

Registration number: 02131193

Thomas Miller Professional Indemnity Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2020



Thomas Miller Professional Indemnity Limited

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Thomas Miller Professional Indemnity Limited

Company Information

Directors	R P Cunningham R A A Harnal A Mee A Salim
Company Secretary	K P Halpenny
Registered office	90 Fenchurch Street London EC3M 4ST

Thomas Miller Professional Indemnity Limited

Strategic Report for the Year Ended 31 December 2020

The Directors present their strategic report for the year ended 31 December 2020.

Principal activity

The principal activity of the company is the management of PAMIA Limited, a mutual insurance company that provides professional indemnity insurance for patent and trademark practices.

Principal risks and uncertainties

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.

Taking into account the company's current position and its principal risks, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over at least the next 12 months. As a result of COVID-19, financial markets have been volatile during 2020 and it is reasonable to expect this volatility to continue for an indeterminate period in the future. In assessing the prospects of the Company, the Directors noted that such assessment is subject to a degree of uncertainty that can be expected to continue, looking out over time and, accordingly, future outcomes cannot be guaranteed or predicted with certainty. The Directors' assessment has taken into account the resources of the Company and that of the wider Thomas Miller Group under the ultimate parent company Thomas Miller Holdings Ltd. Where necessary, Thomas Miller Holdings Ltd. has indicated it will provide further liquidity or regulatory capital to the Company.

Brexit

We continue to monitor the risks associated with the UK's exit from the Brexit transition period as of 31st December 2020. We do not consider there to be an impact on the company results due to the nature of its business activities - which have been largely unaffected during the year.

Section 172(1) statement

We provide business-critical services to our clients, often in highly regulated environments. As we grow, our business and our risk environment also become more complex. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face, and that we continue to evolve our approach to risk management.

For details of our principal risks and uncertainties, and how we manage our risk environment, please see the section above.

The Company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients, investors, communities and society as a whole. People are at the heart of our services. For our business to succeed we need to manage our people's performance and develop and bring through talent while ensuring we operate as efficiently as possible. We must also ensure we share common values that inform and guide our behaviour so we achieve our goals in the right way.

Our strategy prioritises business growth. To do this, we need to develop and maintain strong client relationships.

The Company's approach to this area is set at a Group level by the ultimate parent company, Thomas Miller Holdings Ltd. which from a position of strength creates a positive change for the people and communities with which it interacts. The Group's expertise enables colleagues to support the communities around us.

Thomas Miller Professional Indemnity Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

The Board recognises the importance of having the right corporate culture. Our long-term success depends on achieving our strategic goals in the right way, so we look after the best interests of our clients, people and other stakeholders.

The Board is committed to regularly engaging with the Board of our ultimate parent company, Thomas Miller Holdings Ltd. as we recognise the importance of a continuing effective dialogue. It is important to us that our strategy and objectives are understood, so these must be explained clearly, feedback heard and any issues or questions raised properly considered.

Further details can be found in the Corporate Governance report contained within financial statements of the ultimate parent company, Thomas Miller Holdings Ltd.

A Director of a Company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

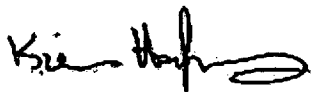
- the likely consequences of any decisions in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the Company.

As part of their induction, a new Director of the Company is briefed on their duties and they can access professional advice on these, either from the Company Secretary or, if they judge it necessary, from an independent adviser. It is important to recognise that the Directors fulfil their duties partly through a governance framework that delegates day-to-day decision-making to employees all of whom are employed by Thomas Miller & Co. Limited, a fellow subsidiary undertaking. Thomas Miller & Co. Limited provides the personnel and other shared services to the Company, for example premises, utilities, facilities management, information technology and human resources which are required for the conduct of the Company's business, and charges the Company accordingly. Further details can also be found in the Corporate Governance Report of the ultimate parent company Thomas Miller Holdings Ltd.

Engagement with suppliers, customers and other relationships

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 2020 and beyond.

Approved by the Board on 1 June 2021 and signed on its behalf by:



.....
K P Halpenny
Company secretary

Thomas Miller Professional Indemnity Limited

Directors' Report for the Year Ended 31 December 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

Directors of the Company

The directors who held office during the year were as follows:

R P Cunningham

R A A Harnal

A Mee

A Salim

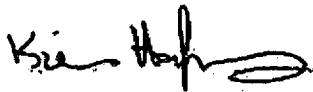
Directors' liabilities

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.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 1 June 2021 and signed on its behalf by:



.....
K P Halpenny
Company secretary

Thomas Miller Professional Indemnity Limited

Statement of Directors' Responsibilities

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), including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Thomas Miller Professional Indemnity Limited

Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	3	<u>1,100,766</u>	<u>1,063,625</u>
Gross profit		1,100,766	1,063,625
Administrative expenses		<u>(1,079,276)</u>	<u>(1,043,143)</u>
Operating profit		<u>21,490</u>	<u>20,482</u>
Profit before tax		21,490	20,482
Taxation	5	<u>(4,083)</u>	<u>(3,892)</u>
Profit for the financial year		<u><u>17,407</u></u>	<u><u>16,590</u></u>

The above results were derived from continuing operations.

The notes on pages 9 to 13 form an integral part of these financial statements.

Thomas Miller Professional Indemnity Limited

**(Registration number: 02131193)
Balance Sheet as at 31 December 2020**

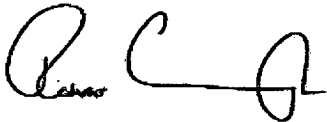
	Note	2020 £	2019 £
Current assets			
Debtors	6	271,569	262,868
Creditors: Amounts falling due within one year	7	<u>(254,046)</u>	<u>(245,752)</u>
Net assets		<u>17,523</u>	<u>17,116</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>17,423</u>	<u>17,016</u>
Total equity		<u>17,523</u>	<u>17,116</u>

For the financial year ending 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved and authorised by the Board on 1 June 2021 and signed on its behalf by:



R P Cunningham

..... Director



R A A Harnal

..... Director

The notes on pages 9 to 13 form an integral part of these financial statements.

Thomas Miller Professional Indemnity Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £	Profit and loss account £	Total £
At 1 January 2020	<u>100</u>	<u>17,016</u>	<u>17,116</u>
Profit for the year	<u>-</u>	<u>17,407</u>	<u>17,407</u>
Total comprehensive income	<u>-</u>	<u>17,407</u>	<u>17,407</u>
Dividends	<u>-</u>	<u>(17,000)</u>	<u>(17,000)</u>
At 31 December 2020	<u><u>100</u></u>	<u><u>17,423</u></u>	<u><u>17,523</u></u>

	Share capital £	Profit and loss account £	Total £
At 1 January 2019	<u>100</u>	<u>15,426</u>	<u>15,526</u>
Profit for the year	<u>-</u>	<u>16,590</u>	<u>16,590</u>
Total comprehensive income	<u>-</u>	<u>16,590</u>	<u>16,590</u>
Dividends	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>
At 31 December 2019	<u><u>100</u></u>	<u><u>17,016</u></u>	<u><u>17,116</u></u>

The notes on pages 9 to 13 form an integral part of these financial statements.

Thomas Miller Professional Indemnity Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated in the United Kingdom with limited liability and registered in England and Wales.

The address of its registered office is:
90 Fenchurch Street
London
EC3M 4ST

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

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.

Summary of disclosure exemptions

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 whose published, publicly available, accounts include a consolidated cash flow statement.

Name of parent of group

These financial statements are consolidated in the financial statements of Thomas Miller Holdings Ltd..

The financial statements of Thomas Miller Holdings Ltd. may be obtained from the Company Secretary, Thomas Miller Holdings Ltd., 90 Fenchurch Street, London, EC3M 4ST.

Thomas Miller Professional Indemnity Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis.

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

The Company has a long standing relationship with its main client that continues to be profitable with a steady turnover. The Directors do not foresee any significant impact on the current level of income, or profitability, as a result of the current economic climate.

The Company has net current assets. The majority of these consist of a balance payable to the parent company and accrued income. These balances are readily realisable.

The Thomas Miller Group has performed a liquidity stress test for the 21 month period ending December 2022 in light of the COVID-19 pandemic, including the cessation of certain business and the significant loss of incentive fees on three major contracts which indicates headroom before any mitigating actions. Thomas Miller have identified mitigating actions which include reducing costs, deferring capital expenditure and suspending dividends. Taking account of these potential mitigating actions, this analysis demonstrates that the Group could continue as a going concern for at least the next year given the financial and liquidity strength of the insurance companies managed by Thomas Miller and the notice periods contained in the contracts. Accordingly, Thomas Miller considers the results of this test continue to support the view that the Group is able to continue as a going concern for the next twelve months.

The Directors' assessment has taken into account the resources of the Company and that of the wider Thomas Miller Group under the ultimate parent company, Thomas Miller Holdings Ltd. Where necessary, Thomas Miller Holdings Ltd. has indicated it will provide financial support for a period of not less than 12 months after the date of the approval of these financial statements.

As a consequence, the Directors believe that the group is well placed to manage its business risks successfully in the current economic environment.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The Company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Thomas Miller Professional Indemnity Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Rendering of services	<u>1,100,766</u>	<u>1,063,625</u>

4 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 £834,565 (2019 - £808,367) relating to their services to all Companies within the Thomas Miller Holdings Group.

The value of contributions paid, or treated as paid, by a person other than the Director to whom retirement benefits are accruing in respect of directors' qualifying services to the extent that the contributions might lead to money purchase benefits being payable was £81,528 (2019 - £75,087).

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2020 No.	2019 No.
Received or were entitled to receive shares under long term incentive schemes	3	3
Accruing benefits under defined benefit pension scheme	3	3
Accruing benefits under defined contribution pension scheme	<u>3</u>	<u>3</u>

5 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	<u>4,083</u>	<u>3,892</u>

Thomas Miller Professional Indemnity Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

5 Taxation (continued)

The standard rate of tax applied to the reported profit on ordinary activities is 19% (2019 - 19%). Finance Act 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 31 December 2019 had been calculated at this rate. However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year end.

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date, as a result deferred tax balances as at 31 December 2020 continue to be measured at 19%.

6 Debtors

	2020	2019
	£	£
Accrued income	271,569	262,868
	<u>271,569</u>	<u>262,868</u>

7 Creditors

	Note	2020	2019
		£	£
Due within one year			
Amounts due to related parties	11	230,378	218,192
Other payables		23,668	23,669
Income tax liability	5	-	3,891
		<u>254,046</u>	<u>245,752</u>

Amounts due to fellow subsidiary undertakings are repayable on demand.

8 Share capital

Allotted, called up and fully paid shares

	No.	2020	No.	2019
		£		£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Thomas Miller Professional Indemnity Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020 (continued)

9 Dividends

Final dividends paid

	2020 £	2019 £
Final dividend of £1,700 (2019 - £1,500) per each ordinary share	<u>17,000</u>	<u>15,000</u>

10 Contingent liabilities

Thomas Miller & Co. Limited provides the personnel required for the conduct of the Company's business, and charges the company accordingly. At present the Company is charged a fixed proportion of the annual pension contribution made by Thomas Miller & Co. Limited to the Thomas Miller & Co. Limited Retirement Benefits Scheme ("the Scheme"), which closed to future accruals of benefits on 30 September 2004, in order to eradicate the past service deficit. The Trustee Board of the Scheme can at any time increase the contributions required for that purpose and, in the event of winding up of the Scheme, require that the Company pays that same proportion of any wind up deficit.

11 Related party transactions

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.

12 Parent and ultimate parent undertaking

The company's immediate parent is Thomas Miller Professional Indemnity (Holdings) Limited, incorporated in the United Kingdom.

The ultimate parent is Thomas Miller Holdings Ltd., incorporated in Bermuda.

The most senior parent entity producing publicly available financial statements is Thomas Miller Holdings Ltd.. These financial statements are available upon request from the Company Secretary, Thomas Miller Holdings Ltd., 90 Fenchurch Street, London, EC3M 4ST.

The ultimate controlling party is Thomas Miller Holdings Ltd..

The parent of the largest group in which these financial statements are consolidated is Thomas Miller Holdings Ltd., incorporated in Bermuda.

The parent of the smallest group in which these financial statements are consolidated is Thomas Miller (UK) Holdings Company Ltd, incorporated in the United Kingdom.