Registered Number 9349932

HOLYWELL WREN HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2019

CONTENTS

Directors	I R Dewhirst M A Dewhirst
Company Secretary	Argenta Secretariat Limited
Registered Office	5th Floor 70 Gracechurch Street London EC3V 0XL
Bankers	Handelsbanken 43 Old Elvet Durham DH1 3HN
Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD

The Directors have pleasure in presenting their Report together with the Financial Statements for the period ended 31 December 2019.

These Financial Statements and related notes have been prepared in accordance with the requirements of Financial Reporting Standard ('FRS'), FRS 102 ('The Financial Reporting Standard Applicable in the UK and Republic of Ireland') and FRS 103 ('Insurance Contracts') as promulgated by the Financial Reporting Council ('FRC').

Results and Dividends

The results for the year are set out on pages 9 and 10 of the Financial Statements. No dividend was declared or paid in the year. The Directors do not recommend the payment of a final dividend.

Directors

I R Dewhirst and M A Dewhirst were the only directors for the period.

Disclosure of Information to the Auditor

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 auditor is unaware; and

(b) They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

By Order of the Board

Ian R Dewhirst.

I R Dewhirst (Director)

Date: 16 : 12 : 2020

The Directors have pleasure in presenting the Strategic Report together with the Financial Statements for the period ended 31 December 2019.

Review of the Business

The principal activity of the Group in the period under review was that of a corporate underwriting member of Lloyd's. The group, through one of its subsidiaries, also carried out arable farming activities.

The Financial Statements incorporate the annual accounting results of the syndicates on which the Group participates for the 2017, 2018 and 2019 years of account, as well as any 2016 and prior run-off years.

The annual accounting technical result for the year is a loss of £49,807 (2016 – profit of £39,944).

Several large natural catastrophes in 2018, including hurricanes Florence and Michael, Typhoon Jebi in Japan, as well as the Californian wildfires has seen the company record an annual accounting loss in 2019. The Company acquired member level stop loss policies mitigating the annual accounting losses recorded.

The 2017 year closed at 31 December 2019 with a loss, net of any calendar year run-off movements of £84,218 (2016 profit - £26,455). The 2018 and 2019 open underwriting account will normally close at 31 December 2020 and 2021.

Future Developments

The Company continues to write insurance business in the Lloyd's insurance market as a corporate underwriting member of Lloyd's. The capacity being underwritten on the 2020 year of account is £1,953,680 an increase of £52,592 (3%) compared to the 2020 year of account.

In addition the group will continue to invest in arable farmland.

Key Performance Indicators

The Directors consider the following to be the key performance indicators of the Group:

	2019	2018	Change
Capacity (youngest underwriting year)	1,897,900	1,674,533	13%
Profit/(loss) after tax	(23,836)	(4,218)	(19,618)
Underwriting profit of latest closed pure year	(84,218)	26,455	(110,673)
as a % of capacity	(5)%	1%	(6)%

Principal Risks and Uncertainties

The Group 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 operations risk. The Group is also directly exposed to these risks through its activities outside of the Lloyd's Insurance market, but they are not considered material for the assessment of the asset, liability, financial position and profit or loss of the Group.

Other risks within the Group include exposure to fluctuations in the rural and land prices as well as operating in arable farming.

Risk Management

As a corporate member of Lloyd's the majority of the risks to the Group's future cash flows arise from its participation in the results of Lloyd's syndicates. As detailed in the Notes to the financial statements. these risks are mostly managed by the Managing Agent of the syndicate. The Group's role in managing this risk in conjunction with its Members' Agent is limited to selection of syndicate participations and monitoring performance of the syndicates.

Impact of Brexit vote

Following the referendum vote for the United Kingdom to leave the EU, Lloyd's has been working together with market members to prepare for changes that are likely to arise as a result of the UK leaving the EU. Lloyd's has put measures in place to maintain access to the insurance market in the EU by setting up a newly incorporated subsidiary, Lloyd's Insurance Company SA, in Brussels ("Lloyd's Brussels"). Insurance policies incepting from 1 January 2019 are placed through Lloyd's Brussels. Lloyd's is also transferring all non-life European Economic Area (EEA) business that has been written by the Lloyd's Market between 1993 and 2020 to Lloyd's Brussels before the end of 2020 via a Part VII portfolio transfer. The Directors are monitoring Lloyd's preparations along with general market conditions to identify if it is appropriate to make any changes to the current strategy of the Company.

Section 172(1) Statement

The Directors of the Company have a duty to promote the success of the Company whilst giving due regard to the interests of stakeholders affected by the Company's activities.

As a result of the nature of this Group as a Lloyd's corporate member owner, the majority of its activities are carried out by the syndicates in which it participates. The Group is not involved directly in the management of the syndicates' activities, as these are the responsibility of the relevant managing agent. Each managing agent has a board of directors which are responsible for the activities of each syndicate, and they have a duty towards a range of considerations including (but not limited to) employees, community and environmental matters, standards of business conduct and the long term consequence of decisions.

The Company itself undertakes very few transactions. The Company does not employ any staff and the only suppliers are those who provide services for the administration of the Company. The Directors ensure supplier invoices are paid on time in line with any agreed terms. The Directors are the members of the Company.

Post Balance Sheet Event

The COVID-19 pandemic is a post-balance sheet event causing global economic uncertainty. COVID-19's impact on the Lloyd's market is at an early stage and it is difficult to assess the financial impact it may have with any degree of certainty. However, Lloyd's released initial estimates of the expected impact of the pandemic and it expects a similar pay-out as compared to hurricanes Harvey, Irma and Maria which effected the 2017 year of account and produced a 5% loss on capacity for the Group and which it is well placed to meet. The pandemic is not expected to significantly effect the company's farming activities.

By Order of the Board

Ian R Dewhirst.

I R Dewhirst (Director)

Date: 16 : 12 : 2020

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Report of the Directors, the Strategic Report and 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 Group and Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable Accounting Policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable 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 Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Shareholders of Holywell Wren Holdings Limited

Opinion

We have audited the financial statements of Holywell Wren Holdings Limited (the 'company') for the year ended 31 December 2019 comprise the Consolidated Profit and Loss Account, the Consolidated and Parent Company Balance Sheets, the Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:
- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2019 and of the group's loss 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.

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 group's or the parent 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Independent Auditor's Report to the Shareholders of Holywell Wren Holdings Limited

Opinion on other matter 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.

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 and the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
• adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
• the parent company Financial Statements are not in agreement with the accounting records and returns; or
• certain disclosures of Directors' remuneration specified by law are not made; or
• we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Use of Our Report

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

N A Coulson

Neil Coulson (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
Date: 16 December 2020

15 Westferry Circus
Canary Wharf
London E14 4HD

TECHNICAL ACCOUNT - GENERAL BUSINESS

	Note	2019	2018
Gross Premiums Written	3	1,981,376	1,771,512
Outward reinsurance premiums		(497,206)	(408,032)
Net Premiums Written		1,484,170	1,363,480
Change in the provision for unearned premiums			
Gross provision		(81,833)	(84,584)
Reinsurers' share		25,937	19,626
Earned Premiums, Net of Reinsurance		1,428,274	1,298,522
Allocated Investment Return Transferred from the Non-Technical Account		57,725	15,212
Claims Paid			
Gross amount		(1,014,364)	(938,845)
Reinsurers' share		274,798	233,511
Net claims paid		(739,566)	(705,334)
Change in Provision for Claims			
Gross amount		(151,649)	(130,176)
Reinsurers' share		(51,079)	91,480
Net change in provision for claims		(202,728)	(38,696)
Claims Incurred, Net of Reinsurance		(942,294)	(744,030)
Net operating expenses	6	(593,512)	(566,177)
Balance on Technical Account for General Business		£(49,807)	£3,527

All the amounts above relate to continuing operations.

The Accounting Policies and Notes on pages 17 to 41 form part of these Financial Statements.

NON TECHNICAL ACCOUNT

	Note	2019	2018
Balance on the General Business Technical Account		(49,807)	3,527
Investment income	7	61,109	44,936
Unrealised gains on investments	7	67,081	5,971
Investment expenses and charges	7	(6,071)	(8,690)
Unrealised losses on investments	7	(2,671)	(13,855)
Allocated investment return transferred to the general business technical account		(57,725)	(15,212)
Other income		130,145	113,415
Profit/(Loss) on exchange - Syndicates		3,122	(17,495)
Other charges		(168,670)	(120,764)
Profit/(Loss) on Ordinary Activities before Taxation	8	(23,487)	(8,167)
Tax on profit/(loss) on ordinary activities	9	(349)	3,949
Profit/(Loss) on Ordinary Activities after Taxation	16	£(23,836)	£(4,218)

All operations are continuing.

The Company had no recognised gains and losses in the year other than the result above.

STATEMENT OF COMPREHENSIVE INCOME

	2019	2018
Profit/(Loss) for the financial year	(23,836)	(4,218)
Other Comprehensive Income:		
Currency translation differences	-	-
	£(23,836)	£(4,218)

The Accounting Policies and Notes on pages 17 to 41 form part of these Financial Statements.

	Note	2019 Syndicate Participation	2019 Corporate	2019 Total	2018 Syndicate Participation	2018 Corporate	2018 Total
ASSETS							
Intangible Assets							
Syndicate participation rights	10	-	12,349	12,349	-	15,593	15,593
Investments							
Financial investments	11	1,354,883	901,938	2,256,821	1,349,090	853,763	2,202,853
Deposits with ceding undertakings		176	-	176	175	-	175
		1,355,059	901,938	2,256,997	1,349,265	853,763	2,203,028
Reinsurers' Share of Technical Provisions							
Provision for unearned premiums		153,731	-	153,731	133,871	-	133,871
Claims outstanding		805,170	-	805,170	896,772	-	896,772
	5	958,901	-	958,901	1,030,643	-	1,030,643
Debtors							
Arising out of direct insurance operations							
Policyholders		6	-	6	15	-	15
Intermediaries		395,648	-	395,648	373,042	-	373,042
Arising out of reinsurance operations		430,076	-	430,076	446,363	-	446,363
Other debtors	13	75,928	197,480	273,408	79,374	150,161	229,535
	13	901,658	197,480	1,099,138	898,794	150,161	1,048,955
Other Assets							
Tangible assets	12	-	730,086	730,086	-	732,447	732,447
Cash at bank and in hand	14	77,559	1,190,257	1,267,816	81,275	1,204,300	1,285,575
Other		123,592	24,191	147,783	114,623	49,176	163,799
		201,151	1,944,534	2,145,685	195,898	1,985,923	2,181,821
Prepayments and Accrued Income							
Accrued interest		1,816	-	1,816	1,646	-	1,646
Deferred acquisition costs		225,796	-	225,796	214,708	-	214,708
Other prepayments and accrued income		17,290	-	17,290	17,646	-	17,646
		244,902	-	244,902	234,000	-	234,000
Total Assets		£3,661,671	£3,056,301	£6,717,972	£3,708,600	£3,005,440	£6,714,040

The Accounting Policies and Notes on pages 17 to 41 form part of these Financial Statements.

	Note	2019 Syndicate Participation	2019 Corporate	2019 Total	2018 Syndicate Participation	2018 Corporate	2018 Total
LIABILITIES AND SHAREHOLDERS' FUNDS							
Capital and Reserves							
Called-up share capital	15	-	450,000	450,000	-	450,000	450,000
Merger reserve		-	12,293	12,293	-	12,293	12,293
Profit and Loss Account	16	(375,853)	2,176,254	1,800,401	(302,713)	2,126,950	1,824,237
Total Shareholders' Funds	17	(375,853)	2,638,547	2,262,694	(302,713)	2,589,243	2,286,530
Technical Provisions							
Provision for unearned premiums		831,724	-	831,724	770,922	-	770,922
Claims outstanding - gross amount		2,570,997	-	2,570,997	2,606,872	-	2,606,872
	5	3,402,721	-	3,402,721	3,377,794	-	3,377,794
Provisions for Other Risks							
Deferred Taxation	18	-	-	-	-	(21,748)	(21,748)
Deposits Received from Reinsurers		11,592	-	11,592	11,190	-	11,190
Creditors							
Arising out of direct insurance operations		53,448	-	53,448	49,626	-	49,626
Arising out of reinsurance operations		312,856	-	312,856	268,979	-	268,979
Amounts owed to credit institutions		-	-	-	-	-	-
Other creditors	19	208,928	397,904	606,832	260,981	424,827	685,808
	19	575,232	397,904	973,136	579,586	424,827	1,004,413
Accruals and Deferred Income		47,979	19,850	67,829	42,743	13,118	55,861
Total Liabilities		£3,661,671	£3,056,301	£6,717,972	£3,708,600	£3,005,440	£6,714,040

Approved by the Board on 16:12:20

Ian R Dewhirst

I R Dewhirst (Director)

The Accounting Policies and Notes on pages 17 to 41 form part of these Financial Statements.

	Note	2019	2018
Fixed Assets			
Subsidiary undertakings	11	810,000	810,000
		810,000	810,000
Current assets			
Debtors		135,054	142,674
Cash at bank and in hand		752,319	751,312
		887,373	893,986
Creditors - amounts falling due within one year		(8,220)	(4,925)
Net current assets		879,153	889,061
Creditors - amounts falling due after more than one year	19	(360,000)	(360,000)
Net assets		£1,329,153	£1,339,061
Capital and Reserves			
Called-up share capital	15	450,000	450,000
Profit and Loss Account			
At 1 January		889,061	885,969
(Loss)/Profit for the year		(9,908)	3,092
Total Shareholders' Funds		£1,329,153	£1,339,061

Approved by the Board on 16:12:20.

Ian R Dewhirst

I R Dewhirst (Director)

The Accounting Policies and Notes on pages 17 to 41 form part of these Financial Statements.

	Share capital	Merger reserve	Profit and Loss account	Total
At 1 January 2018	450,000	12,293	1,828,455	2,290,748
Profit/(loss) for the financial year	-	-	(4,218)	(4,218)
Other comprehensive income	-	-	-	-
Dividends paid	-	-	-	-
At 31 December 2018	£450,000	£12,293	£1,824,237	£2,286,530
At 1 January 2019	450,000	12,293	1,824,237	2,286,530
Profit/(loss) for the financial year	-	-	(23,836)	(23,836)
Other comprehensive income	-	-	-	-
Dividends paid	-	-	-	-
At 31 December 2019	£450,000	£12,293	£1,800,401	£2,262,694

The Accounting Policies and Notes on pages 17 to 41 form part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY
PARENT COMPANY

	Share capital	Profit and Loss account	Total
At 1 January 2018	450,000	885,969	1,335,969
Profit/(loss) for the financial period	-	3,092	3,092
Other comprehensive income	-	-	-
Dividends paid	-	-	-
Proceeds from issues of shares	-	-	-
At 31 December 2018	£450,000	£889,061	£1,339,061
At 1 January 2019	450,000	889,061	1,339,061
Profit/(loss) for the financial period	-	(9,908)	(9,908)
Other comprehensive income	-	-	-
Dividends paid	-	-	-
At 31 December 2019	£450,000	£879,153	£1,329,153

The Accounting Policies and Notes on pages 17 to 41 form part of these Financial Statements.

	Note	2019		2018	
Net Cash from Operating Activities	20		7,743		38,787
Corporation Tax received / (paid)		(34,123)		(73,064)	
Overseas Taxation paid		(641)		(3,618)	
Taxation paid			(34,764)		(76,682)
Net cash generated from operating activities			(27,021)		(37,895)
Cash flow from investing activities					
Purchase of tangible fixed assets		(550)		(5,400)	
Purchase of syndicate participations rights		(2,535)		(3,000)	
Purchase of financial assets		-		-	
Proceeds from sale of financial assets		-		-	
Interest received		14,912		10,993	
Interest paid on related party loan		-		-	
Net Cash Inflow/(Outflow) from Investing Activities			11,827		2,593
			(15,194)		(35,302)
Financing					
Equity Dividends Paid		-		-	
Funds lent by the Company to the Shareholders to meet expenses and cash calls		1,150		820	
Net Cash (Outflow) from Financing			1,150		820
Net Cash inflow/(outflow) in the year			£(14,044)		£(34,482)
Decrease/increase in cash and cash equivalents			(14,044)		(34,482)
Cash and cash equivalents at beginning of year			1,204,300		1,238,782
Cash and cash equivalents at the end of the year			£1,190,257		£1,204,300

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 17 to 41 form part of these Financial Statements.

General information

The Company is a private company limited by shares that was incorporated in England and whose registered office is 5th Floor, 70 Gracechurch Street, London, EC3V 0XL. The Company is a holding company which was incorporated in 2014 and hold 100% of the equity interest in Holywell (Wren) Limited, a corporate member at Lloyd's and Dehwirst Holywell Enterprises Limited, which grows and sells produce from the arable land.

Accounting Policies

Basis of Preparation

The Financial Statements are prepared under the historical cost basis of accounting modified to include the revaluation of investments, and comply with applicable Accounting Standards.

The Group participates in insurance business as an underwriting member of various Syndicates at Lloyd's.

These Financial Statements have been prepared in accordance with United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", FRS 103 "Insurance Contracts", the Companies Act 2006 and Schedule 3 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations, relating to insurance.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. In addition, the Strategic Report includes the Company's objectives, policies and processes for managing the majority of the risk to the company's future cash flows.

The Company continues to participate on the 2018 and 2019 underwriting years of account, which will normally close at 31 December 2020 and 2021 respectively, and has continued this participation since the year end on the 2020 year of account. The 2020 calendar year and the 2019 year of account, in particular, are likely to be significantly effected by underwriting losses from the impact of the COVID-19 pandemic. However the Group has significant funds to support these underwriting losses through Funds at Lloyd's. As a consequence, the Directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Directors have a reasonable expectation that the company has adequate resources to meet its underwriting and other operational obligations for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Basis of Accounting

The Financial Statements are prepared under 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 or loss from providing insurance coverage during that period and any adjustments to the profit or loss of providing insurance cover during earlier accounting periods.

Amounts reported in the General Business Technical Account relate to the movements in the calendar year in respect of all relevant years of account of the Syndicates on which the Company participates.

Assets and liabilities arising as a result of the underwriting activities are mainly controlled by the Syndicates' managing agents. Accordingly, these assets and liabilities have been shown separately in the balance sheet as "Syndicate Participation". Other assets and liabilities are shown as "Corporate". The syndicate assets are held subject to trust deeds for the benefit of the Syndicates' insurance creditors.

The information included in these Financial statements in respect of the Syndicates has been supplied by Managing Agents based upon the various accounting policies they have adopted. The following describes the policies they have generally adopted.

General Business

i. **Premiums**

Premiums written comprise the total premiums receivable in respect of business incepted during the year, together with any differences between booked premiums for prior years and those previously accrued, and include estimates of premiums due but not yet receivable or notified to the syndicates on which the Company participates, less an allowance for cancellations. All premiums are shown gross of commission payable to intermediaries and exclude taxes and duties levied on them.

ii. **Unearned Premiums**

Written premium is earned according to the risk profile of the policy. Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the balance sheet date, calculated on a time apportionment basis having regard where appropriate, to the incidence of risk. The specific basis adopted by each syndicate is determined by the relevant managing agent.

iii. **Deferred Acquisition Costs**

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

iv. **Reinsurance Premiums**

Reinsurance premium costs are allocated by the Managing Agent of each syndicate to reflect the protection arranged in respect of the business written and earned.

v. **Claims Incurred and Reinsurers' Share**

Claims incurred comprise claims and settlement expenses (both internal and external) occurring in the year and changes in the provisions for outstanding claims, including provisions for claims incurred but not reported and settlement expenses, together with any other adjustments to claims from previous years. Where applicable, deductions are made for salvage and other recoveries.

The provision for claims outstanding comprises amounts set aside for claims notified and claims incurred but not yet reported (IBNR). The amount included in respect of IBNR is based on statistical techniques of estimation applied by each syndicate's in house reserving team and reviewed by external consulting actuaries. These techniques generally involve projecting from past experience the development of claims over time to form a view of the likely ultimate claims to be experienced for more recent underwriting, having regard to variations in the business accepted and the underlying terms and conditions. The provision for claims also includes amounts in respect of internal and external claims handling costs. For the most recent years, where a high degree of volatility arises from projections, estimates may be based in part on output from rating and other models of the business accepted and assessments of underwriting conditions.

The reinsurers' share of provisions for claims is based on calculated amounts of outstanding claims and projections for IBNR, net of estimated irrecoverable amounts, having regard to each syndicate's reinsurance programme in place for the class of business, the claims experience for the year and the current security rating of the reinsurance companies involved. Each syndicate uses a number of statistical techniques to assist in making these estimates.

Accordingly the two most critical assumptions made by each syndicates managing agent as regards 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 including pricing models for recent business are reasonable indicators of the likely level of ultimate claims to be incurred.

v. **Claims Incurred and Reinsurers' Share (continued)**

The level of uncertainty with regard to the estimations within these provisions generally decreases with time since the underlying contracts were exposed to new risks. In addition the nature of short tail claims such as property where claims are typically notified and settled within a short period of time will normally have less uncertainty after a few years than long tail risks such as some liability business where it may be several years before claims are fully advised and settled. In addition to these factors if there are disputes regarding coverage under policies or changes in the relevant law regarding a claim this may increase the uncertainty in the estimation of the outcomes.

The assessment of these provisions is usually the most subjective aspect of an insurer's accounts and may result in greater uncertainty within an insurer's accounts than within those of many other businesses. The provisions for gross claims and related reinsurance recoveries have been assessed on the basis of the information currently available to the directors of each syndicate's managing agent. 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 the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made. The provisions are not discounted for the investment earnings that may be expected to arise in the future on the funds retained to meet the future liabilities. The methods used, and the estimates made, are reviewed regularly.

vi. **Unexpired Risks Provision**

Provisions for unexpired risks are made where the costs of outstanding claims, related expenses and deferred acquisition costs are expected to exceed the unearned premium provision carried forward at the balance sheet date. The provision for unexpired risks is calculated separately by reference to classes of business which are managed together, after taking into account relevant investment return. The provision is made on a syndicate by syndicate basis by the relevant managing agent.

vii. **Closed Years of Account**

At the end of the third year, the underwriting account is normally closed by reinsurance into the following year of account. The amount of the reinsurance to close premium payable is determined by the managing agent, generally by estimating the cost of claims notified but not settled at 31 December, together with the estimated cost of claims incurred but not reported at that date, and an estimate of future claims handling costs. Any subsequent variation in the ultimate liabilities of the closed year of account is borne by the underwriting year into which it is reinsured.

The payment of a reinsurance to close premium does not eliminate the liability of the closed year for outstanding claims. If the reinsuring syndicate was unable to meet its obligations, and the other elements of Lloyd's chain of security were to fail, then the closed underwriting account would have to settle outstanding claims.

The Directors consider that the likelihood of such a failure of the reinsurance to close is extremely remote, and consequently the reinsurance to close has been deemed to settle the liabilities outstanding at the closure of an underwriting account. The company has included its share of the reinsurance to close premiums payable as technical provisions at the end of the current period, and no further provision is made for any potential variation in the ultimate liability of that year of account.

viii. **Run-off Years of Account**

Where an underwriting year of account is not closed at the end of the third year (a "run-off" year of account) a provision is made for the estimated cost of all known and unknown outstanding liabilities of that year. The provision is determined initially by the managing agent on a similar basis to the reinsurance to close. However, any subsequent variation in the ultimate liabilities for that year remains with the corporate member participating therein. As a result any run-off year will continue to report movements in its results after the third year until such time as it secures a reinsurance to close.

ix. **Net Operating Expenses (including Acquisition Costs)**

Net operating costs include acquisition costs, profit and loss on exchange and other amounts incurred by the syndicates on which the Company participates.

Acquisition costs, comprising commission and other costs related to the acquisition of new insurance contracts, are deferred to the extent that they are attributable to premiums unearned at the Balance Sheet date.

x. **Distribution of Profits and Collection of Losses**

Lloyd's operates a detailed set of regulations regarding solvency and the distribution of profits and payment of losses between syndicates and their members. Lloyd's continues to require membership of syndicates to be on an underwriting year of account basis and profits and losses belong to members according to their membership of a year of account. Normally profits and losses are transferred between the syndicate and members after results for a year of account are finalised after 36 months. This period may be extended if a year of account goes into run-off. The syndicate may make earlier on account distributions or cash calls according to the cash flow of a particular year of account and subject to Lloyd's requirements.

xi. **Financial assets and financial liabilities**

The syndicates investments comprise of debt and equity investments, derivatives, cash and cash equivalents and loans and receivables.

Debtors/creditors arising from insurance/reinsurance operations shown in the Balance Sheet include the totals of all the syndicates outstanding debit and credit transactions as processed by the Lloyd's central facility. No account has been taken of any offsets which may be applicable in calculating the net amounts due between the syndicates and each of their counterparty insureds, reinsurers or intermediaries as appropriate.

Recognition
Financial assets and liabilities are recognised when the syndicate becomes party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the syndicate after deducting all of its liabilities.

Initial measurement
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate if interest for a similar debt instrument.

Subsequent measurement
Non-current debt instruments are subsequently measured at amortised cost using the effective interest method.

xi. **Financial assets and financial liabilities (continued)**

Debt instruments that are classified as payable or receivable within one financial year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Other debt instruments are measured at fair value through profit or loss.

Derecognition of financial assets and liabilities
Financial assets are derecognized when and only when a) the contractual rights to the cash flow from the financial asset expire or are settled, b) the syndicates transfer to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the syndicates, despite having retained some significant risks and rewards of ownership, have transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognized only when the obligation specified in the contract is discharged, cancelled or expires.

Fair value measurement
The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse in time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the syndicates estimate the fair value by using a valuation technique.

Impairment of financial instruments measured at amortised cost or cost
For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, i.e. using the effective interest method.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. The amount of the reversal is recognised in profit and loss immediately.

xii. **Investment Return**

Investment return comprises all investment income, realised investment gains and losses and movements in unrealised gains and losses, net of investment expenses and charges.

Realised and unrealised gains and losses are measured by reference to the original cost of the investment if purchased in the year, or if held at the beginning of the year by reference to the current value at that date.

Investment return is initially recorded in the non-technical account. A transfer is made from the non-technical account to the general business technical account to reflect the investment return on funds supporting the underwriting business.

xiii. **Basis of Currency Translation**

The functional and presentational currency of the Company is sterling.

Syndicates maintain separate funds in sterling, United States dollars, Canadian dollars and Euros.

Income and expenditure in US dollars, Canadian dollars and Euros is translated at the average rate of exchange for the year. Underwriting transactions denominated in other foreign currencies are included at the rate of exchange ruling at the date the transaction is processed.

Assets and liabilities are translated into sterling at the rates of exchange at the Balance Sheet date.

Differences arising on the translation of foreign currency amounts in syndicates are included in the technical account or non-technical account depending on the treatment by the underlying syndicates.

Basis of consolidation

The Company was incorporated on 10 December 2014 and entered into agreements to acquire the entire issued share capital of Holywell (Wren) Limited and Dewhirst Holywell Enterprises Limited on 21 January 2015. The acquisitions were effected by way of the issue of shares.

In accordance with FRS 102 paragraph 19.27 the acquisitions have been accounted for by using the merger accounting method. Under FRS 102, the assets and liabilities of the entities are recorded at book value, intangible assets are recognised only to the extent that they were recognised by the legal acquirer, no goodwill is recognised, any expenses of the combination are written off immediately to the profit and loss account and comparative amounts are presented as if the combination had taken place at the beginning of the earliest accounting period presented.

The Group Financial Statements consolidate the Financial Statements of Holywell Wren Holdings Limited with those of its subsidiaries for the year ended 31 December 2018.

Uniform accounting policies are used for all Group companies. Profits or losses on intra-Group transactions are eliminated on consolidation.

No profit or loss account is presented for Holywell Wren Holdings Limited as provided by s408 of the Companies act 2006. The profit of the parent company for the financial period dealt within the consolidated Financial Statements of Holywell Wren Holdings Limited was £3,092.

Investments in subsidiary undertakings

Investments in subsidiary undertakings and other non-quoted investments held by the Group are stated at cost, less any provision for impairment.

Taxation

The company is taxed on its results including its share of underwriting results declared by the 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 are only declared for tax purposes in the calendar year following the normal closure of the year of account. No provision is made for corporation tax in relation to open years of account. However, full provision is made for deferred tax on underwriting results not subject to current corporation tax.

The taxable results of the syndicates at a syndicate level are calculated by the managing agent and computations submitted to HM Revenue & Customs (HMRC). Any adjustments that may be necessary to the tax provisions established by the Company, as a result of any HMRC enquiry into these computations, will be reflected in the financial statements of subsequent periods.

Deferred Taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Deferred tax assets are recognised to the extent that it is regarded as probable that they will be recovered.

Intangible Assets

Costs incurred by the Group in the Corporation of Lloyd's auctions in order to acquire rights to participate on Syndicates' underwriting years are included within intangible fixed assets and amortised over a 3 year period beginning in the year after the underwriting commences in respect of the purchased Syndicate participation.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold property	- no depreciation
Buildings & Improvements	- 2% on cost
Tenants Improvements	- 2% on cost
Plant and machinery	- 25% on cost

Preference shares

Preference shares are included as debt on the basis that the shares are redeemable at the option of the company or shareholder.

Other income

Other income includes the sale of produce generated from biological assets together with agricultural subsidies. Value is recognised when the contract becomes unconditional and title of the goods is passed to the customer.

Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks, other short-term liquid investments with original maturities of three months or less and cash in hand.

Share capital

Ordinary share capital is classified as equity.

Distributions

Dividend distributions to the Company's shareholders are recognised in the Financial Statements in the period in which the dividends are approved by the shareholders.

1 Key accounting judgements and estimation uncertainties

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. These 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 measurement of the provision for claims outstanding is the most significant judgement involving estimation uncertainty regarding amounts recognised in these Financial Statements in relation to underwriting by the syndicates and this is disclosed further in Note 5.

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.

In addition the Directors consider the useful economic lives of property, plant & equipment to be an area of potential uncertainty. The Group depreciates tangible assets over their estimated useful lives. The estimation of useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied. *The actual lives of these assets can vary depending on a variety of factors, including* technological innovation and maintenance. The carrying value of property, plant & equipment is set out in Note 12.

2 Risk management

The syndicate's activities expose it to a variety of financial and non-financial risks. The managing agent is responsible for managing the syndicate's exposure to these risks and, where possible, introducing controls and procedures that mitigate the effects of the exposure to risk. Each year, the managing agent prepares a Lloyd's Capital Return ("LCR") for the syndicate, the purpose of this being to agree capital requirements with Lloyd's based on an agreed assessment of the risks impacting the syndicate's business, and the measures in place to manage and mitigate those risks from a quantitative and qualitative perspective. The risks described below are typically reflected in the LCR, and, typically, the majority of the total assessed value of the risks concerned is attributable to insurance risk.

The insurance risks faced by a syndicate include the occurrence of catastrophic events, downward pressure on pricing of risks, reductions in business volumes and the risk of inadequate reserving. Reinsurance risks arise from the risk that a reinsurer fails to meet their share of a claim. The management of the syndicate's funds is exposed to risks of investment, liquidity, currency and interest rates leading to financial loss. The syndicate is also exposed to regulatory and operational risks including its ability to continue to trade. However, supervision by Lloyd's provides additional controls over the syndicate's management of risks.

The Company manages the risks faced by the syndicates on which it participates by monitoring the performance of the syndicates it supports. This commences in advance of committing to support a syndicate for the following year, with a review of the business plan prepared for each syndicate by its managing agent. In addition, quarterly reports and annual accounts together with any other information made available by the managing agent are monitored and if necessary enquired into. If the Company considers that the risks being run by the syndicate are excessive it will seek confirmation from the managing agent that adequate management of the risk is in place and, if considered appropriate will withdraw support from the next underwriting year. The Company relies on advice provided by the members agent which acts for it, who are specialists in assessing the performance and risk profiles of syndicates. The Company also mitigates its insurance risks by participating across several syndicates as detailed in Note 23.

The analysis below provides details of the financial risks the Company is exposed to from syndicate insurance activities as required by FRS 103. Note 5 provides further analysis of sensitivities to reserving and underwriting risks.

Syndicate risks

i. Liquidity risk

The syndicates are exposed to daily calls on their available cash resources, principally from claims arising from its insurance business. Liquidity risk arises where cash may not be available to pay obligation when due, or to ensure compliance with the syndicate's obligations under the various trust deeds to which it is party.

The syndicates' aim to manage their liquidity position so that they can fund claims arising from significant catastrophic events, as modelled in their Lloyd's realistic disaster scenarios ("RDS").

ii. Credit risk

Credit ratings to syndicate assets emerging directly from insurance activities, excluding cash at bank and financial investments, which are neither past due nor impaired are as follows:

2019	AAA	AA	A	BBB or lower	Not rated	Total
Deposits with ceding undertakings	-	-	-	-	176	176
Reinsurers share of claims outstanding	51,600	137,695	542,548	1,592	71,735	805,170
Reinsurance debtors	3,296	54,159	244,351	8,708	119,562	430,076
Total	£54,896	£191,854	£786,899	£10,300	£191,473	£1,235,422

2 Risk management (continued)

Syndicate risks (continued)

ii. Credit risk (continued)

2018	AAA	AA	A	BBB or lower	Not rated	Total
Deposits with ceding undertakings	-	-	-	-	175	175
Reinsurers share of claims outstanding	63,480	144,804	576,630	1,445	110,413	896,772
Reinsurance debtors	12,356	62,052	284,919	14	87,022	446,363
Total	£75,836	£206,856	£861,549	£1,459	£197,610	£1,343,310

Syndicate assets emerging directly from insurance activities, excluding cash at bank and financial investments, past their due date or impaired are as follows:

2019	Neither due nor impaired	Up to three months	Three months to one year	Greater than one year	Financial assets that have been impaired	Total
Deposits with ceding undertakings	176	-	-	-	-	176
Reinsurers share of claims outstanding	805,272	-	-	-	(102)	805,170
Reinsurance debtors	334,534	76,787	14,396	4,370	(11)	430,076
Insurance debtors	358,607	20,804	10,089	6,302	(147)	395,655
Total	£1,498,589	£97,591	£24,485	£10,672	£(260)	£1,631,077

2018	Neither due nor impaired	Up to three months	Three months to one year	Greater than one year	Financial assets that have been impaired	Total
Deposits with ceding undertakings	175	-	-	-	-	175
Reinsurers share of claims outstanding	896,882	-	-	-	(109)	896,773
Reinsurance debtors	312,600	113,335	17,544	2,942	(58)	446,363
Insurance debtors	343,993	15,266	7,313	6,654	(169)	373,057
Total	£1,553,650	£128,601	£24,857	£9,596	£(336)	£1,716,368

iii. Interest rate and equity price risk

Interest rate risk and equity price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates and market prices, respectively.

2 Risk management (continued)

Syndicate risks (continued)

iv. Currency risk

The syndicates' main exposure to foreign currency risk arises from insurance business originating overseas, primarily denominated in US dollars. Transactions denominated in US dollars form a significant part of the syndicates' operations. This risk is, in part, mitigated by the syndicates maintaining financial assets denominated in US dollars against its major exposures in that currency.

The table below provides details of syndicate assets and liabilities by currency:

2019	GBP £	USD converted	EUR converted	CAD converted	Other converted	Total
Total assets	525,615	2,634,651	193,141	263,445	44,818	3,661,671
Total liabilities	(842,952)	(2,750,080)	(159,428)	(234,851)	(50,213)	(4,037,524)
Surplus/(deficiency) of assets	£(317,337)	£(115,428)	£33,714	£28,594	£(5,395)	£(375,853)

2018	GBP £	USD converted	EUR converted	CAD converted	Other converted	Total
Total assets	533,720	2,611,994	242,544	274,094	46,247	3,708,600
Total liabilities	(739,063)	(2,799,769)	(239,651)	(196,122)	(36,707)	(4,011,313)
Surplus/(deficiency) of assets	£(205,342)	£(187,775)	£2,893	£77,972	£9,540	£(302,713)

The impact of a 5% change in exchange rates between GBP and other currencies would be £1,191 on the result for the year (2018: £4,869).

Company risks

i. Investment, credit, liquidity and currency risks

The significant risks faced by the Group are with regard to the investment of the available funds within its own custody. The elements of these risks are investment risk, credit risk, liquidity risk, currency risk and interest rate risk. The main liquidity risk would arise if a syndicate had inadequate liquid resources for a large claim and sought funds from the Group to meet the claim. In order to minimise investment, credit and liquidity risk the Group's funds are invested in readily realisable short term deposits. The syndicates can distribute their results in Pound Sterling, US Dollars or a combination of the two. The Group is exposed to movements in the US Dollar between the Balance Sheet date and the distribution of the underwriting profits and losses, which is usually in the May following the closure of a year of account. The Group does not use derivative instruments to manage risk and, as such, no hedge accounting is applied.

ii. Regulatory risks

The Group's Lloyd's subsidiary is subject to continuing approval by Lloyd's to be a member of a Lloyd's syndicate. The risk of this approval being removed is mitigated by monitoring and fully complying with all requirements in relation to membership of Lloyd's. The capital requirements to support the proposed amount of syndicate capacity for future years are subject to the requirements of Lloyd's. A variety of factors are taken into account by Lloyd's in setting these requirements including market conditions and syndicate performance and although the process is intended to be fair and reasonable, the requirements can fluctuate from one year to the next, which may constrain the volume of underwriting the Company is able to support.

iii. Operational risks

As there are relatively few transactions actually undertaken by the Company there are only limited systems and operational requirements of the Company and therefore operational risks are not considered to be significant. Close involvement of all Directors in the Company's key decision making and the fact that the majority of the Company's operations are conducted by syndicates, provides control over any remaining operational risks.

2 Risk management (continued)

Company risks (continued)

iv. Principal risks related to farming activities

There are many risks facing the Group with the world commodities market ever changing in terms of both demand and prices for produce. The success of the Group's farming subsidiary is also highly dependent on the growing conditions for each cropping year as to the yields achieved and therefore produce available for sale from that year's harvest. The Group utilises the services of an agronomist to achieve the best possible yields from the cereals grown.

The Group also has to address financial risks associated with an agricultural business. The principal financial risks are the influence of exchange rates on basic payment scheme payments, shifts in the wheat futures price and nitrogen fertiliser costs; these all need to be taken into consideration. A risk of low grain prices is one facing all arable farmers and whilst ultimately the global price is out of farmers' hands the risk is managed by monitoring the cost of production.

3 Class of Business

2019	Gross written premiums	Gross premiums earned	Gross claims incurred	Net operating expenses	Reinsurance balance	Total
Direct						
Accident and health	69,363	73,204	(43,010)	(33,437)	(7,215)	(10,458)
Motor (third party liability)	6,309	6,565	(4,008)	(2,140)	(275)	142
Motor (other classes)	97,199	97,591	(58,804)	(31,736)	(2,393)	4,658
Marine, aviation and transport	166,298	164,101	(75,608)	(60,097)	(17,542)	10,854
Fire and other damage to property	626,133	589,796	(304,115)	(194,222)	(80,408)	11,051
Third party liability	403,780	380,147	(216,419)	(131,978)	(18,012)	13,738
Credit and suretyship	55,274	55,332	(23,125)	(17,468)	(6,621)	8,118
Legal expenses	3,279	2,986	(998)	(1,552)	(225)	211
Other	1,857	1,945	(1,563)	(700)	(4)	(322)
Total Direct	1,429,492	1,371,667	(727,650)	(473,330)	(132,695)	37,992
Reinsurance Business						
Reinsurance balance	551,884	527,876	(438,363)	(120,182)	(114,855)	(145,524)
Total Reinsurance	551,884	527,876	(438,363)	(120,182)	(114,855)	(145,524)
Total	£1,981,376	£1,899,543	£(1,166,013)	£(593,512)	£(247,550)	£(107,532)

2018	Gross written premiums	Gross premiums earned	Gross claims incurred	Net operating expenses	Reinsurance balance	Total
Direct						
Accident and health	74,039	77,783	(39,717)	(33,622)	(1,826)	2,618
Motor (third party liability)	7,033	7,342	(4,031)	(2,431)	(762)	118
Motor (other classes)	95,168	94,937	(40,091)	(30,491)	(20,276)	4,079
Marine, aviation and transport	151,023	153,095	(72,963)	(63,569)	(17,754)	(1,191)
Fire and other damage to property	517,909	474,714	(299,040)	(172,614)	(51,561)	(48,501)
Third party liability	355,524	322,206	(188,620)	(121,689)	(6,616)	5,281
Credit and suretyship	43,422	40,229	(20,442)	(12,743)	(2,322)	4,722
Legal expenses	2,387	2,459	(783)	(1,619)	14	71
Other	9,287	8,591	(4,423)	(3,111)	(871)	186
Total Direct	1,255,792	1,181,356	(670,110)	(441,889)	(101,974)	(32,617)
Reinsurance Business						
Reinsurance balance	515,720	505,572	(398,911)	(124,287)	38,559	20,933
Total Reinsurance	515,720	505,572	(398,911)	(124,287)	38,559	20,933
Total	£1,771,512	£1,686,928	£(1,069,021)	£(566,176)	£(63,415)	£(11,684)

4 Geographical Analysis

	2019	2018
Direct Gross Premium Written In		
United Kingdom	1,429,492	1,255,792
Other EU Member States	-	-
Rest of the World	-	-
	£1,429,492	£1,255,792

5 Technical provisions

	Gross	Reinsurance	2019 Net	Gross	Reinsurance	2018 Net
Movement in claims outstanding						
At 1 January	2,606,872	(896,772)	1,710,100	1,685,230	(313,133)	1,372,097
Movement in technical account	(151,649)	(51,079)	(202,728)	(130,176)	91,480	(38,696)
Other movements	115,774	142,681	258,455	1,051,818	(675,119)	376,699
At 31 December	£2,570,997	£(805,170)	£1,765,827	£2,606,872	£(896,772)	£1,710,100

	Gross	Reinsurance	2019 Net	Gross	Reinsurance	2018 Net
Movement in unearned premium						
At 1 January	770,922	(133,871)	637,051	716,472	(103,260)	613,212
Movement in technical account	(81,833)	25,937	(55,896)	(84,584)	19,626	(64,958)
Other movements	142,635	(45,797)	96,838	139,034	(50,237)	88,797
At 31 December	£831,724	£(153,731)	£677,993	£770,922	£(133,871)	£637,051

Movement in deferred acquisitions costs	2019	2018
At 1 January	214,708	163,704
Movement in technical account	16,313	17,118
Other movements	(5,225)	33,886
At 31 December	£225,796	£214,708

Included within other movements are foreign exchange movements in restating the opening balances and the effect of the 2016 and prior years' technical provisions being reinsured to close into the 2017 year of account (2018: 2015 and prior years' technical provisions being reinsured to close into the 2016 year of account), to the extent where the Company's syndicate participation portfolio has changed between those two years of account.

Assumptions, changes in assumptions and sensitivity

As described in Note 2 the majority of the risks to the Company's future cash flows arise from its participation in the results of Lloyd's syndicates and are mostly managed by the managing agents of the syndicates. The Company's role in managing these risks, in conjunction with the Company's members' agent, is limited to a selection of syndicate participations and monitoring the performance of the syndicates and their managing agents.

The amounts carried by the Company arising from insurance contracts are calculated by the managing agents of the syndicates and derived from accounting information provided by the managing agents and reported upon by the syndicate auditors.

5 Technical provisions (continued)

The key assumptions underlying the amounts carried by the Company arising from insurance contracts are:

• the net premiums written calculated by the managing agent are an accurate assessment of the premiums payable as a result of the risks contractually committed to up to the Balance Sheet date;
• the net unearned premiums calculated by the managing agent are an accurate assessment of the net premiums written that reflect the exposure to risks arising after the Balance Sheet date, including appropriate allowance for anticipated losses in excess of the unearned premium;
• the claims reserves calculated by the managing agents are an accurate assessment of the ultimate liabilities in respect of claims relating to events up to the Balance Sheet date;
• the potential ultimate result of run-off year results has been accurately estimated by the managing agents; and
• the values of investments and other assets and liabilities are correctly stated at their realisable values at the Balance Sheet date.

There have been no changes to these assumptions in 2019.

The amounts carried by the Company arising from insurance contracts are sensitive to various factors as follows:

• a 5% increase/decrease in net earned premium (with all other underwriting elements assumed to change pro-rata with premium) will increase/decrease the Company's pre-tax profit/loss by £71,414 (2018: £64,926);
• a 5% increase/decrease in the managing agents' calculation of gross claims reserves will decrease/increase the Company's pre-tax profit/loss by £128,550 (2018: £130,344);
• a 5% increase/decrease in the managing agents' calculation of net claims reserves will decrease/increase the Company's pre-tax profit/loss by £88,291 (2018: £85,505).

The 5% movement has been selected to give an indication of the possible variations in the assumptions used.

The historical gross and net claims development is as follows:

Gross basis

Underwriting year	After 12 months	After 24 months	After 36 months	Ultimate	Cumulative payments	Total
2011 and prior (including RITC)	539,842	812,942	878,783	878,783	(692,271)	186,512
2012	506,148	709,553	625,723	625,723	(578,835)	46,888
2013	375,638	656,082	582,806	582,806	(531,472)	51,334
2014	373,075	626,307	607,850	607,850	(518,528)	89,322
2015	338,730	651,884	639,729	639,729	(495,540)	144,189
2016	393,852	801,220	810,218	810,218	(580,735)	229,483
2017	920,169	1,330,777	1,384,820	1,384,820	(847,482)	537,338
2018	734,066	1,227,451	-	1,227,451	(517,033)	710,418
2019	650,912	-	-	650,912	(75,399)	575,513
				£7,408,292	£(4,837,295)	£2,570,997

Net basis

Underwriting year	After 12 months	After 24 months	After 36 months	Ultimate	Cumulative payments	Total
2011 and prior (including RITC)	440,542	677,491	691,346	691,346	(607,954)	83,392
2012	404,317	597,006	522,780	522,780	(484,613)	38,167
2013	322,012	574,394	509,809	509,809	(465,317)	44,492
2014	310,610	541,645	516,871	516,871	(445,460)	71,411
2015	287,297	560,314	555,999	555,999	(437,245)	118,754
2016	314,589	644,224	664,570	664,570	(489,221)	175,349
2017	569,814	910,749	958,275	958,275	(590,780)	367,495
2018	509,261	873,383	-	873,383	(387,953)	485,430
2019	447,065	-	-	447,065	(65,728)	381,337
				£5,740,098	£(3,974,271)	£1,765,827

6 **Net Operating Expenses**	**2019**	**2018**
Acquisition costs	514,596	467,891
Change in deferred acquisition costs	(16,313)	(17,118)
Administrative expenses	95,229	115,404
(Profit)/loss on exchange	-	-
	£593,512	£566,177

7 **Investment Income**	**2019**	**2018**
Income from investments	44,051	35,736
Realised gains on investments	11,178	5,075
Bank Deposit Interest	5,880	4,125
Investment income	61,109	44,936
Investment management expenses	1,879	1,902
Losses on the realisation of investments	4,192	6,788
Investment expenses and charges	6,071	8,690
Unrealised gains and losses - net	64,410	(7,884)
Total investment return	£119,448	£28,362

Analysed as follows:

	Investments at fair value through profit or loss	Investments available for sale	Total **2019**	Investments at fair value through profit or loss	Investments available for sale	Total **2018**
Realised gains or losses	6,986	-	6,986	(1,713)	-	(1,713)
Unrealised gains or losses	64,410	-	64,410	(7,884)	-	(7,884)
Other relevant income	-	-	-	-	-	-
	£71,396	£-	£71,396	£(9,597)	£-	£(9,597)
Interest and similar income, net of expenses			48,052			37,959
Total investment return			£119,448			£28,362

8 **Profit/(Loss) on Ordinary Activities before Taxation**	**2019**	**2018**
This is stated after charging/(crediting):	£	£
Fees payable to the company's auditor for:		
- audit of the financial statements	3,395	3,395
- taxation services	2,308	2,308
- other services	2,448	2,448
Directors remuneration	-	-
Amortisation of syndicate capacity	5,197	6,296
Depreciation of fixed assets	2,911	2,773
(Profit)/loss on sale of syndicate capacity	(200)	-
Exchange (gain) or loss - Non Technical Account	7,632	(16,424)
Other income - biological assets and agricultural subsidies	(128,581)	(113,415)
Other charges - related to farming	130,734	105,838

8 Profit/(Loss) on Ordinary Activities before Taxation (continued)

The Company has no employees.

9 Taxation

	2019	**2018**
Analysis of Charge in Year		
Current tax		
UK Corporation Tax on profits of the year	19,759	32,436
Adjustments in respect of previous years	2,286	2,966
	22,045	35,402
Double taxation relief	-	(2,071)
	22,045	33,331
Foreign tax	641	3,618
Total current tax	22,686	36,949
Deferred tax		
Origination and reversal of timing differences	(22,346)	(31,280)
Adjustments in respect of previous periods	-	(8,433)
Effect of change in tax rate on opening liability or asset	9	(1,185)
Total deferred tax	(22,337)	(40,898)
Tax on profit/(loss) on ordinary activities	£349	£(3,949)

Factors Affecting Tax Charge for the Year
The tax assessed for the period is different to the standard rate of corporation tax in the UK. The differences are explained below:

	2019	**2018**
Profit/(loss) on ordinary activities before tax	£(23,487)	£(8,167)
Profit/(loss) on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 19% (2018 - 19%)	(4,462)	(1,552)
Effects of:		
Other short term timing differences	(1,386)	379
Timing differences arising on the taxation of the underwriting results	3,261	2,422
Foreign tax	641	1,547
Adjustments in respect of previous periods	2,286	(5,467)
Tax rate changes	9	(1,278)
Expenses not deductible	-	-
Tax charge for year	£349	£(3,949)

Factors that may affect Future Tax Charges

The results of the Company's participation on the 2017, 2018 and 2019 years of account and the calendar year movement on 2016 and prior run-offs, will not be assessed to tax until the year ended 31 December 2020, 2021 and 2022 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. In addition, tax only Claims Equalisation Reserves (CER) may further affect the timing of the taxation of underwriting profits.

The above charge for foreign taxes has been estimated after making provision for double taxation relief with the UK. However due to the differences of timings and tax rates some foreign taxes may ultimately not be fully recoverable.

10 Intangible Assets

	Syndicate Participation Rights
Cost	
At 1 January 2019	45,453
Additions	2,535
Disposals	(698)
At 31 December 2019	47,290
Amortisation	
At 1 January 2019	29,860
Charge for the year	5,197
Disposals	(116)
At 31 December 2019	34,941
Net Book Value	
At 31 December 2019	£12,349
At 31 December 2018	£15,593

11 Investments

Company

Fixed asset investments	**2019**
At 1 January 2019	810,000
Additions	-
At 31 December 2019	£810,000

The Company has the following directly held beneficial interests in subsidiaries:

Name	Ownership interest	Registered office	Business Activity
Holywell (Wren) Limited	100%	5th Floor, 70 Gracechurch Street London, EC3V 0XL	Lloyd's corporate member
Dewhirst Holywell Enterprises Limited	100%	Holywell House, Brancepeth Durham, DH7 8EH	Arable farming company

All of the above subsidiaries are included in the consolidated financial statements.

Dewhirst Holywell Enterprises Limited, a wholly owned subsidiary registered in the United Kingdom, registration number 03503310, is exempt from the requirements of the Companies Act 2006 ("The Act") relating to the audit of accounts under section 479A of The Act.

11 Investments (continued)

The Group uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets
Level 2: inputs other than quoted prices included within Level 1 that are observable (ie. developed using market data), for the asset or liability, either directly or indirectly
Level 3: priced determined using a valuation technique.

Other Financial Investments - Syndicate

	2019		2018	
	Market Value	Cost	Market Value	Cost
Shares and other variable yield securities and units in unit trusts	234,591	223,621	212,182	208,508
Debt securities and other fixed income securities	1,048,209	1,044,854	1,050,252	1,057,427
Participation in investment pools	41,896	41,435	56,620	54,443
Loans secured by mortgage	-	-	27	28
Other Loans	5,478	4,547	979	976
Deposits with credit institutions	4,618	4,618	8,026	8,026
Overseas deposits	18,975	18,944	20,398	20,405
Other	1,116	24	606	430
	£1,354,883	£1,338,043	£1,349,090	£1,350,243

Other Financial Investments - Corporate

	2019		2018	
	Market Value	Cost	Market Value	Cost
Shares and other variable yield securities and units in unit trusts	691,128	517,680	682,393	517,680
Debt securities and other fixed income securities	210,810	99,999	171,370	99,999
	£901,938	£617,679	£853,763	£617,679
Listed investments included within the above	£901,938	£617,679	£853,763	£617,679

The Corporate investments are held as part of the Lloyd's deposit and are subject to the restrictions referred to in Note 13.

11 Investments (continued)

Other Financial Investments - Syndicate
2019

	Held at fair value through profit or loss				Amortised	
	Level 1	Level 2	Level 3	Total	Cost	Total
Shares and other variable yield securities and units in unit trusts	69,278	161,119	4,194	234,591	-	234,591
Debt securities and other fixed income securities	218,787	829,422	-	1,048,209	-	1,048,209
Participation in investment pools	33,926	5,891	2,079	41,896	-	41,896
Loans and deposits with credit institutions	15,607	11,551	1,913	29,071	-	29,071
Derivatives	253	839	-	1,092	-	1,092
Other investments	-	24	-	24	-	24
Held for sale financial assets	-	-	-	-	-	-
Other	-	-	-	-	-	-
Fair Value	£337,851	£1,008,847	£8,186	£1,354,883	£-	£1,354,883

Other Financial Investments - Corporate
2019

	Held at fair value through profit or loss				Amortised	
	Level 1	Level 2	Level 3	Total	Cost	Total
Shares and other variable yield securities and units in unit trusts	901,938	-	-	901,938	-	901,938
Fair Value	£901,938	£-	£-	£901,938	£-	£901,938

Other Financial Investments - Syndicate
2018

	Held at fair value through profit or loss				Amortised	
	Level 1	Level 2	Level 3	Total	Cost	Total
Shares and other variable yield securities and units in unit trusts	44,467	167,672	42	212,181	-	212,181
Debt securities and other fixed income securities	253,279	796,976	-	1,050,255	-	1,050,255
Participation in investment pools	43,569	7,256	5,795	56,620	-	56,620
Loans and deposits with credit institutions	26,058	179	3,190	29,427	-	29,427
Derivatives	535	44	-	579	-	579
Other investments	-	27	-	27	-	27
Held for sale financial assets	-	-	-	-	-	-
Other	-	-	-	-	-	-
Fair Value	£367,908	£972,154	£9,027	£1,349,089	£-	£1,349,089

11 Investments (continued)

Other Financial Investments - Corporate
2018

	Held at fair value through profit or loss Level 1	Level 2	Level 3	Total	Amortised Cost	Total
Shares and other variable yield securities and units in unit trusts	853,763	-	-	853,763	-	853,763
Fair Value	£853,763	£-	£-	£853,763	£-	£853,763

12 Tangible Assets

	Freehold property	Buildings	Tenant Improvements	Plant and machinery	Totals
Cost					
At 1 January 2019	682,970	55,650	15,520	24,999	779,139
Additions	-	-	-	550	550
Disposals	-	-	-	-	-
At 31 December 2019	682,970	55,650	15,520	25,549	779,689
Amortisation					
At 1 January 2019	-	21,012	4,731	20,949	46,692
Charge for the year	-	1,113	310	1,488	2,911
Disposals	-	-	-	-	-
At 31 December 2019	-	22,125	5,041	22,437	49,603
Net Book Value					
At 31 December 2019	£682,970	£33,525	£10,479	£3,112	£730,086
At 31 December 2018	£682,970	£34,638	£10,789	£4,050	£732,447

13 Debtors

Other debtors analysis:

	2019			2018		
	Syndicate Participation	Corporate	Total	Syndicate Participation	Corporate	Total
Deferred Tax (Note 18)	-	44,085	44,085	-	21,990	21,990
Other	75,928	153,395	229,323	79,374	150,161	229,535
	£75,928	£197,480	£273,408	£79,374	£172,151	£251,525

Other debtors includes £31,359 (2018 - £34,884) in respect of cash calls paid to Lloyd's syndicates. This amount will be recoverable when the year of account on whose behalf the call was made is closed at a profit, or will be treated as a payment on account if the year is closed at a loss.

Included in total Debtors of £1,099,138 (2018: £1,048,955) is £122,515 (2018: £160,727) due after more than 1 year.

14 Cash at Bank and in hand

	2019			2018		
	Syndicate Participation	Corporate	Total	Syndicate Participation	Corporate	Total
Lloyd's deposit	-	313,516	313,516	-	321,830	321,830
Cash at bank and in hand	77,559	876,741	954,300	81,275	882,470	963,745
	£77,559	£1,190,257	£1,267,816	£81,275	£1,204,300	£1,285,575

The Lloyd's deposit represents monies 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 the Corporation 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.

15 *Called-up Share Capital*

	2019
	Allotted, Called-up and Fully Paid
450,000 Ordinary shares of £1 each	£450,000

16 Profit and Loss Account

	2019		
	Syndicate Participation	Corporate	Total
Retained profit/(loss) brought forward	(302,713)	2,126,950	1,824,237
Transfer	(26,455)	26,455	-
Profit/(loss) for the financial year	(46,685)	22,849	(23,836)
Equity dividends paid and declared	-	-	-
Retained profit/(loss) carried forward	£(375,853)	£2,176,254	£1,800,401

17 Shareholders' Funds

	2019	2018
Opening shareholders' funds	2,286,530	2,290,748
Profit / (loss) for the financial year	(23,836)	(4,218)
Equity dividends paid and declared	-	-
Closing shareholders' funds	£2,262,694	£2,286,530

18 Provision for Deferred Tax

	2019	2018
Liability/(asset) at start of year	(21,748)	19,150
Deferred tax charge/(credit) in Profit and Loss Account for year	(22,337)	(40,898)
Liability/(asset) at end of year	£(44,085)	£(21,748)

Analysis of Provision for Deferred Taxation

	2019	2018
Timing differences arising from the taxation of the underwriting results	(71,988)	(59,475)
Claims Equalisation Reserves	19,647	29,471
Other timing differences	8,256	8,256
Tax losses carried forward	-	-
	£(44,085)	£(21,748)

Deferred tax is calculated at a rate of 19% (2018 - 17%).

19 Creditors

Other creditors analysis:

	2019			2018		
	Syndicate Participation	Corporate	Total	Syndicate Participation	Corporate	Total
Other creditors	208,928	16,706	225,634	260,981	32,701	293,682
Corporation Tax	-	18,287	18,287	-	30,365	30,365
Related party loan account	-	2,911	2,911	-	1,761	1,761
	£208,928	£37,904	£246,832	£260,981	£64,827	£325,808

Included within Creditors are the following amounts payable after one year:

	2019			2018		
	Syndicate Participation	Corporate	Total	Syndicate Participation	Corporate	Total
Other creditors	57,527	-	57,527	59,649	-	59,649
Preference shares	-	360,000	360,000	-	360,000	360,000
	£57,527	£360,000	£417,527	£59,649	£360,000	£419,649

The Preference shares entitle the holders to a 12% non-cumulative annual dividend on 30 September each year. The holders waived their right to the dividend payable for the 2019 financial year.

20 Reconciliation of Operating Profit / (Loss) to Net Cash Inflow / (Outflow) from Operating Activities

	2019	2018
Operating Profit/(Loss)	(23,487)	(8,167)
Interest and dividends received - non-technical account	(14,912)	(10,993)
Realised and unrealised profits and losses on corporate investments	(48,175)	(2,157)
Interest charged - non-technical account	-	-
Underwriting result in year	46,685	13,968
Closed Year result distributable in year	26,455	116,870
Increase / (Decrease) in creditors	(9,263)	(20,445)
(Increase) / Decrease in debtors	(3,234)	(45,760)
(Increase) / Decrease in other assets	25,766	(13,598)
(Profit) / Loss on sale of capacity	(200)	-
Depreciation of tangible assets	2,911	2,773
Amortisation of syndicate capacity	5,197	6,296
Net cash Inflow / (Outflow) from operating activities	£7,743	£38,787

21 Related Party Transactions

I R Dewhirst, a director and ultimate controlling party, has provided a loan to the group of £1,150 (2018 - £820). As shown in Note 19 £2,911 is due to I R Dewhirst (2018 - £1,761). £Nil was repaid in the year. No interest is chargeable on the loan.

22 Ultimate Controlling Party

I R Dewhirst is the ultimate controlling party.

23 Syndicate Participation

Syndicate No.	Managing Agent	Allocated capacity per underwriting year 2020 £	2019 £	2018 £	2017 £
33	Hiscox Syndicates Limited	345,312	325,000	200,185	174,074
218	ERS Syndicate Management Ltd	0	79,774	79,774	59,847
510	Tokio Marine Kiln Ltd	337,216	274,048	274,048	274,048
557	Tokio Marine Kiln Ltd	44,999	49,183	49,183	30,000
609	Atrium Underwriters Limited	356,339	306,219	285,895	285,895
623	Beazley Furlonge Limited	179,836	148,940	129,358	109,440
1884	Charles Taylor Managing Agency Ltd	-	-	20,000	80,000
1991	Coverys Managing Agents Limited	-	69,338	69,338	69,338
2010	Cathedral Underwriting Limited	175,766	175,766	175,766	175,766
2791	Managing Agency Partners Ltd.	124,352	124,352	124,352	124,352
4444	Canopius Managing Agents Ltd	54,627	54,627	50,816	50,816
5623	Beazley Furlonge Limited	75,000	20,000	-	-
5886	Asta Managing Agency Limited	75,000	60,000	50,000	-
6103	Managing Agency Partners Ltd.	20,833	20,000	5,165	4,520
6104	Hiscox Syndicates Limited	25,000	17,175	17,175	17,175
6105	Ark Syndicate Management Limited	-	-	-	-
6111	Catlin Underwriting Agency Limited	-	43,478	43,478	86,763
6133	Apollo Syndicate Management Limited	14,400	10,000	-	-
7231	Asta Managing Agency Limited	100,000	120,000	100,000	-
7234		25,000	-	-	-
		£1,953,680	£1,897,900	£1,674,533	£1,542,034

24 Post balance sheet event

The COVID-19 pandemic is a post-balance sheet event causing global economic uncertainty and the impact on the Lloyd's market from underwriting losses will be significant.

The Directors believe that the Company and the Group are well placed to meet this uncertainty and has sufficient financial resources to meet its obligations as they fall due.

The COVID-19 pandemic is also causing social restrictions which are directly impacting the Lloyd's market. Until further notice, the majority of Lloyd's and the Managing Agents' employees are working remotely, the Underwriting Room in the Lloyd's Building has been closed and emergency trading and operating protocols that Lloyd's and the Managing Agents had prepared have been successfully activated. The Directors of the Company, Argenta Private Capital Limited (the Members' Agent), and the Lloyd's market were well prepared to work remotely, and the Company is continuing to be run with minimal disruption.