JR Clare Underwriting Agencies Limited

Annual Report & Financial Statements

for the year ended 31 December 2014

Registered Number: 03579158

Registered Office:
St. Helen's
1 Undershaft
London
EC3A 8ND

Contents

Directors and officers

Directors
T A Bowles
A P Springett

Company secretary
B Cheney

Registered office
St. Helen's
1 Undershaft
London EC3A 8ND

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Strategic report for the year ended 31 December 2014

The directors present their report and the audited financial statements for the year ended 31 December 2014.

Business review and principal activities
The Company's principal activity has historically been to act as an insurance underwriting intermediary for both Lloyd's Underwriters and other Insurance Companies. From January 2012 the renewal of this business is being dealt with directly by Lloyd's Syndicate 2001, managed by Amlin Underwriting Limited, another Amlin group company. The historical business will be run off in the normal course of the Company's business.

The loss of the Company for the financial year ended 31 December 2014 amounted to £19k (2013: profit £13k), full details of which are set out in the profit and loss account on page 8 and the related notes.

The net assets of the Company at 31 December 2014 were £1,055k (2013: £1,074k).

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Principal risks and uncertainties
The principal risk to the Company is the financial risk that the balances due on business placed become impaired, this is mitigated through the credit control process and terms of business with insurers.

Key performance indicators
The directors of the Company do not believe that key performance indicators are necessary to understand the development, performance or position of the Company's business.

Approved by the Board of Directors and signed on its behalf by:

Cheney

B Cheney
Company secretary
17 August 2015

Directors' report for the year ended 31 December 2014

Results and dividends
The loss of the Company for the financial year ended 31 December 2014 amounted to £19k (2013: profit £13k), full details of which are set out in the profit and loss account on page 8 and the related notes. No dividends were paid or proposed during the year (2013: nil).

The net assets of the Company at 31 December 2014 were £1,055k (2013: £1,074k).

Financial Risk Management
Please refer to the Principal risks and uncertainties section included within the Strategic report on page 3.

Directors and their interests
The directors of the company who were in office at the date of signing the financial statements are shown on page 2. During the year, the following changes to the Board of directors occurred:

Name	Date of appointment	Date of resignation
T A Bowles	2 January 2014	
B Cheney	6 May 2014	
A P Springett	5 November 2014	
W James		30 September 2014
D F Overall		5 November 2014
J M Mansell		6 May 2014

Directors' indemnity
Between 2008 and the date of this report the ultimate parent company (Amlin plc) has made qualifying third party qualifying indemnity provisions for the benefit of the directors of the Company. These indemnities remain in force at the date of this report.

Statement of directors' responsibilities
The directors are responsible for preparing the Strategic report, 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 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 Company, and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report for the year ended 31 December 2014 *(continued)*

Disclosure of information to auditors
Each of the persons who is a director at the date of approval of this report confirms that:

(1) so far as he or she is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(2) he or she has taken all the steps that he ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent auditors
The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office and shall be deemed to be re-appointed in accordance with section 487(2) of the Companies Act 2006.

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

Approved by the Board of Directors and signed on its behalf by:

Cheney

B Cheney
Company secretary
17 August 2015

Independent auditors' report to the members of JR Clare Underwriting Agencies Limited

Report on the financial statements

Our opinion

In our opinion, JR Clare Underwriting Agencies 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 2014 and of its 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.

What we have audited

JR Clare Underwriting Agencies Limited's financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and loss account 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 applicable law and United Kingdom Accounting Standards (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 Strategic Report and 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.

Independent auditors' report to the members of JR Clare Underwriting Agencies 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 page 4, 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 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 the 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.

Nick Wilks

Nick Wilks (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17 August 2015

Profit and loss account
for the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Turnover	3	**3**	72
Administrative expenses		**(21)**	(53)
Operating (loss)/profit		**(18)**	19
Interest receivable and similar income		**-**	4
(Loss)/profit on ordinary activities before taxation	4	**(18)**	23
Tax on (loss)/profit on ordinary activities	6	**(1)**	(10)
(Loss)/profit for the financial year	11	**(19)**	13

All activities were continuing throughout both the current and preceding year.

There are no material differences between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial year stated above and their historical cost equivalents.

There were no recognised gains or losses, either in the current or preceding year, other than those included in the profit and loss account and therefore no statement of total recognised gains and losses has been presented.

Balance Sheet
as at 31 December 2014

	Note	2014 £'000	2013 £'000
Current assets			
Debtors	7	**1,050**	1,066
Cash at bank and in hand		**299**	646
		1,349	1,712
Creditors: amounts falling due within one year	9	**(294)**	(638)
Net current assets		**1,055**	1,074
Net assets		**1,055**	1,074
Capital and reserves			
Called up share capital	10	**2,603**	2,603
Profit and loss account	11	**(1,548)**	(1,529)
Total shareholders' funds	12	**1,055**	1,074

The financial statements on pages 8 to 16 were approved by the Board of directors and were signed on its behalf by:

Director
17 August 2015

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies

The financial statements are prepared on a going concern basis under the historical cost accounting convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principle accounting policies are set out below and have been applied consistently throughout the current and prior years.

Turnover

Underwriting commission, earned in respect of insurance policies issued under binding authority contracts, where the policies incept prior to the end of the financial year. Underwriting commissions are deemed earned over the binding authority period during which policies will incept, and the earned element is calculated separately for each contract proportionally over the binding authority period. Estimates are included for underwriting commissions earned but not receivable until after the year end and not yet notified. Turnover also includes adjustments arising in the year to commission estimates made in prior accounting periods. In instances where the inception of the risk does not relieve all contractual obligations an element of brokerage is deferred and subsequently released to profit and loss account as these obligations are discharged.

Profit commission is earned on binding authority contracts which have exceeded their target underwriting profits. These are recognised when there is sufficient certainty that the profit commissions will be received.

Lead underwriting fees for binding authority contracts are recognised where the contract commences prior to the year end.

Investment income

Interest income on bank accounts is recognised in the month in which it is received.

Depreciation

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful economic lives as follows:

Leasehold improvements	20% per annum straight line basis
Motor vehicles	25% per annum straight line basis
Fixtures, fittings and equipment	25-50% per annum straight line basis

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

1 Accounting policies (continued)

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

Underwriting bank accounts
Underwriting bank accounts represent monies held on behalf of insurers. The underwriting bank accounts are included within the cash at bank and in hand, with an equal liability included within creditors to represent the monies owed to insurers.

Exchange rates
Income and expenditure in foreign currencies is translated into Sterling at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange at the balance sheet date. Differences arising on translation of foreign currency amounts on such items are included in administrative expenses.

2 Cash flow statement and related party disclosure
The Company is a wholly-owned subsidiary of Amlin plc and is included in the publicly available consolidated financial statements of Amlin plc. Consequently, the Company has taken advantage of the exemption, under Financial Reporting Standard No. 1 (Revised 1996) "Cash flow statements", not to prepare a cash flow statement on the grounds that Amlin plc includes the Company within its own published consolidated cash flow statement.

The Company is also exempt under the terms of FRS 8 "Related party disclosures" from disclosing related-party transactions with entities that are part of the Amlin plc group or investees of the Amlin plc group. There are no other related party transactions that require disclosure.

3 Turnover

	2014	2013
	£'000	£'000
Underwriting commissions	**3**	107
Leading underwriter fees	**-**	(35)
	3	72

All revenue arises from business conducted in the United Kingdom.

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

4 (Loss)/profit on ordinary activities before taxation

(Loss)/profit on ordinary activities is stated after charging £8k (2013: £11k) of auditors' remuneration for the audit of the Company.

5 Directors' emoluments and employee information

At 31 December 2014 the Company had no employees (2013: nil). Since 1 September 2011 all staff have been employed by Amlin Corporate Services Limited (ACS).

The directors are also directors or employees of other companies within the Amlin Group. It is not practicable to allocate total emoluments between services as directors or employees of individual Group companies. The directors received the following total emoluments during the year:

	2014 £'000	2013 £'000
Directors' aggregate emoluments and benefits (except as noted below)	**703**	548
Aggregate amounts (excluding share options) receivable under long term incentive schemes	**-**	29
Employer's contributions to defined benefit pension schemes	**11**	24
Employer's contributions to money purchase pension schemes	**40**	27
Compensation for loss of office	**31**	-
	785	628

Compensation for loss of office represents cash payments in lieu of notice and redundancy.

Payments were made to 2 directors (2013: 2) in respect of defined benefit pension schemes and to 4 directors (2013: 2) in respect of defined contribution schemes. 1 director exercised share options during the year (2013: 1) and 3 directors were members of long term incentive schemes (2013: 2)

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

5 Directors' emoluments and employee information (continued)

Highest paid director

The highest paid director of the Company received the following total emoluments during the year:

	2014 £'000	2013 £'000
Directors' aggregate emoluments and benefits (except as noted below)	**287**	348
Aggregate amounts (excluding share options) receivable under long term incentive schemes	**-**	-
Contributions to defined benefit pension schemes	**8**	20
Contributions to money purchase pension schemes	**17**	10
	312	378

The highest paid director has (2013: has not) exercised share options during the year and amounts under long term incentive schemes were (2013: were) receivable.

6 Tax on (loss)/profit on ordinary activities

(a) Analysis of the tax charge in the year

	2014 £'000	2013 £'000
Current tax		
UK *corporation tax for the year*	**(6)**	2
Adjustments in respect of prior years	**7**	1
Total current tax	**1**	3
Deferred tax		
Origination of timing differences	**(5)**	5
Impact of rate change	**-**	4
Adjustments in respect of prior years	**5**	(2)
Tax charge on (loss)/profit on ordinary activities	**1**	10

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

6 Tax on (loss)/profit on ordinary activities *(continued)*

(b) Factors affecting the tax charge for the year

The current tax assessed for the year is higher than (2013: lower) the standard rate of corporation tax in the UK of 21.50%, (2013: 23.25%). The differences are explained below:

	2014 **£'000**	2013 £'000
(Loss)/profit on ordinary activities before taxation	**(18)**	23
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.50% (2013: 23.25%)	**(4)**	5
Effects of:		
Expenses not deductible for tax purposes/(non-taxable income)	**3**	2
Adjustments in respect of prior years	**7**	1
Fixed asset timing differences	**(5)**	(5)
Total current tax charge for the year	**1**	3

(c) Factors that may affect future tax charge

The Company will continue to claim capital allowances in excess of depreciation in future years but at a decreasing rate.

A
djustments will be made in the corporation tax provision for the current accounting year to reflect arms-length prices for transactions between the Company and related companies in the Amlin group.

The main rate of corporation tax in the prior year was 23%. This was reduced as follows,

- rate of 21% applying from 1 April 2014 was substantively enacted on 2 July 2013
- rate of 20% applying from 1 April 2015 was substantively enacted on 2 July 2013

The relevant deferred tax balances have been re-measured accordingly. The profit and loss impact of the re-measurement is shown as a prior year adjustment.

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

7 Debtors

	2014 £'000	2013 £'000
Amounts owed by group undertakings	**1,022**	1,044
UK Corporation tax	**6**	-
Deferred tax (note 8)	**22**	22
	1,050	1,066

8 Deferred tax

	2014 £'000	2013 £'000
Deferred tax asset		
On accelerated capital allowances	**22**	22
Deferred tax asset (note 7)	**22**	22
As 1 January	**22**	29
Deferred tax charge for the year	**5**	(5)
Impact of rate change	**-**	(4)
Adjustments in respect of prior years	**(5)**	2
At 31 December	**22**	22

9 Creditors

	2014 £'000	2013 £'000
Amounts falling due within one year		
Trade creditors	**253**	578
Amounts owed to group undertakings	**41**	32
UK Corporation tax	**-**	2
Accruals and deferred income	**-**	26
	294	638

Included within trade creditors is an amount of £252,000 (2013: £361,000) due to underwriters which is held in a separate underwriting bank account. An associated amount of £252,000 (2013: £361,000) is included within the cash at bank and in hand balance on the balance sheet.

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

10 Called up share capital

	2014 £'000	2013 £'000
Allotted and fully paid		
2,500 (2013: 2,500) Ordinary shares of £1 each	**3**	3
2,600,000 (2013: 2,600,000) Redeemable preference shares of £1 each	**2,600**	2,600
	2,603	2,603

11 Profit and loss account

	2014 £'000	2013 £'000
At 1 January	**(1,529)**	(1,542)
(Loss)/profit for the financial year	**(19)**	13
At 31 December	**(1,548)**	(1,529)

12 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
At 1 January	**1,074**	1,061
(Loss)/profit for the financial year	**(19)**	13
At 31 December	**1,055**	1,074

13 Ultimate parent undertaking and controlling party

The Company's immediate parent company is Amlin Corporate Services Limited, which is incorporated in Great Britain and registered in England and Wales. The ultimate parent and controlling party is Amlin plc, a company incorporated in Great Britain and registered in England and Wales, which is the smallest and largest group in which the results of this Company are consolidated. The consolidated financial statements of Amlin plc are available to the public and may be obtained from St. Helen's, 1 Undershaft, London EC3A 8ND.