

**BEAZLEY INVESTMENTS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

# **Beazley Investments Limited**

## **Directors and advisors**

### **Directors**

S P Johnson  
C P Oldridge  
R E Turk

### **Secretary**

Hampden Legal Plc  
Hampden House  
Great Hampden  
Great Missenden  
Buckinghamshire  
HP16 9RD

### **Registered office**

22 Bishopsgate  
London  
EC2N 4BQ

### **Registered number**

03362457

### **Auditor**

Ernst & Young LLP  
25 Churchill Place  
London  
E14 5EY

### **Banker**

Deutsche Bank AG  
6 Bishopsgate  
London EC2N 4DA

# **Beazley Investments Limited**

## **Strategic report**

The directors present their strategic report for Beazley Investments Limited ('the Company'), registered number: 03362457, that accompanies the audited financial statements for the year ended 31 December 2022.

### **Business review and principal activity**

The principal activity of the Company is that of an investment company. The Company's investments are in Beazley Group (USA) General Partnership, Pegasus Underwriting Limited, Superscript Insurance (previously called Digital Risks), EOS Venture Partners LLP, Sandbox Insurtech Fund LP, Pathpoint Investments, Inc, CYGNVS, and Sandbox Insurtech Fund II LP. During the year, the Company invested in a new investment, Sandbox Insurtech Fund II LP. Also, deferred consideration held following the sale of Equinox Global in 2017 crystallised and shares were received in Kentro Capital Limited, the purchaser of Equinox.

On the 21<sup>st</sup> of February 2022 the Company issued 7,000,000 ordinary shares with a nominal value of £1 per share to its parent, Beazley Furlonge Holdings Limited ('BFHL'), raising in total £7,000,000.

### **Going concern**

The financial statements have been prepared on a going concern basis, as the directors are of the opinion that the Company will be able to pay its debts as and when they fall due.

The principal activity of the Company is that of an investment Company with investments held as non-current assets. The Company's financial position is presented in the primary financial statements and disclosure on pages 10 to 17. The directors have made an assessment of the Company's going concern, paying particular attention to the Company's current performance and its outlook for a period of at least twelve months from the date of the approval of these financial statements. The Company manages and monitors its liquidity proactively and reviews the liquidity at least semi-annually. The directors consider that the Company is financially strong and has a letter of support from Beazley Furlonge Holdings Limited ('BFHL') in place for the twelve months from the date of approval of the financial statements.

The directors are of the opinion that the Company will have sufficient funds to continue to meet its liabilities as they fall due for a period, but not limited to, of twelve months from the date of the approval of the financial statements. Therefore, they have considered it appropriate to continue to adopt the going concern basis of accounting when preparing the financial statements.

### **Key performance indicators (KPIs)**

The Company's directors are of the opinion that the KPIs for the Company are best represented by the financial statements and related notes set out on pages 10 to 17. In particular, the key assets of the Company are investments in other entities and these investments are detailed in note 7 to the financial statements.

# Beazley Investments Limited

## Strategic report (continued)

### Section 172 statement

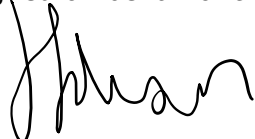
The board of directors confirm that during the year ended 31 December 2022 they have discharged their duties to act in a way they believe promotes the long-term success of the Company for the benefit of its members as a whole, whilst having regard to the matters set out in section 172 of the Companies Act 2006.

The Company is part of the Beazley plc group, and its ultimate shareholder is Beazley plc. The Beazley plc group's governance arrangements ensure that when making decisions, the board has overall regard to the interests of the group and its stakeholders, while acting in the interests of its own stakeholders and promoting the long-term success of the Company.

The Company acted as an investment company during the year. The board has identified that its key stakeholders are its immediate shareholder, BFHL, and the wider Beazley group and its investee companies. The company makes investments with the expectation that there will be resultant benefits for other Beazley group companies, and the board engages accordingly, as the need arises, with other group companies. The Company has no employees, however, the Company engages, as the need arises, with its investees, which often takes place via employees of the Beazley group.

During 2022, the main activity of the board was oversight of the Company's financial position and consideration of its investments. The principal decisions of the Company during 2022 included the approval of the Company's 2021 annual report and accounts and approval of an allotment of ordinary shares to its shareholder, BFHL, in consideration for funds which would be used to make an investment in Sandbox Insurtech Fund II LP. When taking these decisions, the board had regard to its stakeholders, the long-term success of the Company, including its financial position, the interests of its shareholder and the wider group, and the desirability of maintaining the group's reputation for high business standards.

Signed on behalf of the board



S P Johnson  
Director

22 June 2023

22 Bishopsgate  
London  
EC2N 4BQ

# **Beazley Investments Limited**

## **Directors' report**

### **Business review**

A review of the Company's activities is included in the strategic report.

### **Results and dividends**

The results for the year are shown in the profit or loss account on page 10. No dividend was paid in the year ended 31 December 2022 (2021: £nil).

### **Donations**

No charitable or political donations were made by the Company in either the current or prior year.

### **Directors**

The directors of the Company, who served during the year and to the date of this report, were as follows:

S P Johnson (appointed on 18 May 2022)

C P Oldridge

R E Turk

### **Directors' shareholdings**

No director has any beneficial interest in the shares of the Company. The interests of the directors of the ultimate parent company, Beazley plc, in the share capital of the ultimate parent company, are disclosed in that company's accounts. Copies of those accounts can be obtained from the website [www.beazley.com](http://www.beazley.com).

### **Disclosure of information to the auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

# Beazley Investments Limited

## Directors' report (continued)

### Social, environmental ethical risks and other risks

Given the limited scope of the Company's activities, the risks to which it is exposed are not considered significant. The principal financial risk relates to the valuation of investments held declining such that it threatens the viability of the Company. This is mitigated by active management of investments held and the continuing financial support of the Company's parent. Social, environmental and ethical risks are managed on a group basis. More information can be obtained on how the group manages these risks from the financial statements of Beazley plc.

### Auditor

In accordance with section 487(2) of the Companies Act 2006 and in the absence of notice proposing that the appointment be terminated at a general meeting, Ernst & Young LLP will be deemed to be reappointed for the next financial year.

Signed on behalf of the board



S P Johnson  
Director

22 June 2023

22 Bishopsgate  
London  
EC2N 4BQ

# Beazley Investments Limited

## Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements

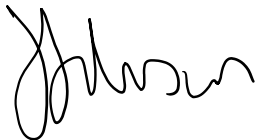
The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



S P Johnson  
Director

22 June 2023

# Beazley Investments Limited

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAZELY INVESTMENTS LIMITED

### Opinion

We have audited the financial statements of Beazley Investments Limited for the year ended 31 December 2022 which comprise the primary statements such as the Statement of comprehensive income, Statement of changes in equity and the Balance sheet related notes 1 to 13 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period of 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### Other information

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

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



## **Beazley Investments Limited**

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6 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.

# Beazley Investments Limited

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:


- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the relevant laws and regulations related to elements of company law, tax legislation and the financial reporting framework.
- We understood how Beazley Investments Limited is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance matters. We reviewed minutes of the Board to gain an understanding of the company's approach to governance demonstrated by the Board's approval of the company's governance framework.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls that the company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making enquiry of those charged with governance and senior management for their awareness of any non-compliance of laws or regulations; inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees; inquiring about the company's methods of enforcing and monitoring compliance with such policies.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Niamh Byrne (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

22 June 2023

# Beazley Investments Limited

## Statement of comprehensive income For the financial year ended 31 December 2022

	Note	2022 \$	2021 \$
Gain on financial assets at fair value through profit and loss account		5,164,399	5,951,441
Administrative expenses		(20,728)	(742)
Loss on foreign exchange		(2,978,916)	(666,935)
<b>Operating profit</b>	2	<u>2,164,755</u>	<u>5,283,764</u>
<b>Profit on ordinary activities before taxation</b>		<u>2,164,755</u>	<u>5,283,764</u>
Taxation	4	(517,512)	(714,900)
<b>Total comprehensive profit for the year</b>		<u>1,647,243</u>	<u>4,568,864</u>

The Company's operating activities all relate to continuing operations. The accounting policies and notes on pages 12 to 17 form part of these financial statements.

## Statement of changes in equity For the financial year ended 31 December 2022

	Share capital \$	Currency translation on reserve \$	Profit or loss account \$	Total shareholders' funds \$
<b>Balance at 1 January 2021</b>	19,924,551	(323,463)	3,902,781	23,503,869
Total comprehensive income for the year	-	-	4,568,864	4,568,864
Issuance of shares	3,056,240	-	-	3,056,240
<b>Balance at 31 December 2021</b>	<u>22,980,791</u>	<u>(323,463)</u>	<u>8,471,645</u>	<u>31,128,973</u>
<b>Balance at 1 January 2022</b>	22,980,791	(323,463)	8,471,645	31,128,973
Total comprehensive income for the year	-	-	1,647,243	1,647,243
Issuance of shares	9,524,900	-	-	9,524,900
<b>Balance at 31 December 2022</b>	<u>32,505,691</u>	<u>(323,463)</u>	<u>10,118,888</u>	<u>42,301,116</u>

The Company's foreign exchange reserve relates primarily to the change in functional currency from sterling to US dollars in 2010.

# Beazley Investments Limited

## Balance sheet

As at 31 December 2022

	Note	2022 \$	2021 \$
<b>Assets</b>			
Subsidiary undertakings	5	2,134,108	2,134,108
Associated undertakings	6	63,540	63,352
Other investments	7	<u>39,277,066</u>	<u>26,811,138</u>
		41,474,714	29,008,598
Debtors	8	10,567,820	7,406,250
Cash at bank		<u>113,314</u>	<u>16,636</u>
<b>Total assets</b>		<u>52,155,848</u>	<u>36,431,484</u>
<b>Capital and reserves</b>			
Called up share capital	10	32,505,691	22,980,791
Currency translation reserve		(323,463)	(323,463)
Profit or loss account		<u>10,118,888</u>	<u>8,471,645</u>
<b>Total shareholders' funds</b>		<u>42,301,116</u>	<u>31,128,973</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	9	9,854,732	5,302,511
<b>Total liabilities, capital and reserves</b>		<u>52,155,848</u>	<u>36,431,484</u>

Signed on behalf of the board of directors



S P Johnson  
Director

The financial statements were approved by the board of directors on 22 June 2023.

The notes on pages 12 to 17 form part of these financial statements.

The Company's registration number is 03362457.

# Beazley Investments Limited

## Notes to the financial statements

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### **Basis of preparation**

The financial statements have been prepared in accordance with the applicable Accounting Standards in the United Kingdom, Financial Reporting Standard 102 ('FRS 102'), and in accordance with the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations.

The financial statements of the Company were authorised for issue by the board of directors on 22 June 2023. The financial statements are presented in US dollars being the functional currency of the Company. The Company is a limited liability Company, and it was incorporated in England and Wales.

#### **Significant accounting judgements policy**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In particular management rely upon valuation techniques used by the fund managers to establish the fair value of the underlying private/unquoted investments.

#### **Exemptions for qualifying entities under FRS 102**

The Company has taken advantage of the exemption in Section 400 of the Companies Act 2006 from preparing group accounts as it is a wholly owned subsidiary of Beazley Furlonge Holdings Limited, a Company registered in the United Kingdom and the results of the Company are included in the consolidated financial statements of Beazley plc, a Company registered in the United Kingdom whose consolidated accounts are publicly available.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions. As these conditions have been complied with the Company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the group's consolidated financial statements, includes the Company's cash flows;
- (ii) from disclosing the Company key management personnel compensation, as required by FRS 102; and
- (iii) from disclosing transactions entered into between related parties within a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

#### **Going concern**

The financial statements have been prepared on a going concern basis, as the directors are of the opinion that the Company will be able to pay its debts as and when they fall due. The principal activity of the Company is that of an investment Company with investments held as non-current assets. The Company's financial position is presented in the primary financial statements and disclosure on pages 10 to 17. The directors have made an assessment of the Company's going concern, paying particular attention to the Company's current performance and its outlook for a period of at least twelve months from the date of the approval of these financial statements.

# Beazley Investments Limited

## Notes to the financial statements (continued)

### 1. Accounting policies (continued)

The Company manages and monitors its liquidity proactively and reviews the liquidity at least semi-annually. The directors consider that the Company is financially strong and has a letter of support from Beazley Furlonge Holdings Limited ('BFHL') in place for the twelve months from the date of approval of the financial statements. The directors are of the opinion that the Company will have sufficient funds to continue to meet its liabilities as they fall due for a period, but not limited to, of twelve months from the date of the approval of the financial statements. Therefore, they have considered it appropriate to continue to adopt the going concern basis of accounting when preparing the financial statements.

#### **Amounts owed to group undertakings**

Amounts owed to group undertakings are stated at amortised cost and include accrued investment income.

#### **Investments**

Investments in subsidiary undertakings and associates are stated at cost less permanent diminution in value. Other investments are held at fair value through profit and loss. We determine the fair value of these investments based on financial statements of the respective companies, by taking our share of the profit/loss. In the absence of any financial statements the valuation is done by the investment company based on their valuation of our stake in their company.

#### **Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case tax is also recognised in those locations.

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 arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Deferred tax is recognised on all timing differences at the reporting date. Deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### **Foreign currencies**

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

# Beazley Investments Limited

## Notes to the financial statements (continued)

### 2. Profit on ordinary activities before taxation

The audit fee in the current financial year was \$19,928. The audit fee in 2021 was \$22,028 and was borne by Beazley Management Limited.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Beazley plc.

All staff are employed by Beazley Management Limited.

### 3. Directors and employees

None of the directors of the Company, or employees of the group, received any remuneration in respect of services rendered to the Company. Details of the remuneration paid to the group's directors and employees for their services to the group are shown in the ultimate parent undertaking's accounts, Beazley plc, which can be found at [www.beazley.com](http://www.beazley.com).

### 4. Taxation

	<b>2022</b>	<b>2021</b>
	\$	\$
Current tax:		
UK corporation tax (credit)/ charge at 19.0% (2021:19.0%)	(799,971)	1,076,145
Adjustment in respect of prior periods	-	(361,245)
Deferred tax:		
Origination and reversal of timing differences	1,001,287	-
Rate change adjustment	316,196	-
<b>Tax charge for the year</b>	<b>517,512</b>	<b>714,900</b>

#### *Factors affecting the tax charge for current and prior years*

The current tax charge is lower (2021: lower) than the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%) due to the differences explained below.

	<b>2022</b>	<b>2021</b>
	\$	\$
<i>Corporation tax reconciliation</i>		
Profit on ordinary activities before tax	2,164,755	5,283,764
Current tax charge at 19.0% (2021: 19.0%)	411,303	1,003,915
Effect of permanent differences	(718,349)	72,230
Non-deductible expenses	592,916	-
Recognition of deferred tax previously not recognised	(84,554)	-
Rate change adjustment	316,196	-
Under/(over) provision from prior years	-	(361,245)
<b>Tax charge for the year</b>	<b>517,512</b>	<b>714,900</b>

# Beazley Investments Limited

## Notes to the financial statements (continued)

### 4. Taxation (continued)

The Finance Act 2021, which provides for an increase in the UK corporation tax rate from 19% to 25% effective from 1 April 2023 received Royal Assent on 10 June 2021. This tax rate change to 25% will increase the Company's future current tax charge. The Company has realised capital losses giving rise to an estimated deferred tax asset of \$0.1m, which has not been recognised. The Company has unrecognised deferred tax of \$0.2m in relation to unrealised losses from the investments into Insuretech Companies.

### 5. Investment in subsidiaries

	<b>2022</b>	<b>2021</b>
	\$	\$
Subsidiary Company	<u>2,134,108</u>	<u>2,134,108</u>

The Company owns a 1% share in Beazley Group (USA) General Partnership, Company incorporated in the USA with its principal nature of business being that of a general partnership. This is deemed to be a subsidiary due to the Company and BFHL (which own the other 99%) having common directors and, therefore, control.

### 6. Investment in associates

	<b>2022</b>	<b>2021</b>
	\$	\$
Investments in Pegasus Underwriting Ltd	63,540	64,112

As required by section 409 of the Companies Act 2006, all shares held by the Company in its associated undertakings are provided below:

<b>31 December 2022</b>	<b>Country of incorporation</b>	<b>% interest held</b>	<b>Carrying value \$</b>
Pegasus Underwriting Ltd	Hong Kong	33	63,352
			<u>63,352</u>

### 7. Other investments

	<b>2022</b>	<b>2021</b>
	\$	\$
Investment in Superscript Insurance	6,125,288	-
Investment in EOS Venture Partners LLP	9,037,590	8,767,923
Investment in Pathpoint Investments, Inc.	5,007,298	5,526,552
Investment in Sandbox Insurtech Fund LP	10,741,348	8,766,663
Investment in Sandbox Insurtech Fund II LP	889,561	-
Investment in CYGNVS	3,750,000	3,750,000
Investment in Kentro Capital Limited	3,725,981	-
<b>As at 31 December</b>	<u>39,277,066</u>	<u>26,811,138</u>



# Beazley Investments Limited

## Notes to the financial statements (continued)

### 7. Other investments (continued)

The above relates to investments which were made during the year and are measured at fair value through the profit and loss. During the year, the Company invested in a new investment called Sandbox Insurtech Fund II LP which is a venture capital fund managed by Sandbox Industries. These investments are considered Level 3 investments as valuations are based on inputs that are unobservable or for which there is limited market activity against which to measure fair value. The valuation techniques used by the fund managers to establish the fair value of the underlying private/unquoted investments may incorporate discounted cash flow models or a more market-based approach, whilst the main inputs might include discount rates, fundamental pricing multiples, recent transaction prices, or comparable market information to create a benchmark multiple. In 2022, Superscript Insurance, an insurance and tech platform, was part of a successful round of funding backed by a number of large insurance organisations which increased its value significantly. This enabled a write back of the initial investment. Also, the deferred consideration held following the sale of the company's holding in Equinox Global in 2017 crystallised into shares of Kentro Capital Limited.

### 8. Debtors

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Amounts owed by group companies	10,259,711	4,099,057
Other debtors	-	3,307,193
Current tax asset	308,109	-
	<u>10,567,820</u>	<u>7,406,250</u>

All debtors are due within 1 year. Other debtors comprised the deferred consideration due to the Company following the sale of its share in Equinox Global in 2017.

### 9. Creditors

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Amounts owed to group companies	8,517,646	4,268,538
Corporation tax	-	1,033,973
Deferred tax liability	1,317,482	-
Accruals	19,604	-
	<u>9,854,732</u>	<u>5,302,511</u>

All creditors are due within 1 year.

### 10. Share capital

Ordinary shares of £1 each		
Allotted and fully paid	<b>Number</b>	<b>\$</b>
At 1 January 2022	17,406,595	22,980,791
Issue of shares	7,000,000	9,524,900
<b>At 31 December 2022</b>	<u><b>24,406,595</b></u>	<u><b>32,505,691</b></u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

# Beazley Investments Limited

## Notes to the financial statements (continued)

### 11. Ultimate controlling Company

The Company's ultimate controlling Company is Beazley plc, incorporated in the UK. The immediate controlling Company is Beazley Furlong Holdings Limited, incorporated in the UK.

The largest and the smallest groups in which the results of the Company are consolidated is that headed by Beazley plc.

The consolidated financial statements of the ultimate controlling Company, Beazley plc, can be obtained from the website [www.beazley.com](http://www.beazley.com).

### 12. Related parties

For amounts due from and to group companies please refer to note 8 and 9.

### 13. Subsequent events

There are no events that are material to the operations of the Company that have occurred since the reporting date.