

Beazley plc (formerly Swift No.3 Limited)

Strategic report, directors' report and financial statements

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Strategic report

The directors present their strategic report, for the period from 4 September 2015 (the date of incorporation) to 31 December 2015.

Business review and principal activities

The company was incorporated on 4 September 2015 under the name of Swift No.3 Limited. The company did not trade in the period, and did not undertake any transactions other than the issue of £2 share capital.

The company was incorporated in the United Kingdom ('UK') as a private company limited by shares, and is UK tax resident. The company was established to execute a scheme of arrangement with Beazley Ireland Holdings plc (formerly Beazley plc (company number: 102680), the former parent company of the Beazley group up until the scheme of arrangement), the effect of which was that the company became the ultimate parent company of the Beazley group on 13 April 2016.

Change of name and status

On 12 February 2016, the company re-registered as a public limited company and changed its name to Beazley plc.

Going concern

The company was established to execute a scheme of arrangement with Beazley Ireland Holdings plc (formerly Beazley plc). The arrangement will see the company become the parent company of the Beazley group. The costs of any activities in relation to the scheme of arrangement will be borne by Beazley Group Limited. Therefore, the directors expect the company to have adequate resources to remain in existence for the foreseeable future.

Key performance indicators ('KPIs')

No KPIs are noted for the period ended 31 December 2015, given the future intentions for the company.

Signed on behalf of the board

M L Bride

Director

30 June 2016

*Plantation Place South
60 Great Tower Street
London
EC3R 5AD*

Directors' report

Results and dividends

Aside from the issue of share capital (£2), the company did not enter into any transactions in the period ended 31 December 2015.

Donations

No charitable or political donations were made by the company.

Directors

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

D Holt* – chairman	(appointed 05/02/2016)
G P Blunden*	(appointed 05/02/2016)
M L Bride	(appointed 05/02/2016)
A P Cox	(appointed 05/02/2016)
A D Crawford-Ingle*	(appointed 05/02/2016)
D A Horton	(appointed 05/02/2016)
J A Likierman*	(appointed 05/02/2016)
N P Maidment	(appointed 05/02/2016)
J P Sauerland*	(appointed 05/05/2016)
V J Sheridan*	(appointed 05/02/2016)
C A Washbourn	(appointed 05/02/2016)
C M Woods*	(appointed 05/02/2016)
C C Jones	(appointed 04/09/2015 and resigned 05/02/2016)
A L Malan	(appointed 04/09/2015 and resigned 05/02/2016)
E J McGivney	(appointed 04/09/2015 and resigned 05/02/2016)

* non-executive director

Disclosure of information to 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.

Auditor

Pursuant to Section 485 of the Companies Act 2006, KPMG LLP has been appointed as the company's auditor.

Signed on behalf of the board

M L Bride

Director

30 June 2016

*Plantation Place South
60 Great Tower Street
London
EC3R 5AD*

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

The directors are responsible for preparing the strategic report and 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 IFRSs as adopted by the EU and applicable law.

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 they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

M L Bride

Director

30 June 2016

Independent auditor's report to the members of Beazley plc (formerly Swift No.3 Limited)

We have audited the financial statements of Beazley plc (formerly Swift No.3 Limited) for the period ended 31 December 2015 set out on pages 5 to 8. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its result for the period from 4 September 2015 (date of incorporation) to 31 December 2015;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; 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.

Stuart Crisp

(Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

30 June 2016

Statement of profit or loss

period ended 31 December 2015

	2015 \$
Revenue	-
Profit before taxation	-
Income tax expense	-
Profit for the period	-

The company did not trade during the period.

Statement of financial position

as at 31 December 2015

Company No: 09763575

	Note	2015 \$
Current assets:		
Cash and cash equivalents		3
Total assets		3
Equity		
Share capital	5	3
Retained earnings		-
Total equity		3

Signed on behalf of the board of directors

M L Bride

Director

The financial statements were approved by the board on 30 June 2016.

Statement of cash flows

period ended 31 December 2015

	2015 \$
Cash flows from operating activities	-
Cash flows from investing activities	-
Cash flows from financing activities	
Share issue	3
Net increase in cash and cash equivalents	3
Cash and cash equivalents on incorporation	-
Cash and cash equivalents at 31 December 2015	3

Statement of changes in equity

period ended 31 December 2015

	Share capital \$
Issue of shares on incorporation	3
Balance at 31 December 2015	3

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 accounting

The financial statements have been prepared for the first time in accordance with all applicable IFRSs, interpretations and amendments as adopted by the European Union (Adopted IFRSs).

A number of new standards and interpretations adopted by the EU which are not mandatorily effective, as well as standards and interpretations issued by the International Accounting Standards Board (IASB) but not yet adopted by the EU, have not been applied in preparing these financial statements.

The company does not plan to adopt these standards early; instead it will apply them from their effective dates as determined by their dates of EU endorsement. The company is still reviewing the upcoming standards to determine their impact:

- IFRS 9: Financial instruments (IASB effective date: 1 January 2018);
- IFRS 11: Amendment: Accounting for acquisitions on interests in joint operations (EU effective date: 1 January 2016)*;
- IFRS 14: Regulatory deferral accounts (IASB effective date: 1 January 2016);
- IFRS 15: Revenue from contracts with customers (IASB effective date: 1 January 2018);
- IAS 1: Amendment: Disclosure Initiative (EU effective date: 1 January 2016)*;
- IAS 16: Amendment: Clarification of acceptable methods of depreciation and amortisation (EU effective date: 1 January 2016)*;
- IAS 19: Amendments: Defined benefits plans (EU effective date: 1 February 2015)*;
- IAS 27: Amendment: Equity method in separate financial statements (EU effective date: 1 January 2016)*;
- IAS 38: Amendment: Clarification of acceptable methods of depreciation and amortisation (EU effective date: 1 January 2016)*;
- Annual improvement to IFRSs – 2010-2012 cycle (EU effective date: 1 February 2015)*;
- Annual improvement to IFRSs – 2012-2014 cycle (EU effective date: 1 January 2016)*.

* standards that have been endorsed by the EU.

The financial statements are presented in US Dollars. Despite the transactions in the current period being in sterling, the intended use of the company is to become the parent company of the Beazley group where the majority of the entities' functional currency is US Dollars. As such US Dollars has been decided upon as the functional currency of the company.

Cash and cash equivalents

Cash and cash equivalents consist of cash held at bank and cash in hand. Cash and cash equivalents are measured at fair value through the profit and loss account.

2. Profit on ordinary activities before taxation

The costs incurred by the company in advance of the execution of the scheme of arrangement were borne by Beazley Group Limited.

All staff employed during the period ended 31 December 2015 were employed by Beazley Management Limited or Beazley Re DAC.

3. Directors and employees

None of the directors of the company, or employees of the company, received any remuneration in respect of services rendered to the company.

Notes to the financial statements *continued***4. Taxation**

No tax has been calculated for the period as, other than issuing share capital, the company did not enter any transactions in the period.

5. Share capital

	2015 \$
Authorised: 2 ordinary shares of £1 each	3
Allotted, issued and fully paid	3

6. Post balance sheet events

On 12 February 2016, the company issued 50,000 redeemable shares of £1 as part of its re-registration to a public listed company and change of name to Beazley plc.

As noted on page 1, the company was established for the purpose of entering into a scheme of arrangement with Beazley Ireland Holdings plc (previously known as Beazley plc). On 13 April 2016, the pre-existing shares of Beazley Ireland Holdings plc were cancelled and new shares in Beazley Ireland Holdings plc were issued to the company. The shareholders of the cancelled Beazley Ireland Holdings plc shares were then granted one share in the company for every share cancelled as part of a share for share exchange. The issued ordinary share capital of the company on this date was 523,353,340 shares.

On 21 April 2016 the share capital of Beazley plc was reduced to create distributable reserves in Beazley plc. This reduction in capital was approved by the shareholders of Beazley plc at the scheme general meeting on 24 March 2016. As Beazley plc is incorporated in the UK the reduction of capital also received confirmation from the Companies court on 20 April 2016. Subsequent to these events, the reduction in capital was carried out.

Directors and advisors

Directors

D Holt* – chairman	(appointed 05/02/2016)
G P Blunden*	(appointed 05/02/2016)
M L Bride	(appointed 05/02/2016)
A P Cox	(appointed 05/02/2016)
A D Crawford-Ingle*	(appointed 05/02/2016)
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A L Malan	(appointed 04/09/2015 and resigned 05/02/2016)
E J McGivney	(appointed 04/09/2015 and resigned 05/02/2016)

* non-executive director

Secretary

S A Coope	(appointed 04/09/2015 and resigned 05/05/2016)
C P Oldridge	(appointed 05/05/2016)

Registered office

Plantation Place South
60 Great Tower Street
London
EC3R 5AD

Registered number

09763575

Auditor

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15 Canada Square
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