Company registration number: 3592542

Upton Underwriting Limited

Report and financial statements
31 December 2017

Contents:

Upton Underwriting Limited
Company information

Directors	Mr A C Malcolmson Mr J W D Upton
Company Secretary	Argenta Secretariat Limited
Registered Office	5th Floor 70 Gracechurch Street London EC3V 0XL
Auditors	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD
Accountants	Argenta Tax & Corporate Services Limited 5th Floor 70 Gracechurch Street London EC3V 0XL

Upton Underwriting Limited
Strategic Report

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

Business Review

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

The financial statements incorporate the annual accounting results of the Syndicates on which the Company participates for the 2015, 2016 and 2017 years of account, as well as any 2014 and prior run-off years. The 2015 year closed at 31 December 2017 with a result of £162,903 (2014 - £259,312). The 2016 and 2017 open underwriting accounts will normally close at 31 December 2018 and 2019 respectively.

Results and Dividends

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

Financial Risk Management Objectives and Policies

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

Hedge accounting is not used by the Company.

Key Performance Indicators

	2017	2016
Capacity (youngest underwriting year)	£ 1,297,994	£ 2,189,158
Gross premium written as a % of capacity	107.0%	92.7%
Underwriting profit of latest closed year:		
as a % of capacity	7.6%	12.1%
Run-off years of account movement	£ (1)	£ -
Combined ratio	105.5%	97.4%

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

Brexit

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

Approved by the Board on 27/9/ 2018
and signed on its behalf by:

J W D UPTON

Director

Upton Underwriting Limited
Report of the Directors

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

Principal Activities

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

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Accounting Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

Directors

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

Mr A C Malcolmson
Mr J W D Upton

Upton Underwriting Limited
Report of the Directors (continued)

Auditors

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

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

a) So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and

b) they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board on 27/9/2018
and signed on its behalf by:

J W D UPTON

Director

Upton Underwriting Limited
Independent Auditor's report

Independent auditor's report to the members of Upton Underwriting Limited

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Barker

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

27 September 2018

Upton Underwriting Limited
Profit and loss account
Technical account – general business
For the year ended 31 December 2017

	Note		2017 £		Restated 2016 £
Premiums					
Gross premiums written	1		1,388,654		2,028,997
Outward reinsurance premiums	1		(287,086)		(360,249)
Net premiums written			1,101,568		1,668,748
Change in the provision for unearned premiums					
Gross provision	1		369,625		(34,856)
Reinsurers' share	1		(34,970)		20,043
Earned premiums, net of reinsurance			1,436,223		1,653,935
Allocated investment return transferred from the non-technical account			45,283		42,751
Other technical income, net of reinsurance			-		-
Claims paid					
Gross amount	1	(1,004,061)		(913,079)	
Reinsurers' share	1	118,162		94,236	
Net claims paid		(885,899)		(818,843)	
Change in provision for claims					
Gross amount	1	(298,019)		(224,483)	
Reinsurers' share	1	238,951		125,098	
Change in net provision for claims		(59,068)		(99,385)	
Claims incurred, net of reinsurance			(944,967)		(918,228)
Changes in other technical provisions, net of reinsurance			4,811		(5,263)
Net operating expenses	2		(569,669)		(692,990)
Other technical charges, net of reinsurance	1		-		-
Balance on the technical account for general business			(28,319)		80,205

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

Upton Underwriting Limited
Profit and loss account
Non - technical account
For the year ended 31 December 2017

	Note	2017 £	Restated 2016 £
Balance on technical account for general business		(28,319)	80,205
Investment income	3	64,539	82,000
Allocated investment return transferred to the general business technical account		(45,283)	(42,751)
Other income		5,384	307,691
Other charges, including value adjustments		(58,438)	(9,682)
Profit/(loss) on ordinary activities before taxation	4	(62,117)	417,463
Tax on profit/(loss) on ordinary activities	5	24,332	(81,438)
Profit/(loss) for the financial year		(37,785)	336,025
Other comprehensive income/(expenditure):			
Currency translation differences		(731)	17,668
Tax on other comprehensive income		167	(3,389)
Total comprehensive income/(expenditure)	10	(38,349)	350,304

All amounts relate to continuing operations.

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

Upton Underwriting Limited
Balance sheet
As at 31 December 2017

		31 December 2017			Restated 31 December 2016		
	Note	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Assets							
Intangible assets	6	-	508	508	-	819	819
Investments							
Other financial investments	7	2,059,211	230,073	2,289,284	2,466,353	226,026	2,692,379
Deposits with ceding undertakings		139	-	139	140	-	140
		2,059,350	230,073	2,289,423	2,466,493	226,026	2,692,519
Reinsurers' share of technical provisions							
Provision for unearned premiums	8	81,659	-	81,659	126,827	-	126,827
Claims outstanding	8	810,144	-	810,144	590,280	-	590,280
Other technical provisions		8,807	-	8,807	3,993	-	3,993
		900,610	-	900,610	721,100	-	721,100
Debtors							
Amounts falling due within one year	7	664,310	7,508	671,818	1,010,547	7,508	1,018,055
Amounts falling due after one year	7	204,679	-	204,679	268,654	-	268,654
		868,989	7,508	876,497	1,279,201	7,508	1,286,709
Other assets							
Cash at bank and in hand		109,760	622,350	732,110	129,711	536,734	666,445
Other		188,467	-	188,467	183,054	-	183,054
		298,227	622,350	920,577	312,765	536,734	849,499
Prepayments and accrued income							
Accrued interest		7,613	-	7,613	7,337	-	7,337
Deferred acquisitions costs	8	177,746	-	177,746	269,665	-	269,665
Other prepayments and accrued income		8,974	-	8,974	14,021	-	14,021
		194,333	-	194,333	291,023	-	291,023
Total assets		4,321,509	860,439	5,181,948	5,070,582	771,087	5,841,669

Restatement:
The 2016 financial statements reflected an understatement in the company investments in Investments "financial investments" and an understatement of the "proprietors loan account" in other creditors in the balance sheet. The restatement affects the profit and loss account, Balance sheet and the majority of the corporate notes in the Financial Statements.

The Corporate "financial investments" increased from £169,635" to… and the "other creditors including taxation and social security" increased from £110,225 to

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

Upton Underwriting Limited
Balance sheet
As at 31 December 2017

		31 December 2017			Restated 31 December 2016		
	Note	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Liabilities and shareholders' funds							
Capital and reserves							
Called up share capital	9	-	100	100	-	100	100
Capital redemption		-	-	-	-	-	-
Capital contribution		-	-	-	-	-	-
Share premium account		-	-	-	-	-	-
Profit and loss account	10	(78,148)	712,444	634,296	189,883	482,762	672,645
Shareholders' funds – attributable to equity interests		(78,148)	712,544	634,396	189,883	482,862	672,745
Technical provisions							
Provision for unearned premiums	8	600,317	-	600,317	1,027,685	-	1,027,685
Claims outstanding	8	3,304,235	-	3,304,235	3,231,019	-	3,231,019
Other technical provisions		-	-	-	-	-	-
Provisions for other risks and charges							
Deferred taxation	11	-	34,030	34,030	-	99,854	99,854
Other		-	-	-	-	-	-
Deposit received from reinsurers		230	-	230	263	-	263
Creditors							
Amounts falling due within one year	7	379,642	88,502	468,144	486,718	151,132	637,850
Amounts falling due after one year	7	77,614	-	77,614	104,775	-	104,775
		4,362,038	122,532	4,484,570	4,850,460	250,986	5,101,446
Accruals and deferred income		37,619	25,363	62,982	30,239	37,239	67,478
Total liabilities		4,321,509	860,439	5,181,948	5,070,582	771,087	5,841,669

Approved and authorised for issue by the Board of Directors on 27/9/ 2018
and signed on its behalf by:

J W D UPTON
Director

Company registration number: 3592542

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

Upton Underwriting Limited
Statement of changes in equity
For the year ended 31 December 2017

	Called up share capital £	Capital redemption reserve £	Share premium account £	Profit and loss account £	Capital contribution reserve £	Total £
Restated Opening balance	100	-	-	322,341	-	322,441
Profit/(loss) for the year	-	-	-	332,636	-	332,636
Other comprehensive income	-	-	-	17,668	-	17,668
Total comprehensive income	-	-	-	350,304	-	350,304
Proceeds from the issue of shares	-	-	-	-	-	-
Movement in reserves	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Restated As at 31 December 2016	100	-	-	672,645	-	672,745
Profit/(loss) for the year	-	-	-	(37,785)	-	(37,785)
Other comprehensive income	-	-	-	(564)	-	(564)
Total comprehensive income	-	-	-	(38,349)	-	(38,349)
Proceeds from the issue of shares	-	-	-	-	-	-
Movement in reserves	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
As at 31 December 2017	100	-	-	634,296	-	634,396

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

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

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

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

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

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

Upton Underwriting Limited
Cash flow statement
For the year ended 31 December 2017

	2017 £	Restated 2016 £
Operating activities		
Profit/(loss) on ordinary activities before tax	(62,117)	417,463
(Profit)/loss attributable to syndicate transactions	267,300	151,847
Profit/(loss) - excluding syndicate transactions	205,183	569,310
Adjusted for:		
(Increase)/decrease in debtors	-	7,587
Increase/(decrease) in creditors	(11,875)	(21,856)
(Profit)/loss on disposal of intangible assets	(360)	(262,572)
Amortisation of syndicate capacity	311	312
Realised/unrealised (gains)/losses on investments	(4,054)	(28,979)
Investment income	(15,202)	(10,270)
Corporation and overseas taxes (paid)/refunded	(103,949)	(8,647)
Net cash inflow/(outflow) from operating activities	70,054	244,885
Investing activities		
Investment income	15,202	10,270
Purchase of syndicate capacity	-	-
Proceeds from sale of syndicate capacity	360	265,206
Purchase of financial investments	-	-
Proceeds from sale of financial investments	-	-
Net cash (outflow)/inflow from investing activities	15,562	275,476
Financing activities		
Issue of shares	-	-
Share issue expenses	-	-
Capital contribution/redemption	-	-
Equity dividends paid	-	-
Net cash (outflow)/inflow from financing activities	-	-
Net cash increase/(decrease) in cash and cash equivalents	85,616	520,361
Effect of exchange rates on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	536,734	16,373
Cash and cash equivalents at the end of the year	622,350	536,734
Consisting of:		
Cash at bank and in hand	622,350	536,734
Cash equivalents	-	-
	622,350	536,734

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

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

Basis of preparation of financial statements

General information

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

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

Basis of preparation

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

Recognition of insurance transactions

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

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

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

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

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

Sources of data

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

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

Upton Underwriting Limited
Notes to the Financial Statements
For the year ended 31 December 2017

Accounting policies

i Going concern

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

ii Premiums

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

iii Claims incurred

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

iv Provision for claims outstanding

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

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

v Unexpired risk provision

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

vi Deferred acquisition costs

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

Accounting policies (continued)

vii Reinsurance to close

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

(1) a premium; and
(2) either

(a) the assignment, or agreement to assign, to the reinsuring members of all the rights of the reinsured members arising out of, or in connection with, that insurance business (including without limitation the right to receive all future premiums, reinsurances and other monies receivable in connection with that insurance business); or

(b) an agreement by the reinsured members that the reinsuring members shall collect on behalf of the reinsured members the proceeds of all such rights and retain them for their own benefit so far as they are not applied in discharges of the liabilities of the reinsured members.

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

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

viii Financial instruments

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

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

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

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

Accounting policies (continued)

viii Financial instruments (continued)

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

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

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

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

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

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

ix Derivative financial instruments

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

x Derecognition of financial assets

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

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

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

xi Offsetting of financial instruments

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

Accounting policies (continued)

xii Net operating expenses

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

xiii Foreign currencies

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

xiv Intangible assets

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

xv Insurance contracts – product classification

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

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

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

xvi Taxation

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

xvii Deferred taxation

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

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

Accounting policies (continued)

xvii Deferred taxation (continued)

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

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

xviii Critical accounting judgements and key sources of estimated uncertainty

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

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

Critical accounting judgements

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

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

Key sources of estimation uncertainty

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

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

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

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

1. Class of Business

2017	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	59,082	70,051	(39,365)	(30,021)	(1,088)	(423)
Motor – third party liability	4,986	6,246	(4,591)	(1,772)	90	(27)
Motor – other classes	137,537	192,285	(152,367)	(51,711)	(978)	(12,771)
Marine, aviation and transport	96,421	159,026	(85,625)	(60,718)	(8,273)	4,410
Fire and other damage to property	360,101	454,594	(347,587)	(153,177)	19,489	(26,681)
Third party liability	338,488	383,500	(233,892)	(138,972)	(1,697)	8,939
Credit and suretyship	27,088	34,728	(18,743)	(12,655)	404	3,734
Legal expenses	916	1,805	(1,431)	(1,010)	(24)	(660)
Assistance	-	-	-	-	-	-
Miscellaneous	2,765	4,241	(1,682)	(1,354)	(208)	997
	1,027,384	1,306,476	(885,283)	(451,390)	7,715	(22,482)
Reinsurance	361,270	451,803	(416,797)	(118,279)	27,342	(55,931)
Total	1,388,654	1,758,279	(1,302,080)	(569,669)	35,057	(78,413)

2016	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	79,176	80,260	(38,780)	(37,320)	(1,816)	2,344
Motor – third party liability	7,999	8,786	(5,083)	(3,028)	(198)	477
Motor – other classes	227,072	219,454	(230,399)	(69,116)	61,020	(19,041)
Marine, aviation and transport	207,020	210,507	(117,400)	(89,667)	(11,310)	(7,870)
Fire and other damage to property	506,442	503,285	(243,043)	(177,797)	(60,311)	22,134
Third party liability	380,147	352,766	(219,111)	(131,273)	(7,832)	(5,450)
Credit and suretyship	25,438	23,320	(10,116)	(7,718)	(2,379)	3,107
Legal expenses	2,702	2,784	(1,947)	(1,474)	7	(630)
Assistance	-	-	-	-	-	-
Miscellaneous	5,616	6,997	(4,094)	(2,034)	20	889
	1,441,612	1,408,159	(869,973)	(519,427)	(22,799)	(4,040)
Reinsurance	587,385	585,982	(267,589)	(173,563)	(98,073)	46,757
Total	2,028,997	1,994,141	(1,137,562)	(692,990)	(120,872)	42,717

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

2. Net Operating Expenses

	2017 £	2016 £
Acquisition costs	401,164	559,570
Change in deferred acquisition costs	88,755	(10,898)
Administrative expenses	71,042	113,894
Reinsurance commissions and profit participations	(40,498)	(44,156)
Personal expenses	49,206	74,580
	569,669	692,990

3. Investment Income

	2017 £	Restated 2016 £
Financial instruments held at fair value through profit or loss:		
Interest and dividend income	65,598	61,237
Realised gains and losses	(4,012)	(9,949)
Unrealised gains and losses	5,447	33,560
Other	-	-
	67,033	84,848
Financial instruments held at amortised cost:		
Interest	1,222	104
Other	-	-
	1,222	104
Investment management expenses, including interest	(3,716)	(2,952)
	(3,716)	(2,952)
	64,539	82,000

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

	2017 £	Restated 2016 £
Operating profit/(loss) is stated after charging:		
Directors' remuneration	-	-
Amortisation of syndicate capacity	311	312
(Profit)/loss on disposal of intangible fixed assets	(360)	(262,572)
(Profit)/loss on exchange	22,947	(81,503)

The Company has one employee and staff costs of £13,114 are met by the Company.

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

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

5. Taxation	2017 £	Restated 2016 £
Analysis of charge in year		
Current tax:		
UK corporation tax on profit/(loss) of the year	53,221	118,474
Adjustment in respect of previous period	(13,173)	-
	40,048	118,474
Foreign tax	1,277	519
Total current tax	41,325	118,993
Deferred tax:		
Origination and reversal of timing differences	(66,184)	(41,246)
Change in tax rate	360	7,080
Total tax	(24,499)	84,827
Factors affecting tax charge for period		
The tax assessed for the period is different to the standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%). The differences are explained below:		
Profit/(loss) on ordinary activities before tax	(62,117)	417,463
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 – 20.00%)	(11,958)	83,493
Effects of:		
Change in deferred tax rate	360	7,080
Deferred tax asset previously unrecognised	-	-
Foreign tax	1,031	415
Expenses not deductible for tax purposes	-	-
Other corporation computation adjustments	(2,691)	(2,033)
Marginal rates of taxation and prior period adjustment	(11,241)	(4,128)
Total tax charge/(credit) for the period	(24,499)	84,827

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

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

6. Intangible Assets

Purchased Syndicate Capacity

	2017 £	2016 £
Cost		
At 1 January 2017	100,704	162,776
Additions	-	-
Disposals	(3,643)	(62,072)
At 31 December 2017	97,061	100,704
Amortisation		
At 1 January 2017	99,885	159,011
Additions	311	312
Disposals	(3,643)	(59,438)
At 31 December 2017	96,553	99,885
Net Book Value		
At 31 December 2017	508	819
At 31 December 2016	819	3,765

7. Financial Instruments and Financial Risk Management

7.1 Financial Investments

Other financial investments – Syndicate participation

	2017 Market Value £	2016 Market Value £
Shares and other variable yield securities and units in unit trusts	308,499	399,951
Debt securities and other fixed income securities	1,655,031	1,980,806
Participation in investment pools	71,538	53,212
Loans with credit institutions	2,488	3,288
Derivative financial instruments	4,942	3,751
Other investments	-	7,046
Deposits with credit institutions	9,579	9,645
Other	7,134	8,654
	2,059,211	2,466,353

Other financial investments – Corporate

	2017	Restated
Shares and other variable yield securities and units in unit trusts	230,073	226,026
Debt securities and other fixed income securities	-	-
Other investments	-	-
	230,073	226,026

7. Financial Instruments and Financial Risk Management (continued)

7.2 Debtors

	Syndicate Participation	Corporate	2017 Total	Syndicate Participation	Corporate	Restated 2016 Total
	£	£	£	£	£	£
Amounts falling due within one year:						
Arising out of direct insurance operations	257,595	-	257,595	423,330	-	423,330
Arising out of reinsurance operations	261,813	-	261,813	318,648	-	318,648
Other Debtors:						
Amounts due from group undertakings	-	-	-	-	-	-
Other	144,902	7,508	152,410	268,569	7,508	276,077
Total Amounts falling due within one year	664,310	7,508	671,818	1,010,547	7,508	1,018,055
Amounts falling due after one year:						
Arising out of direct insurance operations	5,197	-	5,197	11,475	-	11,475
Arising out of reinsurance operations	188,463	-	188,463	238,337	-	238,337
Other Debtors:						
Amounts due from group undertakings	-	-	-	-	-	-
Other	11,019	-	11,019	18,842	-	18,842
Total Amounts falling due after one year	204,679	-	204,679	268,654	-	268,654
	868,989	7,508	876,497	1,279,201	7,508	1,286,709

7.3 Funds at Lloyd's

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

	Syndicate Participation	Corporate	2017 Total	Syndicate Participation	Corporate	2016 Total
	£	£	£	£	£	£
Cash	-	520,511	520,511	-	405	405
Investments	-	230,073	230,073	-	169,635	169,635
	-	750,584	750,584	-	170,040	170,040

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

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

7.4 **Creditors**

			2017			Restated 2016
	Syndicate Participation	Corporate	Total	Syndicate Participation	Corporate	Total
	£	£	£	£	£	£
Amounts falling due within one year:						
Arising out of direct insurance operations	59,635	-	59,635	60,963	-	60,963
Arising out of reinsurance operations	171,243	-	171,243	192,191	-	192,191
Amounts owed to credit institutions	8,681	-	8,681	-	-	-
Other creditors:						
Corporation tax	-	47,715	47,715	-	110,346	110,346
Directors' loan accounts	-	40,787	40,787	-	40,786	40,786
Third party funds	-	-	-	-	-	-
Other creditors	140,083	-	140,083	233,564	-	233,564
Amount due to group undertakings	-	-	-	-	-	-
Total Amounts falling due within one year	379,642	88,502	468,144	486,718	151,132	637,850
Amounts falling due after one year:						
Arising out of direct insurance operations	349	-	349	658	-	658
Arising out of reinsurance operations	57,886	-	57,886	75,581	-	75,581
Amounts owed to credit institutions	-	-	-	-	-	-
Other creditors:						
Corporation tax	-	-	-	-	-	-
Directors' loan accounts	-	-	-	-	-	-
Third party funds	-	-	-	-	-	-
Other creditors	19,379	-	19,379	28,536	-	28,536
Amount due to group undertakings	-	-	-	-	-	-
Total Amounts falling due after one year	77,614	-	77,614	104,775	-	104,775
	457,256	88,502	545,758	591,493	151,132	742,625

7. Financial Instruments and Financial Risk Management (continued)

7.5 Classification of Financial Instruments

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

Other financial investments – Syndicate participation

	At fair value through profit or loss 2017 £	At amortised cost 2017 £	Total 2017 £	At fair value through profit or loss 2016 £	At amortised cost 2016 £	Total 2016 £
Financial assets						
Investments	2,059,211	-	2,059,211	2,466,353	-	2,466,353
Deposits with ceding undertakings	-	139	139	-	140	140
Insurance debtors	-	262,792	262,792	-	434,805	434,805
Reinsurance debtors	-	450,276	450,276	-	556,985	556,985
Other debtors	-	155,921	155,921	-	287,411	287,411
Cash at bank and in hand	-	109,760	109,760	-	129,711	129,711
Other assets	188,467	-	188,467	183,054	-	183,054
	2,247,678	978,888	3,226,566	2,649,407	1,409,052	4,058,459
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative financial instruments	117	-	117	462	-	462
Insurance creditors	-	59,984	59,984	-	61,621	61,621
Reinsurance creditors	-	229,129	229,129	-	267,772	267,772
Amounts owed to credit institutions	-	8,681	8,681	-	-	-
Other creditors	-	-	-	-	-	-
	117	297,794	297,911	462	329,393	329,855

Other financial investments – Corporate

	At fair value through profit or loss 2017 £	At amortised cost 2017 £	Total 2017 £	At fair value through profit or loss Restated 2016 £	At amortised cost Restated 2016 £	Total Restated 2016 £
Financial assets						
Investments	230,073	-	230,073	226,026	-	226,026
Other debtors	-	7,508	7,508	-	7,508	7,508
Cash at bank and in hand	-	622,350	622,350	-	536,734	536,734
Other assets	-	-	-	-	-	-
	230,073	629,858	859,931	226,026	544,242	770,268
Financial liabilities						
Other creditors	-	88,502	88,502	-	151,132	151,132
	-	88,502	88,502	-	151,132	151,132

7. Financial Instruments and Financial Risk Management (continued)

7.5 Classification of Financial Instruments (continued)

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

	2017 Notional amount £	2017 Fair value £	Restated 2016 Notional amount £	Restated 2016 Fair value £
Foreign exchange forward contracts	137,167	4,625	117,266	3,742
Interest rate future contracts	15,523	30	13,817	(16)
Foreign exchange options	-	-	-	-
Equity options	-	-	-	-
Foreign exchange contract for difference	40,876	293	25,733	(322)
Other	7,272	(6)	1,937	347
	200,838	4,942	158,753	3,751

7.6 Financial Instruments held at fair value through profit or loss

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

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

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

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

7. Financial Instruments and Financial Risk Management (continued)

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

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

Other financial investments – Syndicate participation

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2017						
Financial assets						
Shares and other variable yield securities and units in unit trusts	98,152	200,480	9,867	308,499	-	308,499
Debt securities and other fixed income securities	555,495	1,099,536	-	1,655,031	-	1,655,031
Participation in investment pools	39,562	18,952	13,024	71,538	-	71,538
Loans and deposits with credit institutions	9,561	2,506	-	12,067	-	12,067
Overseas deposits	49,448	139,445	4,824	193,717	-	193,717
Derivatives	330	4,612	-	4,942	-	4,942
Other investments	-	16	-	16	-	16
Financial assets classified as held for sale	-	-	-	-	-	-
	752,548	1,465,547	27,715	2,245,810	-	2,245,810
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative liabilities	112	5	-	117	-	117
Financial liabilities classified as held for sale	-	-	-	-	-	-
	112	5	-	117	-	117

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

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

Other financial investments – Syndicate participation (continued)

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2016						
Financial assets						
Shares and other variable yield securities and units in unit trusts	126,544	273,248	159	399,951	-	399,951
Debt securities and other fixed income securities	683,283	1,297,523	-	1,980,806	-	1,980,806
Participation in investment pools	22,268	14,409	16,535	53,212	-	53,212
Loans and deposits with credit institutions	9,624	10,355	-	19,979	-	19,979
Overseas deposits	56,409	127,890	5,630	189,929	-	189,929
Derivatives	145	3,606	-	3,751	-	3,751
Other investments	-	-	19	19	-	19
Financial assets classified as held for sale	-	-	-	-	-	-
	898,273	1,727,031	22,343	2,647,647	-	2,647,647
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative liabilities	59	403	-	462	-	462
Financial liabilities classified as held for sale	-	-	-	-	-	-
	59	403	-	462	-	462

Other financial investments – Corporate

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2017						
Financial assets						
Shares and other variable yield securities and units in unit trusts	230,073	-	-	230,073	-	230,073
Debt securities and other fixed income securities	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
	230,073	-	-	230,073	-	230,073

7. Financial Instruments and Financial Risk Management (continued)

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

Other financial investments – Corporate (continued)

Restated	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2016						
Financial assets						
Shares and other variable yield securities and units in unit trusts	226,026	-	-	226,026	-	226,026
Debt securities and other fixed income securities	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
	226,026	-	-	226,026	-	226,026

7.7 Financial Risk Management

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

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

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

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

7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

Credit risk

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

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

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

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

Syndicate participation	AAA	AA	A	BBB or lower	Not rated	Total
	£	£	£	£	£	£
2017						
Shares and other variable yield securities and units in unit trusts	48,051	28,136	71,539	32,071	128,702	308,499
Debt securities and other fixed income securities	254,709	480,773	571,271	317,264	31,014	1,655,031
Participation in investment pools	44,413	9,498	4,955	877	11,795	71,538
Loans secured with credit institutions	2,439	49	-	-	-	2,488
Deposits with credit institutions	-	81	9,498	-	-	9,579
Overseas deposits	99,276	50,099	15,220	18,548	10,574	193,717
Derivative investments	3	-	30	381	4,528	4,942
Other investments	-	-	-	-	16	16
Deposits with ceding undertakings	-	-	-	-	139	139
Reinsurers share of claims outstanding	-	167,939	589,806	4,207	48,192	810,144
Reinsurance debtors	-	4,576	18,270	-	9,244	32,090
Cash at bank and in hand	196	11,454	70,373	26,385	1,352	109,760
Insurance debtors	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
	449,087	752,605	1,350,962	399,733	245,556	3,197,943

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7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

Syndicate participation	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
2016						
Shares and other variable yield securities and units in unit trusts	74,734	41,461	116,110	20,766	146,880	399,951
Debt securities and other fixed income securities	413,934	544,305	660,092	335,607	26,868	1,980,806
Participation in investment pools	15,473	18,232	4,056	246	15,205	53,212
Loans secured with credit institutions	3,199	7,135	-	-	-	10,334
Deposits with credit institutions	-	2,076	7,569	-	-	9,645
Overseas deposits	102,966	47,954	14,629	16,477	7,903	189,929
Derivative investments	-	-	2	143	3,606	3,751
Other investments	-	-	-	-	19	19
Deposits with ceding undertakings	-	-	-	-	140	140
Reinsurers share of claims outstanding	9,239	126,492	420,941	9,990	23,618	590,280
Reinsurance debtors	4,647	10,782	12,517	1,537	2,417	31,900
Cash at bank and in hand	41	(5,420)	99,296	35,732	62	129,711
Insurance debtors	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
	624,233	793,017	1,335,212	420,498	226,718	3,399,678

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

Syndicate participation	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
2017						
Shares and other variable yield securities and units in unit trusts	308,499	-	-	-	-	308,499
Debt securities and other fixed income securities	1,655,031	-	-	-	-	1,655,031
Participation in investment pools	71,538	-	-	-	-	71,538
Loans secured with credit institutions	2,488	-	-	-	-	2,488
Deposits with credit institutions	9,579	-	-	-	-	9,579
Overseas deposits	193,717	-	-	-	-	193,717
Derivative investments	4,942	-	-	-	-	4,942
Other investments	16	-	-	-	-	16
Deposits with ceding undertakings	139	-	-	-	-	139
Reinsurers share of claims outstanding	810,644	-	-	-	(500)	810,144
Reinsurance debtors	16,140	14,431	854	694	(29)	32,090
Cash at bank and in hand	109,760	-	-	-	-	109,760
Insurance debtors	233,587	15,648	3,725	10,347	(515)	262,792
Other debtors	807,307	909	39	13	-	808,268
	4,223,387	30,988	4,618	11,054	(1,044)	4,269,003

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

7.7 **Financial Risk Management (continued)**

Syndicate participation	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
2016						
Shares and other variable yield securities and units in unit trusts	399,951	-	-	-	-	399,951
Debt securities and other fixed income securities	1,980,806	-	-	-	-	1,980,806
Participation in investment pools	53,212	-	-	-	-	53,212
Loans secured with credit institutions	10,334	-	-	-	-	10,334
Deposits with credit institutions	9,645	-	-	-	-	9,645
Overseas deposits	189,929	-	-	-	-	189,929
Derivative investments	3,751	-	-	-	-	3,751
Other investments	19	-	-	-	-	19
Deposits with ceding undertakings	140	-	-	-	-	140
Reinsurers share of claims outstanding	590,280	-	-	-	-	590,280
Reinsurance debtors	21,183	9,309	73	1,083	252	31,900
Cash at bank and in hand	129,711	-	-	-	-	129,711
Insurance debtors	389,817	27,849	5,424	12,427	(712)	434,805
Other debtors	1,174,598	1,331	59	456	-	1,176,444
	4,953,376	38,489	5,556	13,966	(460)	5,010,927

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

Liquidity risk

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

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

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

Syndicate participation	No stated maturity £	Less than 1 year £	1 to 3 years £	3 to 5 years £	Greater than 5 years £	Total £
2017						
Derivative financial instruments	-	117	-	-	-	117
Deposits received from reinsurers	-	230	-	-	-	230
Provisions for other risks and charges	-	-	-	-	-	-
Claims outstanding	18,849	1,134,238	1,141,818	490,883	518,447	3,304,235
Creditors	2,597	314,219	64,037	14,556	6	395,415
Other	-	-	-	-	-	-
	21,446	1,448,804	1,205,855	505,439	518,453	3,699,997

7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

Syndicate participation	No stated maturity £	Less than 1 year £	1 to 3 years £	3 to 5 years £	Greater than 5 years £	Total £
2016						
Derivative financial instruments	-	462	-	-	-	462
Deposits received from reinsurers	-	263	-	-	-	263
Provisions for other risks and charges	-	-	-	-	-	-
Claims outstanding	-	992,102	1,160,346	499,919	578,652	3,231,019
Creditors	3,180	350,119	90,335	10,446	1,972	456,052
Other	-	-	-	-	-	-
	3,180	1,342,946	1,250,681	510,365	580,624	3,687,796

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

Interest rate risk

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

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

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

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

Syndicate participation

	2017 £	2016 £
Impact of 50 basis point increase on profit or loss	(18,115)	(21,482)
Impact of 50 basis point decrease on profit or loss	17,805	20,731
Impact of 50 basis point increase on equity	(18,115)	(21,482)
Impact of 50 basis point decrease on equity	17,805	20,731

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

Equity price risk

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

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

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

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

7.7 **Financial Risk Management (continued)**

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

Syndicate participation

	2017 £	2016 £
Impact on profit or loss of 5% increase in Stock Market Prices	871	1,617
Impact on profit or loss of 5% decrease in Stock Market Prices	(876)	(1,609)
Impact on equity of 5% increase in Stock Market Prices	871	1,617
Impact on equity of 5% decrease in Stock Market Prices	(876)	(1,609)

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

Currency risk

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

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

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

Net assets and liabilities

	2017		Restated 2016	
	Syndicate Participation £	Corporate £	Syndicate Participation £	Corporate £
Sterling	(398,829)	404,679	(466,920)	366,671
United States Dollar	39,773	307,357	259,150	115,372
Euro	65,111	-	98,090	-
Canadian Dollar	157,554	-	250,855	-
Australian Dollar	31,970	-	40,225	-
Japanese Yen	776	-	(4,415)	-
Other	364	-	870	-

7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

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

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

	Corporate Profit and loss			
	31 December 2017		31 December 2016	
	Increase	Decrease	Increase	Decrease
Effect of sterling exchange movement by 10%	£	£	£	£
United States Dollar	27,942	(34,151)	10,488	(12,819)
Euro	-	-	-	-
Canadian Dollar	-	-	-	-
Australian Dollar	-	-	-	-
Japanese Yen	-	-	-	-
Other	-	-	-	-

7.8 Capital Management

Lloyd's capital setting process

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

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

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

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

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

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

8. Insurance Contracts

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

	Gross provision £	Reinsurance asset £	2017 Net £	Gross provision £	Reinsurance asset £	2016 Net £
At 1 January	3,231,019	590,280	2,640,739	2,636,378	394,606	2,241,772
Movements in the year	282,712	238,951	43,761	224,483	125,098	99,385
Exchange differences	(209,496)	(19,087)	(190,409)	370,158	70,576	299,582
At 31 December	3,304,235	810,144	2,494,091	3,231,019	590,280	2,640,739

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

	Gross provision £	Reinsurance asset £	2017 Net £	Gross provision £	Reinsurance asset £	2016 Net £
At 1 January	1,027,685	126,827	900,858	881,146	92,246	788,900
Movements in the year	(369,625)	(34,970)	(334,655)	34,856	20,043	14,813
Exchange differences	(57,743)	(10,198)	(47,545)	111,683	14,538	97,145
At 31 December	600,317	81,659	518,658	1,027,685	126,827	900,858

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

	2017 £	2016 £
At 1 January	269,665	228,391
Movements in the year	(88,755)	10,898
Exchange differences	(3,164)	30,376
At 31 December	177,746	269,665

8.1 Risks arising from Insurance Contracts

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

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

8. **Insurance Contracts (continued)**

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

Claims development – gross

Reporting year	2013 and prior £	2014 £	2015 £	2016 £	2017 £	Total £
Estimate of cumulative claims						
At end of reporting year	2,043,156	515,013	523,777	623,002	605,770	4,310,718
One year later	3,241,453	940,903	1,078,414	1,323,471	-	6,584,241
Two years later	3,265,568	991,596	1,148,055	-	-	5,405,219
Three years later	3,208,707	963,610	-	-	-	4,172,317
Four years later	3,166,039	-	-	-	-	3,166,039
Five years later	-	-	-	-	-	-
Cumulative payments to date	2,621,774	661,746	593,456	470,074	110,236	4,457,286
Estimated balance to pay	1,098,842	301,864	554,599	853,397	495,534	3,304,236

	2012 and prior in 2015 £	2013 and prior in 2016 £	2014 and prior in 2017 £
RITC received at 24 months	5,122,676	-	-
Reserve strengthening/(reduction) in subsequent 12 months	(224,872)	-	-
Paid in subsequent 12 months	(1,059,734)	-	-
Prior years RITC at 36 months	3,838,070	-	-

Claims development – net

Reporting year	2013 and prior £	2014 £	2015 £	2016 £	2017 £	Total £
Estimate of cumulative claims						
At end of reporting year	1,732,170	454,588	460,256	516,506	387,461	3,550,981
One year later	2,822,259	839,296	957,818	1,069,696	-	5,689,069
Two years later	2,792,654	875,637	1,007,861	-	-	4,676,152
Three years later	2,701,074	847,110	-	-	-	3,548,184
Four years later	2,652,178	-	-	-	-	2,652,178
Five years later	-	-	-	-	-	-
Cumulative payments to date	2,217,814	609,498	544,007	420,596	89,572	3,881,487
Estimated balance to pay	845,635	237,612	463,854	649,100	297,889	2,494,090

8. Insurance Contracts (continued)

8.1 Risks arising from Insurance Contracts (continued)

	2012 and prior in 2015	2013 and prior in 2016	2014 and prior in 2017
	£	£	£
RITC received at 24 months	4,077,465	-	-
Reserve strengthening/(reduction) in subsequent 12 months	(289,289)	-	-
Paid in subsequent 12 months	(738,894)	-	-
Prior years RITC at 36 months	3,049,282	-	-

9. Called-up Share Capital

Issued and fully paid	At 1 January	Issued during the year	Redeemed during the year	At 31 December
Par value per share				
Ordinary £1 shares	100	-	-	100
Total	100	-	-	100

The Ordinary £1 shares each hold one voting right. There are no restrictions on the distribution of dividends and the repayments of capital.

10. Profit and Loss Account

	Syndicate Participation	Corporate	2017 Total	Syndicate Participation	Corporate	Restated 2016 Total
	£	£	£	£	£	£
Retained profit/(loss) brought forward	189,883	482,762	672,645	324,062	(1,721)	322,341
Reallocate distribution	(259,312)	259,312	-	(277,169)	277,169	-
Profit/(loss) for the financial year	(8,719)	(29,630)	(38,349)	142,990	207,314	350,304
Equity dividends	-	-	-	-	-	-
Retained profit/(loss) carried forward	(78,148)	712,444	634,296	189,883	482,762	672,645

11. Deferred Tax

	Syndicate Results £	Tax losses £	Claims Equalisation Reserve £	Other £	2017 Total £
At 1 January	36,726	-	66,131	(3,003)	99,854
Movement in the year	(49,290)	-	(13,875)	(2,659)	(65,824)
At 31 December	(12,564)	-	52,256	(5,662)	34,030

	Syndicate Results £	Tax losses £	Claims Equalisation Reserve £	Other £	Restated 2016 Total £
At 1 January	64,567	(8,402)	81,808	(3,062)	134,911
Movement in the year	(27,841)	8,402	(15,677)	59	(35,057)
At 31 December	36,726	-	66,131	(3,003)	99,854

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

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

12. Related Party Disclosure

During the year the Directors made loans to and from the Company. At the Balance Sheet date the amount due (to)/from the Company was £40,786 (2016: £(15,000)).

Any related party loans and balances do not attract interest and are repayable on demand.

13. Ultimate Controlling Party

No individual party has overall control of the Company.