



**TOKIOMARINE**  
**HCC**

**HCC SPECIALTY LTD**

**FINANCIAL STATEMENTS**

**Year ended 31 December 2018**

1 Aldgate  
London EC3N 1RE  
Registered number: 04434904





**TOKIOMARINE**  
**HCC**

**HCC SPECIALTY LTD**  
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**TOKIOMARINE**  
**HCC**

**HCC SPECIALTY LTD**  
**COMPANY INFORMATION**

**DIRECTORS**

P G Hall  
W F Hubbard  
M C Overlan

**COMPANY SECRETARY**

J L Holliday

**REGISTERED NUMBER**

04434904

**REGISTERED OFFICE**

1 Aldgate  
London EC3N 1RE

**INDEPENDENT AUDITORS**

BDO LLP  
Chartered Accountants and Statutory Auditors  
150 Aldersgate Street  
London EC1A 4AB



**HCC SPECIALTY LTD**  
**DIRECTORS' REPORT**

The directors present their Directors' Report and the audited financial statements of HCC Specialty Limited ('the Company') for the year ended 31 December 2018. The Company registered number is 04434904.

**Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

P G Hall (Chairman)  
W F Hubbard  
M C Overlan

**Principal activity**

The Company's principal activity is to act as underwriting manager on behalf of an underwriting consortium for which it receives commission income.

The Company's ultimate parent company is Tokio Marine Holdings, Inc. (TMHD). TMHD's head office is located in Tokyo, Japan. TMHD is a leading international insurance group with offices worldwide. As of 31 December 2018, TMHD had total assets of YEN ¥23.3 trillion (2017: YEN ¥23.3 trillion) and shareholders' equity of YEN ¥3.5 trillion (2017: YEN ¥3.9 trillion). TMHD and its subsidiary insurance companies have a financial strength rating of A+ (Stable) from Standard & Poor's Financial Services LLC.

**Business review**

**Results and dividends**

The Company made a profit after tax for the financial year of £2,482,775 (2017: £799,164), as stated on page 7. Shareholder's funds as at 31 December 2018 totalled £7,589,746 (2017: £5,106,971).

No dividend was declared as payable during the year (2017: £nil).

**Key performance indicators**

The directors monitor two key performance indicators for the Company:

	2018	2017
	£	£
Turnover	4,111,933	3,525,064
Profit on ordinary activities before taxation	2,268,413	1,926,651

**Risk management**

The directors oversee the effective operation of the risk management framework and set the risk appetite for the Company (see Note 4).

**Future outlook**

The directors will continue to seek growth in turnover and profitability for its shareholders through its industry focused response to problem solving and will keep under review opportunities to develop the business through growth of the existing customer base, or through the acquisition of suitable existing businesses. Whether or not dividends will be declared in the future is a strategic decision resting with the Company's ultimate parent company.

**Disclosure in the strategic report**

The directors consider that the Company is entitled to an exemption from the requirement to present a Strategic Report under section 414A (2) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 and, accordingly, have not prepared a Strategic Report.

**Auditor**

On 1 February 2019 Moore Stephens LLP merged its business with BDO LLP. As a result, Moore Stephens LLP has resigned as auditor and the directors have appointed BDO LLP as auditor in their place.

The auditors are deemed to be reappointed under section 487(2) of the Companies Act 2006.



**HCC SPECIALTY LTD**  
**DIRECTORS' REPORT**

**Statement of disclosure of information to auditors**

Each of the persons who is a director at the date of this report confirms that:

- so far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2018 of which the auditors are unaware; and
- each of them has taken all steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

**Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

**Post balance sheet events**

There have been no post balance sheet events that are required to be disclosed.

On behalf of the board

J L Holliday  
Company Secretary  
1 Aldgate  
London EC3N 1RE

24 September 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCC SPECIALTY LIMITED**

### **Opinion**

We have audited the financial statements of HCC Specialty Limited (the 'company') for the year ended 31 December 2018 which comprise the Profit and Loss account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Shareholders Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

### **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 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 audit opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCC SPECIALTY LIMITED

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

In the 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 directors' report.

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 Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: [www.frc.org.uk/auditorsresponsibilities](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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Rupert Livingstone, *Senior Statutory Auditor*  
For and on behalf of BDO LLP, Statutory Auditor  
150 Aldersgate Street  
London  
EC1A 4AB

27 September 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



**HCC SPECIALTY LTD**  
**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME**  
**For the year ended 31 December 2018**

	<b>Note</b>	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
Turnover	5	4,111,933	3,525,064
<b>Total revenue</b>		<b>4,111,933</b>	<b>3,525,064</b>
Operating expenses		(1,843,520)	(1,598,413)
<b>Profit on ordinary activities before taxation</b>	6	<b>2,268,413</b>	<b>1,926,651</b>
Tax on profit on ordinary activities	9	214,362	(1,127,487)
<b>Profit for the financial year</b>		<b>2,482,775</b>	<b>799,164</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the financial year</b>		<b>2,482,775</b>	<b>799,164</b>

All amounts relate to continuing operations.

The notes on pages 10 to 15 form part of these financial statements





**HCC SPECIALTY LTD  
BALANCE SHEET  
As at 31 December 2018**

	Note	2018 £	2017 £
<b>Non-Current assets</b>			
Deferred tax asset	10	510,066	379,189
<b>Total Non-Current assets</b>		510,066	379,189
<b>Current assets</b>			
Debtors	11	3,102,102	2,850,131
Cash at bank		5,228,929	3,440,038
<b>Total current assets</b>		8,331,031	6,290,169
Creditors: amounts falling due within one year	12	(1,251,351)	(1,562,387)
<b>Net current assets</b>		7,079,680	4,727,782
<b>Net assets</b>		7,589,746	5,106,971
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Capital contribution		506,950	506,950
Profit and loss account		7,082,795	4,600,020
<b>Total shareholder's funds</b>		7,589,746	5,106,971

The financial statements on pages 7 to 15 were approved by the board of directors and were signed on its behalf by:

P G Hall  
Director

24 September 2019

The notes on pages 10 to 15 form part of these financial statements



**HCC SPECIALTY LTD**

**STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY**

**As at 31 December 2018**

	<b>Called up share capital</b>	<b>Capital contribution</b>	<b>Profit and loss account</b>	<b>Total shareholder's funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Capital and reserves</b>				
At 1 January 2018	1	506,950	4,600,020	5,106,971
Profit for the year	-	-	2,482,775	2,482,775
At 31 December 2018	1	506,950	7,082,795	7,589,746

	<b>Called up share capital</b>	<b>Capital contribution</b>	<b>Profit and loss account</b>	<b>Total shareholder's funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Capital and reserves</b>				
At 1 January 2017	1	506,950	3,800,856	4,307,807
Profit for the year	-	-	799,164	799,164
At 31 December 2017	1	506,950	4,600,020	5,106,971

The notes on pages 10 to 15 form part of these financial statements



**HCC SPECIALTY LTD**

**NOTES TO THE FINANCIAL STATEMENT**

**1. General information**

The Company's principal activity is to act as an underwriter manager on behalf of an underwriting consortium for which it received commission income. The Company is a private company limited by shares and is incorporated in England. The address of its registered office is 1 Aldgate, EC3N 1RE, London.

The Company's ultimate parent company is Tokio Marine Holdings, Inc. ('TMHD') whose head office is located in Tokyo, Japan. TMHD is a leading international insurance group with offices worldwide. TMHD's major insurance companies have a financial strength rating of A+ (Stable) from Standard & Poor's Financial Services LLC.

**2. Statement of compliance**

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Companies Act 2006. There are no areas of the Company's accounting which involve a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

**3. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Basis of preparation**

The financial statements have been prepared in accordance with UK GAAP and the Companies Act 2006 and on the historical cost basis. The financial statements have been prepared in pound sterling which is the functional currency of the Company. The Company has obtained its shareholder approval to take advantage of the exemptions conferred by FRS 102 listed in (b) below, as the Company is a wholly owned subsidiary and the ultimate parent company's financial statements, in which the Company is included, are publicly available.

**b) Exemptions for qualifying entities under FRS 102.**

As allowed by FRS 102, the Company has applied certain exemptions as follows:

- i. preparing a statement of cash flows
- ii. related party disclosures
- iii. share based payments.
- iv. key management personnel compensation.

**c) Going concern**

Having assessed the principal risks, the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

**d) Turnover**

Turnover represents commission income, net of value added tax and discounts. Commission income is calculated based on a percentage of premiums written by the underwriting consortium, net of brokerage, and is recognised at the later of the date of inception of the policy or the date it is bound. Profit commission income is calculated as a percentage of the estimated profit, net of consortium expenses and is recognised on an accruals basis over the risk exposure period. Profit commission accruals are adjusted for subsequent experience up to four years after the start of the consortium year as estimates of consortium profitability are revised.

**e) Interest receivable**

Interest on deposits is credited as it is earned.



**HCC SPECIALTY LTD**  
**NOTES TO THE FINANCIAL STATEMENT**

**f) Taxation**

Corporation tax is provided at the current rate of taxation on the result for the year as adjusted for items of income and expenditure which are disallowed for taxation purposes. The company is also liable for US Federal Income Tax as a result of it being treated for US tax purposes as a branch of its immediate parent, HCC Specialty Underwriters Inc.

**g) Deferred tax**

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated at the rates at which it is expected that the tax will arise. Deferred tax is recognised in the profit and loss account for the period, except to the extent that it is attributable to a gain or loss that is recognised directly in the statement of other comprehensive income. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax balances are not discounted. US deferred tax is calculated under US tax law and represents the additional effects arising from the US tax rate.

**h) Dividends**

Dividends are accounted for in the year in which they are approved and declared as payable.

**i) Provisions and contingencies**

**Provisions**

Provisions are recognised when:

- the Company has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation, and
- the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small. Provisions for levies are recognised on the occurrence of the event identified by legislation that triggers the obligation to pay the levy.

**Contingencies**

Contingent liabilities arise as a result of past events when:

- it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date, or
- when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control.

Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote. Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable. Contingent assets stop being recognised as contingent at the point it is determined the benefit is virtually certain.

**j) Financial Instruments**

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds basic financial instruments, which comprise cash at bank and in hand, trade and other debtors, trade and other creditors. The Company has chosen to apply the measurement and recognition provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' in full.

**Financial assets - classified as basic financial instruments**

*Trade and other debtors*

Trade and other debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision



for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the amount expected to be receivable, net of any impairment.

Where a financial asset constitutes a financing transaction it is initially measured at the present value of the future payments, discounted at a market rate of interest.

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

**Financial liabilities - classified as basic financial instruments**

*Trade and other creditors*

Trade and other creditors are initially measured at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the amount expected to be payable.

Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

**4. Risk management**

The directors oversee the effective operation of the risk management framework and set the risk appetite for the Company. The directors have assessed the risks to which the Company is exposed and consider the following as the material risks:

- *Credit risk*  
Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company acts as an agent, not principal, in its insurance transactions. The Company seeks to minimise credit risk by ensuring that its credit control procedures are applied effectively.
- *Currency risk*  
The Company is exposed to currency risk in respect of assets and liabilities denominated in currencies other than Sterling. The risk is controlled by matching assets with liabilities in the relevant currency.
- *Liquidity risk*  
Liquidity risk arises where cash may not be available to pay obligations when due at reasonable cost. The Company's policy is to hold sufficient liquid assets, or assets that can be converted into liquid assets at short notice and without any significant capital loss to settle its liabilities as they fall due thus minimising its exposure to liquidity risk.

**5. Turnover**

Turnover totalling £4,111,933 (2017: £3,525,064) represents the value of commission income earned, net of VAT. All turnover derives from services provided in the United Kingdom.

**6. Profit on ordinary activities before taxation**

This is stated after charging:	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Fees payable for the audit of the Company's financial statements	10,400	10,000
Fees payable to the Company's auditor for tax compliance services	925	925
Foreign exchange loss	78,193	22,853



**HCC SPECIALTY LTD**  
**NOTES TO THE FINANCIAL STATEMENT**

**7. Directors' emoluments**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	357,419	319,946
Pension contributions	10,000	10,000
	<u>367,419</u>	<u>329,946</u>

Pension benefits accrued to one director (2017: one) under the group's defined contribution pension scheme.

<b>Highest paid director</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	357,419	319,946
Pension contributions	10,000	10,000

**8. Staff costs**

All staff are employed by HCC Service Company Inc. (UK branch). The disclosures below relate to underwriting management staff only. The costs of other staff providing central services for group entities are allocated and recharged to the Company as a management fee. These other staff are not included in the salary costs and average staff numbers below as it is not practical to allocate the amounts to the underlying entities to which the staff provide services.

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Salaries and wages	1,044,373	824,480
Social security costs	128,187	88,469
Pension costs	53,828	45,935
	<u>1,226,388</u>	<u>958,884</u>

The average number of underwriting management staff (including executive directors) during the year was 7 (2017: 6)



**HCC SPECIALTY LTD**  
**NOTES TO THE FINANCIAL STATEMENT**

**9. Tax on profit on ordinary activities**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
UK corporation tax - current tax on income for the year	433,630	383,684
US federal tax - current tax on income for the year	88,221	613,346
Tax in respect of prior years	(639,909)	13,317
<b>Current tax charge for the year</b>	<b>(118,058)</b>	<b>1,010,347</b>
Deferred tax - origination and reversal of timing differences	(96,304)	117,140
<b>Tax on profit on ordinary activities</b>	<b>(214,362)</b>	<b>1,127,487</b>

The tax assessed for the year is lower (2017 higher) than the standard rate of tax in the UK. The differences are explained below.

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Profit before ordinary activities before taxation</b>	<b>2,268,413</b>	<b>1,926,651</b>
UK tax on profit on ordinary activities at standard rate of 19.00% (2017: 19.25%)	430,998	370,880
Expenses not deductible for tax purposes	2,632	12,804
US federal tax	88,221	613,346
Tax in respect of prior years	(639,909)	202,338
Other	(96,304)	(71,881)
<b>Tax (credit)/charge on profit on ordinary activities</b>	<b>(214,362)</b>	<b>1,127,487</b>

**10. Deferred tax asset**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
At 1 January	379,189	496,327
Temporary differences	130,877	71,881
Effect of decreased US tax rates on opening liability	-	(189,021)
<b>At 31 December</b>	<b>510,066</b>	<b>379,189</b>

The deferred tax asset consists of the following amounts:

Timing differences on deferred income	510,066	379,189
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The deferred tax asset arises on timing differences relating to the taxation of unearned commission income in the US.

**11. Debtors: amounts fall due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	2,556,191	2,971,632
Allowance for doubtful accounts	(125,326)	(121,501)
Tax debtor	671,237	-
	<b>3,102,102</b>	<b>2,850,131</b>



**HCC SPECIALTY LTD**  
**NOTES TO THE FINANCIAL STATEMENT**

**12. Creditors: amounts falling due within one year**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Corporation tax payable	267,631	1,190,354
Amounts owed to group undertakings	658,920	144,098
Accruals and deferred income	324,800	227,935
	<u>1,251,351</u>	<u>1,562,387</u>

**13. Called up share capital**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Issued and fully paid		
1 (2017: 1) ordinary share of £1 each	<u>1</u>	<u>1</u>

**14. Ultimate parent company**

Tokio Marine Holdings, Inc. (TMHD), incorporated in Japan and with its head office in Tokyo, is regarded by the directors as the Company's ultimate parent company and controlling party. HCC Specialty Underwriters Inc., incorporated in the USA is the immediate parent company. Copies of the consolidated financial statements of TMHD can be obtained from its website at [http://www.tokiomarinehd.com/en/ir/library/annual\\_report](http://www.tokiomarinehd.com/en/ir/library/annual_report).