

Registered Number 3641073

WIESCO LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

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Directors	C H Wiese APCL Corporate Director No. 1 Limited APCL Corporate Director No. 2 Limited
Company Secretary	Argenta Secretariat Limited
Registered Office	5th Floor 70 Gracechurch Street London EC3V 0XL
Bankers	Metro Bank One Southampton Row London EC1B 5HA
Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Registered Number	3641073

The Directors have pleasure in presenting their Report together with the Financial Statements for the year ended 31 December 2022.

Results and Dividends

The results for the year are set out on pages 10 and 11 of the Financial Statements. An interim dividend of £- was paid in the year (2021: £Nil). The Directors do not recommend the payment of a final dividend.

Directors

The Directors of the Company in office during the year were as follows:

C H Wiese
APCL Corporate Director No. 1 Limited
APCL Corporate Director No. 2 Limited

Disclosure of Information to the Auditor

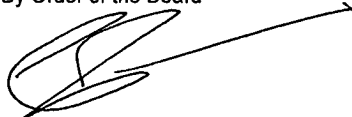
In the case of each of the persons who are Directors at the time this report is approved, the following applies:

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

Auditor

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

By Order of the Board



C H Wiese

Date: 28/11/2023

The Directors have pleasure in presenting the Strategic Report together with the Financial Statements for the year ended 31 December 2022.

Review of the Business

The principal activity of the Company in the period under review was that of a corporate underwriting member of Lloyd's.

The Financial Statements incorporate the annual accounting results of the syndicates on which the Company participates for the 2020, 2021 and 2022 years of account and any years of account in run-off.

The annual accounting technical result for the year is a profit of £105,562 (2021 – profit of £416,500).

The underwriting profit in 2022 includes the benefit from prior year releases and the impact of major claims. 2022 was significantly impacted by investment losses following the increases in interest rates seen across the globe.

The 2020 year closed at 31 December 2022 with a loss, inclusive of any calendar year run-off movements, of £59,375 (2019 profit - £64,274). The 2021 and 2022 open underwriting account will normally close at 31 December 2023 and 2024.

Future Developments

The Company continues to write insurance business in the Lloyd's insurance market as a corporate underwriting member of Lloyd's. The capacity being underwritten on the 2023 year of account is £21,690,055 an increase of £3,258,620 (18%) compared to the 2022 year of account.

Key Performance Indicators

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

	2022	2021	Change
Capacity (youngest underwriting year)	18,431,435	13,019,608	42%
Profit / (Loss) after tax	(800,686)	713,374	(1,514,060)
Underwriting profit of latest closed pure year	137,039	(291,658)	428,697
as a % of capacity	1%	(2)%	3%

Other Performance Indicators

As a result of the nature of this Company as a Lloyd's Corporate Member the majority of its activities are carried out by the Syndicates in which it participates. The company is not involved directly in the management of the Syndicate's activities, including employment of Syndicate staff, as these are the responsibility of the relevant Managing Agent. Each Managing Agent will also have responsibility for the environmental activities of each Syndicate, although by their nature insurers do not produce significant environmental emissions. As a result, the Directors of the Company do not consider it appropriate to monitor and report any performance indicators in relation to staff or environmental matters.

Risk Management

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

Section 172(1) Statement

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

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

The Company itself undertakes very few transactions. The Company does not employ any staff and the only suppliers are those who provide services for the administration of the Company. The Directors ensure supplier invoices are paid on time in line with any agreed terms. The Directors work very closely with the Members of the Company to discuss all significant decisions, including the selection of which syndicates to participate.

The Company and the syndicates are required to operate within the guidelines and code of conduct of the Lloyd's market. Behind the Lloyd's market is the Corporation of Lloyd's, an independent organisation and regulator that acts to protect and maintain the market's reputation.

By Order of the Board



C.H. Wiese

Date:

28 November 2023

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Independent Auditor's Report to the Shareholders of Wiesco Limited**Opinion**

We have audited the financial statements of Wiesco Limited (the 'company') for the year ended 31 December 2022 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, the 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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.

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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Shareholders of Wiesco Limited**Opinion on other matter prescribed by the Companies Act 2006**

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's Report to the Shareholders of Wiesco Limited**Auditor's responsibilities for the audit of the financial statements**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we have undertaken to detect irregularities, including fraud, are detailed below:

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussion with management and the application of our knowledge and experience of the sector in which the company operates in. We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006, Lloyd's byelaws as they relate to the company and UK taxation legislation.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:

- o discussion with management of any known, or suspected instances, of non-compliance by the company with those laws and regulations;
 - o discussion with management of any, or suspected, incidence of fraud;
 - o review of the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
 - o review of the minutes of the board of directors and other correspondence as we deemed appropriate; and
 - o review and testing of the system of controls established by management to ensure the accuracy of the financial statements.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of Our Report

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



Thomas Seaman (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 1 December 2023

TECHNICAL ACCOUNT - GENERAL BUSINESS

	Note	2022	2021
Gross Premiums Written	3	20,906,021	15,026,222
Outward reinsurance premiums		(4,403,926)	(3,811,863)
Net Premiums Written		16,502,095	11,214,359
Change in the provision for unearned premiums			
Gross provision	5	(1,868,684)	(748,312)
Reinsurers' share	5	105,413	83,589
Earned Premiums, Net of Reinsurance		14,738,824	10,549,636
Allocated Investment Return Transferred from the Non-Technical Account		(544,438)	27,776
Claims Paid			
Gross amount		(7,882,504)	(7,774,907)
Reinsurers' share		2,032,267	2,135,415
Net claims paid		(5,850,237)	(5,639,492)
Change in Provision for Claims			
Gross amount	5	(4,831,171)	(1,216,251)
Reinsurers' share	5	1,637,873	620,494
Net change in provision for claims		(3,193,298)	(595,757)
Claims Incurred, Net of Reinsurance		(9,043,535)	(6,235,249)
Net operating expenses	6	(5,045,289)	(3,925,663)
Balance on Technical Account for General Business		£105,562	£416,500

All the amounts above relate to continuing operations.

The Accounting Policies and Notes on pages 16 to 37 form part of these Financial Statements.

NON TECHNICAL ACCOUNT

	Note	2022	2021
Balance on the General Business Technical Account		105,562	416,500
Investment income	7	449,913	338,537
Unrealised gains on investments	7	1,136,754	314,490
Investment expenses and charges	7	(291,276)	(93,038)
Unrealised losses on investments	7	(2,447,498)	326,627
Allocated investment return transferred to the general business technical account		544,438	(27,776)
Other income		-	-
Profit/(Loss) on exchange - syndicates		(70,761)	(22,461)
Other charges		(441,586)	(539,561)
Profit/(Loss) on Ordinary Activities before Taxation	8	(1,014,454)	713,318
Tax on profit/(loss) on ordinary activities	9	213,768	56
Profit/(Loss) on Ordinary Activities after Taxation	15	<u>£(800,686)</u>	<u>£713,374</u>

All operations are continuing.

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

STATEMENT OF COMPREHENSIVE INCOME

	2022	2021
Profit/(Loss) for the financial year	(800,686)	713,374
Other Comprehensive income:		
Currency translation differences	-	-
	<u>£(800,686)</u>	<u>£713,374</u>

The Accounting Policies and Notes on pages 16 to 37 form part of these Financial Statements.

		2022			2021		
	Note	Syndicate Participation	Corporate	Total	Syndicate Participation	Corporate	Total
ASSETS							
Intangible Assets							
Syndicate participation rights	10	-	259,376	259,376	-	397,385	397,385
Investments							
Financial investments	11	18,196,969	5,808,630	24,005,599	14,446,231	6,467,046	20,913,277
Deposits with ceding undertakings		66,296	-	66,296	97,555	-	97,555
		<u>18,263,265</u>	<u>5,808,630</u>	<u>24,071,895</u>	<u>14,543,786</u>	<u>6,467,046</u>	<u>21,010,832</u>
Reinsurers' Share of Technical Provisions							
Provision for unearned premiums	5	1,559,220	-	1,559,220	1,300,682	-	1,300,682
Claims outstanding	5	9,106,449	-	9,106,449	6,674,456	-	6,674,456
		<u>10,665,669</u>	<u>-</u>	<u>10,665,669</u>	<u>7,975,138</u>	<u>-</u>	<u>7,975,138</u>
Debtors							
Arising out of direct insurance operations							
Policyholders		33	-	33	33	-	33
Intermediaries		5,283,051	-	5,283,051	4,061,731	-	4,061,731
Arising out of reinsurance operations							
Other debtors	12	4,940,683	-	4,940,683	3,298,906	-	3,298,906
		<u>885,261</u>	<u>586,268</u>	<u>1,471,529</u>	<u>593,858</u>	<u>354,387</u>	<u>948,245</u>
	12	<u>11,109,028</u>	<u>586,268</u>	<u>11,695,296</u>	<u>7,954,528</u>	<u>354,387</u>	<u>8,308,915</u>
Other Assets							
Cash at bank and in hand	13	789,563	3,165,842	3,955,405	911,901	1,294,369	2,206,270
Other		1,336,565	-	1,336,565	1,182,554	-	1,182,554
		<u>2,126,128</u>	<u>3,165,842</u>	<u>5,291,970</u>	<u>2,094,455</u>	<u>1,294,369</u>	<u>3,388,824</u>
Prepayments and Accrued Income							
Accrued interest		55,033	-	55,033	38,835	-	38,835
Deferred acquisition costs	5	2,097,324	-	2,097,324	1,606,629	-	1,606,629
Other prepayments and accrued income		107,790	-	107,790	83,264	-	83,264
		<u>2,260,147</u>	<u>-</u>	<u>2,260,147</u>	<u>1,728,728</u>	<u>-</u>	<u>1,728,728</u>
Total Assets		<u>£44,424,237</u>	<u>£9,820,116</u>	<u>£54,244,353</u>	<u>£34,296,635</u>	<u>8,513,187</u>	<u>£42,809,822</u>

The Accounting Policies and Notes on pages 16 to 37 form part of these Financial Statements.

		2022			2021		
	Note	Syndicate Participation	Corporate	Total	Syndicate Participation	Corporate	Total
LIABILITIES AND SHAREHOLDERS' FUNDS							
Capital and Reserves							
Called-up share capital	14	-	500	500	-	500	500
Share Premium Account		-	-	-	-	-	-
Profit and Loss Account	15	(648,141)	(239,985)	(888,126)	(617,474)	530,034	(87,440)
Total Shareholders' Funds	16	<u>(648,141)</u>	<u>(239,485)</u>	<u>(887,626)</u>	<u>(617,474)</u>	<u>530,534</u>	<u>(86,940)</u>
Technical Provisions							
Provision for unearned premiums	5	9,268,197	-	9,268,197	6,728,489	-	6,728,489
Claims outstanding - gross amount	5	30,123,874	-	30,123,874	23,370,636	-	23,370,636
		<u>39,392,071</u>	<u>-</u>	<u>39,392,071</u>	<u>30,099,125</u>	<u>-</u>	<u>30,099,125</u>
Provisions for Other Risks							
Deferred Taxation	17	-	-	-	-	-	-
Deposits Received from Reinsurers							
		105,507	-	105,507	152,984	-	152,984
Creditors							
Arising out of direct insurance operations		349,594	-	349,594	283,250	-	283,250
Arising out of reinsurance operations		4,194,962	-	4,194,962	2,983,293	-	2,983,293
Amounts owed to credit institutions		-	-	-	-	-	-
Other creditors	18	703,939	9,733,009	10,436,948	1,103,506	7,929,361	9,032,867
		<u>5,248,495</u>	<u>9,733,009</u>	<u>14,981,504</u>	<u>4,370,049</u>	<u>7,929,361</u>	<u>12,299,410</u>
Accruals and Deferred Income		326,305	326,592	652,897	291,951	53,292	345,243
Total Liabilities		<u>£44,424,237</u>	<u>£9,820,116</u>	<u>£54,244,353</u>	<u>£34,296,635</u>	<u>£8,513,187</u>	<u>42,809,822</u>

Approved by the Board on 28 November 2023


C H Wiese

The Accounting Policies and Notes on pages 16 to 37 form part of these Financial Statements.

WIESCO LIMITED**STATEMENT OF CHANGES IN EQUITY**
Year Ended 31 December 2022

	Share capital	Share premium account	Profit and Loss account	Total
At 1 January 2021	500	-	(800,813)	(800,313)
Profit/(loss) for the financial year	-	-	713,374	713,374
Other comprehensive income	-	-	-	-
Dividends paid	-	-	-	-
Proceeds from issues of shares	-	-	-	-
At 31 December 2021	£500	£-	£(87,440)	£(86,940)
At 1 January 2022	500	-	(87,440)	(86,940)
Profit/(loss) for the financial year	-	-	(800,686)	(800,686)
Other comprehensive income	-	-	-	-
Dividends paid	-	-	-	-
Proceeds from issues of shares	-	-	-	-
At 31 December 2022	£500	£-	£(888,126)	£(887,626)

The Accounting Policies and Notes on pages 16 to 37 form part of these Financial Statements.

	Note	2022	2021
Net Cash from Operating Activities			
	19	34,199	(826,994)
Corporation Tax received / (paid)		-	1
Overseas Taxation paid		(7,942)	(2,712)
Taxation paid		(7,942)	(2,711)
Net cash generated from operating activities		26,257	(829,705)
Cash flow from investing activities			
Purchase of syndicate participations rights		-	(385,047)
Proceeds from sale of syndicate participations rights		-	-
Proceeds/(Purchase) of financial assets		-	(1,888,527)
Interest and dividends received		50,748	26,296
Interest paid on related party loan		-	-
Net Cash Inflow/(Outflow) from Investing Activities		50,748	(2,247,278)
		77,005	(3,076,983)
Financing			
Equity Dividends Paid		-	-
Funds lent by the Company to the Shareholders to meet expenses and cash calls		1,794,468	1,372,981
Net Cash (Outflow) from Financing		1,794,468	1,372,981
Net Cash inflow/(outflow) in the year		£1,871,473	£(1,704,002)
Decrease/increase in cash and cash equivalents		1,871,473	(1,704,002)
Cash and cash equivalents at beginning of year		1,294,369	2,998,371
Cash and cash equivalents at the end of the year		£3,165,842	£1,294,369

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 16 to 37 form part of these Financial Statements.

General information

The Company is a private company limited by shares that was incorporated in England and whose registered office is 5th Floor, 70 Gracechurch Street, London, EC3V 0XL. The Company participates in insurance business as an underwriting member of various syndicates at Lloyd's.

Accounting Policies**Basis of Preparation**

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

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

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

Going Concern

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

The Company continues to participate on the 2021 and 2022 underwriting years of account, which will normally close at 31 December 2023 and 2024 respectively, and has continued this participation since the year end on the 2023 year of account. The Company has significant funds to support its underwriting through Fund at Lloyd's and these funds are in place to meet its underwriting obligations.

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

Basis of Accounting

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

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

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

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

General Business**i. Premiums**

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

ii. Unearned Premiums

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

iii. Deferred Acquisition Costs

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

iv. Reinsurance Premiums

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

v. Claims Incurred and Reinsurers' Share

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

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

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

Accordingly the two most critical assumptions made by each syndicates managing agent as regards claims provisions are that the past is a reasonable predictor of the likely level of claims development and that the rating and other models used including pricing models for recent business are reasonable indicators of the likely level of ultimate claims to be incurred.

v. Claims Incurred and Reinsurers' Share (continued)

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

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

vi. Unexpired Risks Provision

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

vii. Closed Years of Account

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

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

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

viii. Run-off Years of Account

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

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

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

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

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

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

xi. **Financial assets and financial liabilities**

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

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

Recognition

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

Initial measurement

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

Subsequent measurement

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

xi. Financial assets and financial liabilities (continued)

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

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

Derecognition of financial assets and liabilities

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

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

Fair value measurement

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

Impairment of financial instruments measured at amortised cost or cost

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

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

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

xii. Investment Return

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

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

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

xiii. Basis of Currency Translation

The functional and presentational currency of the Company is sterling.

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

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

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

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

Taxation

The company is taxed on its results including its share of underwriting results declared by the syndicates and these are deemed to accrue evenly over the calendar year in which they are declared. The syndicate results included in these financial statements are only declared for tax purposes in the calendar year following the normal closure of the year of account. No provision is made for corporation tax in relation to open years of account. However, full provision is made for deferred tax on underwriting results not subject to current corporation tax.

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

Deferred Taxation

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

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

Intangible Assets

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

Cash and cash equivalents

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

Share capital

Ordinary share capital is classified as equity.

Distributions

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

1 Key accounting judgements and estimation uncertainties

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

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

The management and control of each Syndicate is carried out by the managing agent of that Syndicate, and the Company looks to the managing agent to implement appropriate policies, procedures and internal controls to manage each Syndicate.

2 Risk management

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

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

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

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

Syndicate risks**i. Liquidity risk**

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

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

ii. Credit risk

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

	AAA	AA	A	BBB or lower	Not rated	Total
2022						
Deposits with ceding undertakings	-	-	66,296	-	-	66,296
Reinsurers share of claims outstanding	401,386	2,797,149	5,518,894	45,911	343,109	9,106,449
Reinsurance debtors	1,060,294	1,002,442	2,562,827	20,041	295,079	4,940,683
Total	£1,461,680	£3,799,591	£8,148,017	£65,952	£638,188	£14,113,428

2 Risk management (continued)

Syndicate risks (continued)

ii. Credit risk (continued)

	AAA	AA	A	BBB or lower	Not rated	Total
2021						
Deposits with ceding undertakings	-	-	97,555	-	-	97,555
Reinsurers share of claims outstanding	154,755	1,938,028	4,113,860	104,409	363,404	6,674,456
Reinsurance debtors	50,785	951,053	1,762,445	233,552	301,071	3,298,906
Total	£205,540	£2,889,081	£5,973,860	£337,961	£664,475	£10,070,917

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

	Neither due nor impaired	Up to three months	Three months to one year	Greater than one year	Financial assets that have been impaired	Total
2022						
Deposits with ceding undertakings	66,296	-	-	-	-	66,296
Reinsurers share of claims outstanding	9,106,449	-	-	-	-	9,106,449
Reinsurance debtors	2,137,872	2,651,232	145,711	5,869	-	4,940,684
Insurance debtors	4,533,813	366,799	316,443	66,029	-	5,283,084
Total	£15,844,430	£3,018,031	£462,154	£71,898	£0	£19,396,513

	Neither due nor impaired	Up to three months	Three months to one year	Greater than one year	Financial assets that have been impaired	Total
2021						
Deposits with ceding undertakings	97,555	-	-	-	-	97,555
Reinsurers share of claims outstanding	6,674,456	-	-	-	-	6,674,456
Reinsurance debtors	1,749,101	1,341,455	178,940	29,571	(161)	3,298,906
Insurance debtors	3,600,517	223,941	172,736	64,574	(4)	4,061,764
Total	£12,121,629	£1,565,396	£351,676	£94,145	£(165)	£14,132,681

iii. Interest rate and equity price risk

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

2 Risk management (continued)**Syndicate risks (continued)****iv. Currency risk**

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

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

	GBP £	USD converted	EUR converted	CAD converted	Other converted	Total
2022						
Total assets	4,947,710	33,024,425	1,634,566	3,612,121	1,205,415	44,424,237
Total liabilities	(5,855,460)	(33,435,216)	(2,130,555)	(2,661,846)	(989,301)	(45,072,378)
Surplus/(deficiency) of assets	£(907,750)	£(410,791)	£(495,989)	£950,275	£216,114	£(648,141)
	GBP £	USD converted	EUR converted	CAD converted	Other converted	Total
2021						
Total assets	5,086,247	23,882,240	1,388,188	2,972,202	967,758	34,296,635
Total liabilities	(6,277,601)	(24,023,028)	(1,709,125)	(2,163,943)	(735,971)	(34,909,668)
Surplus/(deficiency) of assets	£(1,191,354)	£(140,788)	£(320,937)	£808,259	£231,787	£(613,033)

The impact of a 5% change in exchange rates between GBP and other currencies would be £12,980 on the result for the year (2021: £28,916).

Company risks**i. Investment, credit, liquidity and currency risks**

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

ii. Regulatory risks

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

iii. Operational risks

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

3 Class of Business

2022	Gross written premiums	Gross premiums earned	Gross claims incurred	Net operating expenses	Reinsurance balance	Total
Direct						
Accident and health	358,028	339,471	(154,352)	(142,168)	(19,250)	23,701
Motor (third party liability)	66,032	127,823	(96,280)	(30,437)	6,423	7,529
Motor (other classes)	401,762	383,454	(165,134)	(139,078)	(15,749)	63,493
Marine, aviation and transport	1,801,842	1,541,932	(1,063,348)	(529,558)	204,111	153,137
Fire and other damage to property	5,604,259	5,089,098	(2,627,106)	(1,445,580)	(495,092)	521,320
Third party liability	4,986,727	4,697,866	(3,218,845)	(1,395,871)	(27,346)	55,804
Credit and suretyship	509,903	449,868	(257,756)	(137,453)	(14,015)	40,644
Legal expenses	21,482	14,353	(6,519)	(6,245)	698	2,287
Other	541	198	(149)	(2,725)	-	(2,676)
Total Direct	13,750,576	12,644,063	(7,589,489)	(3,829,115)	(360,220)	865,239
Reinsurance Business						
Reinsurance balance	7,155,445	6,393,274	(5,124,186)	(1,216,174)	(268,153)	(215,239)
Total Reinsurance	7,155,445	6,393,274	(5,124,186)	(1,216,174)	(268,153)	(215,239)
Total	£20,906,021	£19,037,337	£(12,713,675)	£(5,045,289)	£(628,373)	£650,000
2021						
Direct						
Accident and health	368,694	372,846	(121,401)	(155,748)	(23,017)	72,680
Motor (third party liability)	167,895	128,998	(82,704)	(29,272)	(14,077)	2,945
Motor (other classes)	305,375	282,042	(82,092)	(118,744)	(55,182)	26,024
Marine, aviation and transport	1,176,287	1,062,572	(472,640)	(396,330)	(65,311)	128,291
Fire and other damage to property	4,221,728	4,106,389	(2,274,277)	(1,195,201)	(454,333)	182,578
Third party liability	3,948,143	3,742,196	(2,708,109)	(1,121,212)	21,246	(65,879)
Credit and suretyship	350,525	297,108	(199,514)	(98,526)	(34,474)	(35,406)
Legal expenses	4,556	4,705	(2,124)	(2,111)	(7)	463
Other	6,523	9,586	903	(8,629)	(1,631)	229
Total Direct	10,549,726	10,006,442	(5,941,958)	(3,125,773)	(626,786)	311,925
Reinsurance Business						
Reinsurance balance	4,476,496	4,271,468	(3,049,200)	(799,890)	(345,579)	76,799
Total Reinsurance	4,476,496	4,271,468	(3,049,200)	(799,890)	(345,579)	76,799
Total	£15,026,222	£14,277,910	£(8,991,158)	£(3,925,663)	£(972,365)	£388,724

4 Geographical Analysis

	2022	2021
Direct Gross Premium Written In		
United Kingdom	13,750,576	10,549,726
Other EU Member States	-	-
Rest of the World	-	-
	<u>£13,750,576</u>	<u>£10,549,726</u>

5 Technical provisions

	Gross	Reinsurance	2022 Net	Gross	Reinsurance	2021 Net
Movement in claims outstanding						
At 1 January	23,370,636	(6,674,456)	16,696,180	21,766,546	(5,980,543)	15,786,003
Movement in technical account	4,831,171	(1,637,873)	3,193,298	1,216,251	(620,494)	595,757
Other movements	1,922,067	(794,120)	1,127,947	387,839	(73,419)	314,420
	<u>£30,123,874</u>	<u>£(9,106,449)</u>	<u>£21,017,425</u>	<u>£23,370,636</u>	<u>£(6,674,456)</u>	<u>£16,696,180</u>

	Gross	Reinsurance	2022 Net	Gross	Reinsurance	2021 Net
Movement in unearned premium						
At 1 January	6,728,489	(1,300,682)	5,427,807	6,016,166	(1,216,895)	4,799,271
Movement in technical account	1,868,684	(105,413)	1,763,271	748,312	(83,589)	664,723
Other movements	671,024	(153,125)	517,899	(35,989)	(198)	(36,187)
	<u>£9,268,197</u>	<u>£(1,559,220)</u>	<u>£7,708,977</u>	<u>£6,728,489</u>	<u>£(1,300,682)</u>	<u>£5,427,807</u>

	2022	2021
Movement in deferred acquisitions costs		
At 1 January	1,606,629	1,499,790
Movement in technical account	392,513	132,287
Other movements	98,182	(25,448)
	<u>£2,097,324</u>	<u>£1,606,629</u>

Included within other movements are foreign exchange movements in restating the opening balances and the effect of the 2019 and prior years' technical provisions being reinsured to close into the 2020 year of account (2021: 2018 and prior years' technical provisions being reinsured to close into the 2019 year of account), to the extent where the Company's syndicate participation portfolio has changed between those two years of account.

Assumptions, changes in assumptions and sensitivity

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

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

5 Technical provisions (continued)

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

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

There have been no changes to these assumptions in 2022.

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

- a 5% increase/decrease in net earned premium (with all other underwriting elements assumed to change pro-rata with premium) will increase/decrease the Company's pre-tax profit/loss by £0.01m (2021: £0.01m);
- a 5% increase/decrease in the managing agents' calculation of gross claims reserves will decrease/increase the Company's pre-tax profit/loss by £1.5m (2021: £1.2m);
- a 5% increase/decrease in the managing agents' calculation of net claims reserves will decrease/increase the Company's pre-tax profit/loss by £1.0m (2021: £0.83m).

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

The historical gross and net claims development is as follows:

Gross basis

Underwriting year	After 12 months	After 24 months	At 31/12/22	Ultimate	Cumulative payments	Total
2013 and prior (including RITC)	2,335,517	4,290,188	6,117,018	6,117,018	(3,919,210)	2,197,808
2014	2,246,460	4,135,046	4,654,080	4,654,080	(4,125,134)	528,946
2015	2,055,074	4,215,101	4,872,540	4,872,540	(4,162,785)	709,755
2016	2,346,036	5,547,513	5,990,180	5,990,180	(4,986,076)	1,004,104
2017	5,249,792	7,930,940	8,806,032	8,806,032	(6,970,932)	1,835,100
2018	4,809,929	8,410,245	9,379,511	9,379,511	(6,816,758)	2,562,753
2019	4,224,944	8,499,157	8,153,676	8,153,676	(5,259,015)	2,894,661
2020	5,281,202	9,506,584	9,822,454	9,822,454	(5,594,961)	4,227,493
2021	5,983,508	10,628,496	-	10,628,496	(3,503,598)	7,124,898
2022	8,128,258	-	-	8,128,258	(1,089,902)	7,038,356
				£76,552,245	£(46,428,371)	£30,123,874

Net basis

Underwriting year	After 12 months	After 24 months	At 31/12/22	Ultimate	Cumulative payments	Total
2013 and prior (including RITC)	1,948,105	3,701,982	5,194,544	5,194,544	(3,387,735)	1,806,809
2014	1,881,592	3,609,195	3,870,386	3,870,386	(3,474,288)	396,098
2015	1,738,122	3,638,188	4,126,098	4,126,098	(3,640,665)	485,433
2016	1,845,893	4,527,742	4,892,841	4,892,841	(4,166,965)	725,876
2017	3,287,060	5,525,081	6,155,059	6,155,059	(4,930,812)	1,224,247
2018	3,227,916	5,929,132	6,605,424	6,605,424	(4,913,644)	1,691,780
2019	2,836,546	6,031,223	5,869,784	5,869,784	(3,824,868)	2,044,916
2020	3,607,358	6,667,360	6,836,850	6,836,850	(3,935,431)	2,901,419
2021	4,058,312	7,365,032	-	7,365,032	(2,596,860)	4,768,172
2022	5,872,381	-	-	5,872,381	(899,706)	4,972,675
				£56,788,399	£(35,770,974)	£21,017,425

6 Net Operating Expenses	2022	2021
Acquisition costs	4,628,515	3,538,370
Change in deferred acquisition costs	(392,513)	(132,287)
Administrative expenses	1,331,574	1,046,959
(Profit)/loss on exchange	-	-
Reinsurers commissions and profit participations	(522,287)	(527,379)
	<u>£5,045,289</u>	<u>£3,925,663</u>

7 Investment Income	2022	2021
Income from investments	359,739	264,832
Realised gains on investments	79,266	73,364
Bank Deposit Interest	10,908	341
	<u>449,913</u>	<u>338,537</u>
Investment income	449,913	338,537
Investment management expenses	13,272	10,182
Losses on the realisation of investments	278,004	82,856
	<u>291,276</u>	<u>93,038</u>
Investment expenses and charges	291,276	93,038
Unrealised gains and losses - net	(1,310,744)	641,117
	<u>£(1,152,107)</u>	<u>£886,616</u>
Total investment return	£(1,152,107)	£886,616

Analysed as follows:

	2022			2021		
	Investments at fair value through profit or loss	Investments available for sale	Total	Investments at fair value through profit or loss	Investments available for sale	Total
Realised gains or losses	(198,738)	-	(198,738)	(9,492)	-	(9,492)
Unrealised gains or losses	(1,310,744)	-	(1,310,744)	641,117	-	641,117
Other relevant income	-	-	-	-	-	-
	<u>£(1,509,482)</u>	<u>£-</u>	<u>£(1,509,482)</u>	<u>£631,625</u>	<u>£-</u>	<u>£631,625</u>
Interest and similar income, net of expenses			357,375			254,991
Total investment return			<u>£(1,152,107)</u>			<u>£886,616</u>

8 Profit/(Loss) on Ordinary Activities before Taxation	2022	2021
This is stated after charging/(crediting):	£	£
Fees payable to the company's auditor for:		
- audit of the financial statements	3,960	3,600
- taxation services	2,200	2,000
- other services	2,255	2,050
Directors remuneration	-	-
Amortisation of syndicate capacity	138,010	47,279
(Profit)/loss on sale of syndicate capacity	-	-
Exchange (gain) or loss - Non Technical Account	(58,658)	1,741
Interest Payable	-	-
Charge for Funds at Lloyd's	342,981	467,981

9 Taxation 2022 2021

Analysis of Charge in Year

Current tax

UK Corporation Tax on profits of the year	-	102,185
Adjustments in respect of previous years	-	(135,894)
	-	(33,709)
Double taxation relief	-	(13,019)
	-	(46,728)
Foreign tax	7,942	2,712
Total current tax	7,942	(44,016)

Deferred tax

Origination and reversal of timing differences	(221,710)	106,590
Effect of change in tax rate on opening liability or asset	-	(62,630)
Total deferred tax	(221,710)	43,960
Tax on profit / (loss) on ordinary activities	£(213,768)	£(56)

Factors Affecting Tax Charge for the Year

The tax assessed for the period is different to the standard rate of corporation tax in the UK (19%). The differences are explained below:

	2022	2021
Profit/(loss) on ordinary activities before tax	£(1,014,454)	713,318
Profit/(loss) on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 19% (2021 - 19%)	(192,746)	135,530
Effects of:		
Expenses not deductible for tax purposes	26,067	35,566
Timing differences arising on the taxation of the underwriting results	(47,461)	42,609
Losses for which deferred tax has not been provided for	-	-
Foreign tax	7,942	(10,307)
Adjustments in respect of previous periods	-	(135,894)
Effect of change in tax rate on opening liability or asset	-	(62,630)
Income not taxable	(7,570)	(4,931)
Current tax charge for year	£(213,768)	£(56)

Factors that may affect Future Tax Charges

The results of the Company's participation on the 2020, 2021 and 2022 years of account and the calendar year movement on 2018 and prior run-offs, will not be assessed to tax until the year ended 31 December 2023, 2024 and 2025 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 above charge for foreign taxes has been estimated after making provision for double taxation relief with the UK. However due to the differences of timings and tax rates some foreign taxes may ultimately not be fully recoverable. The UK Government announced on 3 March 2021 its intention to increase the UK rate of corporation tax to 25% from 19% from 1 April 2023. This new rate was enacted by Finance Act 2021 on 10 June 2021. Deferred tax has been provided at the rate it is expected to unwind.

10 Intangible Assets

	Syndicate Participation Rights
Cost	
At 1 January 2022	1,713,692
Additions	-
Disposals	-
	<hr/>
At 31 December 2022	1,713,692
Amortisation	
At 1 January 2022	1,316,306
Charge for the year	138,010
Disposals	-
	<hr/>
At 31 December 2022	1,454,316
Net Book Value	
At 31 December 2022	£259,376
	<hr/> <hr/>
At 31 December 2021	£397,386
	<hr/> <hr/>

11 Investments

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

Level 1: quoted (unadjusted) prices in active markets for identical assets

Level 2: inputs other than quoted prices included within Level 1 that are observable (ie. developed using market data), for the asset or liability, either directly or indirectly

Level 3: priced determined using a valuation technique.

Other Financial Investments - Syndicate

	2022		2021	
	Market Value	Cost	Market Value	Cost
Shares and other variable yield securities and units in unit trusts	2,051,784	2,029,135	1,768,648	1,720,339
Debt securities and other fixed income securities	15,410,601	16,082,720	10,502,566	10,375,597
Participation in investment pools	120,006	122,101	344,481	333,584
Loans secured by mortgage	-	-	-	16,155
Other Loans	108,607	76,602	110,787	84,308
Deposits with credit institutions	7,755	7,755	13,402	13,402
Overseas deposits	450,904	450,853	271,571	269,556
Other	47,312	-	24,094	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£18,196,969	£18,769,166	£13,035,549	£12,812,941
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

11 Investments (continued)

Other Financial Investments - Syndicate
2022

	Held at fair value through profit or loss				Amortised	
	Level 1	Level 2	Level 3	Total	Cost	Total
Shares and other variable yield securities and units in unit trusts	368,724	1,456,854	226,206	2,051,784	-	2,051,784
Debt securities and other fixed income securities	5,498,621	9,911,980	-	15,410,601	-	15,410,601
Participation in investment pools	103,645	12,915	3,446	120,006	-	120,006
Loans and deposits with credit institutions	24,497	-	91,865	116,362	-	116,362
Overseas deposits	191,184	235,921	23,799	450,904	-	450,904
Other investments	16,590	30,722	-	47,312	-	47,312
Held for sale financial assets	-	-	-	-	-	-
Other	-	-	-	-	-	-
Fair Value	£6,203,261	£11,648,392	£345,316	£18,196,969	£-	£18,196,969

Other Financial Investments - Corporate

	2022		2021	
	Market Value	Cost	Market Value	Cost
Shares and other variable yield securities and units in unit trusts	5,808,630	4,250,792	6,467,046	4,250,792
	£5,808,630	£4,250,792	£6,467,046	£4,250,792
Listed investments included within the above	£5,808,630	£4,250,792	£6,467,046	£4,250,792

Other Financial Investments - Corporate
2022

	Held at fair value through profit or loss				Amortised	
	Level 1	Level 2	Level 3	Total	Cost	Total
Shares and other variable yield securities and units in unit trusts	5,808,630	-	-	5,808,630	-	5,808,630
Debt securities and other fixed income securities	-	-	-	-	-	-
Fair Value	£5,808,630	£-	£-	£5,808,630	£-	£5,808,630

11 Investments (continued)

Other Financial Investments - Syndicate
2021

	Held at fair value through profit or loss				Amortised	
	Level 1	Level 2	Level 3	Total	Cost	Total
Shares and other variable yield securities and units in unit trusts	362,385	1,249,680	220,593	1,832,658	-	1,832,658
Debt securities and other fixed income securities	4,228,021	6,274,545	-	10,502,566	-	10,502,566
Participation in investment pools	322,861	12,345	9,274	344,480	-	344,480
Loans and deposits with credit institutions	103,621	228,131	-	331,752	-	331,752
Derivatives	13,251	10,842	-	24,093	-	24,093
Other investments	-	-	-	-	-	-
Held for sale financial assets	-	-	-	-	-	-
Other	-	-	-	-	-	-
Fair Value	£5,030,139	£7,775,543	£229,867	£13,035,549	£-	£13,035,549

Other Financial Investments - Corporate
2021

	Held at fair value through profit or loss				Amortised	
	Level 1	Level 2	Level 3	Total	Cost	Total
Shares and other variable yield securities and units in unit trusts	6,467,046	-	-	6,467,046	-	6,467,046
Debt securities and other fixed income securities	-	-	-	-	-	-
Fair Value	£6,467,046	£-	£-	£6,467,046	£-	£6,467,046

The Corporate investments include £5,808,630 (2021 - £6,467,046) held as part of the Lloyd's deposit and subject to the restrictions referred to in Note 13.

12 Debtors

Other debtors analysis:

	2022			2021		
	Syndicate Participation	Corporate	Total	Syndicate Participation	Corporate	Total
Deferred tax asset	-	376,077	376,077	-	154,367	154,367
Corporation tax debtor	-	118,651	118,651	-	118,651	118,651
Related Party Loan Account	-	-	-	-	-	-
Other	885,261	91,540	976,801	593,858	81,369	675,227
	£885,261	£586,268	£1,471,529	£593,858	£354,387	£948,245

Other debtors includes £91,540 (2021 - £81,369) in respect of cash calls paid to Lloyd's syndicates.

Included in total Debtors of £11,695,296 (2021: £8,308,915) is £1,859,962 (2021: £1,104,443) due after more than 1 year.

13 Cash at Bank and in hand

	2022			2021		
	Syndicate Participation	Corporate	Total	Syndicate Participation	Corporate	Total
Lloyd's deposit	-	3,119,244	3,119,244	-	1,258,990	1,258,990
Cash at bank and in hand	789,563	46,598	836,161	911,901	35,379	947,280
	<u>£789,563</u>	<u>£3,165,842</u>	<u>£3,955,405</u>	<u>£911,901</u>	<u>£1,294,369</u>	<u>£2,206,270</u>

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

14 Called-up Share Capital

	2022	2021
	Allotted, Called-up and Fully Paid	Allotted, Called-up and Fully Paid
500 Ordinary shares of £1 each	£500	£500

15 Profit and Loss Account

	2022		
	Syndicate Participation	Corporate	Total
Retained profit/(loss) brought forward	(617,474)	530,034	(87,440)
Transfer	(65,468)	65,468	-
Profit/(loss) for the financial year	34,801	(835,487)	(800,686)
Equity dividends paid and declared	-	-	-
	<u>£(648,141)</u>	<u>£(239,985)</u>	<u>£(888,127)</u>

16 Shareholders' Funds

	2022	2021
Opening shareholders' funds	(86,940)	(800,314)
Profit / (loss) for the financial year	(800,686)	713,374
Equity dividends paid and declared	-	-
Closing shareholders' funds	£(887,626)	£(86,940)

17 Provision for Deferred Tax

	2022	2021
Liability/(asset) at start of year	(154,367)	(198,327)
Deferred tax charge/(credit) in Profit and Loss Account for year	(221,710)	43,960
Liability/(asset) at end of year	£(376,077)	£(154,367)

Analysis of Provision for Deferred Taxation

Timing differences arising from the taxation of the underwriting results	(162,034)	(154,367)
Claims Equalisation Reserves	-	-
Other timing differences	-	-
Tax losses carried forward	(214,043)	-
	£(376,077)	£(154,367)

Deferred tax has been provided at 25% (2021: 25%).

18 Other Creditors

Other creditors analysis:	2022			2021		
	Syndicate Participation	Corporate	Total	Syndicate Participation	Corporate	Total
Other creditors	703,939	9,180	713,119	1,103,506	-	1,103,506
Corporation Tax	-	-	-	-	-	-
Related party loan account	-	9,723,829	9,723,829	-	7,929,361	7,929,361
	£703,939	£9,733,009	£10,436,948	£1,103,506	£7,929,361	£9,032,867

Included in total Creditors of £14,981,504 (2021: £12,299,410) is £1,466,910 (2021: £1,025,364) payable after more than 1 year.

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

	2022	2021
Operating Profit/(Loss)	(1,014,454)	713,318
Interest and dividends received - non-technical account	(50,748)	(26,296)
Realised and unrealised profits and losses on corporate investments	658,417	(832,544)
Interest charged - non-technical account	-	-
Underwriting result in year	(34,801)	(394,039)
Closed Year result distributable in year	65,468	(279,658)
Increase / (Decrease) in creditors	282,478	26,315
(Increase) / Decrease in debtors	(10,171)	(81,369)
(Profit) / Loss on sale of capacity	-	-
Amortisation of syndicate capacity	138,010	47,279
Net cash Inflow / (Outflow) from operating activities	£34,199	£(826,994)

20 Funds at Lloyd's

In addition to the Funds held in the Lloyd's Deposit (Note 13) the Company's Lloyd's underwriting is supported by further amounts of £734,173 (2021: £1,371,923). These funds are also available to Lloyd's to meet the personal underwriting liabilities of the shareholders for underwriting years commencing prior to 1 January 1999.

21 Related Party Transactions

C H Wiese is a Director of the Company. During 2022 he and Myrtledare Corp provided funds of £1,451,487 (2021 - provided funds of £905,000) and made charges of £467,981 (2021: £467,981) for providing Funds at Lloyd's on behalf of the company and included within creditors at 31 December 2021 is £9,723,829 (2021: £7,929,361) which is due to Myrtledare Corp. This amount is shown separately in Notes 12 and 18 under Related party loan account. No interest has been charged on the amount outstanding.

As detailed in note 20 additional Funds at Lloyd's have been provided to support the company's underwriting. As part of an agreement for the continuation of this funding the company has agreed to pay a fee to Myrtledare Corp.

22 Ultimate Parent Undertaking

The ultimate parent undertaking is Myrtledare Corp a company registered in the British Virgin Islands that is owned by C H Wiese.

23 Syndicate Participation

Syndicate Managing Agent No.		Allocated capacity per underwriting year			
		2023	2022	2021	2020
		£'000	£'000	£'000	£'000
33	Hiscox Syndicates Limited	2,500	2,500	2,125	2,125
386	QBE Underwriting Limited	769	751	683	650
510	Tokio Marine Kiln Syndicates Limited	2,520	2,247	2,247	1,955
557	Tokio Marine Kiln Syndicates Limited	-	250	-	-
609	Atrium Underwriters Limited	3,122	2,325	2,075	1,746
623	Beazley Furlonge Limited	3,699	2,618	2,295	1,888
727	S A Meacock & Co Limited	841	690	670	670
1729	Asta Managing Agency Limited	22	16	-	-
1969	Apollo Syndicate Management Limited	1,472	1,250	650	500
2010	Cathedral Underwriting Limited	615	531	500	376
2791	Managing Agency Partners Limited	1,778	1,500	1,500	1,500
5623	Beazley Furlonge Limited	721	515	-	-
5886	Asta Managing Agency Limited	575	500	300	290
6103	Managing Agency Partners Limited	678	589	567	430
6107	Beazley Furlonge Limited	250	250	-	-
6111	Catlin Underwriting Agency Limited	-	-	-	640
6117	Asta Managing Agency Limited	400	400	-	-
7231	MAPA 7321	1,150	1,000	750	-
7234	MAPA 7234	578	500	500	250
		£21,690	£18,432	£14,862	£13,020

In addition the Company is still participating on the following syndicate in run-off.

Syndicate No.	2018 allocated capacity £'000
1991	Coverys Managing Agency Limited
	750