

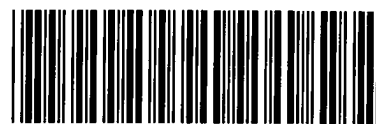


AIG Uzbekinvest Limited

Annual Report and Financial Statements for the year ended 31 December 2019

Registered Number: 02997371

FRIDAY



A9FA6560

A18

09/10/2020

#132

COMPANIES HOUSE

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Contents

	Page
Company Information	3
Strategic Report	4 - 6
Directors' Report	7 - 9
Independent Auditors' Report	10 - 11
Statement of Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	14
Notes to the Financial Statements	15 - 22

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Company Information
For the year ended 31 December 2019

H Mamadjonov
M C Heap
S A Umurzakov
S O Abdurashidov
R B Khalikov

Secretary

Kate Hillery

Registered office

The AIG Building
58 Fenchurch Street
London,
United Kingdom
EC3M 4AB

Independent auditors

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

Principal bankers

Citibank N A
Citigroup Centre
Canada Square
London
E14 5LB

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Strategic Report
For the year ended 31 December 2019

Review of the business

Results and Performance

The results of the Company for the year, as shown on page 12, show a profit before tax of US\$20,976 (2018: US\$5,942 loss).

As at 31 December 2019, the shareholders' funds of the Company, as shown on page 13, total US\$259,905 (2018: US\$242,495).

Operational Business Model and Strategy

AIG Uzbekinvest Limited (AUL) is an underwriting agency and the appointed representative of Uzbekinvest International Insurance Company Limited (UIIC), to act as their managing general agent (MGA). The Company's operational business model is based on the outsourcing of all services from the local partner AIG Europe (Services) Limited ("AESL") in accordance with the terms and conditions set out in the Service Agreement between the Company and AESL.

The use of AUL as an intermediary agency enables UIIC to be established in a cost-effective way and to benefit from the considerable world-wide resources of AIG to assist in the production of business. Alongside the underwriting process, claims handling and other insurance issues, this model allows the Company to transfer operational risks to the outsourcing partner, whilst enabling the Board and management to maintain ongoing control of key processes. It also enables minimisation of the operating costs whilst staying resistant to potential reduced business activity in UIIC.

In 2020 the Company's above strategy remains unchanged and focused on continuing with its principal activity; to act as an underwriting and managing agent on behalf of UIIC.

Key Performance Indicators

The Board monitors the progress of the Company with the following key performance indicators:

	2019	2018
	US\$	US\$
Turnover	38,512	29,626
Profit/(Loss) on ordinary activities before taxation	20,976	(5,942)

The increase in turnover is due to commission received by the Company following the issue of a new policy by UIIC. The Company has also benefited from an increase in the mark-up rate charged to UIIC, the rate has increased from 3.5% to 7% effective from November 2018. The Company has also benefited from gains in foreign exchange movements arising from the loans held in British Pounds which has resulted in a positive contribution towards the results for this year.

The Directors consider the level of business and year-end financial position of the Company to be satisfactory and expect the present level of activity to be sustained in the future.

Principal Risks and Uncertainties

The principal risks and uncertainties are unchanged and laid out below:

Financial Risk

The Company is exposed to financial risks through its financial assets and financial liabilities. In particular, the key financial risks may arise:

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Strategic Report
For the year ended 31 December 2019 (continued)

Liquidity risk - Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. The receivable amounts, which are monitored regularly by management, are mainly with group companies and therefore deemed to be of minimal risk. The nature of the Company is to act as an intermediary, with transactions largely with UIIC, and with the availability of additional funding from other AIG companies, the Directors do not believe liquidity risk to pose a significant risk.

Credit risk - Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The key areas where the Company is exposed to credit risk are:

- amounts due from group companies;
- amounts due from third parties (insurance contract holders and intermediaries).

Bad debts are monitored on a monthly basis and if required, appropriate adjustments are made where the collection of an amount is doubtful or unlikely. The Company's exposure is limited as the majority of the Company's exposure is to other AIG Group companies and as such this risk is limited.

Interest rate risk - Interest rate risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk is by way of its loan to another company within the AIG group. The interest rate risk is mitigated by the agreed fixed interest rate included in the terms of the intercompany loan agreement. Any interest earned by the Company is minimal; therefore fluctuations in the interest rate do not pose a risk to the Company.

Foreign exchange risk

The reporting currency of the Company is United States Dollars. Although the majority of the Company's transactions are denominated in United States Dollars, certain administrative expenses are transacted in British Pounds. As a result, the Company is exposed to currency risk on fluctuations in the rate of exchange from the receipt of the supplier invoice to the date of its settlement. The Company adopts an approach similar to other companies in the AIG group to closely review and monitor the exchange rate movement, however as the exposure is minimal this does not pose a risk to the Company.

COVID19

In addition to the risks above, the Company has been monitoring and managing the potential risks and uncertainties from the coronavirus (COVID19) outbreak as follows.

The UK government released an action plan on 3 March 2020, giving a guide of what to expect in the UK if the COVID19 outbreak continued and the overall phases of their plan to respond to the COVID19 outbreak. Following on from the reporting date of this document, 30 November 2019, AIG has been proactive in monitoring operational readiness, financial impact and continued customer service excellence.

Given the rapidly developing situation, we have included an initial assessment on the impact of COVID19 with respect to the following key areas; business continuity and operations, systems of governance, risk profile and impact on the business.

1. Business Continuity and Operations

Business continuity plans are currently in place within the UK and in all regions around the world. AIG is closely following developments and advisories from the UK Government; the Centres for Disease Control and Prevention (CDC) as well as the World Health Organisation (WHO). As of 17 March 2020, all AIG UK employees have been asked to work from home and this has been achieved with no serious issues identified impacting our business operations.

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Strategic Report
For the year ended 31 December 2019 (continued)

1. Business Continuity and Operations (continued)

IT is monitoring network traffic and has delivered full network availability and functionality for our IT systems. To date no major application issues have been encountered, but minor issues are being reviewed and addressed as required. Third party performance is being monitored and any issues are escalated to their representatives in a timely manner. No major issues have been identified which would jeopardise our critical business functions.

2. Systems of Governance

The infrastructure and framework for the Systems of Governance remains robust and responsive in the COVID19 environment. Where required the frequency of reporting and committees have been increased with key metric reporting on solvency and liquidity on up to a daily basis.

3. Risk Profile Impact

We continue to monitor our Risk Profile through the changing external environment. Key risk area impacts are being assessed through Stress and Scenario Testing to assure resilience of the solvency of the company.

4. Impact on the Business

Beginning in January 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID19. The outbreak of COVID19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The extent and duration of the impact of COVID19 on global and local economies, financial markets and sectors and specific industries in which the Company operates is uncertain at this point and has the potential to adversely affect the Company's business, results of operations or financial condition, the impact of which is still under assessment.

Future Developments

The future outlook of the Company is closely linked to the business strategy of UIIC, as well as further developments of the outsourcing partnership between the two companies.

As the Company depends on the business development of UIIC, and UIIC intends to continue to issue insurance policies, the Company will continue with its principal activity, to act as an underwriting agent and service company.

On behalf of the Board

DocuSigned by:

Michael Heap

A2BA7FC42DDC459...

M Heap
Director

6th October 2020

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Directors' Report
For the year ended 31 December 2019

The Directors present their annual report and the audited financial statements of AIG Uzbekinvest Limited (the 'Company') for the year ended 31 December 2019.

Future Developments

Likely future developments in the business of the company are discussed in the Strategic Report.

Principal Activities

The principal activity of the Company is to act as an underwriting agent and managing general agent ('MGA') for Uzbekinvest International Insurance Company Limited ('UIIC') in the United Kingdom. The Company also acts as a service company in which it incurs expenses on behalf of UIIC and then recharges these costs back to them.

Dividends

No dividends were paid during 2019 (2018: nil).

Directors and Directors' Interests

The Directors of the Company who were in office during the Company financial year are as follows:

- | | |
|--------------------|-----------------------|
| • B B Ashrafkhanov | Resigned 5 June 2020 |
| • F A Saidakhmedov | Resigned 5 June 2020 |
| • H Mamadjonov | |
| • M C Heap | |
| • S U Umurzakov | |
| • S O Abdurashidov | Appointed 5 June 2020 |
| • R B Khalikov | Appointed 5 June 2020 |

No Director had a beneficial interest in the shares of the Company at any time during the year.

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Directors' Report
For the year ended 31 December 2019 (continued)

Qualifying Third Party Indemnity Provisions

During the financial year and also at the date of approval of the Financial Statements the Company had in place qualifying third party indemnity provisions for the Directors of the Company.

Disclosure of Information to Auditors

Each of the persons who is a Director at the date of this report confirms that:

- so far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2019 of which the auditors are unaware; and
- the Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- notify its shareholders in writing about the use of disclosure exemptions if any of FRS 102 used in the preparation of the financial statements and

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.

The Directors 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Directors' Report
For the year ended 31 December 2019 (continued)

Financial Risk Management

The financial risk management of the Company is discussed in the Strategic Report.

Events after the Reporting Period

Disclosure on the potential impact of COVID19 can be found in the Strategic Report and in Note 19.

Going Concern

The Directors believe that preparing the Financial Statements on the going concern basis is appropriate due to the current financial status and confidence in the future growth strategies of the Company. The future outlook of the company is in the Strategic Report on page 6.

Independent Auditors

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be reappointed as auditors.

On behalf of the Board

DocuSigned by:

Michael Heap

A2BA7FC42DDC459...

M Heap

Director

6th October 2020

AIG Uzbekinvest Limited ('AUL')

Annual Report & Financial Statements for the year ended 31 December 2019

***Independent auditors' report to the members of AIG
Uzbekinvest Limited***

Report on the audit of the financial statements

Opinion

In our opinion, AIG Uzbekinvest Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; the statement of comprehensive income, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Reporting on other information

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

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

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

AIG Uzbekinvest Limited ('AUL')

Annual Report & Financial Statements for the year ended 31 December 2019

Independent auditors' report to the members of AIG Uzbekinvest Limited (continued)

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements set out on page 8, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Mark Bolton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
6th October 2020

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Statement of Comprehensive Income
For the year ended 31 December 2019

	Notes	2019 US \$	2018 US \$
Turnover	3	38,512	29,626
Administrative expenses	4	(14,816)	(19,583)
		23,696	10,043
Other Expenses	6	4,076	(12,464)
Profit/(Loss) before interest and taxation		27,772	(2,421)
Interest receivable and similar income		1,064	695
Interest payable and similar expenses	7	(7,860)	(4,216)
Profit/(Loss) before taxation		20,976	(5,942)
Tax on profit/(loss)	10	(3,566)	5,968
Profit for the financial year		17,410	26
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		17,410	26

All of the Company's activities arise from continuing operations.

The notes on pages 15 to 22 form an integral part of these Financial Statements.

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Balance Sheet
As at 31 December 2019

	Notes	2019 US\$	2018 US\$
Current Assets			
Debtors amounts falling due within one year	12	412,230	327,297
Total Current Assets		<u>412,230</u>	<u>327,297</u>
Current Liabilities			
Creditors amounts falling due within one year	13	(152,325)	(84,802)
Net Current Assets		<u>259,905</u>	<u>242,495</u>
Net Assets		<u>259,905</u>	<u>242,495</u>
Capital and Reserves			
Called up share capital	14	200,000	200,000
Profit and loss account	15	59,905	42,495
Total Shareholders' Funds		<u>259,905</u>	<u>242,495</u>

The notes on pages 15 to 22 form an integral part of these Financial Statements.

The Financial Statements on pages 12 to 22 were approved by the Board of Directors and signed on its behalf by:

DocuSigned by:

Michael Heap

A2BA7FC42DDC459...

M Heap
 Director

6th October 2020

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Statement of Changes in Equity
For the year ended 31 December 2019

	Note	Called-up Share Capital US\$	Profit and Loss Account US\$	Total Shareholders' Funds US\$
Balance at 1 January 2018		200,000	42,469	242,469
Total Comprehensive income for the year		0	26	26
Balance as at 31 December 2018		200,000	42,495	242,495
Total Comprehensive income for the year	14, 15	0	17,410	17,410
Balance as at 31 December 2019		200,000	59,905	259,905

The notes on pages 15 to 22 form an integral part of these Financial Statements.

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements
For the year ended 31 December 2019

1 ACCOUNTING POLICIES

General Information

AIG Uzbekinvest Limited (AUL) is an underwriting agency and the appointed representative of Uzbekinvest International Insurance Company Limited (UIIC) to act as their managing general agent (MGA) and also a service company, whereby it incurs expenses on behalf of UIIC and recharges these costs back to them. The Company is a private company limited by shares and is incorporated in England. The address of its registered office is The AIG Building, 58 Fenchurch Street, London EC3M 4AB.

Basis of Preparation

The Financial Statements have been prepared on the going concern basis and in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The Financial Statements have been prepared on the historical cost basis.

The Financial Statements are presented in United States Dollars as the majority of the assets, liabilities and Company's transactions are denominated in that currency.

A summary of the significant accounting policies is set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Turnover

Turnover represents commission and service fee receivable in respect of the Company's services as an underwriting agent for Uzbekinvest International Insurance Company Limited (UIIC). Since the Company has no ongoing obligation in respect of this income, it is recognised when the premium to which the income relates is notified to the Company by UIIC. As the Company also acts as a service company for UIIC all expenses incurred by the Company, on behalf of UIIC, are recharged back to them.

Turnover also includes a 7% mark up on all intercompany invoices paid on behalf of UIIC.

Administration Expenses

Administration expenses consist mainly of expenses incurred in relation to the Company's role as a service company, on behalf of UIIC. Expenses also include legal and professional fees, and brokerage fees payable in relation to any premiums written, when acting as an underwriting agent.

Tax

The charge for taxation is based on the results for the year adjusted for disallowable items. Deferred tax is provided in full on all material timing differences. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is calculated at the substantially enacted tax rate and where such an asset is recognised the credit is reflected in the Statement of Comprehensive Income for the year. Deferred tax balances are not discounted.

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements
For the year ended 31 December 2019 (continued)

1. ACCOUNTING POLICIES (continued)

Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into United States Dollars at the mid-market rates of exchange ruling on the Balance Sheet date. Transactions during the year are translated into United States Dollars using the rates of exchange prevailing at the date of the transaction. Non-monetary assets and liabilities are reported using the exchange rate that prevailed at the date of the transaction.

Dividend

Interim or final dividend payable is recognised when they are appropriately approved and no longer at the discretion of the Company.

Other Debtors and Creditors

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in any active market other than those that the company intends to sell in the short term or that it has been designated as at fair value through the Statement of Comprehensive Income. When a financial liability is recognised initially it is measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability. Loans and receivables are subsequently measured at amortised cost using the effective interest method.

Receivables arising from insurance contracts are classified in this category and are reviewed for impairment as part of the impairment review of loans and receivables. This basis of valuation is viewed by the Directors as having prudent regard to the likely realisable value.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

Share Capital

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Exemptions for Qualifying Entities Under FRS102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions in accordance with paragraph 1.12 of FRS 102:

- a) from disclosing the Company key management personnel compensation
- b) from preparing a statement of cash flows
- c) from disclosing detailed transactions with related parties that are wholly-owned subsidiaries within the AIG Group

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements
For the year ended 31 December 2019 (continued)

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below.

Taxation

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority.

The recognition of deferred tax assets is based upon whether it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences relate to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the tax group in which the deferred tax asset has been recognised.

3. TURNOVER

	2019	2018
	US\$	US\$
Service fees	13,736	22,432
Commission Received and other income	24,776	7,194
	<u>38,512</u>	<u>29,626</u>

4. ADMINISTRATIVE EXPENSES

	2019	2018
	US\$	US\$
Administrative expenses	14,816	19,583
	<u>14,816</u>	<u>19,583</u>

The administrative expenses above includes legal and professional fees and brokerage fees payable in relation to any premiums written when acting as an underwriting agent.

5. AUDITORS' REMUNERATION

	2019	2018
	US\$	US\$
Fee payable to the Company's auditors for the audit of the Company	13,382	14,810

The audit fees are billed to the Company in Great British Pounds (GBP).

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements
For the year ended 31 December 2019 (continued)

6. OTHER EXPENSES

	2019	2018
	US\$	US\$
Foreign exchange gains/(losses)	4,076	(12,464)
	<u>4,076</u>	<u>(12,464)</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	US\$	US\$
Bank charges and interest	7,860	4,216
	<u>7,860</u>	<u>4,216</u>

8. STAFF COSTS

The Company had no employees during the year and therefore incurred no staff costs (2018: US\$ nil). Any staff costs which relate to the Company are paid by UIIC. Although the Company does not have any direct employees of its own, the finance and tax team who are involved in producing the Financial Statements are employed by either American International Group UK Limited or AIG Europe (Services) Limited.

9. DIRECTORS' EMOLUMENTS

	2019	2018
	US\$	US\$
Aggregate emoluments	0	0
The aggregate emoluments of the highest paid Director	0	0

There were no emoluments paid to Directors of the Company during the year (2018: nil).

No Directors exercised share options or received shares in respect of qualifying services under any long term incentive scheme. No compensation was paid to the Directors during the year for loss of office. Key management personnel do not extend beyond the Directors for this company.

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements
For the year ended 31 December 2019 (continued)

10. TAX ON PROFIT/(LOSS)

A) Analysis of charge for the year

	2019	2018
	US\$	US\$
Current tax:		
UK corporation tax on profit for the year	0	0
Adjustment in respect of prior years	0	(1,520)
Tax charge on profit	<u>0</u>	<u>(1,520)</u>
Deferred tax:		
Origination and reversal of temporary differences	3,566	(1,010)
Adjustment in respect of prior years	-	(3,438)
Total deferred tax	<u>3,566</u>	<u>(4,448)</u>
Tax charge/(credit) on profit	<u>3,566</u>	<u>(5,968)</u>

B) Factors affecting tax charge/(credit) for year

Profit / (Loss) before taxation	20,976	(5,942)
Profit/(loss) multiplied by standard rate of Corporation Tax in the UK of 19% (2018: 19%)	3,985	(1,129)
Effects of:		
Prior Year Adjustment	0	(4,958)
Rate Differential	(419)	119
Tax charge/(credit) for the financial year	<u>3,566</u>	<u>(5,968)</u>

C) Movement in Deferred Tax

As at 1 January	4,448	0
Deferred tax charged in the Profit and loss account for the year	(3,566)	4,448
As at 31 December	<u>882</u>	<u>4,448</u>

11. DIVIDENDS

No dividend was paid during 2019 (2018: nil).

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements
For the year ended 31 December 2019 (continued)

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	US\$	US\$
Amounts owed by group undertakings	388,802	301,609
Other Debtor	23,428	25,688
	<u>412,230</u>	<u>327,297</u>

Amounts owed by group undertakings largely comprise of insurance receivables of US\$94,917 (2018: nil) due from American International Group UK Limited (previously with AIG Europe Limited) and an intercompany loan with AIG Transaction Execution Limited of US\$293,790 (2018: US\$301,609). Other Debtors represent amounts due for non-insurance related recharges of those costs incurred by the Company on behalf of UIIC.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	US\$	US\$
Amounts owed to group undertakings	7,888	34,568
Other creditors	111,206	31,344
Accruals and deferred income	33,231	18,890
	<u>152,325</u>	<u>84,802</u>

Amounts owed to group undertakings represent non-insurance payables due to AIG Europe (Services) Limited US\$6,454 (2018: US\$33,173) and the AIG Finance Centre Of Excellence US\$1,434 (2018: US\$1,395). The other creditors relate mostly to amounts owed to UIIC US\$96,183 (2018: US\$21,651), VAT US\$7,381 (2018: \$7,381) and corporation tax liabilities US\$4,730 (2018: US\$ 2,312).

14. CALLED UP SHARE CAPITAL

	Nominal Value / Number	2019	2018
		US\$	US\$
Allotted, issued and fully paid up	\$500 / 400	<u>200,000</u>	<u>200,000</u>

The shares listed are all Ordinary Shares with a value per share of \$500.

15. PROFIT AND LOSS ACCOUNT

	2019	2018
	US\$	US\$
As at 1 January	42,495	42,469
Total Comprehensive Income for the year	17,410	26
As at 31 December	<u>59,905</u>	<u>42,495</u>

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements
For the year ended 31 December 2019 (continued)

16. RELATED PARTY TRANSACTIONS

The Company has entered into a managing general agency agreement with UIIC, an insurance company incorporated in Great Britain, whereby the Company is appointed as an exclusive agent worldwide, with the authority to process all necessary or incidental transactions for all types of authorised insurance and reinsurance business.

The compensation receivable by the Company under the agreement comprises commission at 20% of the gross premium written plus reimbursement of expenses necessarily incurred.

The commission earned for the year ended 31 December 2019 amounted to US\$24,776 (2018: US\$7,194) and the service fee earned on operating expenses incurred by the Company, on behalf of UIIC, amounted to US\$13,736 (2018: US\$22,432).

AESL is a related party by virtue of common control, the amount owed at year end was US\$23,427 (2018: US\$25,688).

AIG Transaction Execution Limited has a deposit account with the Company based on the deposit agreement, the balance of the deposit account was US\$293,790 (2018: US\$301,609).

17. ULTIMATE PARENT COMPANY

As at 31 December 2019, the ultimate parent company was American International Group Inc. ("AIG Inc."), a company incorporated in the State of Delaware, United States of America. The Company is consolidated into the financial statements of AIG Inc. which forms the smallest and largest group to consolidate these Financial Statements. The consolidated Financial Statements of AIG Inc. are available from the Company Secretary, 175 Water Street, New York, 10038, USA.

At the same dates, the immediate shareholders are:

- AIG Property Casualty International, LLC, a wholly owned subsidiary of American International Group, Inc., a company incorporated in the State of Delaware, United States of America - 51%; and
- Uzbekinvest National Export-Import Insurance Company, a company incorporated in the Republic of Uzbekistan and wholly owned by the Government of the Republic of Uzbekistan - 49%.

18. CAPITAL COMMITMENTS

There are no capital commitments at the balance sheet date.

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2019

Notes to the Financial Statements
For the year ended 31 December 2019 (continued)

19. EVENTS AFTER THE REPORTING PERIOD

COVID19

The UK government released an action plan on 3 March 2020, giving a guide of what to expect in the UK if the COVID19 outbreak continued and the overall phases of their plan to respond to the COVID19 outbreak. Following on from the reporting date of this document, 30 November 2019, AIG has been proactive in monitoring operational readiness, financial impact and continued customer service excellence.

Given the rapidly developing situation, we have included an initial assessment on the impact of COVID19 with respect to the following key areas; business continuity and operations, systems of governance, risk profile and impact on the business.

1. Business Continuity and Operations

Business continuity plans are currently in place within the UK and in all regions around the world. AIG is closely following developments and advisories from the UK Government; the Centres for Disease Control and Prevention (CDC) as well as the World Health Organisation (WHO). As of 17 March 2020, all AIG UK employees have been asked to work from home and this has been achieved with no serious issues identified impacting our business operations.

IT is monitoring network traffic and has delivered full network availability and functionality for our IT systems. To date no major application issues have been encountered, but minor issues are being reviewed and addressed as required. Third party performance is being monitored and any issues are escalated to their representatives in a timely manner. No major issues have been identified which would jeopardise our critical business functions.

2. Systems of Governance

The infrastructure and framework for the Systems of Governance remains robust and responsive in the COVID19 environment. Where required the frequency of reporting and committees have been increased with key metric reporting on solvency and liquidity on up to a daily basis.

3. Risk Profile Impact

We continue to monitor our Risk Profile through the changing external environment. Key risk area impacts are being assessed through Stress and Scenario Testing to assure resilience of the solvency of the company.

4. Impact on the Business

Beginning in January 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID19. The outbreak of COVID19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The extent and duration of the impact of COVID19 on global and local economies, financial markets and sectors and specific industries in which the Company operates is uncertain at this point and has the potential to adversely affect the Company's business, results of operations or financial condition, the impact of which is still under assessment.