

OMEGA UNDERWRITING HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2015**



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Directors' Report

The directors present their Report and the audited financial statements of the company for the year ended 31 December 2015.

Dividends

No dividends were paid in 2015 to the company's immediate parent company (2014: £nil). The directors do not recommend the payment of a dividend at present.

Directors

The directors set out in the list below have held office during the whole of the period from 1 January 2015 to the date of this report unless otherwise indicated:

Michael Watson (resigned 29 July 2016)
Paul Cooper
Stephen Manning (resigned 29 July 2016)
Stuart Davies (appointed 28 July 2016)
Michael Duffy (appointed 4 August 2016)

None of the directors held a direct interest in the shares of the company.

Qualifying third party indemnity provision

The company has put in place D&O Insurance and an indemnity in the Articles of Association to indemnify directors and officers of the company against losses or liabilities sustained in the execution of the duties of office. The indemnity is a qualifying third party indemnity provision under s.232 and s.234 of the Companies Act 2006.

Post balance sheet events

There are no material post balance sheet events that require disclosure in the annual report and financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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' Report (continued)

Statement of directors' responsibilities (continued)

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

During the year the company has transitioned to FRS 101 adopting the reduced disclosures framework with effect from 1 January 2014. This adoption of the new accounting standards has not resulted in any changes to the income statement or statement of financial position.

Disclosure of information to auditors

Each director of the company has confirmed at the date of this report that:

- in fulfilling their duties as a director they have taken appropriate steps in order to make themselves aware of any information relevant to the audit and to establish that the auditors are aware of that information;
- so far as they are aware, there is no relevant audit information of which the auditors have not been made aware.

Independent Auditors

PricewaterhouseCoopers LLP were the auditors for the year ending 31 December 2015.

The Directors' Report was approved by the board on 29 September 2016 and signed on their behalf by:



Paul Cooper
Director
29 September 2016

Independent Auditors' Report to the members of Omega Underwriting Holdings Limited

Report on the financial statements

Our opinion

In our opinion, Omega Underwriting Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements, comprise:

- the statement of financial position as at 31 December 2015;
- the income statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events:

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Independent Auditors' Report to the members of Omega Underwriting Holdings Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on pages 2 and 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Sean Forster (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 September 2016

Income statement

		Year ended 31 December	
	Note	2015 £'000	2014 £'000
Administrative expenses		(5)	(9)
Other income		74	60
Operating profit	4	69	51
Profit on ordinary activities before interest and taxation		69	51
Finance costs	5	(4)	(2)
Profit on ordinary activities before income tax		65	49
Income tax expense on ordinary activities	6	-	-
Profit for the financial year		65	49

There are no recognised gains or losses apart from those included in the income statement above. Accordingly no statement of comprehensive income is presented.

Statement of financial position

		As at 31 December	
	Note	2015 £'000	2014 £'000
Fixed assets			
Investments	7	419	419
		419	419
Current assets			
Cash and cash equivalents		1,053	998
		1,053	998
Creditors amounts falling due within one year	8	(3)	(13)
Net current assets		1,050	985
Net assets		1,469	1,404
Equity			
Ordinary shares	10	1,000	1,000
Retained earnings		469	404
Total shareholders' funds		1,469	1,404

The notes on pages 9 to 14 are an integral part of these financial statements.

The financial statements on pages 6 to 14 were authorised for issue by the board of directors on 29 September 2016 and were signed on its behalf.


Paul Cooper
Director
29 September 2016

Omega Underwriting Holdings Limited
Registered no. 03437588

Statement of changes in equity

	Called up share capital £'000	Retained earnings £'000	Total Share holders' funds £'000
Balance as at 1 January 2014	1,000	355	1,355
Profit for the financial year	-	49	49
Balance as at 31 December 2014	1,000	404	1,404
Balance as at 1 January 2015	1,000	404	1,404
Profit for the financial year	-	65	65
Balance as at 31 December 2015	1,000	469	1,469

Notes to the financial statements

1. General information

The principle activity of the company is to act as a holding company.

The company is a subsidiary of the Sompo Canopus Group and is incorporated and domiciled in the UK. The address of its registered office is Gallery 9, One Lime Street, London EC3M 7HA.

2. Summary of significant accounting policies

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

2.1 Basis of preparation

The financial statements of Omega Underwriting Holdings Limited have been prepared in accordance with the Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historic cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit and loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - o 10(d), (statement of cash flows)
 - o 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - o 16 (statement of compliance with all IFRS),
 - o 38A (requirement for minimum of two primary statements, including cash flow statements),
 - o 38B-D (additional comparative information),
 - o 40A-D (requirements for a third statement of financial position)
 - o 111 (cash flow statement information), and
 - o 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

This change in the adoption of the new accounting standards has not resulted in any changes to the income statement or statement of financial position.

Under the provisions of Section 401 (1) and (2) of the Companies Act 2006, the company is exempt from the requirement to prepare and deliver consolidated group accounts on the grounds that the ultimate parent undertaking, as set out in note 12, prepares group accounts.

2. Summary of significant accounting policies (continued)

2.1.1 Going concern

The company's forecast and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current cash reserves. The directors have a reasonable expectation that the company has adequate resources to continue in the operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.2 Foreign currency translation

(a) Functional and presentational currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

(b) Transactions and balances

Monetary assets and liabilities are translated into Pounds Sterling at the exchange rates prevailing at the balance sheet date. Income and expense transactions are translated using the rates prevailing at the date of transaction or appropriate average rates. All other foreign exchange gains and losses are presented in the income statement within 'Other operating income.'

2.3 Recognition and measurement

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within interest income or expenses in the period in which they arise.

2.4 Investments

Investments in subsidiary undertakings are stated at cost, less any provision for impairment.

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.6 Creditors

Creditors are amounts due to an associated group company.

2.7 Share capital

Ordinary shares are classified as equity.

2.8 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholder's funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.8 Current and deferred income tax (continued)

The company is a fully owned subsidiary of Sampo Canopus AG (SCAG) which is incorporated and domiciled in the UK. The company taxable balances are ceded to SCAG by way of group relief.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.9 Investments in subsidiary

Investments in subsidiary undertakings are stated at cost, less any provision for impairment. Investments in joint ventures are carried at cost plus post-acquisition changes in the company's share of the net assets of the joint venture, less any provision for impairment.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There have been no estimates or judgements used during the year.

4. Operating profit

Operating profit is stated after charging:

	2015 £'000	2014 £'000
Auditors' remuneration – audit fees	3	3
Foreign exchange gains	(74)	-
Foreign exchange losses	-	8

5. Finance costs

	2015 £'000	2014 £'000
Bank charges	4	2

6. Income tax

Tax expense included in profit and loss

	2015 £'000	2014 £'000
Current tax:		
- UK Corporation tax on profits for the year	-	-
Total current tax	-	-
Tax on profit on ordinary activities	-	-

Current tax assessed for the year is different from the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below.

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	65	49
Profit multiplied by the standard rate of tax in the UK of 20.25% (2014: 21.5%)	13	11
Effects of:		
-Group relief at no charge	(13)	(11)
Total tax charge	-	-

The tax rate for the current year is lower than the prior year due to changes in the UK Corporation tax rate which decreased from 21% to 20% from 1 April 2015.

7. Investments

The company's fixed asset investments include investments in subsidiary undertakings at their cost less any provisions for impairment, where applicable.

	2014 £'000	2015 £'000
At 1 January	419	419
At 31 December	419	419

Details of the company's direct subsidiary as at 31 December 2015 are stated below, all of which operate in the United Kingdom and are registered in England and Wales unless stated otherwise.

7. Investments (continued)

Subsidiaries	Principle Activities	Country of incorporation	Registered address	Effective ordinary shares held by the company (%)
Omega Underwriting Agents Limited	Managing Agent at Lloyd's	UK	Gallery 9 One Lime Street London EC3M 7HA	100%
Canopus Germany GmbH	Syndicate Service Company	Germany	Partnerschaftsgesellschaft Hohenstaufenring 57 50674 Cologne	100%
Omega Dedicated Limited	Lloyd's Corporate Member	UK	Gallery 9 One Lime Street London EC3M 7HA	100%
Omega Administration Services Limited	Service Company	UK	Gallery 9 One Lime Street London EC3M 7HA	100%
Omega Dedicated (No.2) Limited	Lloyd's Corporate Member	UK	Gallery 9 One Lime Street London EC3M 7HA	100%

Canopus Germany GmbH was put into liquidation on 1 July 2013.

8. Creditors amounts falling due within one year

	2015 £'000	2014 £'000
Amounts owed to group undertaking	3	13

9. Employees and directors

Employees

No persons were employed by the company during the year ended 31 December 2015 (2014: nil).

The company's directors are employed by Canopus Services Limited ("CSL"). Staff and directors' costs were borne by a fellow group undertaking and no recharges were made by CSL to the company for the year ended 31 December 2015 (2014: £nil).

None of the directors received any emoluments from the company for their qualifying services during the year ended 31 December 2015 (2014: £nil).

10. Share capital

Ordinary shares of £0.05 each

	2015 Number	2015 £000
Allotted, called up and fully paid		
At 1 January	20,000,000	1,000
At 31 December	20,000,000	1,000
Deferred share		
At 1 January	1	-
At 31 December	1	-

11. Capital and other commitments

There were no capital commitments contracted for but not provided at 31 December 2015 (2014: £nil).

12. Controlling parties

On the 28th August 2015 Canopus Group Limited (CGL), the former shareholder of Omega Underwriting Holdings Limited, transferred all of its shares to Canopus Holdings Limited (CHL) which was originally incorporated in Bermuda with registered number 46447 on 17th April 2012. With effect from 2nd September 2015, CHL re-domiciled to Switzerland under registered number CHE-270.372.844 and changed its name to Canopus Group AG. On the 22nd December 2015 CGL was liquidated. Then on 1st February 2016, Canopus Group AG changed its name to Sompo Canopus AG.