

**Company registration number: 3423357**

**J-W Corporate Member Limited**

**Report and financial statements  
31 December 2017**

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**J-W Corporate Member Limited**  
**Company information**

<b>Directors</b>	Mr P D Anderson Mr J A Mackay APCL Corporate Director No. 1 Limited APCL Corporate Director No. 2 Limited
<b>Company Secretary</b>	Argenta Secretariat Limited
<b>Registered Office</b>	5 <sup>th</sup> Floor 70 Gracechurch Street London EC3V 0XL
<b>Auditors</b>	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD
<b>Accountants</b>	Argenta Tax & Corporate Services Limited 5 <sup>th</sup> Floor 70 Gracechurch Street London EC3V 0XL

## J-W Corporate Member Limited Strategic Report

The Directors submit their Strategic Report for the Company for the year ended 31 December 2017.

### Business Review

The Company continues to write insurance business in the Lloyd's insurance market as a Lloyd's corporate capital member.

The financial statements incorporate the annual accounting results of the Syndicates on which the Company participates for the 2015, 2016 and 2017 years of account, as well as any 2014 and prior run-off years. The 2015 year closed at 31 December 2017 with a result of £236,022 (2014 - £351,001). The 2016 and 2017 open underwriting accounts will normally close at 31 December 2018 and 2019 respectively.

### Results and Dividends

The results for the year are set out on pages 7 to 8 of the financial statements. Dividends totalling £Nil were paid in the year (2016 - £Nil).

### Financial Risk Management Objectives and Policies

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

Hedge accounting is not used by the Company.

### Key Performance Indicators

	2017	2016
Capacity (youngest underwriting year)	£ 2,574,182	£ 2,491,856
Gross premium written as a % of capacity	100.4%	97.0%
Underwriting profit of latest closed year:		
as a % of capacity	9.7%	13.9%
Run-off years of account movement	£ -	£ -
Combined ratio	111.7%	96.4%

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

### Brexit

The Brexit talks have now entered the second phase focusing on trade. At present the insurance sector still needs certainty on the UK's future trading relationship with EU. The priority is to ensure mutual insurance and reinsurance market access once the UK leaves the EU. In the meantime Lloyd's continue to move ahead with their plans to establish a Lloyd's subsidiary in Brussels, which will provide certainty for the market and Lloyd's clients. The Directors are monitoring the Lloyd's market's preparations along with general market conditions to identify if it is appropriate to make any changes to the current strategy of the Company.

Approved by the Board on 29-11-2018  
and signed on its behalf by:



P D ANDERSON

Director

## **J-W Corporate Member Limited**

### **Report of the Directors**

The Directors submit their Report together with the audited financial statements of the Company for the year ended 31 December 2017.

#### **Principal Activities**

The principal activity of the Company is that of trading as a Lloyd's corporate capital member. The Company continues to underwrite for the 2018 year of account.

#### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Strategic Report, Report of the Directors 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 applicable law and United Kingdom Accounting Standards (United Kingdom Accounting Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

#### **Directors**

The Directors who served at any time during the year were as follows:

Mr P D Anderson  
Mr J A Mackay  
APCL Corporate Director No. 1 Limited  
APCL Corporate Director No. 2 Limited

**J-W Corporate Member Limited  
Report of the Directors (continued)**

**Auditors**

Mazars LLP have signified their willingness to act and continue to be appointed as the Company's auditors.

**In the case of each of the persons who are Directors at the time this report is approved, the following applies:**

- a) So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- b) they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board on 29-11-2018  
and signed on its behalf by:



P D ANDERSON

Director

# **J-W Corporate Member Limited**

## **Independent Auditor's report**

### **Independent auditor's report to the members of J-W Corporate Member Limited**

#### **Opinion**

We have audited the financial statements of J-W Corporate Member Limited (the 'company') for the year ended 31 December 2017 which comprise the Profit and loss account, Balance sheet, Statement of changes in equity, Cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **J-W Corporate Member Limited**

### **Independent Auditor's report (continued)**

#### **Matters on which we are required to report by exception**

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

We have nothing to report in respect of the following matters in relation to which 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


#### **Auditor's responsibilities for the audit of the financial statements**

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

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

#### **Use of the audit 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.



Amanda Barker (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Tower Bridge House  
St. Katharine's Way  
London E1W 1DD

29 November 2018

**J-W Corporate Member Limited**  
**Profit and loss account**  
**Technical account – general business**  
**For the year ended 31 December 2017**

	Note	2017 £	2016 £
<b>Premiums</b>			
Gross premiums written	1	2,583,882	2,416,045
Outward reinsurance premiums	1	(565,517)	(464,275)
<b>Net premiums written</b>		<u>2,018,365</u>	<u>1,951,770</u>
<b>Change in the provision for unearned premiums</b>			
Gross provision	1	9,142	(14,683)
Reinsurers' share	1	19,903	21,947
<b>Earned premiums, net of reinsurance</b>		<u>2,047,410</u>	<u>1,959,034</u>
<b>Allocated investment return transferred from the non-technical account</b>		56,588	52,591
<b>Other technical income, net of reinsurance</b>		243	258
<b>Claims paid</b>			
Gross amount	1	(1,304,106)	(1,110,027)
Reinsurers' share	1	173,175	127,734
<b>Net claims paid</b>		<u>(1,130,931)</u>	<u>(982,293)</u>
<b>Change in provision for claims</b>			
Gross amount	1	(848,015)	(219,512)
Reinsurers' share	1	518,701	125,780
<b>Change in net provision for claims</b>		<u>(329,314)</u>	<u>(93,732)</u>
<b>Claims incurred, net of reinsurance</b>		<u>(1,460,245)</u>	<u>(1,076,025)</u>
<b>Changes in other technical provisions, net of reinsurance</b>		4,504	(4,023)
Net operating expenses	2	(826,968)	(811,727)
Other technical charges, net of reinsurance	1	-	-
<b>Balance on the technical account for general business</b>		<u>(178,468)</u>	<u>120,108</u>

The accounting policies and notes on pages 13 to 39 form part of these Financial Statements.



**J-W Corporate Member Limited**  
**Profit and loss account**  
**Non - technical account**  
**For the year ended 31 December 2017**

	Note	2017 £	2016 £
<b>Balance on technical account for general business</b>		(178,468)	120,108
Investment income	3	67,276	58,013
Allocated investment return transferred to the general business technical account		(56,588)	(52,591)
Other income		9,521	69,899
Other charges, including value adjustments		(184,955)	162,404
<b>Profit/(loss) on ordinary activities before taxation</b>	4	<u>(343,214)</u>	<u>357,833</u>
Tax on profit/(loss) on ordinary activities	5	60,302	(65,081)
<b>Profit/(loss) for the financial year</b>		<u>(282,912)</u>	<u>292,752</u>
<b>Other comprehensive income/(expenditure):</b>			
Currency translation differences		1,084	16,222
Tax on other comprehensive income		(148)	(3,115)
<b>Total comprehensive income/(expenditure)</b>	10	<u>(281,976)</u>	<u>305,859</u>

All amounts relate to continuing operations.

The accounting policies and notes on pages 13 to 39 form part of these Financial Statements.

**J-W Corporate Member Limited**  
**Balance sheet**  
**As at 31 December 2017**


		31 December 2017			31 December 2016		
	Note	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
<b>Assets</b>							
<b>Intangible assets</b>	6	-	11,700	11,700	-	6,500	6,500
<b>Investments</b>							
Other financial investments	7	2,555,600	-	2,555,600	2,945,143	-	2,945,143
Deposits with ceding undertakings		233	-	233	246	-	246
		2,555,833	-	2,555,833	2,945,389	-	2,945,389
<b>Reinsurers' share of technical provisions</b>							
Provision for unearned premiums	8	177,422	-	177,422	174,790	-	174,790
Claims outstanding	8	1,190,790	-	1,190,790	715,078	-	715,078
Other technical provisions		7,559	-	7,559	3,053	-	3,053
		1,375,771	-	1,375,771	892,921	-	892,921
<b>Debtors</b>							
Amounts falling due within one year	7	1,106,350	600,061	1,706,411	1,253,818	600,060	1,853,878
Amounts falling due after one year	7	336,936	-	336,936	424,737	-	424,737
		1,443,286	600,061	2,043,347	1,678,555	600,060	2,278,615
<b>Other assets</b>							
Cash at bank and in hand		113,534	1,535,027	1,648,561	132,084	1,483,191	1,615,275
Other		244,791	-	244,791	236,589	-	236,589
		358,325	1,535,027	1,893,352	368,673	1,483,191	1,851,864
<b>Prepayments and accrued income</b>							
Accrued interest		7,250	-	7,250	6,245	-	6,245
Deferred acquisitions costs	8	316,434	-	316,434	319,077	-	319,077
Other prepayments and accrued income		9,019	-	9,019	9,487	-	9,487
		332,703	-	332,703	334,809	-	334,809
<b>Total assets</b>		6,065,918	2,146,788	8,212,706	6,220,347	2,089,751	8,310,098

The accounting policies and notes on pages 13 to 39 form part of these Financial Statements.

**J-W Corporate Member Limited**  
**Balance sheet**  
**As at 31 December 2017**

31 December 2017				31 December 2016			
	Note	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
<b>Liabilities and shareholders' funds</b>							
Capital and reserves							
Called up share capital	9	-	618,678	618,678	-	618,678	618,678
Capital redemption		-	-	-	-	-	-
Capital contribution		-	-	-	-	-	-
Share premium account		-	127,360	127,360	-	127,360	127,360
Profit and loss account	10	(211,045)	1,290,615	1,079,570	308,198	1,053,348	1,361,546
<b>Shareholders' funds – attributable to equity interests</b>		(211,045)	2,036,653	1,825,608	308,198	1,799,386	2,107,584
Technical provisions							
Provision for unearned premiums	8	1,130,911	-	1,130,911	1,229,794	-	1,229,794
Claims outstanding	8	4,336,460	-	4,336,460	3,835,397	-	3,835,397
Other technical provisions		-	-	-	-	-	-
Provisions for other risks and charges							
Deferred taxation	11	-	11,756	11,756	-	118,994	118,994
Other		-	-	-	-	-	-
Deposit received from reinsurers		455	-	455	509	-	509
Creditors							
Amounts falling due within one year	7	629,655	46,689	676,344	655,516	111,618	767,134
Amounts falling due after one year	7	116,309	-	116,309	146,870	-	146,870
		6,213,790	58,445	6,272,235	5,868,086	230,612	6,098,698
Accruals and deferred income		63,173	51,690	114,863	44,063	59,753	103,816
<b>Total liabilities</b>		<b>6,065,918</b>	<b>2,146,788</b>	<b>8,212,706</b>	<b>6,220,347</b>	<b>2,089,751</b>	<b>8,310,098</b>

Approved and authorised for issue by the Board of Directors on 29-11-2018  
and signed on its behalf by:

  
P D ANDERSON  
Director

Company registration number: 3423357

The accounting policies and notes on pages 13 to 39 form part of these Financial Statements.

**J-W Corporate Member Limited**  
**Statement of changes in equity**  
**For the year ended 31 December 2017**

	Called up share capital £	Capital redemption reserve £	Share premium account £	Profit and loss account £	Capital contribution reserve £	Total £
Opening balance	618,678	-	127,360	1,055,687	-	1,801,725
Profit/(loss) for the year	-	-	-	289,637	-	289,637
Other comprehensive income	-	-	-	16,222	-	16,222
Total comprehensive income	-	-	-	305,859	-	305,859
Proceeds from the issue of shares	-	-	-	-	-	-
Movement in reserves	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
<b>As at 31 December 2016</b>	<b>618,678</b>	<b>-</b>	<b>127,360</b>	<b>1,361,546</b>	<b>-</b>	<b>2,107,584</b>
Profit/(loss) for the year	-	-	-	(282,912)	-	(282,912)
Other comprehensive income	-	-	-	936	-	936
Total comprehensive income	-	-	-	(281,976)	-	(281,976)
Proceeds from the issue of shares	-	-	-	-	-	-
Movement in reserves	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
<b>As at 31 December 2017</b>	<b>618,678</b>	<b>-</b>	<b>127,360</b>	<b>1,079,570</b>	<b>-</b>	<b>1,825,608</b>

Called-up share capital represents the nominal value of shares that have been issued.

Capital redemption reserve records the nominal value of shares repurchased by the Company.

The share premium account records the amount above the nominal value received for shares sold, less transaction costs.

The profit and loss account represents cumulative profits and losses of the Company.

Capital contribution reserve relates to contributions to the equity capital of the Company.

The accounting policies and notes on pages 13 to 39 form part of these Financial Statements.

**J-W Corporate Member Limited**  
**Cash flow statement**  
**For the year ended 31 December 2017**

	2017 £	2016 £
<b>Operating activities</b>		
Profit/(loss) on ordinary activities before tax	(343,214)	357,833
(Profit)/loss attributable to syndicate transactions	520,327	132,689
Profit/(loss) - excluding syndicate transactions	<u>177,113</u>	<u>490,522</u>
Adjusted for:		
(Increase)/decrease in debtors	(1)	(600,060)
Increase/(decrease) in creditors	(8,063)	(45,190)
(Profit)/loss on disposal of intangible assets	(378)	-
Amortisation of syndicate capacity	1,299	-
Realised/unrealised (gains)/losses on investments	-	-
Investment income	(10,688)	(5,422)
Corporation and overseas taxes (paid)/refunded	<u>(112,013)</u>	<u>(46,808)</u>
Net cash inflow/(outflow) from operating activities	<u>47,269</u>	<u>(206,958)</u>
<b>Investing activities</b>		
Investment income	10,688	5,422
Purchase of syndicate capacity	(6,499)	(6,500)
Proceeds from sale of syndicate capacity	378	-
Purchase of financial investments	-	-
Proceeds from sale of financial investments	<u>-</u>	<u>-</u>
Net cash (outflow)/inflow from investing activities	<u>4,567</u>	<u>(1,078)</u>
<b>Financing activities</b>		
Issue of shares	-	-
Share issue expenses	-	-
Capital contribution/redemption	-	-
Equity dividends paid	<u>-</u>	<u>-</u>
Net cash (outflow)/inflow from financing activities	<u>-</u>	<u>-</u>
Net cash increase/(decrease) in cash and cash equivalents	51,836	(208,036)
Effect of exchange rates on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	<u>1,483,191</u>	<u>1,691,227</u>
Cash and cash equivalents at the end of the year	<u>1,535,027</u>	<u>1,483,191</u>
Consisting of:		
Cash at bank and in hand	1,535,027	1,483,191
Cash equivalents	<u>-</u>	<u>-</u>
	<u>1,535,027</u>	<u>1,483,191</u>

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

The accounting policies and notes on pages 13 to 39 form part of these Financial Statements.

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**Basis of preparation of financial statements**

**General information**

The Company is a limited Company incorporated in the United Kingdom.

The financial statements have been presented in Pounds Sterling ("Sterling") as this is the Company's functional currency, being the primary economic environment in which the Company operates.

**Basis of preparation**

These financial statements have been prepared in accordance with FRS 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland*, FRS103 *Insurance Contracts* and applicable legislation, as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("SI 2008/410"). These financial statements have been prepared under the historical costs convention as modified for certain financial instruments held at fair value.

**Recognition of insurance transactions**

The Company recognises its proportion of all the transactions undertaken by the Lloyd's Syndicates in which it participates ("the Syndicates") in aggregation with the transactions undertaken by the Company at entity level ("the Corporate").

The financial statements are prepared using the annual basis of accounting. Under the annual basis of accounting, a result is determined at the end of each accounting period reflecting the profit and loss from providing insurance coverage during that period and any adjustments to the profit or loss of providing insurance cover during earlier accounting periods.

For each such Syndicate, the Company's proportion of the underwriting transactions, investment return and operating expenses has been reflected within the Company's profit and loss account. Similarly, its proportion of the Syndicate's assets and liabilities has been reflected in its balance sheet (under the column heading "Syndicate"). The Syndicate's assets are held subject to trust deeds for the benefit of the Company's insurance creditors.

The proportion referred to above is calculated by reference to the Company's participation as a percentage of the Syndicate's total capacity.

The Company has delegated sole management and control of its underwriting through each Syndicate to the managing agent of the Syndicate ("the Managing Agent") and it has further undertaken not to interfere with the exercise of such management and control. The Managing Agents of the Syndicates are therefore responsible for determining the insurance transactions to be recognised by the Company.

**Sources of data**

The information used to compile the technical account and the "Syndicate" balance sheet is based on returns prepared for this purpose by the Managing Agents of the Syndicates ("the Returns"). These Returns have been subjected to audit by the Syndicate auditors and are consistent with the audited annual reports to Syndicate members.

The format of the Returns is established by Lloyd's. Lloyd's collates this data at a Syndicate level analysing it into corporate member level results which reflects the relevant data in respect of all the syndicates in which the Company participates.

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**Accounting policies**

**i Going concern**

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

**ii Premiums**

Premiums written comprise the total premiums receivable for the whole period of cover provided by the contracts incepting during the financial year, together with any adjustments arising in the year to such premiums receivable in respect of business written in prior years. Premiums are shown gross of commission payable to intermediaries and exclude insurance premium tax. Gross premiums written may include "reinsurance to close" premiums receivable (see vii below). Outward reinsurance premiums may include "reinsurance to close" premiums payable (see vii below). Premiums written by a Syndicate may also include the reinsurance of other Syndicates on which the Company participates. No adjustments have been made to gross premiums written or outward reinsurance premiums (or to gross and reinsurers' claims) to remove this inter - Syndicate reinsurance. Unearned premiums represent the proportion of premiums written in the year that relate to the unexpired terms of policies in force at the balance sheet date, calculated on the basis of established earnings patterns or time apportionment as appropriate.

**iii Claims incurred**

Claims incurred include the costs of claims handling expenses. Recoverable amounts arising out of subrogation or salvage are deducted from the cost of claims. Claims incurred comprise amounts paid or provided in respect of claims occurring during the year to 31 December, together with the amount by which settlement or reassessment of claims from prior years differ from the provision at the beginning of the year.

**iv Provision for claims outstanding**

Claims outstanding comprise amounts set aside for claims notified and claims incurred but not yet reported (IBNR). Provision is made for claims incurred but not paid in respect of events up to 31 December. The provision is based on the Returns and reports from the Managing Agents and the Company's licensed adviser or Members' Agent. When appropriate, statistical methods have been applied to past experience of claims frequency and severity.

The two most critical assumptions with regards to claims provisions are that the past is a reasonable predictor of the likely level of claims development, and that the rating and other models used for current business are fair reflections of the likely level of ultimate claims to be incurred. The Directors consider the provision for gross claims and related reinsurance recoveries, as based on the Returns to be fairly stated. However, ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided. Adjustments to amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made.

**v Unexpired risk provision**

A provision for unexpired risk is made by the underlying Syndicates where claims, related expenses and deferred acquisition costs, likely to arise after the end of the financial period in respect of contracts concluded before that date, are expected to exceed the unearned premiums and premiums receivable under these contracts, after the deduction of any acquisition costs deferred.

**vi Deferred acquisition costs**

Acquisition costs, which represent commission and other related expenses, are deferred over the period in which the related premiums are earned.

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**Accounting policies (continued)**

**vii Reinsurance to close**

A reinsurance to close is a particular type of reinsurance contract entered into by Lloyd's Syndicates. Under it, underwriting members (the reinsured members) who are members of a Syndicate for a year of account (the closed year), agree with underwriting members who comprise that or another Syndicate for a later year of account (the reinsuring members) that the reinsuring members will indemnify, discharge or procure the discharge, of the reinsured members against all known and unknown liabilities of the reinsured members arising out of insurance business undertaken through that Syndicate and allocated to the closed year in consideration of:

- (1) a premium; and
- (2) either
  - (a) the assignment, or agreement to assign, to the reinsuring members of all the rights of the reinsured members arising out of, or in connection with, that insurance business (including without limitation the right to receive all future premiums, reinsurances and other monies receivable in connection with that insurance business); or
  - (b) an agreement by the reinsured members that the reinsuring members shall collect on behalf of the reinsured members the proceeds of all such rights and retain them for their own benefit so far as they are not applied in discharges of the liabilities of the reinsured members.

Where the reinsurance to close is between members on successive years of account of the same Syndicate, the Managing Agent has a duty to ensure both sets of members are treated equitably and to set the reinsurance to close with the intention that neither a profit nor a loss accrues to either group of members. To the extent that the Company participates on successive years of account of the same Syndicate and there is a reinsurance to close between those years, the Company has offset its share of the reinsurance to close received against its share of the reinsurance to close paid.

If the Company has increased its participation from one year of account to the next, the reinsurance to close paid is eliminated, as a result of this offset, leaving an element of the reinsurance to close received. This reflects the fact that the Company has assumed a greater proportion of the business of the Syndicate. If the Company has reduced its participation from one year of account to the next, the reinsurance to close received is eliminated, leaving an element of the reinsurance to close paid. This reflects the reduction in the Company's exposure to risks previously written by the Syndicate. The reinsurance to close is technically a reinsurance contract and, as such, the payment of a reinsurance to close does not remove from members of that year of account ultimate responsibility for claims payable on risks they have written. If the reinsuring members under the reinsurance to close become insolvent and the other elements of the Lloyd's chain of security also fail, the reinsured members remain theoretically liable for the settlement of any outstanding claims. However, payment of a reinsurance to close is conventionally accepted as terminating a reinsured member's participation on a Syndicate year of account and it is treated for accounts purposes as settling all the Company's outstanding gross liabilities in respect of the business so reinsured.

**viii Financial instruments**

The Company has chosen to apply the provisions of Section 11 *Basic Financial Instruments* and Section 12 *Other Financial Instruments* in full.

The Company holds both basic and non-basic financial instruments. The Company's financial instruments comprise of cash and cash equivalents, trade and other receivables, trade and other payables and investments in a variety of basic and non-basic financial instruments, through both the Corporate and through the Syndicates.

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument.

Basic financial instruments (except for non-puttable ordinary and non-convertible preference shares) are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment in the case of financial assets. Amounts that are receivable/payable within one year are measured at the undiscounted amount of the cash expected to be received/settled.



**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**Accounting policies (continued)**

**viii Financial instruments (continued)**

Where a financial instrument constitutes a financing transaction, it is initially measured at the present value of the future payments, discounted at a market rate of interest, and subsequently measured at amortised cost using the effective interest rate method.

All other financial instruments are measured at fair value through profit or loss, except for investments in equity instruments that are not publicly traded, and whose fair value cannot otherwise be measured reliably, which are measured at cost less impairment.

At the end of each reporting year, the Company assesses whether there is objective evidence that any financial asset may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in the profit and loss.

Investment income is initially recorded in the non-technical account. All investment income arising on Syndicate participations is allocated to the technical account.

Interest income is recognised as it accrues using the effective interest method.

Dividend income receivable is recognised when the rights to receive the distributions have been established.

**ix Derivative financial instruments**

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes. Derivates are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

**x Derecognition of financial assets**

A financial asset or, when applicable, a part of a financial asset is derecognised when:

- The rights to the cash flows from the asset have expired; or
- The Company retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. In that case, the Company also recognises an associated liability.

**xi Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if there is a currently enforceable legal right to offset the recognised amounts; and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**Accounting policies (continued)**

**xii Net operating expenses**

Operating expenses are recognised when incurred. They include the Company's share of Syndicate operating expenses, the remuneration payable to Managing Agents (and the Company's Members' Agent/licensed adviser) and the direct costs of membership of Lloyd's.

**xiii Foreign currencies**

Transactions in United States dollars, Canadian dollars and Euros are translated at the rates of exchange ruling at the date the transaction is processed or at an appropriate average rate. Unless otherwise stated, transactions in currencies other than United States dollars, Canadian dollars and Euros are translated at the rate of exchange ruling at the date the transaction is processed. Monetary assets and liabilities are retranslated into Sterling at the rate of exchange at the balance sheet date. Non-monetary assets and liabilities at the balance sheet date are maintained at the rate of exchange ruling when the contract was entered into, except for non-monetary assets and liabilities arising out of insurance contracts which are treated as monetary items in accordance with FRS 103 *Insurance Contracts* ("FRS 103"). Exchange differences arising on translation to the functional currency are dealt with through the non-technical account in the profit and loss account.

**xiv Intangible assets**

Intangible assets include purchased rights to participate on Syndicates. The purchase cost is capitalised and amortised on a straight line basis over the useful life of the rights which is five years.

**xv Insurance contracts – product classification**

Insurance contracts are those contracts when the Company (the insurer/reinsurer) has accepted significant insurance risk from another party (the policyholder/reinsured) by agreeing to compensate the policyholder if a specified uncertain future event (the re/insured event) adversely affects the policyholder. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Any separable embedded derivatives within an insurance contract are separated and accounted for in accordance with sections 11 and 12 of FRS102 unless the embedded derivative is itself an insurance contract (i.e. the derivative is not separated if the policyholder benefits from the derivative only when the insured event occurs).

**xvi Taxation**

The Company is taxed on its share of the underwriting results declared by Syndicates and these are deemed to accrue evenly over the calendar year in which they are declared. The Syndicate results included in these financial statements (excluding any losses on open years of account) are only declared for tax purposes in the calendar year following closure of the year of account. HM Revenue & Customs agrees the taxable results of Syndicates at a Syndicate level on the basis of computations submitted by the Managing Agent. At the date of approval of these financial statements, the Syndicate taxable results of this year have not been agreed. Any adjustments that may be necessary to the tax provision as a result of HM Revenue & Customs agreement of Syndicate taxable results will be reflected in the financial statements of subsequent periods.

**xvii Deferred taxation**

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. 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 give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**Accounting policies (continued)**

**xvii Deferred taxation (continued)**

Deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

**xviii Critical accounting judgements and key sources of estimated uncertainty**

In applying the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The management and control of each Syndicate is carried out by the managing agent of that Syndicate, and the Company looks to the managing agent to implement appropriate policies, procedures and internal controls to manage each Syndicate. The critical accounting judgements and key sources of estimation uncertainty set out below therefore relate to those made by the Directors in respect of the Corporate only, and do not include estimates and judgements made in respect of the Syndicates.

**Critical accounting judgements**

The critical judgements that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

*Assessing indicators of impairment*

In assessing whether there have been any indicators of impairment assets, the Directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Estimating value in use*

Where an indication of impairment exists the Directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

*Recoverability of receivables*

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the Directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

*Determining the useful life of purchased syndicate capacity*

The Directors have assessed the useful life of syndicate capacity to be five years. This is on the basis that the Directors consider this to be the life over which value is created from the investment made.

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**1. Class of Business**

<b>2017</b>	<b>Gross Premiums Written £</b>	<b>Gross Premiums Earned £</b>	<b>Gross Claims Incurred £</b>	<b>Net Operating Expenses £</b>	<b>Reinsurance Balance £</b>	<b>Total £</b>
<b>Direct Insurance</b>						
Accident and health	100,767	101,596	(55,670)	(43,691)	(2,099)	136
Motor – third party liability	8,002	9,294	(7,421)	(2,943)	208	(862)
Motor – other classes	193,321	197,522	(155,746)	(56,067)	(426)	(14,717)
Marine, aviation and transport	226,977	244,424	(141,557)	(94,773)	(10,385)	(2,291)
Fire and other damage to property	694,056	677,420	(629,709)	(222,654)	83,227	(91,716)
Third party liability	571,056	542,993	(329,523)	(193,712)	(6,906)	12,852
Credit and suretyship	67,411	59,126	(36,905)	(21,125)	(843)	253
Legal expenses	2,918	3,524	(2,224)	(1,853)	(29)	(582)
Assistance	-	-	-	-	-	-
Miscellaneous	11,371	10,702	(6,371)	(3,992)	(654)	(315)
	1,875,879	1,846,601	(1,365,126)	(640,810)	62,093	(97,242)
<b>Reinsurance</b>	708,003	746,423	(786,995)	(186,158)	84,169	(142,561)
<b>Total</b>	<b>2,583,882</b>	<b>2,593,024</b>	<b>(2,152,121)</b>	<b>(826,968)</b>	<b>146,262</b>	<b>(239,803)</b>

<b>2016</b>	<b>Gross Premiums Written £</b>	<b>Gross Premiums Earned £</b>	<b>Gross Claims Incurred £</b>	<b>Net Operating Expenses £</b>	<b>Reinsurance Balance £</b>	<b>Total £</b>
<b>Direct Insurance</b>						
Accident and health	102,930	103,031	(51,313)	(47,343)	(2,197)	2,178
Motor – third party liability	10,486	11,126	(6,574)	(3,782)	(172)	598
Motor – other classes	183,201	176,905	(182,434)	(56,294)	46,628	(15,195)
Marine, aviation and transport	243,540	256,523	(139,999)	(105,983)	(12,972)	(2,431)
Fire and other damage to property	627,059	629,392	(309,985)	(209,519)	(79,239)	30,649
Third party liability	480,495	453,181	(278,955)	(161,819)	(13,200)	(793)
Credit and suretyship	33,755	31,730	(17,050)	(9,624)	(3,021)	2,035
Legal expenses	4,111	4,221	(2,651)	(2,231)	19	(642)
Assistance	-	-	-	-	-	-
Miscellaneous	10,669	11,879	(5,411)	(4,269)	(549)	1,650
	1,696,246	1,677,988	(994,372)	(600,864)	(64,703)	18,049
<b>Reinsurance</b>	719,799	723,374	(335,167)	(210,863)	(124,111)	53,233
<b>Total</b>	<b>2,416,045</b>	<b>2,401,362</b>	<b>(1,329,539)</b>	<b>(811,727)</b>	<b>(188,814)</b>	<b>71,282</b>

All insurance business is underwritten in the United Kingdom in the Lloyd's insurance market. Consequently all insurance contracts are deemed to be concluded in the United Kingdom.

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**2. Net Operating Expenses**

	2017 £	2016 £
Acquisition costs	705,569	663,552
Change in deferred acquisition costs	(6,618)	(5,531)
Administrative expenses	131,646	128,893
Reinsurance commissions and profit participations	(75,843)	(65,818)
Personal expenses	72,214	90,631
	<u>826,968</u>	<u>811,727</u>

**3. Investment Income**

	2017 £	2016 £
Financial instruments held at fair value through profit or loss:		
Interest and dividend income	58,938	57,987
Realised gains and losses	1,071	(5,978)
Unrealised gains and losses	828	4,385
Other	-	-
	<u>60,837</u>	<u>56,394</u>
Financial instruments held at amortised cost:		
Interest	10,688	5,422
Other	-	-
	<u>10,688</u>	<u>5,422</u>
Investment management expenses, including interest	(4,249)	(3,803)
	<u>(4,249)</u>	<u>(3,803)</u>
	<u>67,276</u>	<u>58,013</u>

**4. Profit/(Loss) on Ordinary Activities before Taxation**

	2017 £	2016 £
Operating profit/(loss) is stated after charging:		
Directors' remuneration	-	-
Amortisation of syndicate capacity	1,299	-
(Profit)/loss on disposal of intangible fixed assets	(378)	-
(Profit)/loss on exchange	126,682	(284,706)

The Company has no employees and no staff costs are met by the Company.

The Directors are considered to be the key management personnel of the Company.

The fees payable to the Company's auditor for audit services are included in the fees payable to the Members' Agent.

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

5. Taxation	2017 £	2016 £
<b>Analysis of charge in year</b>		
Current tax:		
UK corporation tax on profit/(loss) of the year	46,689	111,618
Adjustment in respect of previous period	(1,747)	(4,251)
	<u>44,942</u>	<u>107,367</u>
Foreign tax	2,142	477
	<u>47,084</u>	<u>107,844</u>
Total current tax		
	47,084	107,844
Deferred tax:		
Origination and reversal of timing differences	(104,352)	(47,371)
Change in tax rate	(2,886)	7,723
	<u>(107,238)</u>	<u>(39,648)</u>
Total tax	<u>(60,154)</u>	<u>68,196</u>
<b>Factors affecting tax charge for period</b>		
The tax assessed for the period is different to the standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%). The differences are explained below:		
Profit/(loss) on ordinary activities before tax	<u>(343,214)</u>	<u>357,833</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%)	(66,069)	71,567
Effects of:		
Change in deferred tax rate	(2,886)	7,723
Deferred tax asset previously unrecognised	-	-
Foreign tax	1,730	382
Expenses not deductible for tax purposes	-	-
Other corporation computation adjustments	-	-
Marginal rates of taxation and prior period adjustment	<u>7,071</u>	<u>(11,476)</u>
Total tax charge/(credit) for the period	<u>(60,154)</u>	<u>68,196</u>

The results of the Company's participation on the 2015, 2016 and 2017 years of account and any calendar year movement on 2014 and prior run-offs, will not be assessed to tax until the year ended 31 December 2018, 2019 and 2020 respectively being the year after the calendar year result of each run-off year or the normal date of closure of each year of account.

The current UK corporation tax rate is 19%. The rate will be reduced to 17% from 1 April 2020. The effect of this reduction is reflected in the recognised deferred tax liability/(asset).

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

<b>6. Intangible Assets</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Purchased Syndicate Capacity</b>		
<b>Cost</b>		
At 1 January 2017	106,779	100,279
Additions	6,499	6,500
Disposals	(3,023)	-
	<u>110,255</u>	<u>106,779</u>
At 31 December 2017		
<b>Amortisation</b>		
At 1 January 2017	100,279	100,279
Additions	1,299	-
Disposals	(3,023)	-
	<u>98,555</u>	<u>100,279</u>
At 31 December 2017		
<b>Net Book Value</b>		
At 31 December 2017	<u>11,700</u>	<u>6,500</u>
At 31 December 2016	<u>6,500</u>	<u>-</u>
<b>7. Financial Instruments and Financial Risk Management</b>		
<b>7.1 Financial Investments</b>		
<b>Other financial investments – Syndicate participation</b>		
	<b>2017</b>	<b>2016</b>
	<b>Market</b>	<b>Market</b>
	<b>Value</b>	<b>Value</b>
	<b>£</b>	<b>£</b>
Shares and other variable yield securities and units in unit trusts	383,662	429,669
Debt securities and other fixed income securities	2,089,486	2,421,101
Participation in investment pools	31,951	33,331
Loans with credit institutions	2,589	3,207
Derivative financial instruments	7,516	6,780
Other investments	995	6,191
Deposits with credit institutions	13,432	17,946
Other	25,969	26,918
	<u>2,555,600</u>	<u>2,945,143</u>
<b>Other financial investments – Corporate</b>		
Shares and other variable yield securities and units in unit trusts	-	-
Debt securities and other fixed income securities	-	-
Other investments	-	-
	<u>-</u>	<u>-</u>

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**7. Financial Instruments and Financial Risk Management (continued)**

**7.2 Debtors**

	<b>2017</b>			<b>2016</b>		
	<b>Syndicate Participation £</b>	<b>Corporate £</b>	<b>Total £</b>	<b>Syndicate Participation £</b>	<b>Corporate £</b>	<b>Total £</b>
<b>Amounts falling due within one year:</b>						
Arising out of direct insurance operations	517,651	-	517,651	541,313	-	541,313
Arising out of reinsurance operations	434,475	-	434,475	426,377	-	426,377
<b>Other Debtors:</b>						
Amounts due from group undertakings	-	600,061	600,061	-	600,060	600,060
Other	154,224	-	154,224	286,128	-	286,128
<b>Total Amounts falling due within one year</b>	<b>1,106,350</b>	<b>600,061</b>	<b>1,706,411</b>	<b>1,253,818</b>	<b>600,060</b>	<b>1,853,878</b>
<b>Amounts falling due after one year:</b>						
Arising out of direct insurance operations	9,827	-	9,827	15,160	-	15,160
Arising out of reinsurance operations	306,706	-	306,706	385,729	-	385,729
<b>Other Debtors:</b>						
Amounts due from group undertakings	-	-	-	-	-	-
Other	20,403	-	20,403	23,848	-	23,848
<b>Total Amounts falling due after one year</b>	<b>336,936</b>	<b>-</b>	<b>336,936</b>	<b>424,737</b>	<b>-</b>	<b>424,737</b>
	<b>1,443,286</b>	<b>600,061</b>	<b>2,043,347</b>	<b>1,678,555</b>	<b>600,060</b>	<b>2,278,615</b>

**7.3 Funds at Lloyd's**

The amount of Funds at Lloyd's is represented in the balance sheet as:

	<b>2017</b>			<b>2016</b>		
	<b>Syndicate Participation £</b>	<b>Corporate £</b>	<b>Total £</b>	<b>Syndicate Participation £</b>	<b>Corporate £</b>	<b>Total £</b>
Cash	-	1,313,915	1,313,915	-	1,181,557	1,181,557
Investments	-	-	-	-	-	-
	<b>-</b>	<b>1,313,915</b>	<b>1,313,915</b>	<b>-</b>	<b>1,181,557</b>	<b>1,181,557</b>

Funds at Lloyd's represents assets deposited with the Corporation of Lloyd's (Lloyd's) to support the Company's underwriting activities as described in the Accounting Policies. The Company has entered into a Lloyd's Deposit Trust Deed which gives Lloyd's the right to apply these monies in settlement of any claims arising from the participation on the Syndicates. These monies can only be released from the provision of this Deed with Lloyd's express permission and only in circumstances where the amounts are either replaced by an equivalent asset, or after the expiration of the Company's liabilities in respect of its underwriting.



**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**7. Financial Instruments and Financial Risk Management (continued)**

**7.4 Creditors**

	2017			2016		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
<b>Amounts falling due within one year:</b>						
Arising out of direct insurance operations	92,853	-	92,853	76,573	-	76,573
Arising out of reinsurance operations	300,551	-	300,551	271,766	-	271,766
Amounts owed to credit institutions	7,431	-	7,431	-	-	-
<b>Other creditors:</b>						
Corporation tax	-	46,689	46,689	-	111,618	111,618
Directors' loan accounts	-	-	-	-	-	-
Third party funds	-	-	-	-	-	-
Other creditors	228,820	-	228,820	307,177	-	307,177
Amount due to group undertakings	-	-	-	-	-	-
<b>Total Amounts falling due within one year</b>	<b>629,655</b>	<b>46,689</b>	<b>676,344</b>	<b>655,516</b>	<b>111,618</b>	<b>767,134</b>
<b>Amounts falling due after one year:</b>						
Arising out of direct insurance operations	654	-	654	1,142	-	1,142
Arising out of reinsurance operations	94,494	-	94,494	112,308	-	112,308
Amounts owed to credit institutions	-	-	-	-	-	-
<b>Other creditors:</b>						
Corporation tax	-	-	-	-	-	-
Directors' loan accounts	-	-	-	-	-	-
Third party funds	-	-	-	-	-	-
Other creditors	21,161	-	21,161	33,420	-	33,420
Amount due to group undertakings	-	-	-	-	-	-
<b>Total Amounts falling due after one year</b>	<b>116,309</b>	<b>-</b>	<b>116,309</b>	<b>146,870</b>	<b>-</b>	<b>146,870</b>
	<b>745,964</b>	<b>46,689</b>	<b>792,653</b>	<b>802,386</b>	<b>111,618</b>	<b>914,004</b>

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**7. Financial Instruments and Financial Risk Management (continued)**

**7.5 Classification of Financial Instruments**

The tables below set out the Company's financial instruments by classification.

**Other financial investments – Syndicate participation**

	2017			2016		
	At fair value through profit or loss £	At amortised cost £	Total £	At fair value through profit or loss £	At amortised cost £	Total £
<b>Financial assets</b>						
Investments	2,555,600	-	2,555,600	2,945,141	-	2,945,141
Deposits with ceding undertakings	-	233	233	-	246	246
Insurance debtors	-	527,478	527,478	-	556,473	556,473
Reinsurance debtors	-	741,181	741,181	-	812,106	812,106
Other debtors	-	174,627	174,627	-	309,976	309,976
Cash at bank and in hand	-	113,534	113,534	-	132,084	132,084
Other assets	244,791	-	244,791	236,589	-	236,589
	<b>2,800,391</b>	<b>1,557,053</b>	<b>4,357,444</b>	<b>3,181,730</b>	<b>1,810,885</b>	<b>4,992,615</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	-
Derivative financial instruments	306	-	306	1,347	-	1,347
Insurance creditors	-	93,507	93,507	-	77,715	77,715
Reinsurance creditors	-	395,045	395,045	-	384,074	384,074
Amounts owed to credit institutions	-	7,431	7,431	-	-	-
Other creditors	-	-	-	-	-	-
	<b>306</b>	<b>495,983</b>	<b>496,289</b>	<b>1,347</b>	<b>461,789</b>	<b>463,136</b>

**Other financial investments – Corporate**

	2017			2016		
	At fair value through profit or loss £	At amortised cost £	Total £	At fair value through profit or loss £	At amortised cost £	Total £
<b>Financial assets</b>						
Investments	-	-	-	-	-	-
Other debtors	-	600,061	600,061	-	600,060	600,060
Cash at bank and in hand	-	1,535,027	1,535,027	-	1,483,191	1,483,191
Other assets	-	-	-	-	-	-
	<b>-</b>	<b>2,135,088</b>	<b>2,135,088</b>	<b>-</b>	<b>2,083,251</b>	<b>2,083,251</b>
<b>Financial liabilities</b>						
Other creditors	-	46,689	46,689	-	111,618	111,618
	<b>-</b>	<b>46,689</b>	<b>46,689</b>	<b>-</b>	<b>111,618</b>	<b>111,618</b>

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
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**7. Financial Instruments and Financial Risk Management (continued)**

**7.5 Classification of Financial Instruments (continued)**

The table below sets out details of the Company's derivative financial instruments.

	<b>2017</b>		<b>2016</b>	
	<b>Notional amount £</b>	<b>Fair value £</b>	<b>Notional amount £</b>	<b>Fair value £</b>
Foreign exchange forward contracts	220,493	7,243	210,793	6,502
Interest rate future contracts	16,792	43	57,793	254
Foreign exchange options	-	-	-	-
Equity options	-	-	-	-
Foreign exchange contract for difference	18,676	134	11,757	(147)
Other	3,322	96	885	171
	<b>259,283</b>	<b>7,516</b>	<b>281,228</b>	<b>6,780</b>

**7.6 Financial Instruments held at fair value through profit or loss**

The assets and liabilities carried at fair value through profit or loss have been categorised between the three levels of the fair value hierarchy that reflects the observability and significance of inputs used when establishing the fair value. The categorisation of these instruments is based on the lowest level input that is significant to the fair value measurement in its entirety.

Level (a) in the fair value hierarchy consists of assets and liabilities valued using unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an on-going basis.

Level (b) in the fair value hierarchy consists of assets and liabilities that do not have directly quoted market prices available from active markets. Instead the price of a recent transaction for an identical asset or liability is used, provided that there has not been a significant change in economic circumstances or a significant lapse of time since the recent transaction.

Level (c) in the fair value hierarchy consists of those types of assets and liabilities for which fair values cannot be obtained directly from quoted market prices in active markets or in a recent transaction. These assets and liabilities are measured using a valuation technique to estimate what the transaction price would have been in an arm's length transaction.

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
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**7. Financial Instruments and Financial Risk Management (continued)**

**7.6 Financial Instruments held at fair value through profit or loss (continued)**

The tables below set out Company's financial instruments held at fair value through profit or loss by level of hierarchy.

**Other financial investments – Syndicate participation**

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
<b>2017</b>						
<b>Financial assets</b>						
Shares and other variable yield securities and units in unit trusts	95,526	268,662	19,474	383,662	-	383,662
Debt securities and other fixed income securities	589,760	1,499,726	-	2,089,486	-	2,089,486
Participation in investment pools	5,073	16,142	10,736	31,951	-	31,951
Loans and deposits with credit institutions	13,413	2,608	995	17,016	-	17,016
Overseas deposits	77,632	188,004	3,977	269,613	-	269,613
Derivatives	898	6,618	-	7,516	-	7,516
Other investments	-	11	-	11	-	11
Financial assets classified as held for sale	-	-	-	-	-	-
	<b>782,302</b>	<b>1,981,771</b>	<b>35,182</b>	<b>2,799,255</b>	<b>-</b>	<b>2,799,255</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	-
Derivative liabilities	300	6	-	306	-	306
Financial liabilities classified as held for sale	-	-	-	-	-	-
	<b>300</b>	<b>6</b>	<b>-</b>	<b>306</b>	<b>-</b>	<b>306</b>

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
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**7. Financial Instruments and Financial Risk Management (continued)**

**7.6 Financial Instruments held at fair value through profit or loss (continued)**

**Other financial investments – Syndicate participation (continued)**

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
<b>2016</b>						
<b>Financial assets</b>						
Shares and other variable yield securities and units in unit trusts	107,508	322,039	122	429,669	-	429,669
Debt securities and other fixed income securities	678,989	1,742,112	-	2,421,101	-	2,421,101
Participation in investment pools	9,729	9,972	13,630	33,331	-	33,331
Loans and deposits with credit institutions	17,924	9,038	382	27,344	-	27,344
Overseas deposits	89,708	168,074	4,641	262,423	-	262,423
Derivatives	1,527	5,253	-	6,780	-	6,780
Other investments	-	-	14	14	-	14
Financial assets classified as held for sale	-	-	-	-	-	-
	<b>905,385</b>	<b>2,256,488</b>	<b>18,789</b>	<b>3,180,662</b>	<b>-</b>	<b>3,180,662</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	-
Derivative liabilities	1,091	256	-	1,347	-	1,347
Financial liabilities classified as held for sale	-	-	-	-	-	-
	<b>1,091</b>	<b>256</b>	<b>-</b>	<b>1,347</b>	<b>-</b>	<b>1,347</b>

**Other financial investments – Corporate**

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
<b>2017</b>						
<b>Financial assets</b>						
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
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**7. Financial Instruments and Financial Risk Management (continued)**

**7.6 Financial Instruments held at fair value through profit or loss (continued)**

**Other financial investments – Corporate (continued)**

	Level (a)	Level (b)	Level (c)	Fair value total	Held at amortised cost	Total
	£	£	£	£	£	£
<b>2016</b>						
<b>Financial assets</b>						
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
	-	-	-	-	-	-

**7.7 Financial Risk Management**

The Company is a financial institution and therefore provides the following disclosures in respect of the financial instruments it holds.

The Company is exposed to the following financial risks in the course of its operating and financing activities:

- Credit risk
- Liquidity risk
- Interest rate risk
- Equity price risk; and
- Foreign exchange risk

The management and control of each Syndicate is carried out by the managing agent of that Syndicate, and the Company looks to the managing agent to implement appropriate policies, procedures and internal controls to manage each Syndicate, including those in respect of financial risk management. The following qualitative risk management disclosures made by the Directors therefore relate to the Corporate only. The quantitative disclosures are made in respect of both the Corporate and the Syndicates.

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**7. Financial Instruments and Financial Risk Management (continued)**

**7.7 Financial Risk Management (continued)**

**Credit risk**

Credit risk is the risk that a counterparty to the Company's financial instruments will cause a loss to the Company through failure to perform its obligations. The key areas of exposure to credit risk for the Company result through its reinsurance programme, investments, bank deposits and policyholder receivables.

The Company manages credit risk at the Corporate level by ensuring that investments and cash and cash equivalent deposits are placed only with highly rated credit institutions. At the Corporate level the Company did not hold any collateral as security against its receivables, or have any other credit enhancements at the reporting dates.

The carrying amount of the Company's financial assets represents the Company's maximum exposure to credit risk.

The tables below show the credit quality of financial assets that are neither past due nor impaired.

Syndicate participation	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
<b>2017</b>						
Shares and other variable yield securities and units in unit trusts	53,587	25,030	72,195	26,145	206,705	383,662
Debt securities and other fixed income securities	412,085	644,427	701,117	292,473	39,384	2,089,486
Participation in investment pools	8,479	8,444	4,487	817	9,724	31,951
Loans secured with credit institutions	2,536	53	-	-	995	3,584
Deposits with credit institutions	-	37	11,647	-	1,748	13,432
Overseas deposits	129,649	68,534	19,200	27,019	25,211	269,613
Derivative investments	3	84	521	356	6,552	7,516
Other investments	-	-	-	-	11	11
Deposits with ceding undertakings	-	-	-	-	233	233
Reinsurers share of claims outstanding	2,054	233,322	854,227	5,412	95,775	1,190,790
Reinsurance debtors	-	7,214	24,700	301	14,735	46,950
Cash at bank and in hand	8,757	9,782	69,350	23,902	1,743	113,534
Insurance debtors	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
	617,150	996,927	1,757,444	376,425	402,816	4,150,762

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**7. Financial Instruments and Financial Risk Management (continued)**

**7.7 Financial Risk Management (continued)**

Syndicate participation	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
<b>2016</b>						
Shares and other variable yield securities and units in unit trusts	73,963	35,395	90,922	22,878	206,511	429,669
Debt securities and other fixed income securities	553,666	738,200	780,032	315,388	33,815	2,421,101
Participation in investment pools	3,949	13,911	2,826	112	12,533	33,331
Loans secured with credit institutions	3,113	5,903	-	-	382	9,398
Deposits with credit institutions	-	1,625	7,569	-	8,752	17,946
Overseas deposits	132,013	65,676	17,275	24,863	22,596	262,423
Derivative investments	-	268	1,004	255	5,253	6,780
Other investments	-	-	-	-	14	14
Deposits with ceding undertakings	-	-	-	-	246	246
Reinsurers share of claims outstanding	16,609	180,642	478,342	12,861	26,624	715,078
Reinsurance debtors	8,155	16,230	18,013	2,123	1,934	46,455
Cash at bank and in hand	217	18,576	84,612	28,632	47	132,084
Insurance debtors	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
	791,685	1,076,426	1,480,595	407,112	318,707	4,074,525

The tables below show the ageing and impairment of financial assets by class of instruments.

Syndicate participation	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
<b>2017</b>						
Shares and other variable yield securities and units in unit trusts	383,662	-	-	-	-	383,662
Debt securities and other fixed income securities	2,089,486	-	-	-	-	2,089,486
Participation in investment pools	31,951	-	-	-	-	31,951
Loans secured with credit institutions	3,584	-	-	-	-	3,584
Deposits with credit institutions	13,432	-	-	-	-	13,432
Overseas deposits	269,613	-	-	-	-	269,613
Derivative investments	7,516	-	-	-	-	7,516
Other investments	11	-	-	-	-	11
Deposits with ceding undertakings	233	-	-	-	-	233
Reinsurers share of claims outstanding	1,191,172	-	-	-	(382)	1,190,790
Reinsurance debtors	34,609	10,852	812	699	(22)	46,950
Cash at bank and in hand	113,534	-	-	-	-	113,534
Insurance debtors	469,293	32,563	8,012	17,962	(352)	527,478
Other debtors	1,326,529	883	52	11	-	1,327,475
	5,934,625	44,298	8,876	18,672	(756)	6,005,715



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**Notes to the Financial Statements**  
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**7. Financial Instruments and Financial Risk Management (continued)**

**7.7 Financial Risk Management (continued)**

Syndicate participation	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
<b>2016</b>						
Shares and other variable yield securities and units in unit trusts	429,669	-	-	-	-	429,669
Debt securities and other fixed income securities	2,421,101	-	-	-	-	2,421,101
Participation in investment pools	33,331	-	-	-	-	33,331
Loans secured with credit institutions	9,398	-	-	-	-	9,398
Deposits with credit institutions	17,946	-	-	-	-	17,946
Overseas deposits	262,423	-	-	-	-	262,423
Derivative investments	6,780	-	-	-	-	6,780
Other investments	14	-	-	-	-	14
Deposits with ceding undertakings	246	-	-	-	-	246
Reinsurers share of claims outstanding	715,079	-	-	-	-	715,079
Reinsurance debtors	34,030	10,201	309	1,515	400	46,455
Cash at bank and in hand	132,084	-	-	-	-	132,084
Insurance debtors	497,102	33,634	7,885	18,396	(544)	556,473
Other debtors	1,530,281	1,137	99	378	-	1,531,895
	<b>6,089,484</b>	<b>44,972</b>	<b>8,293</b>	<b>20,289</b>	<b>(144)</b>	<b>6,162,894</b>

At the Corporate level the Company is not exposed to significant credit risk. Consequently a sensitivity analysis for credit risk has not been presented for the Corporate.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

At the Corporate level the Company manages liquidity by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date of which the Company can be required to pay.

Syndicate participation	No stated maturity £	Less than 1 year £	1 to 3 years £	3 to 5 years £	Greater than 5 years £	Total £
<b>2017</b>						
Derivative financial instruments	-	306	-	-	-	306
Deposits received from reinsurers	-	455	-	-	-	455
Provisions for other risks and charges	-	-	-	-	-	-
Claims outstanding	17,184	1,539,644	1,554,659	672,070	552,903	4,336,460
Creditors	8,814	538,747	92,599	26,505	10	666,675
Other	-	-	-	-	-	-
	<b>25,998</b>	<b>2,079,152</b>	<b>1,647,258</b>	<b>698,575</b>	<b>552,913</b>	<b>5,003,896</b>

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
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**7. Financial Instruments and Financial Risk Management (continued)**

**7.7 Financial Risk Management (continued)**

Syndicate participation	No stated maturity £	Less than 1 year £	1 to 3 years £	3 to 5 years £	Greater than 5 years £	Total £
<b>2016</b>						
Derivative financial instruments	-	1,347	-	-	-	1,347
Deposits received from reinsurers	-	509	-	-	-	509
Provisions for other risks and charges	-	-	-	-	-	-
Claims outstanding	-	1,235,521	1,419,243	586,237	594,396	3,835,397
Creditors	46,241	446,060	125,334	14,344	2,397	634,376
Other	-	-	-	-	-	-
	46,241	1,683,437	1,544,577	600,581	596,793	4,471,629

At the Corporate level the Company is not exposed to significant liquidity risk. Consequently a maturity profile has not been presented for the Corporate.

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to the risk of interest rate fluctuations in respect of cash and cash equivalents and other interest bearing securities.

At the Corporate level the Company manages interest rate risk by maintaining an appropriate mix between fixed and floating rate financial instruments.

The table below shows the impact of changes in interest rates on the profit or loss for the period and on the equity of the Company.

**Syndicate participation**

	<b>2017</b> £	<b>2016</b> £
Impact of 50 basis point increase on profit or loss	(22,459)	(26,704)
Impact of 50 basis point decrease on profit or loss	22,018	25,720
Impact of 50 basis point increase on equity	(22,459)	(26,704)
Impact of 50 basis point decrease on equity	22,018	25,720

At the Corporate level the Company is not exposed to significant cash flow interest rate risk as all of the financial instruments attract fixed rates of interest. Consequently a sensitivity analysis for interest rate risk has not been presented for the Corporate.

**Equity price risk**

Equity price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices.

The Company is exposed to equity price risk in respect of its equity investments.

At the Corporate level the Company manages equity price risk by maintaining an appropriate mix between equity and debt financial instruments, and by spreading the risk on equity investments across a portfolio of investments.

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
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**7. Financial Instruments and Financial Risk Management (continued)**

**7.7 Financial Risk Management (continued)**

The table below shows the impact of changes in equity prices on the profit or loss for the period and on the equity of the Company.

**Syndicate participation**

	2017 £	2016 £
Impact on profit or loss of 5% increase in Stock Market Prices	2,686	3,845
Impact on profit or loss of 5% decrease in Stock Market Prices	(2,691)	(3,839)
Impact on equity of 5% increase in Stock Market Prices	2,686	3,845
Impact on equity of 5% decrease in Stock Market Prices	(2,691)	(3,839)

At the Corporate level the Company is not exposed to significant cash flow equity price risk. Consequently a sensitivity analysis for equity price risk has not been presented for the Corporate.

**Currency risk**

The Company holds both assets and liabilities denominated in currencies other than Sterling, its functional currency. It is therefore exposed to currency risk as the value of the foreign currency assets and liabilities will fluctuate in line with changes in foreign exchange rates.

At the Corporate level the Company manages currency risk by ensuring that exchange rate exposures are managed within approved policy parameters.

The table below considers financial assets and financial liabilities denominated in the currencies of the Company's principal foreign exchange exposures in aggregate.

**Net assets and liabilities**

	2017		2016	
	Syndicate Participation £	Corporate £	Syndicate Participation £	Corporate £
Sterling	(532,360)	612,432	(655,891)	444,713
United States Dollar	(157,780)	1,412,521	381,179	1,348,173
Euro	132,959	-	139,390	-
Canadian Dollar	233,216	-	356,805	-
Australian Dollar	57,600	-	63,493	-
Japanese Yen	622	-	(3,265)	-
Other	22,996	-	11,090	-

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
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**7. Financial Instruments and Financial Risk Management (continued)**

**7.7 Financial Risk Management (continued)**

The Company has delegated sole management and control of its underwriting through each Syndicate to the managing agent of the Syndicate and it has further undertaken not to interfere with the exercise of such management and control. The managing agents of the Syndicates are therefore responsible for determining the insurance transactions to be recognised. As such, disclosures in respect of the assumptions and judgements made, and the objectives, policies and processes for managing currency risk arising from assets and liabilities are only presented for the Corporate in these financial statements.

The Company's assets are primarily Funds at Lloyd's to support its underwriting. These are held in various currencies but are all either listed investments or cash. As such, any exchange movement would be accounted for in the profit and loss.

	Corporate Profit and loss			
	31 December 2017		31 December 2016	
	Increase	Decrease	Increase	Decrease
	£	£	£	£
<b>Effect of sterling exchange movement by 10%</b>				
United States Dollar	128,411	(156,947)	122,561	(149,797)
Euro	-	-	-	-
Canadian Dollar	-	-	-	-
Australian Dollar	-	-	-	-
Japanese Yen	-	-	-	-
Other	-	-	-	-

**7.8 Capital Management**

**Lloyd's capital setting process**

In order to meet Lloyd's requirements, each Syndicate is required to calculate its Standard Capital Requirement ("SCR") for the prospective underwriting year. This amount must be sufficient to cover a 1 in 200 year loss, reflecting uncertainty in the ultimate run-off of underwriting liabilities (SCR "to ultimate"). The Syndicate must also calculate its SCR at the same confidence level but reflecting uncertainty over a one year time horizon (one year SCR) for Lloyd's to use in meeting Solvency II requirements. The SCRs of each Syndicate are subject to review by Lloyd's and approval by the Lloyd's Capital and Planning Group.

Each Syndicate member is liable for its own share of underwriting liabilities on the Syndicate on which it participates but not other members' shares.

Accordingly, the capital requirement that Lloyd's sets for each member operates on a similar basis. Each member's SCR shall thus be determined by the sum of the member's share of the Syndicate SCR "to ultimate".

Over and above this, Lloyd's applies a capital uplift to the member's capital requirement, the ECA. The purpose of this uplift, which is a Lloyd's not a Solvency II requirement, is to meet Lloyd's financial strength, licence and ratings objectives.

Effective 1 January 2016, Lloyd's is subject to the Solvency II capital regime and the Solvency I figures are no longer applicable from that date. Although the capital regime has changed, this has not significantly impacted the solvency capital requirement of the Syndicate, since this has been previously calculated using Solvency II principles.

The Funds at Lloyd's represent the capital which allows the Company to participate on the Syndicates. Refer to Note 7.3 for further information.

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
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**8. Insurance Contracts**

The following reconciliation shows the movement in the provision for claims outstanding during the year.

	2017			2016		
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	3,835,397	715,078	3,120,319	3,167,446	515,978	2,651,468
Movements in the year	848,015	518,701	329,314	219,512	125,780	93,732
Exchange differences	(346,952)	(42,989)	(303,963)	448,439	73,320	375,119
At 31 December	<u>4,336,460</u>	<u>1,190,790</u>	<u>3,145,670</u>	<u>3,835,397</u>	<u>715,078</u>	<u>3,120,319</u>

The following reconciliation shows the movement in the provision for unearned premium during the year.

	2017			2016		
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	1,229,794	174,790	1,055,004	1,072,476	131,525	940,951
Movements in the year	(9,142)	19,903	(29,045)	14,683	21,947	(7,264)
Exchange differences	(89,741)	(17,271)	(72,470)	142,635	21,318	121,317
At 31 December	<u>1,130,911</u>	<u>177,422</u>	<u>953,489</u>	<u>1,229,794</u>	<u>174,790</u>	<u>1,055,004</u>

The following reconciliation shows the movement in deferred acquisition costs during the year.

	2017 £	2016 £
At 1 January	319,077	270,041
Movements in the year	6,618	5,531
Exchange differences	(9,261)	43,505
At 31 December	<u>316,434</u>	<u>319,077</u>

**8.1 Risks arising from Insurance Contracts**

The Company has delegated sole management and control of its underwriting through each Syndicate to the managing agent of the Syndicate and it has further undertaken not to interfere with the exercise of such management and control. The managing agents of the Syndicates are therefore responsible for determining the insurance transactions to be recognised. As such, disclosures in respect of the assumptions and judgements made, and the objectives, policies and processes for managing risk arising from insurance contracts, are not presented in these financial statements.

The development of insurance liabilities provides a measure of the managing agent's ability to estimate the ultimate value of claims. The top half of each table below illustrates how the estimate of total claims outstanding for each accident year has changed at successive year ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the balance sheet.

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**8. Insurance Contracts (continued)**

**8.1 Risks arising from Insurance Contracts (continued)**

**Claims development – gross**

Reporting year	2013 and prior £	2014 £	2015 £	2016 £	2017 £	Total £
Estimate of cumulative claims						
At end of reporting year	2,376,463	647,268	642,252	773,582	1,365,278	5,804,843
One year later	3,795,041	1,158,033	1,287,620	1,595,878	-	7,836,572
Two years later	3,817,669	1,188,227	1,318,037	-	-	6,323,933
Three years later	3,748,982	1,166,573	-	-	-	4,915,555
Four years later	3,707,997	-	-	-	-	3,707,997
Five years later	-	-	-	-	-	-
Cumulative payments to date	3,111,224	831,754	666,930	539,804	245,531	5,395,243
Estimated balance to pay	1,174,714	334,819	651,107	1,056,074	1,119,746	4,336,460

	2012 and prior in 2015 £	2013 and prior in 2016 £	2014 and prior in 2017 £
RITC received at 24 months	5,625,631	-	-
Reserve strengthening/(reduction) in subsequent 12 months	(258,217)	-	-
Paid in subsequent 12 months	(1,217,195)	-	-
Prior years RITC at 36 months	4,150,219	-	-

**Claims development – net**

Reporting year	2013 and prior £	2014 £	2015 £	2016 £	2017 £	Total £
Estimate of cumulative claims						
At end of reporting year	1,981,541	559,137	558,705	634,938	848,414	4,582,735
One year later	3,271,502	1,024,338	1,132,850	1,286,115	-	6,714,805
Two years later	3,227,747	1,046,181	1,142,854	-	-	5,416,782
Three years later	3,126,104	1,016,423	-	-	-	4,142,527
Four years later	3,079,697	-	-	-	-	3,079,697
Five years later	-	-	-	-	-	-
Cumulative payments to date	2,603,514	757,653	602,793	473,417	200,291	4,637,668
Estimated balance to pay	886,017	258,770	540,061	812,698	648,123	3,145,669

**J-W Corporate Member Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**8. Insurance Contracts (continued)**

**8.1 Risks arising from Insurance Contracts (continued)**

	2012 and prior in 2015	2013 and prior in 2016	2014 and prior in 2017
	£	£	£
RITC received at 24 months	4,353,400	-	-
Reserve strengthening/(reduction) in subsequent 12 months	(317,617)	-	-
Paid in subsequent 12 months	(813,313)	-	-
Prior years RITC at 36 months	3,222,470	-	-

**9. Called-up Share Capital**

**Issued and fully paid**

	At 1 January	Issued during the year	Redeemed during the year	At 31 December
Par value per share				
Ordinary US\$ shares	1,000,000	-	-	1,000,000
Total	1,000,000	-	-	1,000,000

The Ordinary US\$ shares each hold one voting right. There are no restrictions on the distribution of dividends and the repayments of capital.

**10. Profit and Loss Account**

	2017			2016		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Retained profit/(loss) brought forward	308,198	1,053,348	1,361,546	424,665	631,022	1,055,687
Reallocate distribution	(351,002)	351,002	-	(322,696)	322,696	-
Profit/(loss) for the financial year	(168,241)	(113,735)	(281,976)	206,229	99,630	305,859
Equity dividends	-	-	-	-	-	-
Retained profit/(loss) carried forward	(211,045)	1,290,615	1,079,570	308,198	1,053,348	1,361,546

**J-W Corporate Member Limited**  
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**11. Deferred Tax**

					2017
	Syndicate Results £	Tax losses £	Claims Equalisation Reserve £	Other £	Total £
At 1 January	59,435	-	62,750	(3,191)	118,994
Movement in the year	(94,139)	-	(13,165)	66	(107,238)
At 31 December	(34,704)	-	49,585	(3,125)	11,756

					2016
	Syndicate Results £	Tax losses £	Claims Equalisation Reserve £	Other £	Total £
At 1 January	84,253	-	77,626	(3,237)	158,642
Movement in the year	(24,818)	-	(14,876)	46	(39,648)
At 31 December	59,435	-	62,750	(3,191)	118,994

The unused tax losses carried forward at the Balance Sheet date are £Nil. Unused tax losses are expected to be recoverable against the future profits of the Company and have no expiry date.

The deferred tax balance consists of timing differences relating to the taxation of underwriting results. Deferred tax assets are shown within other debtors (Note 7.2).

**12. Related Party Disclosure**

The Company has taken advantage of the exemption in Section 33 of FRS 102 - Related Party Disclosure available to subsidiaries which are 100% controlled by the group not to disclose transactions with other group companies and investees of the group qualifying as related parties.

**13. Ultimate Controlling Party**

The ultimate controlling party of the Company is Westerman Limited. A Texas, USA Limited Partnership which holds 100% of the issued US\$1,000,000 share capital.