Company registration number (England and Wales): 4873421

NAMECO (NO.801) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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NAMECO (NO.801) LIMITED

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NAMECO (NO.801) LIMITED

COMPANY INFORMATION

COMPANY PERSONNEL

Directors	Fidentia Trustees Limited A T Maloney Mrs A M Maloney
Company Secretary	Fidentia Nominees Limited

COMPANY ADDRESSES

Registered office	3 Castlegate Grantham Lincolnshire NG31 6SF
Member's agent	Alpha Insurance Analysts Limited 107 Fenchurch Street London EC3M 5JF
Auditors	Humphrey & Co Audit Services Ltd 7 - 9 The Avenue Eastbourne East Sussex BN21 3YA
Administrator	Fidentia Services LLP 3 Castlegate Grantham, Lincolnshire NG31 6SF

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their strategic report for the year ended 31 December 2017.

Review of the business
The principal activity of the Company in the year under review was that of a corporate underwriting member of Lloyd's.

The result for the year is in respect of the 2017 annual accounting year, which consists of movements in the 2015, 2016 and 2017 years of account as well as any 2014 and prior run-off years. Gross premiums written increased from £1,363,568 to £1,482,078 compared to the previous year and the overall balance in the technical account decreased from £109,949 to £124,945 deficit as a result of the level of claims experienced.

The company has continued to underwrite on the 2018 underwriting account where the market conditions are considered favourable for a profitable outcome subject to the level of claims experienced.

The key business risks and uncertainties affecting the company are considered to relate to insurance risk, investment and currency risk and regulatory risk.

Financial risk management objectives and policies
The Company is principally exposed to financial risk through its participation on Lloyd's Syndicates. It has delegated sole management and control of its underwriting through each Syndicate to the Managing Agent of that Syndicate and it looks to the Managing Agent to implement appropriate policies, procedures and internal controls to manage each Syndicates' exposures to insurance risk, credit risk, market risk, liquidity risk and operational risk. The Company is also directly exposed to these risks, but they are not considered material for the assessment of the assets, liabilities, financial position and profit or loss of the Company.

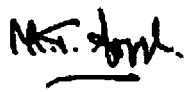
Hedge accounting is not used by the Company.

Key performance indicators
The directors monitor the performance of the Company by reference to the following key performance indicators:

	2017	2016
Capacity	£ 1,446,850	£ 1,419,449
Gross premium written as a % of capacity	102.43%	96.06%
Combined ratio	113.59%	93.51%

The combined ratio is the ratio of net claims incurred, commissions and expenses to net premiums earned.

Approved by the Board on 10 September 2018 and signed on its behalf by:



M J Argyle for and on behalf of Fidentia Trustees Limited
Director

NAMECO (NO.801) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors have pleasure in presenting their report together with the financial statements for the year ended 31 December 2017.

Results and dividends

The loss for the year after taxation was £119,784 (2016: profit £125,782). Interim dividends of £Nil (2016: £Nil) were paid during the year. The directors do not recommend the payment of a final dividend.

Directors and directors' interests

The directors who held office at any time during the period are listed below:

	Appointed
Fidentia Trustees Limited	
A T Maloney	
Mrs A M Maloney	20 Feb 2017

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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.

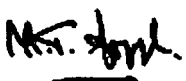
Auditors

Humphrey & Co resigned as auditors after the year end and Humphrey & Co Audit Services Ltd were appointed in their place.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board on 10 September 2018 and signed on its behalf by:



M J Argyle for and on behalf of Fidentia Trustees Limited
Director

NAMECO (NO.801) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NAMECO (NO.801) LIMITED

Opinion

We have audited the financial statements of Nameco (No.801) Limited (the 'company') for the year ended 31 December 2017 set out on pages 6 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NAMECO (NO.801) LIMITED

Responsibilities of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

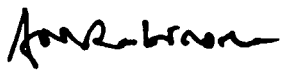
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company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

Auditor's responsibilities for the audit of the financial statements

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

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

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



Andrew Robinson (Senior Statutory Auditor)
for and on behalf of Humphrey & Co Audit Services Ltd
Chartered Accountants
Statutory Auditor

Date: 10 September 2018

Humphrey & Co Audit Services Ltd
7 - 9 The Avenue
Eastbourne
East Sussex
BN21 3YA

NAMECO (NO.801) LIMITED

INCOME STATEMENT - TECHNICAL ACCOUNT (GENERAL BUSINESS)

FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Gross premiums written	5	1,482,078	1,363,568
Outward reinsurance premiums		(319,831)	(253,558)
Net premiums written		1,162,247	1,110,010
Change in the provision for unearned premiums			
Gross provision		(19,431)	17,176
Reinsurers' share		13,709	6,408
Net change in the provision for unearned premiums		(5,722)	23,584
Earned premiums net of reinsurance		1,156,525	1,133,594
Allocated investment income	8	35,024	39,141
Claims paid			
Gross amount		(877,863)	(807,628)
Reinsurers' share		119,401	110,610
Net claims paid		(758,462)	(697,018)
Change in provision for claims			
Gross amount		(277,943)	(71,284)
Reinsurers' share		201,370	139,513
Net change in provision for claims		(76,573)	68,229
Claims incurred net of reinsurance		(835,035)	(628,789)
Net operating expenses	9	(478,698)	(431,271)
Investment expenses and charges	8	(2,761)	(2,726)
Balance on technical account for general business		(124,945)	109,949

NAMECO (NO.801) LIMITED

INCOME STATEMENT - NON TECHNICAL ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Balance on the general business technical account		**(124,945)**	109,949
Investment income	8	**1,375**	576
Other income	10	**144,685**	13,139
Other charges		**(67,962)**	4,282
(Loss)/Profit on ordinary activities before taxation	11	**(46,847)**	127,946
Tax on (loss)/profit on ordinary activities	18	**(72,937)**	(2,164)
(Loss)/Profit for the financial year		**(119,784)**	125,782

STATEMENT OF COMPREHENSIVE INCOME

(Loss)/Profit for the financial year		**(119,784)**	125,782
Other comprehensive income:		-	-
(Loss)/Profit for the financial year		**(119,784)**	125,782

All amounts above relate to continuing operations.

NAMECO (NO.801) LIMITED

STATEMENT OF FINANCIAL POSITION

Company registration number (England and Wales): 4873421

AS AT 31 DECEMBER 2017

ASSETS	Note	Syndicate Participation £	Corporate £	2017 Total £	2016 Total £
Intangible assets					
Syndicate participation rights	12	-	35,275	**35,275**	46,388
Investments					
Financial investments	13	1,735,757	-	**1,735,757**	2,207,194
Deposits with ceding undertakings		863	-	**863**	944
Total investments		1,736,620	-	**1,736,620**	2,208,138
Reinsurers' share of technical provisions					
Provision for unearned premiums	7	95,703	-	**95,703**	89,687
Claims outstanding	7	399,595	-	**399,595**	336,555
Other technical provisions		389,518	-	**389,518**	356,948
Total reinsurers' share of technical provisions		884,816	-	**884,816**	783,190
Debtors					
Arising out of direct insurance operations	14				
Policyholders		55	-	**55**	55
Intermediaries		334,786	-	**334,786**	342,599
Arising out of reinsurance operations	14	34,738	144,685	**179,423**	27,640
Other debtors	15	195,332	-	**195,332**	308,605
Total debtors		564,911	144,685	**709,596**	678,899
Other assets					
Cash at bank	16	283,017	260,827	**543,844**	643,188
Other		1,015	-	**1,015**	860
Total other assets		284,032	260,827	**544,859**	644,048
Prepayments and accrued income					
Accrued interest		6,301	-	**6,301**	6,307
Deferred acquisition costs	7	175,519	-	**175,519**	168,394
Other prepayments and accrued income		6,692	-	**6,692**	8,218
Total prepayments and accrued income		188,512	-	**188,512**	182,919
Total assets		3,658,891	440,787	**4,099,678**	4,543,582

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NAMECO (NO.801) LIMITED

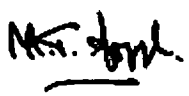
STATEMENT OF FINANCIAL POSITION (continued)

Company registration number (England and Wales): 4873421

AS AT 31 DECEMBER 2017

	Note	Syndicate Participation £	Corporate £	2017 Total £	2016 Total £
LIABILITIES					
Capital and reserves					
Called-up share capital	17	-	1	**1**	1
Share premium account		-	-	**-**	-
Profit and loss account		(181,620)	303,191	**121,571**	241,355
Shareholder's funds attributable to equity interests		(181,620)	303,192	**121,572**	241,356
Technical provisions					
Provision for unearned premiums	7	643,509	-	**643,509**	663,044
Claims outstanding - gross amount	7	2,827,448	-	**2,827,448**	2,943,375
Total technical provisions		3,470,957	-	**3,470,957**	3,606,419
Provisions for other risks and charges					
Provision for taxation	18	-	26,100	**26,100**	63,047
Deposits received from reinsurers		8,486	-	**8,486**	12,027
Creditors					
Arising out of direct insurance operations		65,408	-	**65,408**	73,093
Arising out of reinsurance operations		163,091	-	**163,091**	164,779
Amounts due to credit institutions	20	-	-	**-**	-
Other creditors	19	97,499	111,495	**208,994**	349,073
Total creditors		325,998	111,495	**437,493**	586,945
Accruals and deferred income					
Other accruals and deferred income		35,070	-	**35,070**	33,788
Total liabilities		3,658,891	440,787	**4,099,678**	4,543,582

Approved by the Board on 10 September 2018 and signed on its behalf by:



M J Argyle for and on behalf of Fidentia Trustees Limited
Director

NAMECO (NO.801) LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Company registration number (England and Wales): 4873421

AS AT 31 DECEMBER 2017

	Called up share capital	Share premium account	Retained earnings	Total
	£	£	£	£
At 1 January 2016	1	-	115,573	115,574
Profit/(loss) for the financial year	-	-	125,782	125,782
Other comprehensive income	-	-	-	-
Dividends paid	-	-	-	-
Proceeds from issue of shares	-	-	-	-
At 31 December 2016	1	-	241,355	241,356

	Called up share capital	Share premium account	Retained earnings	Total
	£	£	£	£
At 1 January 2017	1	-	241,355	241,356
Profit/(loss) for the financial year	-	-	(119,784)	(119,784)
Other comprehensive income	-	-	-	-
Dividends paid	-	-	-	-
Proceeds from issue of shares	-	-	-	-
At 31 December 2017	1	-	121,571	121,572

NAMECO (NO.801) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Cash inflow from operating activities	21	**92,688**	177,625
Interest received		**1,375**	576
Interest paid		**-**	-
UK corporation tax paid		**(28,270)**	(28,568)
Foreign tax paid		**(99,107)**	(459)
Net cash (outflow) from operating activities		**(33,314)**	149,174
Cash (outflow) from investing activities			
Purchase of syndicate participation rights		**(600)**	(42,840)
Proceeds from sale of syndicate participation rights		**-**	13,139
Purchase of investments		**-**	-
Proceeds from sale of investments		**-**	-
Dividends received		**-**	-
Dividends paid		**-**	-
Net cash (outflow) from investing activities		**(600)**	(29,701)
Cash inflow from financing activities			
Funds lent to the company by the company's shareholders		**337**	42,218
Issue of share capital		**-**	-
Net cash inflow from financing activities		**337**	42,218
(Decrease) in cash		**(33,577)**	161,691
Net funds at 1 January		**294,404**	132,713
(Decrease) in cash in the year		**(33,577)**	161,691
Net funds at 31 December		**260,827**	294,404

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

1 **General Information**

The Company is a private company limited by shares that was incorporated in England and whose registered office is given on page one of these financial statements. The Company participates in insurance business as an underwriting member of various syndicates at Lloyd's.

2 **Accounting policies**

2.1 **Basis of preparation**

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", FRS 103 "Insurance Contracts", the Companies Act 2006 and Regulation 6 of Schedule 3 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, relating to insurance.

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

Basis of accounting

The Financial Statements are prepared under the historical cost basis of accounting modified to include the revaluation of certain financial instruments held at fair value, through the income statement.

The technical account has been prepared on an annual basis of accounting, whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums net of re-insurance. Amounts reported in the technical account relate to movements in the period in respect of all relevant years of account of the Syndicates on which the company participates.

Accounting information in respect of the Syndicate participations has been provided by the Syndicate managing agents through an information exchange facility operated by Lloyd's and has been reported on by the Syndicate auditors.

Assets and liabilities arising as a result of the underwriting activities are mainly controlled by the Syndicates' managing agents and are shown separately on the Statement of Financial Position as "Syndicate Assets" and "Syndicate Liabilities". The assets are held subject to trust deeds for the benefit of the Syndicates' insurance creditors.

In continuing to apply the going concern basis to this Company's financial statements the following factors have been taken into account: the likely timing of any underwriting and non-underwriting cash flows, any Funds at Lloyd's supporting the Company's underwriting and not reflected in the Company's Statement of Financial Position and the continued support of the Directors and Shareholders including the potential deferral of balances due to them.

General business

i **Premiums**

Gross premiums are accounted for in the period in which the risk commences, together with adjustments to premiums written in previous accounting periods. Future premiums relating to risks commencing in the period are based upon estimates made by the Syndicates' management. Other adjustments are accounted for as arising.

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 Statement of Financial Position 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**
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**
Provision is made for the estimated cost of claims outstanding at the end of the year, including those incurred but not reported at that date, and for the related cost of settlement. Claims incurred comprise amounts paid or provided in respect of claims occurring during the current year, together with the amount by which settlement or reassessment of claims from previous years differs from the provision at the beginning of the year.

The claims provision determined by the managing agent will have been based on information that was currently available at the time. However, the ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided and will be reflected in the financial statements for the period in which the adjustment is made.

vi **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.

vii **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.

viii **Investments and allocated investment income**
In accordance with Lloyd's current accounting practice, investments are stated at market value, including accrued interest at the financial reporting date. Investment income is included in the General Business Technical Account reflecting that earned on the investment portfolio managed by the Syndicates. The allocated investment income therefore comprises income received and investment profits and losses arising in the calendar year including appreciation/depreciation and accrued interest consequent upon the revaluation of investments at 31 December. All gains and losses on investments are treated as realised at the financial reporting date.

ix **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 Statement of Financial Position include the totals of all the syndicate's 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 cost), except for those financial assets classified as at fair value through the income statement, 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 of 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 the income statement.

Derecognition of financial assets and liabilities

Financial assets are derecognised when and only when a) the contractual rights of 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 the income statement immediately.

x **Basis of currency translation**
Syndicates maintain separate funds in Sterling, United States and Canadian dollars, and may also do so in certain other currencies. All transactions where separate currencies are maintained are translated into Sterling at the rates of exchange ruling at the financial reporting date. Transactions during the period in other overseas currencies are expressed in Sterling at the rates ruling at the transaction date.

Monetary assets and liabilities, which according to FRS 103 are deemed to include unearned premiums and deferred acquisition costs, are translated into Sterling at the rates of exchange at the financial reporting 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) are required to be treated as monetary items. These assets and liabilities have been translated at the period end to the functional currency at the closing rate.

xi *Debtors/creditors arising from insurance/reinsurance operations*
The amounts shown in the Statement of Financial Position include the totals of all the Syndicates outstanding debit and credit transactions. 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.

xii **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.

2.2 **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 2.1 (iv) and (v).

2.3 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 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.

2.4 Deferred Taxation

Deferred tax is provided in full on timing differences which result in an obligation at the financial reporting 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.

2.5 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 5 year period beginning with the respective year of Syndicate participation. The intangible assets are reviewed for impairment where there are indicators for impairment and any impairment is charged to the income statement for the period.

2.6 Investments

Investments held directly by the company, by trustees of the Premium Trust Fund, or as the Lloyd's Deposit, are stated at fair value.

2.7 Cash and cash equivalents

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.

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.

i **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 5 years. This is on the basis that this is the life over which the original value of the capacity is used up.

ii **Assessing indicators of impairment**

In assessing whether there have been any indicators of impairment of 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.

iii **Recoverability of debtors**

The Company establishes a provision for debtors that are estimated not to be recoverable. When assessing recoverability, factors such as the ageing of the debtors, past experience of recoverability, and the credit profile of individual 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 the reinsurer fails to meet their share of a claim. The management of the syndicate's funds is exposed to risks of investments, 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 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 risks by participating across several syndicates.

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.

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").

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:

2017

	AAA	AA	A	BBB or lower	Not rated	Total
	£	£	£	£	£	£
Deposits with ceding undertakings	-	-	-	-	863	**863**
Reinsurers share of claims	2,556	125,895	598,656	4,317	57,689	**789,113**
Reinsurance debtors	-	2,082	19,356	-	7,058	**28,496**
Insurance debtors	-	-	-	-	284,481	**284,481**
	2,556	**127,977**	**618,012**	**4,317**	**350,091**	**1,102,953**

2016

	AAA	AA	A	BBB or lower	Not rated	Total
	£	£	£	£	£	£
Deposits with ceding undertakings	-	-	-	-	944	**944**
Reinsurers share of claims	9,788	123,386	523,570	9,305	27,454	**693,503**
Reinsurance debtors	3,286	3,058	9,927	960	1,913	**19,144**
Insurance debtors	-	-	-	-	301,268	**301,268**
	13,074	**126,444**	**533,497**	**10,265**	**331,579**	**1,014,859**

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

2017

	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	-	-	-	-	-	-
Reinsurers share of claims	-	-	-	-	(374)	**(374)**
Reinsurance debtors	4,157	1,266	495	345	(21)	**6,242**
Insurance debtors	13,113	6,742	17,424	13,462	(381)	**50,360**
	17,270	**8,008**	**17,919**	**13,807**	**(776)**	**56,228**

2016

	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	-	-	-	-	-	-
Reinsurers share of claims	-	-	-	-	-	-
Reinsurance debtors	7,122	235	(8)	1,147	-	**8,496**
Insurance debtors	17,874	5,261	5,274	13,463	(487)	**41,385**
	24,996	**5,496**	**5,266**	**14,610**	**(487)**	**49,881**

iii **Interest rate and equity price risk**

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

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:

2017	GBP £	USD £ converted	EUR £ converted	CAD £ converted	Other £ converted	Total £ converted
Total assets	956,602	1,914,583	287,192	338,095	162,419	**3,658,891**
Total liabilities	(1,356,162)	(1,914,975)	(266,476)	(214,760)	(88,138)	**(3,840,511)**
Surplus/(deficiency) of assets	**(399,560)**	**(392)**	**20,716**	**123,335**	**74,281**	**(181,620)**

2016	GBP £	USD £ converted	EUR £ converted	CAD £ converted	Other £ converted	Total £ converted
Total assets	1,123,730	2,053,378	303,097	393,678	328,907	**4,202,790**
Total liabilities	(1,485,030)	(1,826,063)	(290,285)	(234,882)	(272,380)	**(4,108,640)**
Surplus/(deficiency) of assets	**(361,300)**	**227,315**	**12,812**	**158,796**	**56,527**	**94,150**

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 financial reporting date and the distribution of the underwriting profits and losses, which is usually in the May following the closure of the 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

2017	Gross written premiums £	Gross premiums earned £	Gross claims incurred £	Operating expenses £	Reinsurance balance £
Direct					
Accident and health	62,293	62,287	(35,232)	(27,320)	3,902
Motor - third party liability	3,719	4,273	(3,389)	(1,422)	(169)
Motor - other classes	118,424	141,296	(113,619)	(39,196)	3,245
Marine, aviation and transport	106,123	104,874	(46,202)	(42,537)	19,523
Fire and other damage to property	353,579	352,842	(320,243)	(118,788)	(33,708)
Third party liability	387,447	370,450	(169,458)	(137,613)	56,148
Credit and suretyship	24,390	26,238	(20,189)	(9,987)	(1,072)
Other	114,294	95,986	(110,726)	(40,675)	52,520
Total direct	1,170,269	1,158,246	(819,058)	(417,538)	100,389
Reinsurance business					
Reinsurance balance	311,809	304,401	(336,748)	(61,160)	(85,740)
Total	1,482,078	1,462,647	(1,155,806)	(478,698)	14,649

2016	£	£	£	£	£
Direct					
Accident and health	62,112	61,481	(35,180)	(25,540)	(1,389)
Motor - third party liability	4,501	4,747	(3,054)	(1,431)	(34)
Motor - other classes	148,262	150,830	(177,446)	(43,675)	58,271
Marine, aviation and transport	93,462	100,479	(48,046)	(38,350)	(2,591)
Fire and other damage to property	335,891	338,135	(148,544)	(102,585)	(44,464)
Third party liability	356,463	346,730	(309,385)	(116,003)	56,813
Credit and suretyship	16,874	17,992	(10,898)	(4,821)	(1,914)
Other	90,589	89,574	(47,511)	(32,561)	(2,989)
Total direct	1,108,154	1,109,968	(780,064)	(364,966)	61,703
Reinsurance business					
Reinsurance balance	255,414	270,776	(98,848)	(66,305)	(58,730)
Total	1,363,568	1,380,744	(878,912)	(431,271)	2,973

Any open year loss provisions, stop loss premiums and stop loss recoveries have been allocated across the classes of business by reference to the gross premiums written.

6 Geographical analysis

	2017	2016
	£	£
Direct gross premiums written in:		
United Kingdom	**1,145,127**	1,079,446
Other EU member states	**6,630**	10,910
The rest of the world	**18,512**	17,798
Total	**1,170,269**	1,108,154

7 Technical provisions

Movement in claims outstanding

	2017			2016		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	£	£	£	£	£	£
At 1 January	(2,943,375)	336,555	(2,606,820)	(2,624,331)	299,077	(2,325,254)
Movement in technical account	(277,943)	201,370	(76,573)	(71,284)	139,513	68,229
Other movements	393,870	(138,330)	255,540	(247,760)	(102,035)	(349,795)
At 31 December	(2,827,448)	399,595	(2,427,853)	(2,943,375)	336,555	(2,606,820)

Movement in unearned premiums

	2017			2016		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	£	£	£	£	£	£
At 1 January	(663,044)	89,687	(573,357)	(617,908)	74,305	(543,603)
Movement in technical account	(19,431)	13,709	(5,722)	17,176	6,408	23,584
Other movements	38,966	(7,693)	31,273	(62,312)	8,974	(53,338)
At 31 December	(643,509)	95,703	(547,806)	(663,044)	89,687	(573,357)

Movement in deferred acquisition costs	2017	2016
	Net	Net
	£	£
At 1 January	168,394	154,213
Movement in deferred acquisition costs	8,260	(4,078)
Other movements	(1,135)	18,259
At 31 December	175,519	168,394

Included within other movements are foreign exchange movements in restating the opening balances and the effect of prior years' technical provisions being reinsured to close, to the extent where the Company's syndicate participation portfolio has changed between years of account.

7 **Technical provisions (continued)**

Assumptions, changes in assumptions and sensitivity

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:

i 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 financial reporting date.

ii 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 financial reporting date, including appropriate allowance for anticipated losses in excess of the unearned premium.

iii 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 financial reporting date.

iv The potential ultimate result of run-off year results has been accurately estimated by the managing agents.

v The values of investments and other assets and liabilities are correctly stated at their realisable values at the financial reporting date.

There have been no changes to these assumptions in 2017.

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

i A 5% increase/decrease in net earned premium (with claims incurred assumed to change pro-rata with premium) will increase/decrease the Company's pre-tax profit/loss by £16,075 (2016: £25,240).

ii A 5% increase/decrease in the managing agents' calculation of gross claims reserves will decrease/increase the Company's pre-tax profit/loss by £141,372 (2016: £147,169).

iii A 5% increase/decrease in the managing agents' calculation of net claims reserves will decrease/increase the Company's pre-tax profit/loss by £121,393 (2016: £130,341).

Claims development - Gross	At the end of underwriting year	After 12 months	After 24 months	After 36 months	Profit/loss on RITC received
Underwriting pure year	£	£	£	£	£
2017	736,164	-	-	-	-
2016	431,919	932,694	-	-	-
2015	371,516	761,355	799,364	-	-
2014	415,928	782,073	852,067	810,118	-
2013 and prior years	1,560,441	2,614,986	2,676,171	8,147,504	-

7 Technical provisions (continued)

Claims development - Net	At the end of underwriting year	After 12 months	After 24 months	After 36 months	Profit/loss on RITC received
Underwriting pure year	£	£	£	£	£
2017	471,626	-	-	-	-
2016	336,892	742,604	-	-	-
2015	328,233	663,664	706,455	-	-
2014	360,976	689,638	727,817	689,897	-
2013 and prior years	1,312,559	2,279,185	2,287,188	6,753,437	-

8 Investment return

The following return on investments relate to investments held at fair value.

	2017	2016
	£	£
Investment income	36,544	44,220
Realised loss on investments	(1,520)	(5,079)
Allocated investment income - technical account	35,024	39,141
Income from other investments (including interest receivable)	1,375	576
Realised gain from other investments	-	-
Unrealised gain from other investments	-	-
Investment income - non-technical account	1,375	576
Investment expenses and charges - technical account	(2,761)	(2,726)
Total investment return	33,638	36,991

9 Net operating expenses

	2017	2016
	£	£
Acquisition costs	340,121	335,604
Administrative expenses	137,907	142,992
Loss/(Profit) on exchange	670	(47,325)
Total	478,698	431,271

10 Other income

	2017	2016
	£	£
Profit on sale of syndicate participation rights	-	13,139
Other	144,685	-
Total	144,685	13,139

11 (Loss)/Profit on ordinary activities before taxation	2017	2016
	£	£
This is stated after charging:		
Auditor's remuneration - audit	545	545
Employer's pension contributions	10,000	-
Amortisation of syndicate capacity	11,713	3,400

The company has no employees.

12 Intangible assets	Syndicate Participation Rights
	£
Cost	
At 1 January 2017	115,801
Additions	600
Disposals	(9,477)
At 31 December 2017	106,924
Amortisation	
At 1 January 2017	69,413
Charge for the period	11,713
Impairment losses	-
Disposals	(9,477)
At 31 December 2017	71,649
Net book value	
At 31 December 2017	35,275
At 31 December 2016	46,388

13 Investments: Financial investments

At market value		£	Syndicate £	Corporate £	2017 Total £
Shares and other variable yield securities	- level 1	55,657			
	- level 2	167,992			
	- level 3	9,102	232,751	-	**232,751**
Debt securities and other fixed income securities	- level 1	403,858			
	- level 2	1,034,610			
	- level 3	-	1,438,468	-	**1,438,468**
Participation in investment pools	- level 1	27,188			
	- level 2	6,817			
	- level 3	10,847	44,852	-	**44,852**
Loans guaranteed by mortgage	- level 1	10			
	- level 2	33			
	- level 3	1	44	-	**44**
Other	- level 1	3,534			
	- level 2	15,743			
	- level 3	365	19,642	-	**19,642**
Total			1,735,757	-	**1,735,757**

At market value		£	Syndicate £	Corporate £	2016 Total £
Shares and other variable yield securities	- level 1	71,125			
	- level 2	230,061			
	- level 3	126	301,312	-	**301,312**
Debt securities and other fixed income securities	- level 1	421,955			
	- level 2	1,411,823			
	- level 3	-	1,833,778	-	**1,833,778**
Participation in investment pools	- level 1	20,835			
	- level 2	8,050			
	- level 3	14,338	43,223	-	**43,223**
Loans guaranteed by mortgage	- level 1	26			
	- level 2	74			
	- level 3	2	102	-	**102**
Other	- level 1	6,376			
	- level 2	21,839			
	- level 3	564	28,779	-	**28,779**
Total			2,207,194	-	**2,207,194**

The corporate investments held include £Nil (2016: £Nil) at market value in respect of Lloyd's deposits that are held in accordance with the constraints detailed in note 22.

13 Investments: Financial investments (continued)

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

None of the above investments are valued at amortised cost.

	Syndicate £	Corporate £	2017 Total £	2016 Total £
At cost				
Shares and other variable yield securities	236,009	-	**236,009**	288,999
Debt securities and other fixed income securities	1,445,846	-	**1,445,846**	1,828,934
Participation in investment pools	41,199	-	**41,199**	39,315
Loans guaranteed by mortgage	45	-	**45**	104
Other	15,652	-	**15,652**	24,849
Total	1,738,751	-	**1,738,751**	2,182,201

14 Debtors arising out of direct insurance and reinsurance operations

	Syndicate £	Corporate £	2017 Total £	2016 Total £
The following amounts are due after one year:				
Direct insurance operations	5,715	-	**5,715**	10,185
Reinsurance operations	1,374	144,685	**146,059**	455
Total	7,089	144,685	**151,774**	10,640

15 Other debtors

	Syndicate £	Corporate £	2017 Total £	2016 Total £
Deferred tax	-	-	-	-
Other	195,332	-	**195,332**	308,605
Total	195,332	-	**195,332**	308,605

Corporate other debtors includes £Nil (2016: £Nil) due to the company after more than one year.
Syndicate other debtors includes £19,369 (2016: £23,266) due to the company after more than one year.

16 Cash at bank

	Syndicate £	Corporate £	2017 Total £	2016 Total £
Lloyd's deposit	114,639	183,250	**297,889**	316,345
Cash at bank and in hand	168,378	77,577	**245,955**	326,843
Total	283,017	260,827	**543,844**	643,188

Any Lloyd's deposit is held in accordance with the constraints detailed in note 22.

17 Share capital

	2017 £	2016 £
Allotted, issued and fully paid		
1 Ordinary share of £1.00	**1**	1

18 Taxation

	2017 £	2016 £
Analysis of charge in period		
Current tax		
UK Corporation Tax on profits of the period	**33,035**	27,889
Adjustments in respect of prior years	**(22,258)**	(2,630)
Foreign tax	**99,107**	459
Total current tax	**109,884**	25,718
Analysis of charge in period		
Deferred tax		
Origination and reversal of timing differences	**(36,947)**	(23,554)
Changes in tax rates	**-**	-
Other items	**-**	-
Total deferred tax	**(36,947)**	(23,554)
Tax on (loss)/profit on ordinary activities	**72,937**	**2,164**

18 Taxation (continued)

Factors affecting tax charge for the period
The tax assessed for the period is different than the standard rate of Corporation Tax in the UK of 19.25% (2016: 20.00%). The differences are explained below:

	2017 £	2016 £
(Loss)/Profit on ordinary activities before taxation	**(46,847)**	127,946
(Loss)/Profit on ordinary activities before taxation multiplied by the standard rate of Corporation Tax in the UK of 19.25% (2016: 20.00%).	**(9,016)**	25,589
Effects of:		
(Income)/Expenses not (taxable)/deductible	**1,474**	1,221
Timing differences arising from the taxation of the underwriting results	**66,264**	16,628
Timing differences arising from the taxation of syndicate participation movements	**(24,617)**	-
Tax losses carried forward and/or available for group relief	**-**	-
Adjustments to tax charge in respect of prior periods	**(22,258)**	(2,630)
Other adjustments	**98,037**	(15,090)
Deferred tax movements	**(36,947)**	(23,554)
Total tax charge for the year	**72,937**	2,164

Factors that may affect future tax charges
The company has trading losses of £Nil (2016: £Nil) available for carry forward against future trading profits.

	2017 £	2016 £
Provision for deferred tax		
At 1 January	**63,047**	86,601
Credit to the profit and loss account	**(36,947)**	(23,554)
Released or utilised in the period	**-**	-
At 31 December	**26,100**	**63,047**

Full provision has been made for all timing differences apart from the recovery of taxation losses against future trading profits, which cannot be prudently anticipated at this time.
The deferred tax asset not provided for in respect of Corporation Tax losses, and deferred tax losses not yet assessable to Corporation Tax, amounted to £Nil (2016: £Nil).

19 Other creditors

	Syndicate	Corporate	2017	2016
	£	£	£	£
Other creditors	97,499	55,450	**152,949**	275,872
Social security costs	-	-	**-**	-
Corporation tax	-	10,396	**10,396**	27,889
Shareholders' loan account	-	45,649	**45,649**	45,312
	97,499	111,495	**208,994**	349,073

20 Financial liabilities

All financial liabilities are measured at amortised cost except for:	2017	2016
	£	£
Amounts due to credit institutions	-	-

This liability has been disclosed at fair value using a valuation technique. 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

21 Reconciliation of (loss)/profit before tax to net cash inflow from operating activities

	2017	2016
	£	£
(Loss)/profit before tax	**(46,847)**	127,946
Finance costs	**-**	-
Finance income	**(1,375)**	(576)
Prior year result distributable in year	**150,825**	135,501
Loss/(Profit) on sale of syndicate participation rights	**-**	(13,139)
(Decrease)/increase in creditors	**(1,888)**	34,442
(Increase) in debtors	**(19,740)**	(109,949)
Amortisation and impairment of syndicate participation rights	**11,713**	3,400
Net cash inflow from operating activities	**92,688**	177,625

Note that the current year technical loss of £124,945, which has not been distributed in the period, is included within the (increase) in debtors line above.

22 Funds at Lloyd's

Cash balances of £183,250 (2016: £169,237) detailed in note 16 and investments of £Nil (2016: £Nil) detailed in note 13 are held within the company's Lloyd's deposit. These balances exclude any amounts held via the syndicates.

The Lloyd's deposit represents funds deposited with the Corporation of Lloyd's (Lloyd's) to support the company's underwriting activities as described in the accounting policies. The company has entered into a legal agreement with Lloyd's which gives the Corporation the right to apply these funds in settlement of any claims arising from the company's participation on Lloyd's Syndicates. These funds 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.

In addition to these amounts, the shareholders of the company have also made available to Lloyd's assets amounting to approximately £727,059 (2016: £661,067) that are also used by the company to support its Lloyd's underwriting.

23 Related party transactions

The company has taken advantage of the exemption contained within FRS 102 'Related party disclosures' and has therefore not disclosed transactions or balances with JAM (Capital) Holdings Limited. There were no other related party transactions.

24 Ultimate controlling party

The company is a wholly owned subsidiary undertaking of JAM (Capital) Holdings Limited. The group in which the results of the company are consolidated is that headed by JAM (Capital) Holdings Limited. There is no ultimate controlling party of JAM (Capital) Holdings Limited.