

AIG Uzbekinvest Limited

**Annual Report and Financial Statements
for the year ended 31 December 2018**

Registered Number: 2997371

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2018

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Company Information
for the year ended 31 December 2018

F A Saidakhmedov
H Mamadjonov
B Ashrafkhanov
M Heap
S Umurzakov

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

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Strategic Report
For the year ended 31 December 2018

Review of the business

Results and Performance

The results of the Company for the year, as shown on page 12, show a loss before tax of US\$ 5,942 (2017: US\$ 28,128 profit).

As at 31 December 2018, the shareholders' funds of the Company, as shown on page 13, total US\$ 242,495 (2017: US\$ 242,469).

Business Environment

It is expected that the Uzbek Government will be continuing its policy of attracting more Foreign Direct Investment (FDI) and stimulating business activity, particularly in export-oriented industries (e.g. Energy, machines, automotive equipment, textile and agrifood).

Our confidence has been encouraged by the measures taken by the new Head of State; notably the liberalisation of exchange rates, easing business registration procedures, customs reforms and tax incentives for investors, expansion of free trade economic zones, and further development of World Trade Organisation (WTO) accession.

We will be also monitoring the stronger focus on the international and regional integration front by promoting trade and foreign direct investment, as well as providing strong government support for the major sectors of economy, continuing improvement of business environment, fiscal stimulus and creation of favourable investment conditions, in conjunction with political stability. All factors will be supporting our confidence that Uzbekistan is to remain as one of the attractive countries in Central Asia to foreign investors.

Business Strategy

The Company's business strategy and its strategic partnerships were established with a long term view and aimed to be an essential part of the Uzbekistan national system of trade and investments' attraction and protection.

Uzbekinvest International Insurance Company Limited (UIIC) intends to continue offering insurance policies (and the Company depends on this business development) therefore the Company's strategy remains unchanged and focused on continuing with its principal activity; to act as an underwriting agent.

The Company's operational business model is based on the outsourcing of all services. While keeping ongoing control of the processes by the Board and management, such strategy allows the Company to transfer the operational risks to the outsourcing partner, as well as to minimize the operating costs and to stay resistant to low business volumes.

The Company will continue to identify and focus its efforts to participate in further opportunities and business fronts and increase its profit by conducting on behalf of UIIC the active direct marketing and close cooperation with the participants, to actively develop, support and promote UIIC's activity.

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Strategic Report
For the year ended 31 December 2018 (continued)

Key Performance Indicators

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

	2018	2017
	US\$	US\$
Turnover	<u>29,626</u>	<u>40,906</u>
Profit/(Loss) on ordinary activities before taxation	(5,942)	28,128

Principal Risks and Uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulations, legal and ethical standards is a high priority for the Company. The Company's Risk Register is reviewed internally by management on a quarterly basis and by the Board on an annual basis. The Company conforms to a proper internal control framework which exists to manage financial risks and ensures that controls operate effectively.

Through this process the Company identified the risks to which it is exposed, and assesses their impact on economic capital.

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:

Liquidity risk - Liquidity risk is the risk that cash may not be available to pay obligations when due, at a reasonable cost. In this regard, the amounts receivable from third parties and group companies are monitored regularly by management.

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 appropriate adjustments are made where collection of an amount is doubtful or unlikely.

Interest rate risk - Interest rate risk arises mainly from the changes in the rate of return on intercompany loans.

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Strategic Report
For the year ended 31 December 2018 (continued)

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 UK sterling. 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.

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 2 companies.

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

On behalf of the Board



Director

 26/09/2019

AIG Uzbekinvest Limited ('AUL')
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Directors' Report
For the year ended 31 December 2018

The directors present their annual report and the audited financial statements of AIG Uzbekinvest Limited (the 'Company') for the year ended 31 December 2018.

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 2018 (2017: nil).

Directors and Directors' Interests

The directors of the Company who were in office during the Company financial year were, including details of appointments and resignations at the date of the report:

- B Ashrafkhanov
- C S Ouin Resigned 1 February 2019
- F A Saidakhmedov
- H Mamadjonov
- M Heap Appointed 1 February 2019
- S Umurzakov Appointed 17 May 2018

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

AIG Uzbekinvest Limited ('AUL')
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Directors' Report
For the year ended 31 December 2018 (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 2018 of which the auditors are unaware; and
- the directors have taken all steps that they ought to have taken as a director 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, comprising FRS 102, 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.

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.

AIG Uzbekinvest Limited ('AUL')
Annual Report & Financial Statements for the year ended 31 December 2018

Directors' Report
For the year ended 31 December 2018 (continued)

Financial Risk Management

The financial risk management of the Company is discussed in the strategic report.

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

Director

Michael Steg
26/09/2019

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 2018 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 2018; 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

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and, in common with other companies, it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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.

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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.

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 2018 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

16 September 2019

AIG Uzbekinvest Limited ('AUL')
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Statement of Comprehensive Income
For the year ended 31 December 2018

	Notes	2018 US\$	2017 US\$
Turnover	3	29,626	40,906
Administrative expenses	4	(19,583)	(19,060)
		10,043	21,846
Other Income/(Expense)	6	(12,464)	23,075
(Loss)/Profit before interest and taxation		(2,421)	44,921
Interest receivable and similar income		695	149
Interest payable and similar expenses	7	(4,216)	(16,942)
(Loss)/Profit before taxation		(5,942)	28,128
Tax on (Loss)/Profit	10	5,968	(2,288)
Profit for the financial year		26	25,840
Other Comprehensive Income		-	-
Total Comprehensive Income		26	25,840

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

There are no material differences between the profit before taxation or the profit for the financial years stated above and their historical cost equivalent.

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Balance Sheet
as at 31 December 2018

	Notes	2018 US\$	2017 US\$
Current Assets			
Debtors: amounts falling due within one year	12	327,297	576,440
Total Current Assets		327,297	576,440
Current Liabilities			
Creditors: amounts falling due within one year	15	(84,802)	(333,971)
Net Current Assets		242,495	242,469
Net Assets		242,495	242,469
Capital and Reserves			
Called up share capital	13	200,000	200,000
Profit and loss account	14	42,495	42,469
Shareholders' Funds		242,495	242,469

The notes on pages 15 to 21 form an integral part of these financial statements.

The Financial Statements on pages 12 to 21 were approved by the Board of Directors and signed on its behalf by:

Michael Hep-

Director

26/09/2019

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Statement of Changes in Equity
For the year ended 31 December 2018

	Called-up Share Capital	Profit and Loss account	Total Shareholders' Funds
	US\$	US\$	US\$
Balance at 1 January 2017	200,000	16,629	216,629
Comprehensive profit/(loss) for the financial year	-	25,840	25,840
Balance as at 31 December 2017	200,000	42,469	242,469
Comprehensive profit/(loss) for the financial year	-	26	26
Balance as at 31 December 2018	200,000	42,495	242,495