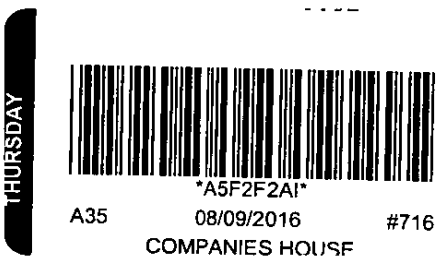
Company registration number: 3431221

Nameco (No 53) Limited

Report and Financial Statements
31 December 2015



Nameco (No 53) Limited

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Nameco (No 53) Limited

Company Information

Directors	Jeremy Richard Holt Evans Nomina Plc Arthur William Pardey
Company Secretary	Hampden Legal Plc
Registered Office	5th Floor, 40 Gracechurch Street London EC3V 0BT
Auditors	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD
Solicitors	Jones Day 21 Tudor Street London EC4Y 0DJ

Nameco (No 53) Limited

Report of the Directors

The Directors present their Report together with the Financial Statements of the Company for the year ended 31 December 2015

Principal activities

The principal activity of the Company is that of trading as a Lloyd's corporate capital member The Company continues to trade in 2016 and the Directors expect this year's result to be profitable

Results and dividends

The results for the year are set out on pages 7 to 8 of the Financial Statements Dividends totalling £nil were paid in the year (2014 £nil)

Directors

The Directors who served at any time during the year were as follows

Jeremy Richard Holt Evans
Nomina Plc
Arthur William Pardey

Directors' responsibilities

The Directors are responsible for preparing the Report of the Directors, the Strategic Report and the Financial Statements in accordance with applicable laws and regulations

Company law requires the Directors to prepare Financial Statements for each financial year Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) 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 those Financial Statements the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements, 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 to enable them to ensure that the Financial Statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Auditors

i PKF Littlejohn LLP has signified its willingness to continue in office as auditors

ii Disclosure of information to the Auditors

In the case of each of the persons who are Directors at the time this report is approved, the following applies

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the 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

Approved by the Board of Directors on 23 August 2016 and signed on its behalf by

Hampden Legal Plc

Hampden Legal Plc
Secretary

Nameco (No 53) Limited

Strategic Report

The Directors present their Strategic Report for the year ended 31 December 2015

Business review and future developments

The Financial Statements incorporate the annual accounting results of the syndicates on which the Company participates for the 2013, 2014 and 2015 years of account, as well as any prior run-off years The 2013 year closed at 31 December 2015 with a result of £53,748 (2012 £52,706) The 2014 and 2015 open underwriting accounts will normally close at 31 December 2016 and 2017

Key performance indicators

The Directors monitor the performance of the Company by reference to the following key performance indicators

	2015	2014
Capacity (youngest underwriting year)	374,796	388,482
Gross premium written as a % of capacity	89 9%	82 9%
Underwriting profit of latest closed year		
as a % of capacity	13 8%	13 6%
Run-off years of account movement	-	-

Other performance indicators

As a result of the nature of this Company as a Lloyd's corporate member the majority of its activities are carried out by the syndicates in which it participates The Company is not involved directly in the management of the syndicates' activities, including employment of syndicate staff, as these are the responsibility of the relevant managing agent Each managing agent will also have responsibility for the environmental activities of each syndicate, although by their nature, insurers do not produce significant environmental emissions As a result, the Directors of the Company do not consider it appropriate to monitor and report any performance indicators in relation to staff or environmental matters

Financial risk management objectives and policies

As a corporate member of Lloyd's the majority of the risks to this Company's future cash flows arise from its participation in the results of Lloyd's syndicates As detailed in Note 4, these risks are mostly managed by the managing agent of the syndicate The Company's role in managing this risk is limited to selection of syndicate participations and monitoring performance of the syndicates The Company is also directly exposed to these risks, but they are not considered material compared to the syndicate risk for the assessment of the assets, liabilities, financial position and profit or loss of the Company

Approved by the Board of Directors on 23 August 2016 and signed on its behalf by

Hampden Legal Plc

Hampden Legal Plc
Secretary

Nameco (No 53) Limited

Independent Auditor's Report

Independent Auditor's Report to the Members of Nameco (No 53) Limited

We have audited the Financial Statements of Nameco (No 53) Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland'

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 Auditors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view 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

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements, sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the Financial Statements In addition, we read all the financial and non-financial information in the Report of the Directors and Strategic Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors and Strategic Report for the financial year 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 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

Carmine Papa (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor
23 August 2016

1 Westferry Circus
Canary Wharf
London
E14 4HD

Nameco (No 53) Limited

Profit and Loss Account
Technical Account – General Business
for the year ended 31 December 2015

	Note		2015 £		2014 £
Premiums written					
Gross premiums written	5,6		337,008		321,863
Outward reinsurance premiums			(63,976)		(58,043)
Net premiums written			273,032		263,820
Change in the provision for unearned premiums	7				
Gross provision			(4,189)		4,647
Reinsurers' share			2,087		(1,431)
Net change in the provision for unearned premiums			(2,102)		3,216
Earned premiums, net of reinsurance			270,930		267,036
Allocated investment return transferred from the non-technical account			4,090		8,395
Other technical income, net of reinsurance			-		-
Total technical income			275,020		275,431
Claims paid					
Gross amount		(153,282)		(157,723)	
Reinsurers' share		33,058		34,162	
Net claims paid		(120,224)		(123,561)	
Change in the provision for claims					
Gross amount		16,114		17,355	
Reinsurers' share		(12,516)		(12,587)	
Change in the net provision for claims	7	3,598		4,768	
Claims incurred, net of reinsurance			(116,626)		(118,793)
Changes in other technical provisions, net of reinsurance			761		-
Net operating expenses	8		(121,208)		(117,146)
Other technical charges, net of reinsurance			-		-
Balance on the technical account for general business			37,947		39,492

The Notes are an integral part of these Financial Statements

Nameco (No 53) Limited

Profit and Loss Account
Non - Technical Account
for the year ended 31 December 2015

	Note	2015 £	2014 £
Balance on technical account for general business		37,947	39,492
Investment income	9	12,524	13,804
Unrealised gains on investments	9	2,862	3,127
Investment expenses and charges	9	(4,085)	(3,255)
Unrealised losses on investments	9	(5,148)	(3,105)
Allocated investment return transferred to the general business technical account		(4,090)	(8,395)
Other income		6	-
Other charges		(7,441)	(6,078)
Profit/(loss) on ordinary activities before taxation	10	32,575	35,590
Tax on profit/(loss) on ordinary activities	11	(3,306)	(9,109)
Profit/(loss) for the financial year		29,269	26,481

Statement of Comprehensive Income

		2015 £	2014 £
Profit/(loss) for the financial year		29,269	26,481
Other comprehensive income			
Currency translation differences		1,679	3,124
Tax on other comprehensive income		(319)	(625)
Total comprehensive income for the financial year	16	30,629	28,980

All amounts relate to continuing operations

The Notes are an integral part of these Financial Statements

Nameco (No 53) Limited

Balance Sheet
as at 31 December 2015

	Note	31 December 2015 Syndicate participation £	Corporate £	Total £	31 December 2014 Syndicate participation £	Corporate £	Total £
Assets							
Intangible assets	12	-	-	-	-	1,374	1,374
Investments							
Financial investments	13	455,169	-	455,169	463,675	-	463,675
Deposits with ceding undertakings		31	-	31	116	-	116
		455,200	-	455,200	463,791	-	463,791
Reinsurers' share of technical provisions							
Provision for unearned premiums	7	22,832	-	22,832	15,020	-	15,020
Claims outstanding	7	93,355	-	93,355	105,600	-	105,600
Other technical provisions		761	-	761	4,052	-	4,052
		116,948	-	116,948	124,672	-	124,672
Debtors							
Arising out of direct insurance operations							
- Policyholders		3	-	3	126	-	126
- Intermediaries		81,916	-	81,916	76,863	-	76,863
Arising out of reinsurance operations		85,034	-	85,034	85,191	-	85,191
Other debtors	14	37,207	182,190	219,397	28,120	185,985	214,105
		204,160	182,190	386,350	190,300	185,985	376,285
Other assets							
Cash at bank and in hand		24,138	61,871	86,009	22,207	18,075	40,282
Other		25,114	-	25,114	27,305	-	27,305
		49,252	61,871	111,123	49,512	18,075	67,587
Prepayments and accrued income							
Accrued interest		681	-	681	798	-	798
Deferred acquisition costs	7	38,000	-	38,000	37,175	-	37,175
Other prepayments and accrued income		1,129	-	1,129	1,228	-	1,228
		39,810	-	39,810	39,201	-	39,201
Total assets		865,370	244,061	1,109,431	867,476	205,434	1,072,910

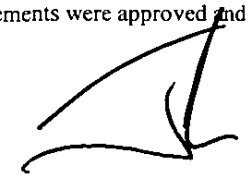
The Notes are an integral part of these Financial Statements

Nameco (No 53) Limited

Balance Sheet
as at 31 December 2015

	Note	31 December 2015 Syndicate participation £	Corporate £	Total £	31 December 2014 Syndicate participation £	Corporate £	Total £
Liabilities and shareholders' funds							
Capital and reserves							
Called up share capital	15	-	1	1	-	1	1
Share premium account		-	-	-	-	-	-
Profit and loss account	16	75,351	132,472	207,823	77,748	99,446	177,194
Shareholders' funds		75,351	132,473	207,824	77,748	99,447	177,195
Technical provisions							
Provision for unearned premiums	7	155,944	-	155,944	148,810	-	148,810
Claims outstanding – gross amount	7	522,587	-	522,587	533,194	-	533,194
Other technical provisions		-	-	-	-	-	-
		678,531	-	678,531	682,004	-	682,004
Provisions for other risks and charges							
Deferred taxation	17	-	35,149	35,149	-	34,465	34,465
Other		-	-	-	-	-	-
			35,149	35,149	-	34,465	34,465
Deposits received from reinsurers		58	-	58	85	-	85
Creditors							
Arising out of direct insurance operations		11,798	-	11,798	9,830	-	9,830
Arising out of reinsurance operations		51,449	-	51,449	55,388	-	55,388
Amounts owed to credit institutions		-	-	-	-	-	-
Other creditors including taxation and social security	18	49,352	61,957	111,309	37,260	58,206	95,466
		112,599	61,957	174,556	102,478	58,206	160,684
Accruals and deferred income		(1,169)	14,482	13,313	5,161	13,316	18,477
Total liabilities		790,019	111,588	901,607	789,728	105,987	895,715
Total liabilities and shareholders' funds		865,370	244,061	1,109,431	867,476	205,434	1,072,910

The Financial Statements were approved and authorised for issue by the Board of Directors on 23 August 2016 and signed on its behalf by



Jeremy Richard Holt Evans
Director

Company registration number 3431221

The Notes are an integral part of these Financial Statements

Nameco (No 53) Limited

Statement of Changes in Shareholders' Equity for the year ended 31 December 2015

	Note	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2014		1	-	148,214	148,215
Profit/(loss) for the financial year	21	-	-	26,481	26,481
Other comprehensive income		-	-	2,499	2,499
Dividends paid	16	-	-	-	-
Proceeds from issue of shares	15	-	-	-	-
At 31 December 2014	21	1	-	177,194	177,195
At 1 January 2015		1	-	177,194	177,195
Profit/(loss) for the financial year		-	-	29,269	29,269
Other comprehensive income		-	-	1,360	1,360
Dividends paid	16	-	-	-	-
Proceeds from issue of shares	15	-	-	-	-
At 31 December 2015		1	-	207,823	207,824

The Notes are an integral part of these Financial Statements

Nameco (No 53) Limited

Cash Flow Statement
for the year ended 31 December 2015

	2015 £	2014 £
Cash flows from operating activities		
Profit/(loss) on ordinary activities before tax	32,575	35,590
Deduction of (profit)/loss attributed to syndicate transactions	(49,145)	(49,048)
Distribution/(collection) of closed year result from/(to) syndicates	53,221	30,397
Profit/(loss) excluding syndicate transactions	36,651	16,939
Adjustments for		
(Increase)/decrease in debtors	2,351	(1,009)
Increase/(decrease) in creditors	1,367	(32,570)
(Profit)/loss on disposal of intangible assets	(6)	-
Amortisation of syndicate capacity	1,374	1,077
Investment income	(2,063)	(2,176)
Realised/unrealised (gains)/losses on investments	-	-
Income tax paid	2,053	(805)
Net cash inflow/(outflow) from operating activities	41,727	(18,544)
Cash flows from investing activities		
Investment income	2,063	2,176
Purchase of syndicate capacity	(1)	(1,374)
Proceeds from sale of syndicate capacity	7	-
Purchase of investments	-	-
Proceeds from sale of investments	-	-
Net cash inflow/(outflow) from investing activities	2,069	802
Cash flows from financing activities		
Equity dividends paid	-	-
Issue of shares	-	-
Net cash inflow/(outflow) from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	43,796	(17,742)
Cash and cash equivalents at beginning of year	18,075	35,817
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of year	61,871	18,075
Cash and cash equivalents comprise		
Cash at bank and in hand	61,871	18,075
Other financial investments	-	-
Cash and cash equivalents	61,871	18,075

The Company has no control over the disposition of assets and liabilities at Lloyd's Consequently, the Cash Flow Statement is prepared reflecting only the movement in corporate funds, which includes transfers to and from the syndicates at Lloyd's

The Notes are an integral part of these Financial Statements

Nameco (No 53) Limited

Notes to the Financial Statements for the year ended 31 December 2015

1 General information

The Company is a private company limited by shares that was incorporated in England and whose registered office is 40 Gracechurch Street, London, EC3V 0BT The Company participates in insurance business as an underwriting member of various syndicates at Lloyd's

2 Accounting policies

Basis of preparation

These Financial Statements have been prepared in accordance with United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", FRS 103 "Insurance Contracts", the Companies Act 2006 and Schedule 3 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations, relating to insurance

The Directors do not consider the Company to be a financial institution under FRS 102

Transition to FRS 102 and FRS 103

These Financial Statements for the year ended 31 December 2015 are the first Financial Statements that comply with FRS 102 and FRS 103 The date of transition is 1 January 2014 and the comparative figures have been restated accordingly The transition has resulted in a small number of changes in accounting policies to those used previously The nature of these changes and their impact on the opening Balance Sheet and Profit and Loss Account are explained below and in the notes

Going concern

The Company participates as an underwriting member of Lloyd's Its underwriting is supported by Funds at Lloyd's, either made available by the Company directly or by its members The Directors are of the opinion that the Company has adequate resources to meet its underwriting and other operational obligations for the foreseeable future Accordingly, the going concern concept has been adopted in the preparation of the Financial Statements

Basis of accounting

The Financial Statements are prepared under the historical cost basis of accounting modified to include the revaluation through profit and loss of certain financial instruments held at fair value through profit or loss

The Financial Statements are prepared using the annual basis of accounting Under the annual basis of accounting a result is determined at the end of each accounting period, reflecting the profit or loss from providing insurance coverage during that period and any adjustments to the profit or loss of providing insurance cover during earlier accounting periods

Amounts reported in the general business technical account relate to movements in the period in respect of all relevant years of account of the syndicates on which the Company participates

Assets and liabilities arising as a result of the underwriting activities are mainly controlled by the syndicates' managing agents Accordingly, these assets and liabilities have been shown separately in the Balance Sheet as "Syndicate participation' Other assets and liabilities are shown as "Corporate" The syndicate assets are held subject to trust deeds for the benefit of the syndicates' insurance creditors

The information included in these Financial Statements in respect of the syndicates has been supplied by managing agents based upon the various accounting policies they have adopted The following describes the policies they have adopted

General business

1 **Premiums**

Premiums written comprise the total premiums receivable in respect of business incepted during the year, together with any differences between booked premiums for prior years and those previously accrued, and include estimates of premiums due but not yet receivable or notified to the syndicates on which the Company participates, less an allowance for cancellations All premiums are shown gross of commission payable to intermediaries and exclude taxes and duties levied on them

2. Accounting policies (continued)

ii Unearned premiums

Written premium is earned according to the risk profile of the policy Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the Balance Sheet date, calculated on a time apportionment basis having regard where appropriate, to the incidence of risk The specific basis adopted by each syndicate is determined by the relevant managing agent

iii Deferred acquisition costs

Acquisition costs, which represent commission and other related expenses, are deferred over the period in which the related premiums are earned

iv Reinsurance premiums

Managing agents enter into reinsurance contracts on behalf of syndicates, in the normal course of business, in order to limit the potential losses arising from certain exposures Reinsurance premium costs are allocated by the managing agent of each syndicate to reflect the protection arranged in respect of the business written and earned

v Claims incurred and reinsurers' share

Claims incurred comprise claims and settlement expenses (both internal and external) occurring in the year and changes in the provisions for outstanding claims, including provisions for claims incurred but not reported and settlement expenses, together with any other adjustments to claims from previous years Where applicable, deductions are made for salvage and other recoveries

The provision for claims outstanding comprises amounts set aside for claims notified and claims incurred but not yet reported (IBNR) The amount included in respect of IBNR is based on statistical techniques of estimation applied by each syndicate's in-house reserving team and reviewed by external consulting actuaries These techniques generally involve projecting from past experience the development of claims over time to form a view of the likely ultimate claims to be experienced for more recent underwriting, having regard to variations in the business accepted and the underlying terms and conditions The provision for claims also includes amounts in respect of internal and external claims handling costs For the most recent years, where a high degree of volatility arises from projections, estimates may be based in part on output from rating and other models of the business accepted and assessments of underwriting conditions

The reinsurers' share of provisions for claims is based on calculated amounts of outstanding claims and projections for IBNR, net of estimated irrecoverable amounts, having regard to each syndicate's reinsurance programme in place for the class of business, the claims experience for the year and the current security rating of the reinsurance companies involved Each syndicate uses a number of statistical techniques to assist in making these estimates

Accordingly the two most critical assumptions made by each syndicate's managing agent as regards claims provisions are that the past is a reasonable predictor of the likely level of claims development and that the rating and other models used including pricing models for recent business are reasonable indicators of the likely level of ultimate claims to be incurred

The level of uncertainty with regard to the estimations within these provisions generally decreases with time as the exposure period recedes In addition the nature of short tail claims such as property where claims are typically notified and settled within a short period of time will normally have less uncertainty after a few years than long tail risks such as some liability business where it may be several years before claims are fully advised and settled In addition to these factors if there are disputes regarding coverage under policies or changes in the relevant law regarding a claim this may increase the uncertainty in the estimation of the outcomes

The assessment of these provisions is usually the most subjective aspect of an insurer's accounts and may result in greater uncertainty within an insurer's accounts than within those of many other businesses The provisions for gross claims and related reinsurance recoveries have been assessed on the basis of the information currently available to the directors of each syndicate's managing agent However, ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided Adjustments to the amounts of claims provisions established in prior years are reflected in the Financial Statements for the period in which the adjustments are made The provisions are not discounted for the investment earnings that may be expected to arise in the future on the funds retained to meet the future liabilities The methods used, and the estimates made, are reviewed regularly

2. Accounting policies (continued)

vi Unexpired risks provision

Provisions for unexpired risks are made where the costs of outstanding claims, related expenses and deferred acquisition costs are expected to exceed the unearned premium provision carried forward at the Balance Sheet date The provision for unexpired risks is calculated separately by reference to classes of business which are managed together, after taking into account relevant investment return The provision is made on a syndicate by syndicate basis by the relevant managing agent

vii Closed years of account

At the end of the third year, the underwriting account is normally closed by reinsurance into the following year of account The amount of the reinsurance to close premium payable is determined by the managing agent, generally by estimating the cost of claims notified but not settled at 31 December, together with the estimated cost of claims incurred but not reported at that date, and an estimate of future claims handling costs

Any subsequent variation in the ultimate liabilities of the closed year of account is borne by the underwriting year into which it is reinsured

The payment of a reinsurance to close premium does not eliminate the liability of the closed year for outstanding claims If the reinsuring syndicate was unable to meet its obligations, and the other elements of Lloyd's chain of security were to fail, then the closed underwriting account would have to settle outstanding claims

The Directors consider that the likelihood of such a failure of the reinsurance to close is extremely remote, and consequently the reinsurance to close has been deemed to settle the liabilities outstanding at the closure of an underwriting account The Company has included its share of the reinsurance to close premiums payable as technical provisions at the end of the current period, and no further provision is made for any potential variation in the ultimate liability of that year of account

viii Run-off years of account

Where an underwriting year of account is not closed at the end of the third year (a 'run-off" year of account) a provision is made for the estimated cost of all known and unknown outstanding liabilities of that year The provision is determined initially by the managing agent on a similar basis to the reinsurance to close However, any subsequent variation in the ultimate liabilities for that year remains with the corporate member participating therein As a result, any run-off year will continue to report movements in its results after the third year until such time as it secures a reinsurance to close

ix Net operating expenses (including acquisition costs)

Net operating costs include acquisition costs, profit and loss on exchange and other amounts incurred by the syndicates on which the Company participates

Acquisition costs, comprising commission and other costs related to the acquisition of new insurance contracts, are deferred to the extent that they are attributable to premiums unearned at the Balance Sheet date

x Distribution of profits and collection of losses

Lloyd's operates a detailed set of regulations regarding solvency and the distribution of profits and payment of losses between syndicates and their members Lloyd's continues to require membership of syndicates to be on an underwriting year of account basis and profits and losses belong to members according to their membership of a year of account Normally profits and losses are transferred between the syndicate and members after results for a year of account are finalised after 36 months This period may be extended if a year of account goes into run-off The syndicate may make earlier on account distributions or cash calls according to the cash flow of a particular year of account and subject to Lloyd's requirements

2. Accounting policies (continued)

xi Financial assets and financial liabilities

The syndicates' investments comprise of debt and equity investments, derivatives, cash and cash equivalents and loans and receivables

Debtors/creditors arising from insurance/reinsurance operations shown in the Balance Sheet include the totals of all the syndicates' outstanding debit and credit transactions as processed by the Lloyd's central facility No account has been taken of any offsets which may be applicable in calculating the net amounts due between the syndicates and each of their counterparty insureds, reinsurers or intermediaries as appropriate

Recognition
Financial assets and liabilities are recognised when the syndicate becomes party to the contractual provisions of the instrument Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the syndicate after deducting all of its liabilities

Initial measurement
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction If an arrangement constitutes a finance transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate if interest for a similar debt instrument

Subsequent measurement
Non-current debt instruments are subsequently measured at amortised cost using the effective interest method

Debt instruments that are classified as payable or receivable within one financial year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received

Other debt instruments are measured at fair value through profit or loss

De-recognition of financial assets and liabilities
Financial assets are derecognised when and only when a) the contractual rights to the cash flow from the financial asset expire or are settled, b) the syndicates transfer to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the syndicates, despite having retained some significant risks and rewards of ownership, have transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires

Fair value measurement
The best evidence of fair value is a quoted price for an identical asset in an active market When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse in time since the transaction took place If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the syndicates estimate the fair value by using a valuation technique

Impairment of financial instruments measured at amortised cost or cost
For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, i e using the effective interest method

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised The amount of the reversal is recognised in profit and loss immediately

2. Accounting policies (continued)

xii Investment return

Investment return comprises all investment income, realised investment gains and losses, movements in unrealised gains and losses, net of investment expenses and charges

Realised and unrealised gains and losses are measured by reference to the original cost of the investment if purchased in the year, or if held at the beginning of the year by reference to the fair value at that date

Investment return is initially recorded in the non-technical account A transfer is made from the non-technical account to the general business technical account to reflect the investment return on funds supporting the underwriting business

xiii Basis of currency translation

The presentational and functional currency of the Company is Pound Sterling, which is the currency of the primary economic environment in which it operates Supported syndicates may have different functional currencies

Income and expenditure in US dollars, Canadian dollars and Euros is translated at the average rate of exchange for the year Underwriting transactions denominated in other foreign currencies are included at the rate of exchange ruling at the date the transaction is processed

Monetary assets and liabilities, which according to FRS 103 are deemed to include unearned premiums and deferred acquisition costs, are translated into Pound Sterling at the rates of exchange at the Balance Sheet date

Any non-monetary items are translated into the functional currency using the rate of exchange prevailing at the time of the transaction FRS 103 states that insurance assets and liabilities (unearned premiums and deferred acquisition costs), that were previously considered non-monetary items, are now required to be treated as monetary items This is a change in accounting policy from 1 January 2014 These assets and liabilities have been retranslated at period end to the functional currency at the closing rate

Differences arising on translation to the functional currency of the syndicates where the functional currency was not Pound Sterling are reported in the Statement of Other Comprehensive Income All other exchange differences are reported within the Profit and Loss Account, Non-Technical Account (or the Technical Account in respect of Life syndicates)

Reinsurance at corporate level

Where considered applicable by the Directors, the Company may purchase additional reinsurance to that purchased through the syndicates Any such reinsurance premiums and related reinsurance recoveries are treated in the same manner as described for syndicates in Note 2 (iv) and (v) above

Taxation

The Company is taxed on its results including its share of underwriting results declared by the syndicates These are deemed to accrue evenly over the calendar year in which they are declared The syndicate results included in these Financial Statements are only declared for tax purposes in the calendar year following the normal closure of the year of account No provision is made for corporation tax in relation to open years of account However, full provision is made for deferred tax on underwriting results not subject to current corporation tax

HM Revenue & Customs agrees the taxable results of the syndicates at a syndicate level on the basis of computations submitted by the managing agent At the date of the approval of these Financial Statements the syndicate taxable results of years of account closed at this and at previous year ends may not have been fully agreed with HM Revenue & Customs Any adjustments that may be necessary to the tax provisions established by the Company, as a result of HM Revenue & Customs agreement of syndicate results, will be reflected in the Financial Statements of subsequent periods

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the Balance Sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise, based on current tax rates and law

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered

Deferred tax assets and liabilities have not been discounted

2. Accounting policies (continued)

Intangible assets

Costs incurred by the Company in the Corporation of Lloyd's auctions in order to acquire rights to participate on syndicates' underwriting years are included within intangible assets and amortised over a five year period beginning in the year following the purchase of the syndicate participation

The intangible assets are reviewed for impairment where there are indicators for impairment, and any impairment is charged to the Profit and Loss Account for the period

Cash and cash equivalents and cash flow statement

Cash and cash equivalents include deposits held at call with banks, other short-term liquid investments with original maturities of three months or less and cash in hand

The Company has no control over the disposition of assets and liabilities at Lloyd's Consequently, the Cash Flow Statement is prepared reflecting only the movement in corporate funds, which includes transfers to and from syndicates at Lloyd's

Share capital

Ordinary share capital is classified as equity The difference between fair value of the consideration received and the nominal value of the share capital being issued, is taken to the share premium account Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of taxes, from the proceeds

Dividend distributions to shareholders

Dividend distributions to the Company's shareholders are recognised in the Financial Statements in the period in which the dividends are approved by the shareholders These amounts are recognised in the Statement of Changes in Shareholders' Equity

3. Key accounting judgements and estimation uncertainties

In applying the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities These judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ The estimates and underlying assumptions are reviewed on an ongoing basis Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods

The measurement of the provision for claims outstanding is the most significant judgement involving estimation uncertainty regarding amounts recognised in these Financial Statements in relation to underwriting by the syndicates and this is disclosed further in Note 4

The management and control of each syndicate is carried out by the managing agent of that syndicate, and the Company looks to the managing agent to implement appropriate policies, procedures and internal controls to manage each syndicate

The key accounting judgements and sources of estimation uncertainty set out below therefore relate to those made in respect of the Company only, and do not include estimates and judgements made in respect of the syndicates

Purchased syndicate capacity:

Estimating value in use
Where an indication of impairment of capacity values exists, the Directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use The value in use calculation requires an estimate of the future cash flows expected to arise from the capacity and a suitable discount rate in order to calculate present value

Determining the useful life of purchased syndicate capacity
The assessed useful life of syndicate capacity is five years This is on the basis that this is the life over which the original value of the capacity acquired is used up

3. Key accounting judgements and estimation uncertainties (continued)

Assessing indicators of impairment:

In assessing whether there have been any indicators of impairment assets, the Directors consider both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability There have been no indicators of impairments identified during the current financial year

Recoverability of receivables:

The Company establishes a provision for receivables that are estimated not to be recoverable When assessing recoverability, factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers are all considered

4. Risk management

This section summarises the financial and insurance risks the Company is exposed to either directly at its own corporate level or indirectly via its participation in the Lloyd's syndicates

Risk background

The syndicate's activities expose it to a variety of financial and non-financial risks The managing agent is responsible for managing the syndicate's exposure to these risks and, where possible, introducing controls and procedures that mitigate the effects of the exposure to risk Each year, the managing agent prepares a Lloyd's Capital Return ("LCR") for the syndicate, the purpose of this being to agree capital requirements with Lloyd's based on an agreed assessment of the risks impacting the syndicate's business, and the measures in place to manage and mitigate those risks from a quantitative and qualitative perspective The risks described below are typically reflected in the LCR, and, typically, the majority of the total assessed value of the risks concerned is attributable to insurance risk

The insurance risks faced by a syndicate include the occurrence of catastrophic events, downward pressure on pricing of risks, reductions in business volumes and the risk of inadequate reserving Reinsurance risks arise from the risk that a reinsurer fails to meet their share of a claim The management of the syndicate's funds is exposed to risks of investment, liquidity, currency and interest rates leading to financial loss The syndicate is also exposed to regulatory and operational risks including its ability to continue to trade However, supervision by Lloyd's provides additional controls over the syndicate's management of risks

The Company manages the risks faced by the syndicates on which it participates by monitoring the performance of the syndicates it supports This commences in advance of committing to support a syndicate for the following year, with a review of the business plan prepared for each syndicate by its managing agent In addition, quarterly reports and annual accounts together with any other information made available by the managing agent are monitored and if necessary enquired into If the Company considers that the risks being run by the syndicate are excessive it will seek confirmation from the managing agent that adequate management of the risk is in place and, if considered appropriate will withdraw support from the next underwriting year The Company relies on advice provided by the members' agent which acts for it, who are specialists in assessing the performance and risk profiles of syndicates The Company also mitigates its insurance risks by participating across several syndicates as detailed in Note 24

The Directors do not consider the Company to be a financial institution under FRS 102, on the basis that the Company itself does not undertake the business of effecting or carrying out insurance contracts Therefore there is no requirement to discuss financial risks arising from syndicate investment activities The analysis below provides details of the financial risks the Company is exposed to from syndicate insurance activities as required by FRS 103 Note 7 provides further analysis of sensitivities to reserving and underwriting risks

Syndicate risks

i. Liquidity risk

The syndicates are exposed to daily calls on their available cash resources, principally from claims arising from its insurance business Liquidity risk arises where cash may not be available to pay obligation when due, or to ensure compliance with the syndicate's obligations under the various trust deeds to which it is party

The syndicates aim to manage their liquidity position so that they can fund claims arising from significant catastrophic events, as modelled in their Lloyd's realistic disaster scenarios ("RDS")

4. Risk management (continued)

Syndicate risks (continued)

ii Credit risk

Credit ratings to syndicate assets emerging directly from insurance activities, excluding cash at bank and financial investments, which are neither past due nor impaired are as follows

2015	AAA	AA	A	BBB or lower	Not rated	Total
	£	£	£	£	£	£
Deposits with ceding undertakings	-	-	-	-	31	31
Reinsurers share of claims outstanding	2,922	36,091	50,968	730	2,644	93,355
Reinsurance debtors	833	40,203	3,296	165	10,062	54,559
Insurance debtors	-	-	-	-	-	-
	3,755	76,294	54,264	895	12,737	147,945

2014	AAA	AA	A	BBB or lower	Not rated	Total
	£	£	£	£	£	£
Deposits with ceding undertakings	-	-	111	-	5	116
Reinsurers share of claims outstanding	3,627	38,618	58,783	676	3,896	105,600
Reinsurance debtors	526	48,760	3,597	179	3,729	56,791
Insurance debtors	-	-	-	-	-	-
	4,153	87,378	62,491	855	7,630	162,507

Syndicate assets emerging directly from insurance activities, excluding cash at bank and financial investments, with reference to their due date or impaired are as follows

2015	Less than 3 months	Between 3 and 6 months	Between 6 months and 1 year	Greater than 1 year	Impaired	Total past due or impaired
	£	£	£	£	£	£
Deposits with ceding undertakings	31	-	-	-	-	31
Reinsurers share of claims outstanding	93,353	2	-	-	-	93,355
Reinsurance debtors	53,185	327	742	137	168	54,559
Insurance debtors	96,928	1,049	1,003	1,250	(58)	100,172
	243,497	1,378	1,745	1,387	110	248,117

2014	Less than 3 months	Between 3 and 6 months	Between 6 months and 1 year	Greater than 1 year	Impaired	Total past due or impaired
	£	£	£	£	£	£
Deposits with ceding undertakings	116	-	-	-	-	116
Reinsurers share of claims outstanding	104,492	-	-	-	1,108	105,600
Reinsurance debtors	55,728	160	267	453	183	56,791
Insurance debtors	89,102	1,232	1,240	337	(91)	91,820
	249,438	1,392	1,507	790	1,200	254,327

iii Interest rate and equity price risk

Interest rate risk and equity price risk are the risks that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates and market prices, respectively

4. Risk management (continued)

Syndicate risks (continued)

iv Currency risk

The syndicates' main exposure to foreign currency risk arises from insurance business originating overseas, primarily denominated in US dollars Transactions denominated in US dollars form a significant part of the syndicates' operations This risk is, in part, mitigated by the syndicates maintaining financial assets denominated in US dollars against its major exposures in that currency

The table below provides details of syndicate assets and liabilities by currency

2015	GBP £ converted	USD £ converted	EUR £ converted	CAD £ converted	Other £ converted	Total £ converted
Total assets	184,396	549,986	48,852	55,557	26,579	865,370
Total liabilities	(211,754)	(483,742)	(43,301)	(33,454)	(17,768)	(790,019)
Surplus/(deficiency) of assets	(27,358)	66,244	5,551	22,103	8,811	75,351

2014	GBP £ converted	USD £ converted	EUR £ converted	CAD £ converted	Other £ converted	Total £ converted
Total assets	172,433	540,303	53,354	67,584	33,802	867,476
Total liabilities	(202,478)	(483,401)	(47,543)	(37,047)	(19,259)	(789,728)
Surplus/(deficiency) of assets	(30,045)	56,902	5,811	30,537	14,543	77,748

The impact of a 5% change in exchange rates between GBP and other currencies would be £5,135 on shareholders' funds (2014 £5,390)

Company risks

i. Investment, credit, liquidity and currency risks

The significant risks faced by the Company are with regard to the investment of the available funds within its own custody The elements of these risks are investment risk, credit risk, liquidity risk, currency risk and interest rate risk The main liquidity risk would arise if a syndicate had inadequate liquid resources for a large claim and sought funds from the Company to meet the claim In order to minimise investment, credit and liquidity risk the Company's funds are invested in readily realisable short term deposits The syndicates can distribute their results in Pound Sterling, US dollars or a combination of the two The Company is exposed to movements in the US dollar between the Balance Sheet date and the distribution of the underwriting profits and losses, which is usually in the May following the closure of a year of account The Company does not use derivative instruments to manage risk and, as such, no hedge accounting is applied

ii. Regulatory risks

The Company is subject to continuing approval by Lloyd's to be a member of a Lloyd's syndicate The risk of this approval being removed is mitigated by monitoring and fully complying with all requirements in relation to membership of Lloyd's The capital requirements to support the proposed amount of syndicate capacity for future years are subject to the requirements of Lloyd's A variety of factors are taken into account by Lloyd's in setting these requirements including market conditions and syndicate performance and although the process is intended to be fair and reasonable, the requirements can fluctuate from one year to the next, which may constrain the volume of underwriting the Company is able to support

iii. Operational risks

As there are relatively few transactions actually undertaken by the Company there are only limited systems and operational requirements of the Company and therefore operational risks are not considered to be significant Close involvement of all Directors in the Company's key decision making and the fact that the majority of the Company's operations are conducted by syndicates, provides control over any remaining operational risks

5. Class of business

2015	Gross written premiums £	Gross premiums earned £	Gross claims incurred £	Net operating expenses £	Reinsurance balance £	Total £
Direct insurance						
Accident and health	14,054	13,707	(6,101)	(6,647)	(806)	153
Motor – third party liability	1,851	1,542	(1,078)	(598)	144	10
Motor – other classes	21,184	19,918	(14,326)	(6,472)	(199)	(1,079)
Marine, aviation and transport	38,342	40,478	(13,912)	(17,072)	(4,514)	4,980
Fire and other damage to property	82,561	81,937	(29,191)	(31,062)	(13,087)	8,597
Third party liability	80,086	75,908	(43,460)	(28,175)	(2,011)	2,262
Credit and suretyship	4,430	4,490	(2,393)	(1,190)	(631)	276
Legal expenses	598	810	(309)	(424)	(4)	73
Assistance	-	-	-	-	-	-
Miscellaneous	4,425	4,110	(1,699)	(1,781)	(447)	183
Total direct	247,531	242,900	(112,469)	(93,421)	(21,555)	15,455
Reinsurance inwards	89,477	89,919	(24,699)	(27,787)	(19,792)	17,641
Total	337,008	332,819	(137,168)	(121,208)	(41,347)	33,096

2014	Gross written premiums £	Gross premiums earned £	Gross claims incurred £	Net operating expenses £	Reinsurance balance £	Total £
Direct insurance						
Accident and health	13,776	13,931	(5,741)	(6,627)	(670)	893
Motor – third party liability	1,284	1,381	(852)	(537)	(37)	(45)
Motor – other classes	19,331	19,139	(13,168)	(7,185)	258	(956)
Marine, aviation and transport	42,122	42,459	(18,042)	(16,391)	(3,101)	4,925
Fire and other damage to property	78,873	78,839	(26,791)	(29,177)	(12,673)	10,198
Third party liability	67,581	68,143	(40,288)	(25,052)	(1,590)	1,213
Credit and suretyship	4,546	4,618	(3,354)	(1,215)	(130)	(81)
Legal expenses	903	955	(342)	(557)	(4)	52
Assistance	-	-	-	-	-	-
Miscellaneous	3,479	3,387	(774)	(1,613)	(619)	381
Total direct	231,895	232,852	(109,352)	(88,354)	(18,566)	16,580
Reinsurance inwards	89,968	93,658	(31,016)	(28,792)	(19,333)	14,517
Total	321,863	326,510	(140,368)	(117,146)	(37,899)	31,097

6. Geographical analysis

	2015 £	2014 £
Direct gross premium written in:		
United Kingdom	195,558	184,286
Other EU Member States	3,210	3,294
Rest of the World	48,763	44,315
	247,531	231,895

7. Technical provisions

Movement in claims outstanding	Gross £	Reinsurance £	2015 Net £	Gross £	Reinsurance £	2014 Net £
At 1 January	533,194	105,600	427,594	542,593	113,794	428,799
Movement of reserves	(16,114)	(12,516)	(3,598)	(17,355)	(12,587)	(4,768)
Other movements	5,507	271	5,236	7,956	4,393	3,563
At 31 December	522,587	93,355	429,232	533,194	105,600	427,594

Movement in unearned premiums	Gross £	Reinsurance £	2015 Net £	Gross £	Reinsurance £	2014 Net £
At 1 January	148,810	15,020	133,790	149,758	20,943	128,815
Movement of reserves	4,189	2,087	2,102	(4,647)	(1,431)	(3,216)
Other movements	2,945	5,725	(2,780)	3,699	(4,492)	8,191
At 31 December	155,944	22,832	133,112	148,810	15,020	133,790

Movement in deferred acquisition costs	2015 Net £	Restated 2014 Net £
At 1 January	37,175	36,704
Movement in deferred acquisition costs	1,541	(683)
Other movements	(716)	1,154
At 31 December	38,000	37,175

Included within other movements are foreign exchange movements in restating the opening balances and the effect of the 2012 and prior years' technical provisions being reinsured to close into the 2013 year of account (2014 2011 and prior years' technical provisions being reinsured to close into the 2012 year of account), to the extent where the Company's syndicate participation portfolio has changed between those two years of account

7. Technical provisions (continued)

Assumptions, changes in assumptions and sensitivity

As described in Note 4 the majority of the risks to the Company's future cash flows arise from its participation in the results of Lloyd's syndicates and are mostly managed by the managing agents of the syndicates The Company's role in managing these risks, in conjunction with the Company's members' agent, is limited to a selection of syndicate participations and monitoring the performance of the syndicates and their managing agents

The amounts carried by the Company arising from insurance contracts are calculated by the managing agents of the syndicates and derived from accounting information provided by the managing agents and reported upon by the syndicate auditors

The key assumptions underlying the amounts carried by the Company arising from insurance contracts are

- the net premiums written calculated by the managing agent are an accurate assessment of the premiums payable as a result of the risks contractually committed to up to the Balance Sheet date,
- the net unearned premiums calculated by the managing agent are an accurate assessment of the net premiums written that reflect the exposure to risks arising after the Balance Sheet date, including appropriate allowance for anticipated losses in excess of the unearned premium,
- the claims reserves calculated by the managing agents are an accurate assessment of the ultimate liabilities in respect of claims relating to events up to the Balance Sheet date,
- the potential ultimate result of run-off year results has been accurately estimated by the managing agents, and
- the values of investments and other assets and liabilities are correctly stated at their realisable values at the Balance Sheet date

There have been no changes to these assumptions in 2015

The amounts carried by the Company arising from insurance contracts are sensitive to various factors as follows

- a 5% increase/decrease in net earned premium (with all other underwriting elements assumed to change pro-rata with premium) will increase/decrease the Company's pre-tax profit/loss by £13,547 (2014 £13,352),
- a 5% increase/decrease in the managing agents' calculation of gross claims reserves will decrease/increase the Company's pre-tax profit/loss by £26,129 (2014 £26,660),
- a 5% increase/decrease in the managing agents' calculation of net claims reserves will decrease/increase the Company's pre-tax profit/loss by £21,462 (2014 £21,380)

The 5% movement has been selected to give an indication of the possible variations in the assumptions used

The historical gross and net claims development is as follows

Claims development - Gross

Underwriting pure year	After 12 months £	After 24 months £	After 36 months £	Profit/(loss) on RITC received £
2011	126,388	203,326	202,445	16,899
2012	127,223	190,309	185,892	25,138
2013	102,039	175,564	172,106	-
2014	97,880	166,501		
2015	94,746	-		

Claims development - Net

Underwriting pure year	After 12 months £	After 24 months £	After 36 months £	Profit/(loss) on RITC received £
2011	103,359	169,899	168,129	18,556
2012	102,965	159,573	156,437	24,109
2013	85,773	151,726	147,294	-
2014	82,384	144,702		
2015	79,976	-		

8. Net operating expenses

	2015	2014
	£	£
Acquisition costs	80,263	74,695
Change in deferred acquisition costs	(1,541)	683
Administrative expenses	42,512	41,795
Loss/(profit) on exchange	(26)	(27)
	121,208	117,146

9 Investment return

	2015	2014
	£	£
Investment income	7,634	7,961
Dividend income	122	145
Interest on cash at bank	2,234	2,338
Other interest and similar income	314	389
Realised gains on investments	2,220	2,971
Investment income	12,524	13,804
Investment management expenses	(721)	(875)
Realised losses on investments	(3,364)	(2,380)
Investment expenses and charges	(4,085)	(3,255)
Unrealised gains and losses, net	(2,286)	22
Total investment return	6,153	10,571

Analysed as follows.

	Investments at fair value through profit or loss 2015 £	Investments available for sale 2015 £	Total 2015 £	Investments at fair value through profit or loss 2014 £	Investments available for sale 2014 £	Total 2014 £
Realised gains and losses	(1,145)	1	(1,144)	596	(5)	591
Unrealised gains and losses	(2,283)	(3)	(2,286)	(9)	31	22
Other relevant income	-	-	-	-	-	-
	(3,428)	(2)	(3,430)	587	26	613
Interest and similar income, net of expenses			9,583			9,958
Total investment return			6,153			10,571

10 Profit/(loss) on ordinary activities before taxation	2015 £	2014 £
This is stated after charging		
Key management personnel remuneration	-	-
Amortisation of syndicate capacity	1,374	1,077
Interest on bank loan and overdrafts	-	-
Interest on other loans	-	-

The Company has no employees

The auditors, PKF Littlejohn LLP, charge a fixed fee to Nomina Plc for the provision of the audit of the Company This fee is included within the service fee charged to the Company by Nomina Plc and equates to approximately £72 (2014 £74)

11. Taxation	2015 £	2014 £
Analysis of charge in year		
Current tax		
UK corporation tax on profit/(loss) of the year	3,550	1,853
Adjustment in respect of previous years	(1,522)	(23)
Foreign tax	913	805
Total current tax	2,941	2,635
Deferred tax		
Origination and reversal of timing differences	2,088	6,474
Change in tax rate	(1,723)	-
Total deferred tax	365	6,474
Tax on profit/(loss) on ordinary activities	3,306	9,109

Factors affecting tax charge for year

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 20 00% (2014 20 00%) The differences are explained below

Profit/(loss) on ordinary activities before tax	32,575	35,590
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20 25% (2014 20 00%)	6,596	7,118
Effects of		
Adjustment in respect of previous years	(1,522)	(23)
Group relief claimed	-	-
Income not taxable	-	-
Permanent differences	230	10
Foreign tax	913	805
Rate change adjustments	(2,911)	1,199
Tax on charge/(credit) for the year	3,306	9,109

The results of the Company's participation on the 2013, 2014 and 2015 years of account and the calendar year movement on 2012 and prior run-offs will not be assessed to tax until the year ended 31 December 2016, 2017 and 2018 respectively being the year after the calendar year result of each run-off year or the normal date of closure of each year of account

12. Intangible assets

Purchased syndicate capacity	2015 £	2014 £
Cost		
At 1 January	17,374	16,000
Additions	1	1,374
Disposals	(1)	-
At 31 December	17,374	17,374
Amortisation		
At 1 January	16,000	14,923
Provided during the year	1,374	1,077
Disposals	-	-
At 31 December	17,374	16,000
Net book value		
At 31 December 2015 / 2014	-	1,374
At 31 December 2014 / 2013	1,374	1,077

13. Financial investments

The Company uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique

Level 1 quoted (unadjusted) prices in active markets for identical assets

Level 2 prices based on recent transactions in identical assets

Level 3 prices determined using a valuation technique

Financial investments Syndicate	Financial investments held at fair value through profit or loss				Held at amortised	
	Level 1	Level 2	Level 3	Total	cost	Total
2015	£	£	£	£	£	£
Shares and other variable yield securities and units in unit trusts	14,399	40,615	5,570	60,584	-	60,584
Debt securities and other fixed income securities	124,677	154,632	74,905	354,214	-	354,214
Participation in investment pools	897	1,719	4,009	6,625	-	6,625
Loans and deposits with credit institutions	24,425	5,605	3,484	33,514	-	33,514
Derivatives	27	-	199	226	-	226
Other investments	-	-	6	6	-	6
Financial assets classified as held for sale	-	-	-	-	-	-
Fair value	164,425	202,571	88,173	455,169	-	455,169

	Total £
Cost	454,032	-	454,032

13 Financial investments (continued)

Financial investments Syndicate	Financial investments held at fair value through profit or loss				Held at amortised	
	Level 1	Level 2	Level 3	Total	cost	Total
2014	£	£	£	£	£	£
Shares and other variable yield securities and units in unit trusts	9,168	23,533	16,573	49,274	-	49,274
Debt securities and other fixed income securities	105,270	171,050	85,893	362,213	-	362,213
Participation in investment pools	3,319	1,477	5,359	10,155	-	10,155
Loans and deposits with credit institutions	31,782	5,459	4,203	41,444	-	41,444
Derivatives	57	-	526	583	-	583
Other investments	-	-	6	6	-	6
Financial assets classified as held for sale	-	-	-	-	-	-
Fair value	149,596	201,519	112,560	463,675	-	463,675

	Total
	£
Cost	454,797

Financial investments Corporate	Financial investments held at fair value through profit or loss				Held at amortised	
	Level 1	Level 2	Level 3	Total	cost	Total
2015	£	£	£	£	£	£
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Fair value	-	-	-	-	-	-

	Total
	£
Cost	-

Financial investments Corporate	Financial investments held at fair value through profit or loss				Held at amortised	
	Level 1	Level 2	Level 3	Total	cost	Total
2014	£	£	£	£	£	£
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Fair value	-	-	-	-	-	-

	Total
	£
Cost	-

14 Other debtors

	2015			2014		
	Syndicate participation £	Corporate £	Total £	Syndicate participation £	Corporate £	Total £
Amounts due from group undertakings	-	-	-	-	-	-
Proprietors' loan accounts	-	-	-	-	-	-
Funds at Lloyd's	-	182,190	182,190	-	184,025	184,025
Deferred tax asset (Note 17)	-	-	-	-	-	-
Other	37,207	-	37,207	28,120	1,960	30,080
	37,207	182,190	219,397	28,120	185,985	214,105

Funds at Lloyd's ('FAL") represents assets deposited with the Corporation of Lloyd's (Lloyd's) to support the Company's underwriting activities as described in the Accounting Policies The Company retains the rights to the economic benefit of these assets Where FAL is comprised of financial investments, to meet Lloyd's requirements these investments will usually be the equivalent of Level 1 as defined in Note 13 The Company has entered into a Lloyd's Deposit Trust Deed which gives Lloyd's the right to apply these monies in settlement of any claims arising from the participation on the syndicates These monies can only be released from the provision of this Deed with Lloyd's express permission, and only in circumstances where the amounts are either replaced by an equivalent asset, or after the expiration of the Company's liabilities in respect of its underwriting

15 Share capital

Allotted, called-up and fully paid	2015		2014	
	Issued	Value £	Issued	Value £
Ordinary £1 shares	1	1	1	1

16. Profit and loss account

	2015			2014		
	Syndicate participation £	Corporate £	Total £	Syndicate participation £	Corporate £	Total £
Retained profit/(loss) brought forward	77,748	99,446	177,194	55,973	92,241	148,214
Reallocate distribution	(53,221)	53,221	-	(30,397)	30,397	-
Profit/(loss) and other comprehensive income for the financial year	50,824	(20,195)	30,629	52,172	(23,192)	28,980
Equity dividends	-	-	-	-	-	-
Retained profit/(loss) carried forward	75,351	132,472	207,823	77,748	99,446	177,194

16. Profit and loss account (continued)

The result for each underwriting year of account is generated over a three year period These Financial Statements, which cover the period from 1 January 2015 to 31 December 2015, show movements in the first twelve months of the 2015 year of account, the second twelve months of the 2014 year of account and the final twelve months of the 2013 year of account

Future cash flows will arise when profits/(losses) are distributed/(collected) by Lloyd's after each year of account has closed Subject to certain conditions, Lloyd's can allow the partial early release of some profits or in the event of an expect loss require advance funding prior to the year of account closing

The cumulative profit and loss account on all open underwriting years of account is shown in the Balance Sheet under 'Syndicate participation' as detailed in the table below

Underwriting year of account (cumulative)	2015 £	2014 £
2012 after 36 months	-	52,872
2013 after 36 months / 24 months	53,748	25,513
2014 after 24 months / 12 months	24,157	(637)
2015 after 12 months	(2,554)	-
	75,351	77,748

17. Deferred taxation assets/(liabilities)

	2015 £	2014 £
Opening balance	(34,465)	(27,366)
Profit and loss account (charge)/credit	(365)	(6,474)
Other comprehensive income (charge)/credit	(319)	(625)
Closing balance	(35,149)	(34,465)

The deferred tax balance consists of timing differences relating to the taxation of underwriting results Deferred tax assets are shown within Other debtors (Note 14)

18 Other creditors including taxation and social security

	2015			2014		
	Syndicate participation £	Corporate £	Total £	Syndicate participation £	Corporate £	Total £
Corporation tax	-	3,550	3,550	-	-	-
Proprietors' loan accounts	-	58,406	58,406	-	58,206	58,206
Third party funds	-	-	-	-	-	-
Other creditors	49,352	1	49,353	37,260	-	37,260
Amount due to group undertakings	-	-	-	-	-	-
	49,352	61,957	111,309	37,260	58,206	95,466

19. Financial liabilities

The Company uses the following hierarchy for determining and disclosing the fair value of financial liabilities by valuation technique

Level 1 quoted (unadjusted) prices in active markets for identical liabilities

Level 2 prices based on recent transactions in identical liabilities

Level 3 prices determined using a valuation technique

Financial liabilities Syndicate	Financial liabilities held at fair value through profit or loss				Held at amortised cost	Total
	Level 1	Level 2	Level 3	Total		
2015	**£**	**£**	**£**	**£**	**£**	**£**
Borrowings	-	-	-	-	-	-
Derivative liabilities	56	-	308	364	-	364
Financial liabilities classified as held for sale	-	-	-	-	-	-
Fair value	56	-	308	364	-	364

Financial liabilities Syndicate	Financial liabilities held at fair value through profit or loss				Held at amortised cost	Total
	Level 1	Level 2	Level 3	Total		
2014	**£**	**£**	**£**	**£**	**£**	**£**
Borrowings	-	-	-	-	-	-
Derivative liabilities	31	-	98	129	-	129
Financial liabilities classified as held for sale	-	-	-	-	-	-
Fair value	31	-	98	129	-	129

All other financial liabilities of the syndicate participation, including creditors arising out of direct insurance operations, creditors arising out of reinsurance operations and other creditors, are measured at amortised cost

Financial liabilities - Corporate

All corporate financial liabilities are measured at amortised cost

20. Dividends

	2015	2014
	£	£
Equity dividends declared and paid	-	-

21. Transition to FRS 102 and FRS 103

This is the first year that syndicates on which the Company participates and the Company have presented their results under FRS 102 and FRS 103 The previous Financial Statements under previous UK GAAP were for the period ended 31 December 2014 The date of transition to FRS 102 and FRS 103 was 1 January 2014 As a consequence, syndicates and the Company were required to amend their accounting policies to ensure compliance with FRS 102 and FRS 103

The following changes to accounting policies for some syndicates has resulted in restatement to previously reported amounts in respect to foreign exchange particularly in relation to

- Where a syndicate has changed their functional currency from Pounds Sterling, and
- Where a syndicate may have not previously treated deferred acquisition costs and unearned premium reserves as monetary items

In accordance with FRS 102, the applicable comparative figures in the primary statements and notes have been restated to reflect uniform application of the new policy outlined above

The financial effect of restating the prior year amounts for the changes in accounting policy is as follows

Reconciliation of profit/(loss) for the financial year	Restated 2014 £
Profit/(loss) for the financial year 2014 as previously reported	30,774
Effect of change in foreign exchange accounting policy	(4,293)
Restated profit/(loss) for the financial year 2014	26,481

Reconciliation of shareholders' funds	Restated 2014 £
Closing shareholders' funds as previously reported at 31 December 2014	177,748
Effect of change in foreign exchange accounting policy	(553)
Restated closing shareholders' funds at 31 December 2014	177,195

22. Related party transactions

Nomina plc, a director of the Company, provides administration services to the Company Nomina plc charged a management fee of £2,900 (2014 £2,750) to cover all the costs of basic administration of the Company

23. Ultimate controlling party

The Company is controlled by A W Pardey

24. Syndicate participation

The principal syndicates or members' agent pooling arrangements ("MAPA") in which the Company participates as an underwriting member are as follows

Syndicate or MAPA number	Managing agent	2016 Allocated capacity £	2015 Allocated capacity £	2014 Allocated capacity £	2013 Allocated capacity £
1910	Asta Managing Agency Limited	3,735	-	-	-
2014	Pembroke Managing Agency Limited	13,338	13,338	10,000	-
6110	Pembroke Managing Agency Limited	-	-	-	10,000
6117	Asta Managing Agency Limited	5,600	-	-	-
7200	Members' Agents Pooling Arrangement	45,129	44,115	45,760	45,760
7201	Members' Agents Pooling Arrangement	232,496	225,679	236,269	236,269
7202	Members' Agents Pooling Arrangement	81,677	79,002	83,146	83,146
7203	Members' Agents Pooling Arrangement	13,240	12,662	13,307	13,307