

**THOMAS MILLER PROFESSIONS LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**Company number: 01206978**

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**THOMAS MILLER PROFESSIONS LTD**

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**THOMAS MILLER PROFESSIONS LTD**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

R Cunningham

R A A Hamal

A Salim

F J G Van Kempen

R Lewis

A S Munro

Resigned 31 December 2016

Resigned 31 December 2016

**COMPANY SECRETARY**

K P Halpenny

**REGISTERED OFFICE**

90 Fenchurch Street

London

EC3M 4ST

**AUDITOR**

Deloitte LLP

Chartered Accountants and Statutory Auditor

London

United Kingdom

**THOMAS MILLER PROFESSIONS LTD**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**Review of activities and future developments**

The main activities of the company during 2016 have been the provision of underwriting, due diligence and claims management services to commercial After the Event (ATE) insurers.

During the year turnover was £157,709 compared to £275,135 last year. This is a fall of 43%. The main reason for this fall is that, as a result of the implementation of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, which came in to force on 1 April 2013 and ended the recoverability of premium of policies inception after that date from the losing party in most civil litigation cases, the number of cases requiring the company's underwriting and legal risk assessment services has reduced significantly. It is expected that the company's claims handling services will still be required for a period of at least three years while existing cases are being resolved. As a consequence of this reduced case load, the company has restructured its operations to bring its cost base into line with anticipated revenues.

The company made a profit before tax of £88,925 compared to £130,133 last year. This is primarily due to lower turnover. Looking forward to 2017, the company has been granted permission by Lloyd's to underwrite ATE business on behalf of Pembroke and Acappella. This binding authority permits the company to write business in Canada, Australia, New Zealand, Hong Kong and Singapore. In addition, Lloyd's syndicate Hamilton Underwriting and Tokio Marine Klin have expressed their interest to provide excess capacity of £4 million, over the current £1 million currently available. The consequence of this is that the directors will focus on international expansion in 2017. The legacy business is producing better than expected income as a result of cases being either settled or won on higher than expected terms. The company is expected to increase its turnover to £0.5 million in 2017.

Thomas Miller & Co. Limited provides the personnel, the office space and other services and equipment required for the conduct of the company's business, and charges the company accordingly. No change is envisaged in these arrangements for 2017 and beyond.

**Principal risks and uncertainties**

The company has formally assessed its risk exposures and systems of risk management, which are detailed in a "Risk Register" that is formally reviewed by the board on a regular basis. The principal risks to which the company is exposed are those that arise from errors, omissions and/or negligence on the part of its directors, officers and staff (for example, the provision of incorrect advice to clients or the inadvertent breach of laws or regulations). Such risks are managed by having stringent internal control procedures in place to minimise the risk of breaches occurring.

**Financial risk management**

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk and price risk. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the only financial risks the directors consider relevant to this company are credit risk and liquidity risk. These risks are mitigated by the normal credit control policies put in place by the directors of the company.

By order of the board



K P Halpenny  
Company Secretary  
90 Fenchurch Street  
London  
EC3M 4ST

17 May 2017

**THOMAS MILLER PROFESSIONS LTD**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 December 2016.

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006.

**Results and dividends**

The profit and loss account for the year is set out on page 7. The profit on ordinary activities after taxation amounted to £72,271 (2015 - £102,497).

No dividend has been proposed by the directors (2015 - £nil).

**Directors**

The present membership of the board of directors is shown on page 2, all of whom held office throughout the year, except as noted.

**Directors' indemnity**

The ultimate parent company Thomas Miller Holdings Ltd. has made qualifying third party indemnity provisions for the benefit of its subsidiaries' directors that remain in force at the date of this report.

**Auditor**

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

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of the information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

By order of the board



K P Halpenny  
Company Secretary

90 Fenchurch Street  
London  
EC3M 4ST

17 May 2017

## **THOMAS MILLER PROFESSIONS LTD**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual 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; 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THOMAS MILLER PROFESSIONS LTD

We have audited the financial statements of Thomas Miller Professions Ltd for the year ended 31 December 2016 which comprise the profit and loss account, the balance sheet, statement of changes in equity and the related notes 1 to 13. 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 auditor

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 annual 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 2016 and of its profit 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 matters prescribed by the Companies Act 2006

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

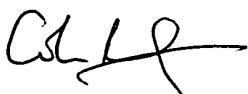
- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and director's report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report and the director's report.

### 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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Colin Rawlings (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor

London, UK

19 MAY 2017

**THOMAS MILLER PROFESSIONS LTD**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
Turnover	1,3	157,709	275,135
Administrative expenses		(68,784)	(145,002)
<b>Profit on ordinary activities before taxation</b>		<b>88,925</b>	<b>130,133</b>
Tax on profit on ordinary activities	6	(16,654)	(27,636)
<b>Profit on ordinary activities after taxation</b>		<b>72,271</b>	<b>102,497</b>

All amounts derive from continuing operations.

The notes on pages 9 to 12 form an integral part of these financial statements.

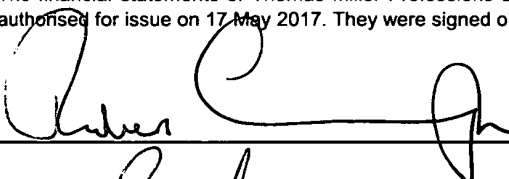
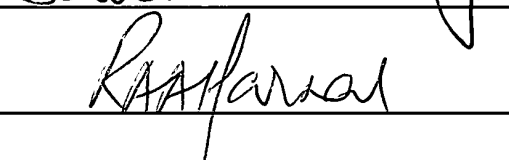


**THOMAS MILLER PROFESSIONS LTD**

**BALANCE SHEET AS AT 31 DECEMBER 2016**

	Notes	2016 £	2015 £
<b>Current assets</b>			
Debtors	7	572,412	422,393
Cash at bank		717,753	246,529
		<u>1,290,165</u>	<u>668,922</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(883,570)</u>	<u>(334,598)</u>
<b>Net current assets</b>		406,595	334,324
<b>Total assets less current liabilities</b>		<u>406,595</u>	<u>334,324</u>
<b>Capital and reserves</b>			
Called up share capital	10	5,000	5,000
Share premium		498,820	498,820
Profit and loss account		<u>(97,225)</u>	<u>(169,496)</u>
<b>Shareholder's funds</b>		<u>406,595</u>	<u>334,324</u>

The financial statements of Thomas Miller Professions Ltd (registration number 01206978) were approved by the board of directors and authorised for issue on 17 May 2017. They were signed on its behalf by:

 Director R Cunningham  
 Director R A A Hamal

The notes on pages 9 to 12 form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2016**

	2016 £	2015 £
Shareholder's funds at 1 January	334,324	231,827
Profit for the financial year	72,271	102,497
Shareholder's funds at 31 December	<u>406,595</u>	<u>334,324</u>

## **THOMAS MILLER PROFESSIONS LTD**

### **NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 DECEMBER 2016**

#### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

##### **1.1 General information and basis of accounting**

Thomas Miller Professions Ltd is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 2. The nature of the company's operations and its principal activities are set out in the strategic report on page 3.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

The company as a "qualifying entity" is exempt from producing a cash flow statement in accordance with FRS 102.1.12(b). The full voting rights of the company are owned by its ultimate parent undertaking (note 13) whose published, publicly available, accounts include a consolidated cash flow statement.

##### **1.2 Going concern**

The business activities of the company are set out in the strategic report.

As discussed in the strategic report, the company has restructured its operation, following the implementation of the Legal Aid, Sentencing and Punishment of Offenders Act 2012. The directors continue to explore opportunities to increase revenue, and following a reduction in the cost base, the company expects to generate modest profit in the future.

As a consequence, the directors believe that the company is well placed to manage its business risks successfully in the current economic climate.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

##### **1.3 Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## THOMAS MILLER PROFESSIONS LTD

### NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 DECEMBER 2016 (continued)

#### 1. Accounting policies (continued)

##### 1.4 Turnover

Turnover, which excludes value added tax, represents the value of consultancy services and ATE fees attributable to the accounting year. Amounts not attributable to the accounting year are recognised as deferred income.

##### 1.5 Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

#### 2. Critical accounting judgements and key source of estimation uncertainty

There are no critical accounting judgements or key sources of estimation uncertainty requiring disclosure.

#### 3. Turnover

	2016 £	2015 £
Turnover by location of client:		
United Kingdom and Europe	157,709	275,135

All turnover derives from the principal activities of the company.

#### 4. Profit on ordinary activities before taxation

All auditor's remuneration relating to the audit of the annual accounts of £2,900 (2015 - £2,800) was borne by a fellow subsidiary company. All directors' remuneration is borne by other group companies and they are not paid for services specifically provided to this company in the current or prior year. The company has no employees (2015 - none).

#### 5. Directors' remuneration

The directors of the company include a number of directors who are also directors of other companies within the Thomas Miller Holdings group. The directors do not consider it practicable or appropriate to allocate directors' services between individual subsidiary companies. The directors of the company received aggregate emoluments of £1,344,765 (2015 - £1,181,702) relating to their services to all companies within the Thomas Miller Holdings group.

The value of contributions paid, or treated as paid, by the company in respect of defined contribution schemes was £122,066 (2015 - £119,401).

The number of directors who:

	2016 Number	2015 Number
Are members of a defined benefit scheme	5	5
Are members of a defined contribution scheme	4	4
Exercised options over shares in the parent company	1	1
Had awards receivable in the form of shares under a long-term incentive scheme	6	6

**THOMAS MILLER PROFESSIONS LTD**

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 DECEMBER 2016 (continued)**

**6. Tax on profit on ordinary activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
The tax comprises:		
<b>Current tax on profit on ordinary activities</b>		
UK corporation tax	17,885	27,614
Adjustment in respect of prior periods	(1,253)	-
<b>Total current tax</b>	<b>16,632</b>	<b>27,614</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	18	22
Effects of changes in rates of tax	4	-
<b>Total deferred tax (note 9)</b>	<b>44</b>	<b>44</b>
<b>Total tax on profit on ordinary activities</b>	<b>16,654</b>	<b>27,636</b>

The standard rate of tax applied to the reported profit on ordinary activities is 20% (2015 - 20.25%). The applicable tax rate changed from 21% to 20% on 1 April 2015 as a result of changes introduced by the Finance Act 2013. In addition, a reduction in the rate of corporation tax from 20% to 19% from 1 April 2017 and further reduction from 19% to 17% from 1 April 2020 was announced in the Finance Act 2016, which became substantively enacted on 15 September 2016.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

		(restated)
	<b>88,925</b>	<b>130,133</b>
<b>Profit on ordinary activities before tax</b>		
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	17,785	26,347
Expenses not deducted for tax purposes	118	1,289
Effects of changes in rates of tax	4	-
Adjustment in respect of prior periods	(1,253)	-
<b>Total tax on profit on ordinary activities</b>	<b>16,654</b>	<b>27,636</b>

**7. Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	431,998	251,769
Amounts owed from fellow subsidiary undertaking	140,336	170,524
Deferred tax (note 9)	78	100
	<b>572,412</b>	<b>422,393</b>

**8. Creditors**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year:		
Trade creditors	874,628	306,984
Corporation tax payable	8,942	27,614
	<b>883,570</b>	<b>334,598</b>

**THOMAS MILLER PROFESSIONS LTD**

**NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 DECEMBER 2016 (continued)**

**9. Deferred tax**

	<b>2016</b> £	<b>2015</b> £
Accelerated capital allowances	<u>78</u>	<u>100</u>
Asset at 1 January	100	122
Credit for the year	<u>(22)</u>	<u>(22)</u>
Asset at 31 December (note 7)	<u>78</u>	<u>100</u>

**10. Share capital**

	<b>2016</b> £	<b>2015</b> £
<b>Called up, allotted and fully paid:</b>		
Equity interests: 5,000 ordinary shares of £1	<u>5,000</u>	<u>5,000</u>

**11. Company status**

The company is incorporated in the United Kingdom and registered in England and Wales with limited liability.

**12. Related parties**

The company is exempt, under Financial Reporting Standard 102 (FRS 102) para 33.1A, from disclosing related party transactions as they are with other companies that are wholly owned within the group.

**13. Ultimate controlling parties**

The company's immediate and ultimate parent company and controlling party is Thomas Miller Holdings Ltd., a company registered in Bermuda. Thomas Miller Holdings Ltd. is the parent undertaking of the smallest and largest group in which the company is consolidated. Copies of the financial statements for Thomas Miller Holdings Ltd. may be obtained from the Company Secretary, Thomas Miller Holdings Ltd., 90 Fenchurch Street, London, EC3M 4ST.