

THOMAS MILLER PROFESSIONS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



Company number: 01206978

THOMAS MILLER PROFESSIONS LTD

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THOMAS MILLER PROFESSIONS LTD

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R Cunningham
R A A Harnal
A Salim
F J G Van Kempen

COMPANY SECRETARY

K P Halpenny

REGISTERED OFFICE

90 Fenchurch Street
London
EC3M 4ST

AUDITOR

Deloitte LLP
Statutory Auditor
London
United Kingdom

THOMAS MILLER PROFESSIONS LTD

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Review of activities and future developments

The main activities of the company during 2018 have been the provision of underwriting, due diligence and claims management services to commercial After the Event ("ATE") insurers.

During the year turnover was £522,021 compared to £595,812 last year. This is a decrease of 12%. As mentioned in earlier years, the implementation of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (Jackson Reform), has led to a significant decline in the number of cases requiring the company's underwriting and legal risk assessment services. There are however still a number of cases in the pipeline which will generate future income but the nature of the business is such that it does not lend itself to predicting when commissions will be earned. The legacy business is expected to generate sufficient commission income for the business to remain profitable. The main premium in 2018 is the profit commission earned from earlier years.

The company made a profit before tax of £417,898 compared to £521,386 last year. This is primarily due to lower turnover. The focus in 2019 will be to replace commission lost as a consequence of the Jackson Reform with new business. The strategy is to expand overseas with the help of the company's partners. The company will be supported by its partner TheJudge who have offices in America and Canada to promote the ATE business. In addition, Ironshore (one of the company's underwriters) are promoting ATE through its Managing General Agency ("MGA") in Hong Kong, Singapore and Australia. Income from this stream of business is expected to come later in 2019.

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 2019 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, cash flow 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

29 MAY 2019

THOMAS MILLER PROFESSIONS LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 2018.

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 8. The profit on ordinary activities after taxation amounted to £338,085 (2017 - £420,673).

No dividend has been proposed by the directors (2017 - £nil).

Directors

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

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

29 MAY 2019

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Thomas Miller Professions Ltd (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- the 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

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 respect of these matters.

Responsibilities of directors

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, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THOMAS MILLER PROFESSIONS LTD (continued)

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our 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.

Report on other legal and regulatory requirements

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

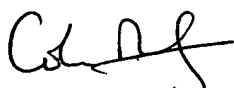
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



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

London, UK

7 June 2019

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	1,3	522,021	595,812
Administrative expenses		(107,848)	(74,426)
Operating profit		<u>414,173</u>	<u>521,386</u>
Interest receivable and similar income		3,725	-
Profit on ordinary activities before taxation	4	<u>417,898</u>	<u>521,386</u>
Tax on profit on ordinary activities	6	(79,813)	(100,713)
Profit on ordinary activities after taxation		<u>338,085</u>	<u>420,673</u>

All amounts derive from continuing operations.

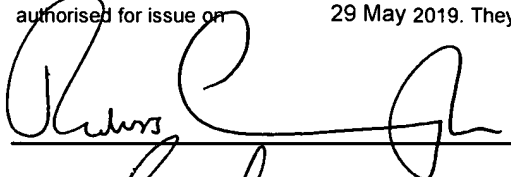
The notes on pages 10 to 13 form an integral part of these financial statements.


THOMAS MILLER PROFESSIONS LTD

BALANCE SHEET AS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
Current assets			
Debtors	7	968,024	937,526
Cash at bank		804,644	348,548
		<u>1,772,668</u>	<u>1,286,074</u>
Creditors: Amounts falling due within one year	8	<u>(607,315)</u>	<u>(458,806)</u>
Net current assets		<u>1,165,353</u>	<u>827,268</u>
Total assets less current liabilities		<u>1,165,353</u>	<u>827,268</u>
Capital and reserves			
Called up share capital	10	5,000	5,000
Share premium		498,820	498,820
Profit and loss account		661,533	323,448
Shareholder's funds		<u>1,165,353</u>	<u>827,268</u>

The financial statements of Thomas Miller Professions Ltd (registration number 01206978) were approved by the board of directors and authorised for issue on 29 May 2019. They were signed on its behalf by:


 Director R Cunningham


 Director R A A Harnal

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2018

	Share Capital	Share Premium	Profit and loss account	2018 Total	2017 Total
	£	£	£	£	£
Opening shareholders funds	5,000	498,820	323,448	827,268	406,595
Profit for the financial year	-	-	338,085	338,085	420,673
Net increase in shareholder's funds	-	-	338,085	338,085	420,673
Closing shareholder's funds	<u>5,000</u>	<u>498,820</u>	<u>661,533</u>	<u>1,165,353</u>	<u>827,268</u>

The notes on pages 10 to 13 form an integral part of these financial statements.

THOMAS MILLER PROFESSIONS LTD

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 DECEMBER 2018

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.

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 DECEMBER 2018 (continued)

1. Accounting policies (continued)

1.4 Turnover

Turnover, which excludes value added tax, represents the value of commissions receivable from consultancy services and ATE fees attributable to the accounting year.

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.

1.6 Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

(ii) Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives i.e. forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not apply hedge accounting for foreign exchange derivatives.

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

	2018 £	2017 £
Turnover by location of client:		
United Kingdom and Europe	393,143	595,812
Americas	98,320	-
Asia Pacific	30,558	-
	<u>522,021</u>	<u>595,812</u>

All turnover derives from the principal activities of the company.

THOMAS MILLER PROFESSIONS LTD

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 DECEMBER 2018 (continued)

4. Profit on ordinary activities before taxation

All auditor's remuneration relating to the audit of the annual accounts of £7,519 (2017 - £7,300) 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 (2017 - 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 £932,050 (2017 - £951,415) 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 £56,851 (2017 - £54,027).

The number of directors who:

	2018 Number	2017 Number
Are members of a defined benefit scheme	3	3
Are members of a defined contribution scheme	2	2
Exercised options over shares in the parent company	-	1
Had awards receivable in the form of shares under a long-term incentive scheme	4	4

6. Tax on profit on ordinary activities

	2018 £	2017 £
The tax charge comprises:		
Current tax		
UK corporation tax	79,803	100,692
Total current tax	79,803	100,692
Deferred tax		
Origination and reversal of timing differences	11	14
Effects of changes in rates of tax	(1)	7
Total deferred tax (note 9)	10	21
Total tax on profit on ordinary activities	79,813	100,713

The standard rate of tax applied to the reported profit on ordinary activities is 19.00% (2017 - 19.25%). The applicable tax rate changed from 20% to 19% on 1 April 2017 as a result of changes introduced by the Finance Act 2013. In addition, a reduction in the rate of corporation tax 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:

Profit on ordinary activities before tax	417,898	521,386
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	79,401	100,349
Effects of:		
Expenses not deducted for tax purposes	413	357
Effects of changes in rates of tax	(1)	7
Total tax on profit on ordinary activities	79,813	100,713

THOMAS MILLER PROFESSIONS LTD

NOTES TO THE ACCOUNTS FOR YEAR ENDED 31 DECEMBER 2018 (continued)

7. Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Amounts owed from fellow subsidiary undertaking	643,472	511,360
Trade debtors	316,393	426,109
Accrued income	8,112	-
Deferred tax (note 9)	47	57
	<u>968,024</u>	<u>937,526</u>

Amounts due from fellow subsidiary undertakings are repayable on demand.

8. Creditors

	2018 £	2017 £
Amounts falling due within one year:		
Trade creditors	486,295	408,462
Deferred income	81,121	-
Corporation tax payable	39,899	50,344
	<u>607,315</u>	<u>458,806</u>

9. Deferred tax

	2018 £	2017 £
Accelerated capital allowances	47	57
Asset at 1 January	57	78
Credit for the year	(10)	(21)
Asset at 31 December (note 7)	<u>47</u>	<u>57</u>

10. Share capital

	2018 £	2017 £
Called up, allotted and fully paid:		
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 is wholly owned by Thomas Miller Holdings Ltd., a company registered in Bermuda and the ultimate controlling company. 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.