)
<b>Total management services</b>	<b>456</b>	<b>3,301</b>	<b>(3,502)</b>	<b>255</b>
<b>Preference Shares</b>				
- Pacific Life Re Services Limited	-	-	-	-
<b>Group relief</b>				
- Pacific Life Re Limited	-	321	-	321
<b>Other</b>				
- Pacific Life Re Limited	(17)	17	-	-
<b>Total related party</b>	<b>439</b>	<b>3,639</b>	<b>(3,502)</b>	<b>576</b>

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

The Company receives management services from PLRS, and it provides management services to UMTS. UMTS also provides services to the Company, through the licensing of its Underwriting Technology for use by the Company for the Protection Platform, the provision of office space and the provision of desks, hardware and directly related technology support.

As at 31 December 2020, 100% (2019: 100%) of the Company's ordinary share capital and all of the Company's issued preference share capital was held by PLRS.

**UNDERWRITE LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

**15. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

At 31 December 2020 the Company's ultimate parent company, which is also the parent of the largest group of companies, was Pacific Mutual Holding Company. It is legally domiciled in the state of Nebraska, USA, with its principal executive office being in Newport Beach, California, USA.

The Company is exempt from the obligation to prepare consolidated accounts under Section 401 of the Companies Act 2006. Copies of the consolidated financial statements of Pacific Mutual Holding Company may be obtained from its principal executive office:

700 Newport Center Drive,  
Newport Beach, CA  
92660-6397  
USA

The immediate parent undertaking of the Company is Pacific Life Re Holding LLC and the ultimate controlling party is Pacific Mutual Holding Company. A copy of the consolidated financial statements of Pacific Mutual Holding Company may be obtained from the registered office of the company: 700 Newport Center Drive, Newport Beach, CA, 92660-6397, USA.

**16. POST BALANCE SHEET EVENTS**

The Company has evaluated events subsequent to 31 December to 30 March 2021, the date the financial statements were issued.

All share capital of the Company was divided in specie by Pacific Life Re Services Limited ("PLRS") to Pacific Life Re Holdings LLC on 4 January 2021. Significant funding was made available to the Company by Pacific Life Re Holdings LLC at the same time by way of a purchase of further ordinary shares. The Company issued 10,000,000 shares for an amount of £10,000,000 on the 6 January 2021.

Deferred tax assets and liabilities are required to be valued using the tax rate which will be in force at the time when the temporary difference is expected to unwind. In line with the requirements of IAS12, the impact of the change in rate has not been reflected in the deferred tax balances at 31 December 2020 and will be recognised once it has been substantively enacted by the UK Parliament. On 3 March 2021, it was announced corporation tax will increase from 19% to 25% and will take effect from 1 April 2023. The estimated impact of the change in tax rate would be an increase in the deferred tax asset of c.£116k.