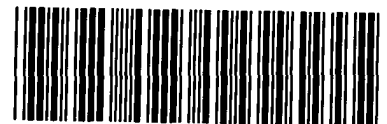


Company registration number (England and Wales): 03849918

## **JENNER UNDERWRITING LIMITED**

***DIRECTORS' REPORT AND FINANCIAL STATEMENTS***

***FOR THE YEAR ENDED 31 DECEMBER 2013***



# JENNER UNDERWRITING LIMITED

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# JENNER UNDERWRITING LIMITED

## COMPANY INFORMATION

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### COMPANY PERSONNEL

<b>Directors</b>	C S Johnson Nomina Plc
<b>Company Secretary</b>	Hampden Legal Plc

### COMPANY ADDRESSES

<b>Registered office</b>	c/o Nomina Plc 85 Gracechurch Street London EC3V 0AA
<b>Member's agent</b>	Hampden Private Capital Limited 85 Gracechurch Street London EC3V 0AA
<b>Auditors</b>	Humphrey & Co 7 - 9 The Avenue Eastbourne East Sussex BN21 3YA
<b>Solicitors</b>	Morton Fraser 30-31 Queen Street Edinburgh EH2 1JX

# JENNER UNDERWRITING LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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The directors have pleasure in presenting their report together with the financial statements for the year ended 31 December 2013.

### Directors

The directors who held office at any time during the year are listed below:

C S Johnson  
Nomina Plc

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 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;
- 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.

The directors 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.

### Auditors

The auditors, Humphrey & Co, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board on *28 July* 2014 and signed on its behalf by:



C S Johnson  
Director

# JENNER UNDERWRITING LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2013

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The directors have pleasure in presenting their strategic report for the year ended 31 December 2013.

#### Results and dividends

The profit for the year after taxation was £68,374 (2012 profit £63,918). Interim dividends of £Nil (2012: £2,436) were paid during the year. The directors do not recommend the payment of a final dividend.

#### Principal activities and review of the business

The principal activity of the Company in the year under review was that of a corporate underwriting member of Lloyd's. The Company commenced underwriting with effect from 01 January 2000.

The result for the year is in respect of the 2013 annual accounting year, which consists of movements in the 2011, 2012 and 2013 years of account as well as any 2010 and prior run-off years. Gross premiums written increased from £441,546 to £470,701 compared to the previous year and the overall balance on the technical account increased from £47,280 to £48,451 as a result of the level of claims experienced.

The company has continued to underwrite on the 2014 underwriting account where the market conditions are considered favourable for a profitable outcome subject to the level of claims experienced.

The key business risks and uncertainties affecting the company are considered to relate to insurance risk, investment and currency risk and regulatory risk.

#### 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.

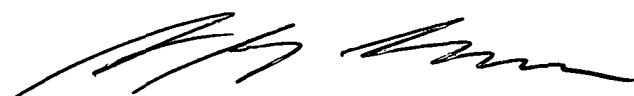
#### Key Performance Indicators

The directors monitor the performance of the Company by reference to the following key performance indicators:

	2013	2012
Capacity (youngest underwriting year) (£)	557,524	473,723
Gross premium written as a % of capacity	84.4 %	93.2 %
Underwriting profit of latest closed year as a % of capacity	3.2 %	1.7 %
Run-off years of account movement (£)	-	-
Combined ratio	88.9 %	92.1 %

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

Approved by the Board on 28 July 2014 and signed on its behalf by:

  
C S Johnson  
Director

# JENNER UNDERWRITING LIMITED

## INDEPENDENT AUDITORS REPORT

### TO THE SHAREHOLDERS OF JENNER UNDERWRITING LIMITED

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We have audited the financial statements of Jenner Underwriting Limited for the year ended 31 December 2013 on pages 5 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

#### Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Directors' Report and Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

#### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.


#### Opinion on other matter prescribed by the Companies Act 2006

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

#### Matters on which we are required to report by exception

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 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.



Andrew Robinson (Senior Statutory Auditor)  
for and on behalf of Humphrey & Co  
Chartered Accountants  
Statutory Auditor

Date: 30 July 2014

Humphrey & Co  
7-9 The Avenue  
Eastbourne  
East Sussex  
BN21 3YA

# JENNER UNDERWRITING LIMITED

## PROFIT AND LOSS ACCOUNT - TECHNICAL ACCOUNT (GENERAL BUSINESS) FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
Gross premiums written	2	470,701	441,546
Outward reinsurance premiums		(85,549)	(98,649)
<b>Net premiums written</b>		<b>385,152</b>	<b>342,897</b>
<b>Change in the provision for unearned premiums</b>			
Gross provision		(22,349)	12,114
Reinsurers' share		4,570	636
<b>Net change in the provision for unearned premiums</b>		<b>(17,779)</b>	<b>12,750</b>
<b>Earned premiums net of reinsurance</b>		<b>367,373</b>	<b>355,647</b>
Allocated investment income	4	9,104	20,167
<b>Claims paid</b>			
Gross amount		(246,723)	(268,065)
Reinsurers' share		48,164	48,319
<b>Net claims paid</b>		<b>(198,559)</b>	<b>(219,746)</b>
<b>Change in provision for claims</b>			
Gross amount		40,850	20,824
Reinsurers' share		(14,932)	17,806
<b>Net change in provision for claims</b>		<b>25,918</b>	<b>38,630</b>
<b>Claims incurred net of reinsurance</b>		<b>(172,641)</b>	<b>(181,116)</b>
Net operating expenses	5	(154,007)	(146,372)
Investment expenses and charges		(1,378)	(1,046)
<b>Balance on technical account for general business</b>		<b>48,451</b>	<b>47,280</b>

# **JENNER UNDERWRITING LIMITED**

## **PROFIT AND LOSS ACCOUNT - NON TECHNICAL ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
Balance on the general business technical account		48,451	47,280
Investment income	6	48,650	34,108
Other income	7	-	3,316
Other charges		(12,996)	(10,194)
Profit on ordinary activities before taxation	8	84,105	74,510
Tax on profit on ordinary activities	17	(15,731)	(10,592)
Profit for the financial year		68,374	63,918

The company has no recognised gains or losses other than the profit for the financial years stated above.

All amounts above relate to continuing operations.



# JENNER UNDERWRITING LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2013

ASSETS	Note	Syndicate Assets £	Corporate £	2013 Total £	2012 Total £
<b>Intangible assets</b>					
Syndicate participation rights	9	-	62,580	62,580	19,112
<b>Investments</b>					
Financial investments	10	547,698	191,671	739,369	728,164
Deposits with ceding undertakings		183	-	183	161
Total investments		547,881	191,671	739,552	728,325
<b>Reinsurers' share of technical provisions</b>					
Provision for unearned premiums		28,926	-	28,926	24,542
Claims outstanding		90,135	-	90,135	98,971
Other technical provisions		58,175	-	58,175	66,943
Total reinsurers' share of technical provisions		177,236	-	177,236	190,456
<b>Debtors</b>					
Arising out of direct insurance operations	11				
Policyholders		538	-	538	793
Intermediaries		89,325	-	89,325	94,202
Arising out of reinsurance operations	11	11,981	-	11,981	13,396
Other debtors	12	109,439	23,564	133,003	105,756
Total debtors		211,283	23,564	234,847	214,147
<b>Other assets</b>					
Cash at bank	13	106,810	16,455	123,265	128,546
Other		973	-	973	1,193
Total other assets		107,783	16,455	124,238	129,739
<b>Prepayments and accrued income</b>					
Accrued interest		1,757	-	1,757	1,995
Deferred acquisition costs		47,893	-	47,893	43,658
Other prepayments and accrued income		1,711	-	1,711	1,577
Total prepayments and accrued income		51,361	-	51,361	47,230
<b>Total assets</b>		<b>1,095,544</b>	<b>294,270</b>	<b>1,389,814</b>	<b>1,329,009</b>

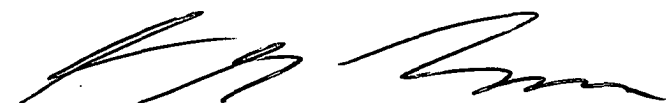
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# JENNER UNDERWRITING LIMITED

## BALANCE SHEET (continued) AS AT 31 DECEMBER 2013

	Note	Syndicate Liabilities £	Corporate £	2013 Total £	2012 Total £
<b>LIABILITIES</b>					
<b>Capital and reserves</b>					
Called-up share capital	14	-	200	200	200
Share premium account	15	-	-	-	-
Profit and loss account	15	-	249,091	249,091	180,717
<b>Shareholder's funds attributable to equity interests</b>	16	-	249,291	249,291	180,917
<b>Technical provisions</b>					
Provision for unearned premiums		197,352	-	197,352	177,070
Claims outstanding - gross amount		791,891	-	791,891	804,412
<b>Total technical provisions</b>		989,243	-	989,243	981,482
<b>Provisions for other risks and charges</b>					
Provision for taxation	17	-	10,794	10,794	715
<b>Deposits received from reinsurers</b>		-	-	-	-
<b>Creditors</b>					
Arising out of direct insurance operations		10,620	-	10,620	10,923
Arising out of reinsurance operations		56,008	-	56,008	71,695
Amounts due to credit institutions		-	-	-	-
Other creditors	18	34,081	33,110	67,191	79,066
<b>Total creditors</b>		100,709	33,110	133,819	161,684
<b>Accruals and deferred income</b>					
Other accruals and deferred income		5,592	1,075	6,667	4,211
<b>Total liabilities</b>		1,095,544	294,270	1,389,814	1,329,009

Approved by the Board on 28 July 2014 and signed on its behalf by:



C S Johnson  
Director

Company Registration No. 03849918

**JENNER UNDERWRITING LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
Net cash inflow from operating activities	19	24,070	1,322
Returns on investments and servicing of finance			
Interest received		57	63
Dividends received		4,953	5,790
Dividends paid		-	(2,436)
Net cash inflow from returns on investments and servicing of finance		5,010	3,417
Taxation			
UK corporation tax paid		(8,670)	-
Foreign tax paid		(622)	(1,252)
Net cash outflow from taxation		(9,292)	(1,252)
Capital expenditure and financial investment			
Purchase of syndicate participation rights		(49,839)	(19,112)
Proceeds from sale of syndicate participation rights		-	3,316
Purchase of investments		-	(6,725)
Proceeds from sale of investments		-	34,758
Net cash (outflow)/inflow from capital expenditure and financial investment		(49,839)	12,237
Net cash (outflow)/inflow before financing		(30,051)	15,724
Financing			
Funds lent to the company by the company's shareholders		22,292	-
Net cash inflow from financing		22,292	-
(Decrease)/Increase in cash		(7,759)	15,724
Net funds at 1 January		24,214	8,490
(Decrease)/Increase in cash in the year		(7,759)	15,724
Net funds at 31 December		16,455	24,214

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.

# JENNER UNDERWRITING LIMITED

## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2013

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### 1 Accounting policies

#### 1.1 Basis of preparation

The Financial Statements have been prepared in accordance with the Companies Act 2006 and Regulation 6 of Schedule 3 to the Large and Medium Sized Companies And Groups (Accounts and Reports) Regulations 2008 and the recommendations of the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers in December 2005, as amended in December 2006, except that exchange differences arising on syndicate assets and liabilities are dealt with in the technical account as all of these differences arise from technical account transactions. They are prepared under the historical cost basis of accounting modified to include the revaluation of investments, and comply with applicable accounting standards.

#### Basis of accounting

The technical account has been prepared on an annual basis of accounting, whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums net of re-insurance. Amounts reported in the technical account relate to movements in the period in respect of all relevant years of account of the Syndicates on which the company participates.

Accounting information in respect of the Syndicate participations has been provided by the Syndicate managing agents through an information exchange facility operated by Lloyd's and has been reported on by the Syndicate auditors.

Assets and liabilities arising as a result of the underwriting activities are mainly controlled by the Syndicates' managing agents and are shown separately on the Balance Sheet as "Syndicate Assets" and "Syndicate Liabilities". The assets are held subject to trust deeds for the benefit of the Syndicates' insurance creditors.

In continuing to apply the going concern basis to this Company's Financial Statements the following factors have been taken into account: the likely timing of any underwriting and non-underwriting cash flows, any Funds at Lloyd's supporting the Company's underwriting and not reflected in the Company's Balance Sheet and the continued support of the Directors and Shareholders including the potential deferral of balances due to them.

#### General business

##### i Premiums

Gross premiums are accounted for in the period in which the risk commences, together with adjustments to premiums written in previous accounting periods. Future premiums relating to risks commencing in the period are based upon estimates made by the Syndicates' management. Other adjustments are accounted for as arising.

##### 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

Provision is made for the estimated cost of claims outstanding at the end of the year, including those incurred but not reported at that date, and for the related cost of settlement. Claims incurred comprise amounts paid or provided in respect of claims occurring during the current year, together with the amount by which settlement or reassessment of claims from previous years differs from the provision at the beginning of the year.

# JENNER UNDERWRITING LIMITED

## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

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### v Claims (continued)

The claims provision determined by the managing agent will have been based on information that was currently available at the time. However, the ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided and will be reflected in the financial statements for the period in which the adjustment is made.

### vi 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.

### vii 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.

### viii Investments and allocated investment income

In accordance with Lloyd's current accounting practice, investments are stated at market value, including accrued interest at the Balance Sheet date. Investment income is included in the General Business Technical Account reflecting that earned on the investment portfolio managed by the Syndicates. The allocated investment income therefore comprises income received and investment profits and losses arising in the calendar year including appreciation/depreciation and accrued interest consequent upon the revaluation of investments at 31 December. All gains and losses on investments are treated as realised at the Balance Sheet date.

### ix Basis of currency translation

Syndicates maintain separate funds in Sterling, United States dollars, Canadian dollars and Euros, and may also do so in certain other currencies. All transactions where separate currencies are maintained are translated into Sterling at the average rates of exchange for the year. Transactions during the year in other overseas currencies are expressed in Sterling at the rates ruling at the transaction date.

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

Differences arising on translation of foreign currency amounts in syndicates are included in the technical account.

# JENNER UNDERWRITING LIMITED

## NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

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### x Debtors/creditors arising from insurance/reinsurance operations

The amounts shown in the Balance Sheet include the totals of all the Syndicates outstanding debit and credit transactions. 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.

### xi 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.

## 1.2 Taxation

The company is taxed on its results including its share of underwriting results declared by the syndicates and these are deemed to accrue 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.

HM Revenue & Customs agrees the taxable results of the syndicates at a syndicate level on the basis of computations submitted by the managing agent. At the date of the approval of these financial statements the syndicate taxable results of years of account closed at this and previous year ends may not be fully agreed with HM Revenue & Customs. Any adjustments that may be necessary to the tax provisions established by the company, as a result of HM Revenue & Customs agreement of syndicate results, will be reflected in the financial statements of subsequent periods.

## 1.3 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 more likely than not that they will be recovered. Deferred tax assets and liabilities have not been discounted.

## 1.4 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 assets and amortised over a 3 year period beginning with the respective year of Syndicate participation.

## 1.5 Investments

Investments held directly by the company, by trustees of the Premium Trust Fund, or as the Lloyd's Deposit, are stated at market value as at the Balance Sheet date.

## 1.6 Cash Flow Statement

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 syndicates at Lloyd's.

**JENNER UNDERWRITING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

2	Class of business	Gross written premiums £	Gross premiums earned £	Gross claims incurred £	Operating expenses £	Reinsurance balance £
	<b>2013</b>					
	<b>Direct</b>					
	Accident and health	20,687	19,486	(8,801)	(8,557)	(1,044)
	Motor - third party liability	3,368	2,247	(1,445)	(958)	37
	Motor - other classes	43,693	39,607	(30,639)	(16,026)	1,342
	Marine, aviation and transport	43,668	42,590	(18,268)	(13,652)	(3,994)
	Fire and other damage to property	101,218	98,887	(42,708)	(35,067)	(16,555)
	Third party liability	94,961	87,293	(57,339)	(36,204)	3,338
	Credit and suretyship	5,374	5,764	997	(1,976)	(594)
	Other	2,847	2,703	(966)	(1,403)	(155)
	<b>Total direct</b>	<b>315,816</b>	<b>298,577</b>	<b>(159,169)</b>	<b>(113,843)</b>	<b>(17,625)</b>
	<b>Reinsurance business</b>					
	Reinsurance balance	154,885	149,775	(46,704)	(40,164)	(30,122)
	<b>Total</b>	<b>470,701</b>	<b>448,352</b>	<b>(205,873)</b>	<b>(154,007)</b>	<b>(47,747)</b>
	<b>2012</b>					
	<b>Direct</b>					
	Accident and health	21,981	23,691	(11,543)	(9,987)	(574)
	Motor - third party liability	902	1,328	382	(488)	(28)
	Motor - other classes	36,301	45,772	(35,319)	(15,403)	3,126
	Marine, aviation and transport	41,516	39,446	(15,279)	(12,183)	(3,867)
	Fire and other damage to property	98,638	100,388	(58,799)	(37,151)	(7,117)
	Third party liability	94,538	97,017	(44,589)	(34,480)	(4,346)
	Credit and suretyship	6,347	7,015	(1,957)	(2,286)	(949)
	Other	3,173	3,472	(1,415)	(1,907)	(4)
	<b>Total direct</b>	<b>303,396</b>	<b>318,129</b>	<b>(168,519)</b>	<b>(113,885)</b>	<b>(13,759)</b>
	<b>Reinsurance business</b>					
	Reinsurance balance	138,150	135,531	(78,722)	(32,487)	(18,129)
	<b>Total</b>	<b>441,546</b>	<b>453,660</b>	<b>(247,241)</b>	<b>(146,372)</b>	<b>(31,888)</b>

Any open year loss provisions, stop loss premiums and stop loss recoveries have been allocated across the classes of business by reference to the gross premiums written.

# JENNER UNDERWRITING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

<b>3</b>	<b>Geographical analysis</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Direct gross premiums written in:		
	United Kingdom	315,816	303,396
	Other EU member states	-	-
	The rest of the world	-	-
	<b>Total</b>	<b>315,816</b>	<b>303,396</b>
<b>4</b>	<b>Allocated investment income</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Investment income	13,834	21,577
	Realised loss on investments	(4,730)	(1,410)
	<b>Total</b>	<b>9,104</b>	<b>20,167</b>
<b>5</b>	<b>Net operating expenses</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Acquisition costs	99,930	102,551
	Administrative expenses	42,765	39,442
	Loss on exchange	11,312	4,379
	<b>Total</b>	<b>154,007</b>	<b>146,372</b>



# JENNER UNDERWRITING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

6	Investment income	2013 £	2012 £
	Income from other investments (including interest receivable)	5,010	5,853
	Realised gain from other investments	-	5,920
	Unrealised gain from other investments	43,640	22,335
	<b>Total</b>	<b>48,650</b>	<b>34,108</b>

7	Other income	2013 £	2012 £
	Profit on sale of syndicate participation rights	-	3,316
	Other	-	-
	<b>Total</b>	<b>-</b>	<b>3,316</b>

8	Profit on ordinary activities before taxation	2013 £	2012 £
	This is stated after charging:		
	Auditor's remuneration - audit	665	665
	Auditor's remuneration - other	985	985
	Amortisation of syndicate capacity	6,371	1,858

The company has no employees.

# JENNER UNDERWRITING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

9	Intangible assets	Syndicate Participation Rights £
	<b>Cost</b>	
	At 1 January 2013	56,406
	Additions	49,839
	Disposals	-
	At 31 December 2013	106,245
	<b>Amortisation</b>	
	At 1 January 2013	37,294
	Charge for the year	6,371
	Impairment losses	-
	Disposals	-
	At 31 December 2013	43,665
	<b>Net book value</b>	
	At 31 December 2013	62,580
	At 31 December 2012	19,112

10	Investments: Financial investments	Syndicate £	Corporate £	2013 Total £	2012 Total £
	<i>At market value</i>				
	Shares and other variable yield securities	66,875	191,671	258,546	227,233
	Debt securities and other fixed income securities	460,267	-	460,267	473,508
	Participation in investment pools	18,485	-	18,485	21,067
	Loans guaranteed by mortgage	932	-	932	1,248
	Other loans	464	-	464	4,270
	Deposits with credit institutions	614	-	614	800
	Other	61	-	61	38
	<b>Total</b>	<b>547,698</b>	<b>191,671</b>	<b>739,369</b>	<b>728,164</b>

The corporate investments held include £191,671 (2012: £148,031) at market value in respect of Lloyd's deposits that are held in accordance with the constraints detailed in note 20.

# JENNER UNDERWRITING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

### 10 Investments: Financial investments (continued)

	Syndicate £	Corporate £	2013 Total £	2012 Total £
<i>At cost</i>				
Shares and other variable yield securities	66,091	126,668	192,759	205,122
Debt securities and other fixed income securities	463,997	-	463,997	472,724
Participation in investment pools	17,052	-	17,052	23,207
Loans guaranteed by mortgage	922	-	922	1,233
Other loans	464	-	464	4,269
Deposits with credit institutions	614	-	614	800
Other	41	-	41	21
<b>Total</b>	<b>549,181</b>	<b>126,668</b>	<b>675,849</b>	<b>707,376</b>

### 11 Debtors arising out of direct insurance and reinsurance operations

	Syndicate £	Corporate £	2013 Total £	2012 Total £
The following amounts are due after one year:				
Direct insurance operations	454	-	454	14
Reinsurance operations	1,583	-	1,583	2,606
<b>Total</b>	<b>2,037</b>	<b>-</b>	<b>2,037</b>	<b>2,620</b>

### 12 Other debtors

	Syndicate £	Corporate £	2013 Total £	2012 Total £
Deferred tax	-	-	-	-
Other	109,439	23,564	133,003	105,756
<b>Total</b>	<b>109,439</b>	<b>23,564</b>	<b>133,003</b>	<b>105,756</b>

Corporate other debtors includes £7,368 (2012: £Nil) due to the company after more than one year.

Syndicate other debtors includes £21,950 (2012: £6,847) due to the company after more than one year.

### 13 Cash at bank

	Syndicate £	Corporate £	2013 Total £	2012 Total £
Lloyd's deposit	33,883	12,378	46,261	40,278
Cash at bank and in hand	72,927	4,077	77,004	88,268
<b>Total</b>	<b>106,810</b>	<b>16,455</b>	<b>123,265</b>	<b>128,546</b>

Any Lloyd's deposit is held in accordance with the constraints detailed in note 20.

# JENNER UNDERWRITING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

<b>14 Share capital</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<i>Allotted, called up and fully paid</i>		
200 Ordinary shares of £1.00 each	200	200

<b>15 Statement of movements on reserves</b>	<b>Share premium account</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
At 1 January 2013	-	180,717
Profit during the year	-	68,374
At 31 December 2013	-	249,091

<b>16 Reconciliation of movements in shareholders' funds</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Retained profit for the financial year	68,374	61,482
Proceeds from the issue of shares	-	-
Net addition to shareholders' funds	68,374	61,482
Opening shareholders' funds	180,917	119,435
Closing shareholders' funds	249,291	180,917

<b>17 Taxation</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<i>Analysis of charge in year</i>		
<i>Current tax</i>		
UK Corporation Tax on profits of the year	4,985	8,625
Adjustments in respect of prior years	45	-
Foreign tax	622	1,252
Total current tax	5,652	9,877

# JENNER UNDERWRITING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

17 Taxation (continued)	2013 £	2012 £
<i>Analysis of charge in year</i>		
<i>Deferred tax</i>		
Origination and reversal of timing differences	10,079	715
Changes in tax rates	-	-
Adjustment to the estimated recoverable amounts of deferred tax assets arising in prior years	-	-
Other items	-	-
<b>Total deferred tax</b>	<b>10,079</b>	<b>715</b>
 Tax on profit on ordinary activities	 15,731	 10,592

### *Factors affecting tax charge for the year*

The tax assessed for the year is lower (2012 - lower) than the standard rate of Corporation Tax in the UK of 20.00% (2012 - 20.00%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before taxation	84,105	74,510
Profit on ordinary activities before taxation multiplied by the standard rate of Corporation Tax in the UK of 20.00% (2012 - 20.00%).	16,821	14,902
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	-
Timing differences arising from the taxation of the underwriting results	(9,930)	(3,261)
Timing differences arising from the taxation of syndicate participation movements	-	-
Tax losses carried forward	-	-
Adjustments to tax charge in respect of prior periods	45	-
Other adjustments	(1,284)	(1,764)
<b>Current tax charge for the year</b>	<b>5,652</b>	<b>9,877</b>

### *Factors that may affect future tax charges*

The company has trading losses of £Nil (2012 - £Nil) available for carry forward against future trading profits.

# JENNER UNDERWRITING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

17 Taxation (continued)	2013 £	2012 £
<i>Provision for deferred tax</i>		
At 1 January 2013	715	-
Charge to the profit and loss account	10,079	715
Released or utilised in the year	-	-
At 31 December 2013	10,794	715

Full provision has been made for all timing differences apart from the recovery of taxation losses against future trading profits, which cannot be prudently anticipated at this time.

The deferred tax asset not provided for in respect of Corporation Tax losses, and deferred tax losses not yet assessable to Corporation Tax, amounted to £Nil (2012 - £Nil).

18 Other creditors	Syndicate £	Corporate £	2013 £	2012 £
Other creditors	34,081	5,833	39,914	70,441
Social security costs	-	-	-	-
Corporation tax	-	4,985	4,985	8,625
Shareholders' loan account	-	22,292	22,292	-
Total	34,081	33,110	67,191	79,066

The above shareholders' loan has been included in the related party transactions note 22.

Corporate other creditors includes £Nil (2012: £24,887) due from the company after more than one year.

### 19 Reconciliation of operating profit before interest to net cash inflow from operating activities

	2013 £	2012 £
Operating profit before interest	35,455	40,402
Current year result not distributable in year	(48,451)	(47,280)
Prior year result distributable in year	8,756	49,079
Loss/(Profit) on sale of syndicate participation rights	-	(3,316)
Increase/(Decrease) in creditors	25,503	(26,392)
Increase in debtors	(3,564)	(13,029)
Amortisation and impairment of syndicate participation rights	6,371	1,858
Net cash inflow from operating activities	24,070	1,322

# **JENNER UNDERWRITING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2013**

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### **20 Fund's at Lloyd's**

Cash balances of £12,378 (2012: £12,343) detailed in note 13 and investments of £191,671 (2012: £148,031) detailed in note 10 are held within the company's Lloyd's deposit.

The Lloyd's deposit represents funds 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 legal agreement with Lloyd's which gives the Corporation the right to apply these funds in settlement of any claims arising from the company's participation on Lloyd's Syndicates. These funds 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.

In addition to these amounts, a director and a shareholder of the company have also made available to Lloyd's assets amounting to approximately £204,838 (2012: £128,400) which are also used by the company to support its Lloyd's underwriting.

### **21 Controlling party**

Mr C S Johnson controls the company by virtue of his controlling interest of the issued ordinary share capital.

### **22 Related party transactions**

During 2013 Mr C S Johnson, a director and shareholder of the company, provided funding of £59,617 (2012 - £13,360) and withdrew funding of £17,325 (2012 - £33,360). Included within creditors at 31 December 2013 is £22,292 (2012 - Debtors- £20,000) which was to Mr C S Johnson. This amount is shown in note 18 under other creditors.

The director received dividends of £Nil during the year (2012 - £2,436)

# JENNER UNDERWRITING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

### 23 Syndicates

The company is or was an Underwriting Member of the following Syndicate(s) or MAPA's:

Syn. No.	Managing agent	2014 Allocated Capacity	2013 Allocated Capacity	2012 Allocated Capacity	2011 Allocated Capacity
0033	Hiscox Syndicates Limited	64,128	60,922	49,033	46,452
0218	Equity Syndicate Management Limited	42,664	42,664	31,848	53,874
0386	QBE Underwriting Limited	38,883	38,883	38,883	34,364
0510	R J Kiln & Co Limited	159,000	83,000	83,000	83,636
0557	R J Kiln & Co Limited	-	-	12,545	12,545
0570	Atrium Underwriters Limited	-	-	-	35,036
0609	Atrium Underwriters Limited	40,814	40,814	35,036	-
0727	S A Meacock & Co Limited	60,000	60,000	43,349	43,349
0958	Omega Underwriting Agents Limited	176,942	46,041	58,597	58,597
1200	Argo Managing Agency Limited	170,000	20,000	20,000	33,333
2525	Asta Managing Agency Limited	25,200	25,200	-	-
2526	Asta Managing Agency Limited	-	-	21,432	18,029
2791	Managing Agency Partners Limited	70,447	80,000	80,000	86,954
6103	Managing Agency Partners Limited	21,810	30,000	-	-
6104	Hiscox Syndicates Limited	30,000	30,000	-	-
6105	Ark Syndicate Management Limited	35,089	-	-	-
6117	Asta Managing Agency Limited	12,500	-	-	-
		£ 947,477	£ 557,524	£ 473,723	£ 506,169