

IGI Administration Services Limited

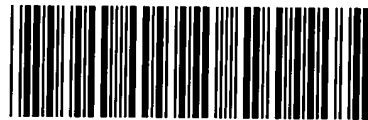
Report and Financial Statements

Year Ended

31 December 2016

Company Number 03173997

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IGI Administration Services Limited

Report and financial statements for the year ended 31 December 2016

Contents

Page:

1	Strategic report
2	Report of the director
3	Director's statement and responsibilities
4	Independent auditor's report – to the member of IGI Administration Services Limited
6	Statement of comprehensive income
7	Balance sheet
8	Statement of changes in equity
9	Notes forming part of the financial statements

Director

J E Cadle

Secretary and registered office

P A Cockburn, 10th Floor, Market Square House, St James's Street, Nottingham, NG1 6FG

Company number

03173997

Auditor

KPMG LLP, 15 Canada Square, London. E14 5GL

IGI Administration Services Limited

Strategic report for the year ended 31 December 2016

The director presents his strategic report together with the audited financial statements for the year ended 31 December 2016.

Review of the business and future developments

The principal activity of the company is that of a provider of insurance handling services and of service and maintenance contracts.

There have been no events after the balance sheet date which materially affect the position of the company.

The Company has a loss after tax of £1,407 (2015: Profit £103) on Nil turnover (2015: £160).

In 2017, the director has no plans to change the operational activity of the business.

Key performance indicators

The director of the Company does not believe that key performance indicators are necessary to understand the development, performance or position of the Company's business because of minimal business activity.

Principal risks and uncertainties

The company is exposed to financial risk through its use of financial instruments. These include the key risk factors included below. Management monitor these risks on an on-going basis and maintain appropriate safeguards to mitigate risk in line with the risk appetite framework it has in place.

1. Credit risk - This is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the company is exposed to credit risk are:

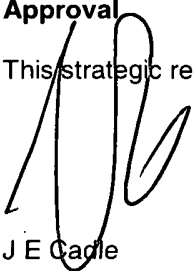
a) Amounts due from group undertakings

2. Operational risk - This is the risk that the company will not be able to operate in a fashion whereby the objectives of the company can be met due to inadequate or failed internal processes, people and systems; or from external events. It arises out of actions undertaken within the group.

3. Liquidity risk - This is the risk that the company may be unable to meet its obligations as they fall due as a consequence of having a timing mismatch. Management considers that liquidity risk relates to the risk associated with the processes of managing timing relationships between asset and liability cash flow patterns.

Approval

This strategic report was approved on behalf of the Board on 8 November 2017.



J E Cadle

Director

IGI Administration Services Limited

Report of the director for the year ended 31 December 2016

The director presents his report together with the audited financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the company is that of a provider of insurance handling services and of service and maintenance contracts. Further details are given in the Strategic report.

Results and dividends

The statement of comprehensive income is set out on page 6 and shows the profit for the year.

The director does not recommend the payment of a dividend (2015 - £Nil).

Political donations

The company has made no political donations during the year. (2015 -£NIL)

Director

The director of the company during the year was:

J E Cadle

Qualifying third party indemnity provisions

Director and officer liability insurance in respect of the company has been maintained throughout the year.

Going concern

Although the company has net liabilities of £627,689 (2015 - £626,283), the director has determined that it is appropriate for the accounts to be prepared on a going concern basis based on the support that the company continues to receive from its fellow group company, AmTrust Equity Solutions Limited. The director is not aware of any reasons why the company would not be able to operate in the future.

Disclosure of information to auditor

The director who held office at the date of approval of this director's report confirms that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware and he has taken all the steps that he ought to have taken as director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Change of auditors

BDO LLP resigned as auditors of the Company during 2016. Following the appointment of KPMG LLP as auditors for the ultimate parent company AmTrust Financial Services Inc (AFSI), KPMG LLP were duly appointed as auditors of the Company.

The board of the Company intends to reappoint KPMG LLP in 2017.

On behalf of the Board



J E Cadle
Director

10 November 2017

IGI Administration Services Limited

Director's Statement and Responsibilities

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTOR'S REPORT AND THE FINANCIAL STATEMENTS

The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102. *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

IGI Administration Services Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF IGI ADMINISTRATION SERVICES LIMITED

We have audited the financial statements of IGI Administration Services Limited for the year ended 31 December 2016 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 member, 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 member 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 member, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 loss for the year then ended;
- have been properly prepared in accordance with UK 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 the information given in the Strategic Report and the Director's Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Director's report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

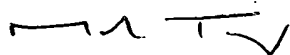
IGI Administration Services Limited

Independent auditor's report (*continued*)

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mark Taylor (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL

10 November 2017

IGI Administration Services Limited

Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	2	-	160
Operating expenses		(1,759)	(38)
Operating loss		(1,759)	122
Interest receivable		1	-
Loss on ordinary activities before taxation		(1,758)	122
Taxation on loss from ordinary activities	3	351	(19)
Loss for the financial year	9	(1,407)	103

All amounts relate to continuing activities.

All recognised gains and losses are included in the statement of comprehensive income.

The notes on pages 9 to 14 form part of these financial statements.

IGI Administration Services Limited

Balance sheet at 31 December 2016

Company number 03173997	Note	2016 £	2015 £
Current assets			
Debtors	4	309,111	310,179
Cash at bank and in hand		191	196
		<u>309,302</u>	<u>310,375</u>
Creditors: amounts falling due within one year	5	<u>(936,991)</u>	<u>(936,658)</u>
Net current liabilities		<u>(627,689)</u>	<u>(626,283)</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	<u>(627,789)</u>	<u>(626,383)</u>
Shareholder's deficit - equity	9	<u>(627,689)</u>	<u>(626,283)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 8 November 2017.

On behalf of the Board


J E Cadle
Director

The notes on pages 9 to 14 form part of these financial statements.

IGI Administration Services Limited

Statement of changes in equity for the year ended 31 December 2016

	Called-up share capital £	Profit and loss account £	Shareholders' funds £
Balance as at 1 January 2015	100	(626,486)	(626,386)
Profit for the year	-	103	103
	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2015	100	(626,383)	(626,283)
	<hr/>	<hr/>	<hr/>
	Called-up share capital £	Profit and loss account £	Shareholders' funds £
Balance as at 1 January 2016	100	(626,383)	(626,283)
Loss for the year	-	(1,407)	(1,407)
	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2016	100	(627,789)	(627,689)
	<hr/>	<hr/>	<hr/>

The notes on pages 9 to 14 form part of these financial statements.

IGI Administration Services Limited

Notes forming part of the financial statements for the year ended 31 December 2016

1 Accounting policies

General information

IGI Administration Services Limited ('the Company') is a provider of insurance handling services and of service and maintenance contracts business in the UK. The company is a private company limited by shares and is incorporated in England. The address of its registered office is 10th Floor, Market Square House, St James's Street, Nottingham, NG1 6FG.

Basis of preparation

The financial statements have been prepared under the provision of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulation 2008 ("SI 2008/410").

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 and the Companies Act 2006.

The financial statements have been prepared under the historical cost accounting rules. 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.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements have been disclosed as appropriate within the principal accounting policies and relevant notes below.

The company has taken advantage of the exemption allowed by FRS 102 paragraph 33.1A, not to disclose any transactions with entities that are 100% owned within the AmTrust Financial Services Inc. group, the consolidated financial statements of which are publicly available.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the exemption under FRS 102, paragraph 1.12(b), not to prepare a cash flow statement and also the exemption under FRS 102 1.12(c), relating to financial instruments, as it is consolidated in the financial statements of its ultimate US parent company which are publicly available and considered equivalent to UK GAAP.

The company does not employ any staff, and therefore salary cost and headcount disclosures are not applicable. The director of the company has provided a service to the business but is employed by and remunerated by a fellow Group entity.

Audit fees for the company, of £6,541, are borne by another entity within the AmTrust Financial Service Inc. group, and accordingly there is no expense to disclose.

Although the company has net liabilities of £627,689 (2105 - £626,283), the director has determined that it is appropriate for the accounts to be prepared on a going concern basis based on the support that the company continues to receive from its fellow group company, AmTrust Equity Solutions Limited. The director is not aware of any reasons why the company would not be able to operate in the future.

Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

IGI Administration Services Limited

Notes forming part of the financial statements for the year ended 31 December 2016

1 Accounting policies (*continued*)

Foreign currencies

The company's financial statements are presented in pound sterling, which is the company's functional currency.

Transactions in foreign currencies are recorded in functional currency at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Non-monetary assets and liabilities denominated in foreign currencies are translated at the respective historic rates applicable to each such asset or liability.

All differences are taken to the statement of comprehensive income.

Turnover

Income is from service and maintenance contracts and is recognised over the period of the contract.

Deferred taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet 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. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those included in financial statements. Deferred taxation assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred taxation assets and liabilities are not discounted.

Financial assets

The company classifies all of its financial assets as basic financial instruments under Section 11 FRS 102. Management determines the classification of its investments at initial recognition. All current financial assets are carried at amortised cost.

i) Assets held at amortised cost

The financial assets within the balance sheet are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

When these assets are recognised initially they are valued at the transaction price. Loans and receivables are subsequently measured at amortised cost using the effective interest method. This basis of valuation is viewed by the directors as being appropriately prudent having regard to the likely realisable value.

Cash and cash equivalents comprise cash balances. They are carried at amortised cost in the balance sheet.

IGI Administration Services Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

1 Accounting policies (continued)

Financial assets (continued)

ii) Impairment of financial assets

A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the assets and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the company about the following events:

- a) significant financial difficulty of the issuer or obligor;
- b) a breach of contract, such as a default or delinquency in interest or principal payments;
- c) the company, for economic or legal reasons relating to the counterparty's financial difficulty, granting to the counterparty a concession that the company would not otherwise consider;
- d) it has become probable that the counterparty will enter bankruptcy or other financial reorganisation; and
- e) observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group, such as adverse national or local economic conditions or adverse changes in industry conditions.

The company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivables carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit and loss account for the period. As a practical expedient, the company may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the company's grading process that considers asset type, industry, geographical location, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed through the profit and loss account for the period.

Financial liabilities

Financial liabilities are recognised when contractual commitments arise.

Creditors are financial liabilities and are recognised initially at fair value, net of directly attributable transaction costs. Creditors are subsequently stated at amortised cost, using the effective interest method.

IGI Administration Services Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

2 Turnover

Turnover is wholly attributable to the principal activities of the company and arises solely within the United Kingdom. The amounts attributable to the principal activities are as follows:

	2016 £	2015 £
Service and maintenance contracts (including their administration)	-	160

3 Taxation on loss from ordinary activities

	2016 £	2015 £
<i>Current tax</i>		
UK corporation tax credit for the year	(2,348)	(419)
	(2,348)	(419)
<i>Deferred tax</i>		
Origination and reversal of timing differences	1,997	444
Impact of rate change	-	(6)
	(351)	19

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	2016 £	2015 £
Loss on ordinary activities before tax	(1,758)	122
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20% (2015 – 20.25%)	(351)	25
Effects of: Capital allowances in excess of depreciation	(1,997)	(444)
Current tax credit for the year	(2,348)	(419)

At 31 December 2016 the company has tax losses carried forward of £91,266 (2015 - £91,266). No deferred taxation has been provided in the financial statements as there is no expectation of the future reversal of the asset.

UK corporation tax rates are 20% from 1 April 2015 (enacted 17 July 2013), 19% from 1 April 2017 (enacted 18 November 2015) and 17% from 1 April 2020 (enacted 15 September 2016). These rates will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2016 has been calculated based on these rates.

IGI Administration Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (*continued*)

4 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	-	1,000
Amounts owed by group undertakings	306,763	306,763
Group relief recoverable	2,348	419
Deferred tax	-	1,997
	<u>309,111</u>	<u>310,179</u>

5 Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	936,991	936,658
	<u>936,991</u>	<u>936,658</u>

6 Deferred tax

	2016 £	2015 £
Deferred tax asset at 1 January 2016		1,997
Debit to the profit and loss account		(1,997)
Deferred tax asset at 31 December 2016		-
	<u>2016 £</u>	<u>2015 £</u>
Analysis of deferred tax:		
Capital allowances in excess of depreciation	-	1,997
Amounts not recognised are as follows:		
Tax losses	<u>15,515</u>	<u>18,253</u>

IGI Administration Services Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (*continued*)

7 Share capital

	Allotted, called up and fully paid			
	2016 Number	2015 Number	2016 £	2015 £
Ordinary shares of £1 each	100	100	100	100

8 Reserves

	Profit and loss account £
At 1 January 2016	(626,383)
Loss for the year	(1,407)
At 31 December 2016	(627,789)

9 Parent Undertakings

The immediate parent undertaking is AmTrust International Limited, which is incorporated in England.

The company's ultimate parent undertaking and controlling party is AmTrust Financial Services Inc., which is incorporated in the USA. AmTrust Financial Services Inc. is the parent company of the largest group for which consolidated financial statements are produced which include IGI Administration Services Limited. Copies of its group financial statements are available from 42nd Floor, 59 Maiden Lane, New York, USA.