

**TRILOGY MANAGING GENERAL AGENTS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2017**

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<b>TRILOGY MANAGING GENERAL AGENTS LIMITED</b>
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**COMPANY INFORMATION**

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<b>Directors</b>	L Barker (resigned 24 November 2017) C J Blackwell R E McCoy (resigned 30 September 2017) J M Nicholson (resigned 30 September 2017) M L Glover (appointed 30 September 2017) A K Quilter (appointed 20 October 2017) S J Petch (appointed 31 October 2017)
<b>Company secretary</b>	R&Q Central Services Limited
<b>Registered number</b>	08397254
<b>Registered office</b>	71 Fenchurch Street London EC3M 4BS
<b>Independent auditors</b>	Wilkins Kennedy LLP Statutory Auditor Bridge House London Bridge London SE1 9QR

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**TRILOGY MANAGING GENERAL AGENTS LIMITED**

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<b>TRILOGY MANAGING GENERAL AGENTS LIMITED</b>
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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 APRIL 2017**

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**Introduction**

The principal activity of the Company is that of an underwriting agency, administering insurance business. The main business is underwriting UK commercial property and liability business.

**Business review**

The directors are satisfied with the Company's progress to date and following a significant increase in the Broker base expect the financial result to improve.

The Company intends to continue its normal activities in terms of acting as an underwriting agency, administering insurance business.

**Principal risks and uncertainties**

The Company's activities expose it to a variety of financial and non-financial risks. The Directors are responsible for managing the Company's exposure to these risks and, where possible, introducing controls and procedures that mitigate the effects of the exposure to risk.

The Company's operations are exposed to the cyclical factors that affect the insurance market, which impact the level of premiums written and commissions earned.

The Company is not directly exposed to the underwriting result on the business that it writes, but the final underwriting profit does determine the amount of commission that is received. In addition, not having risk capital of its own, the Company and its operations are exposed to potential changes of underwriting practice and policy by its principal provider of risk capital, Syndicate 1991 at Lloyd's.

**Loss of key staff**

The operations of the Company are reliant on key staff. The directors believe that its Human Resources policies are sufficient to recruit and retain such staff.

**Regulatory risk**

The Company is authorised and regulated by the Financial Conduct Authority. Failure to comply with applicable regulations could result in a variety of sanctions. The Directors have established a business ethos in which best practice is the required standard for all operations, both in the commercial interests of the business and to ensure regulatory compliance.

**Liquidity risk**

The Company at present requires the use of debt finance to manage its liquidity and therefore has an exposure to the price risk of financial instruments. As the Company's operation develops the use of debt finance is expected to diminish.

**Credit risk**

The Company's principal financial assets are cash and trade receivables.

The Company's credit risk is primarily attributable to its trade receivables with its exposure spread over a number of counterparties and customers and therefore the concentration of credit risk is deemed limited.

**TRILOGY MANAGING GENERAL AGENTS LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2017**

**Financial key performance indicators**

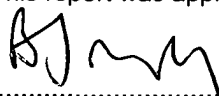
The Company's key performance indicators during the year were as follows:

	2017	2016
	£	£
Turnover	792	798
Operating loss	(182)	(162)

**Other key performance indicators**

The use of non-financial key performance indicators is not considered appropriate in understanding the performance and development of the Company.

This report was approved by the board and signed on its behalf.



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**Beverley Murphy**  
For and on behalf of R&Q Central Services Limited  
Secretary

Date: 27 March 2018

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**TRILOGY MANAGING GENERAL AGENTS LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 APRIL 2017**

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The Directors present their report and the financial statements for the year ended 30 April 2017.

**Directors' responsibilities statement**

The Directors are responsible for preparing the Strategic Report, 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 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.

**Results**

The loss for the year, after taxation, amounted to £431,836 (2016 - loss £166,709).

**Directors**

The Directors who served during the year were:

L Barker (resigned 24 November 2017)  
C J Blackwell  
R E McCoy (resigned 30 September 2017)  
J M Nicholson (resigned 30 September 2017)

**Future developments**

The Company will continue to act as an underwriting agency placing commercial, property and liability business into the London Market.

**TRILOGY MANAGING GENERAL AGENTS LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2017**

**Disclosure of information to auditors**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

On 20 December 2017 Randall & Quilter Underwriting Management Holdings Limited acquired 60 Ordinary shares from CGI Insurance Services Limited and 40 Ordinary shares from Christopher Blackwell. Randall & Quilter Underwriting Management Holdings Limited now own a majority shareholding in the Company of 80%.

**Auditors**

The auditors, Wilkins Kennedy LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 March 2018 and signed on its behalf.



Beverley Murphy  
For and on behalf of R&Q Central Services Limited  
Secretary

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**TRILOGY MANAGING GENERAL AGENTS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRILOGY MANAGING GENERAL AGENTS LIMITED**

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We have audited the financial statements of Trilogy Managing General Agents Limited for the year ended 30 April 2017, set out on pages 7 to 22. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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.

**Respective responsibilities of Directors and Auditors**

As explained more fully in the Directors' Responsibilities Statement on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Financial Reporting Council'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 Strategic Report and the Directors' 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 material 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 30 April 2017 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.

## TRILOGY MANAGING GENERAL AGENTS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRILOGY MANAGING GENERAL AGENTS LIMITED (CONTINUED)

#### 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our 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 Directors' Report.

#### 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 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.

*Julian Golding*  
Julian Golding (Senior Statutory Auditor)  
for and on behalf of  
**Wilkins Kennedy LLP**  
Statutory Auditor  
Bridge House  
London Bridge  
London  
SE1 9QR  
Date:

**TRILOGY MANAGING GENERAL AGENTS LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 30 APRIL 2017**

	Note	2017 £	2016 £
Turnover	4	792,438	798,388
<b>Gross profit</b>		<b>792,438</b>	<b>798,388</b>
Administrative expenses		(975,067)	(960,563)
<b>Operating loss</b>	5	<b>(182,629)</b>	<b>(162,175)</b>
Interest payable and expenses	9	(33,852)	(31,288)
<b>Loss before tax</b>		<b>(216,481)</b>	<b>(193,463)</b>
Tax on loss	10	(215,355)	26,754
<b>Loss after tax</b>		<b>(431,836)</b>	<b>(166,709)</b>
<b>Retained earnings</b>			
- as previously stated		(929,683)	(754,687)
- change in accounting policy		-	(8,287)
<b>At the beginning of the year as restated</b>		<b>(929,683)</b>	<b>(762,974)</b>
<b>Loss for the year</b>		<b>(431,836)</b>	<b>(166,709)</b>

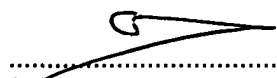
The notes on pages 10 to 22 form part of these financial statements.

**TRILOGY MANAGING GENERAL AGENTS LIMITED**  
**REGISTERED NUMBER: 08397254**

**BALANCE SHEET**  
**AS AT 30 APRIL 2017**

	Note	2017 £	As restated 2016 £
<b>Fixed assets</b>			
Tangible assets	11	495	686
		<u>495</u>	<u>686</u>
<b>Current assets</b>			
Debtors	12	918,249	1,784,106
Cash at bank and in hand	13	823,552	1,565,888
		<u>1,741,801</u>	<u>3,349,994</u>
Creditors: amounts falling due within one year	14	(1,953,615)	(3,130,163)
<b>Net current (liabilities)/assets</b>		<u>(211,814)</u>	<u>219,831</u>
<b>Total assets less current liabilities</b>		<u>(211,319)</u>	<u>220,517</u>
Creditors: amounts falling due after more than one year	15	(850,000)	(850,000)
<b>Net liabilities</b>		<u><u>(1,061,319)</u></u>	<u><u>(629,483)</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	200	200
Share premium account	18	300,000	300,000
Profit and loss account	18	(1,361,519)	(929,683)
		<u><u>(1,061,319)</u></u>	<u><u>(629,483)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
.....  
**S J Petch**  
Director

Date: 27 March 2018

The notes on pages 10 to 22 form part of these financial statements.

**TRILOGY MANAGING GENERAL AGENTS LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 APRIL 2017**

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(431,836)	(166,709)
<b>Adjustments for:</b>		
Depreciation of tangible assets	191	80
Interest paid	33,852	31,288
Taxation charge	215,355	(26,754)
Decrease/(increase) in debtors	650,502	(342,947)
(Decrease)/increase in creditors	(1,312,341)	1,101,257
<b>Net cash generated from operating activities</b>	<b>(844,277)</b>	<b>596,215</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	-	(766)
<b>Net cash from investing activities</b>	<b>-</b>	<b>(766)</b>
<b>Cash flows from financing activities</b>		
Purchase of debenture loans	135,793	138,562
Interest paid	(33,852)	(31,288)
<b>Net cash used in financing activities</b>	<b>101,941</b>	<b>107,274</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(742,336)</b>	<b>702,723</b>
Cash and cash equivalents at beginning of year	1,565,888	863,165
<b>Cash and cash equivalents at the end of year</b>	<b>823,552</b>	<b>1,565,888</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	823,552	1,565,888
	<b>823,552</b>	<b>1,565,888</b>

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**TRILOGY MANAGING GENERAL AGENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

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**1. General information**

The principal activity of the Company is that of an underwriting agency, administering insurance business. The main business is underwriting UK commercial property and liability business.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 71 Fenchurch Street, London, EC3M 4BS.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The Directors have assessed the position of the Company and it is expected to be able to meet its liabilities as they fall due. The Directors believe that no material uncertainty exists that may cast significant doubts over the ability of the Company to continue as a going concern.

The Company is required to report its regulatory capital surplus or deficit to the Financial Conduct Authority ("FCA") bi-annually to cover the solvency position of the Company. In accordance with this requirement the Directors have put the following plan in place to mitigate and eliminate any regulatory capital deficit:

1. Monthly review of management accounts and solvency position
2. Consideration of cumulative profits and losses forecast for the remainder of the period
3. Consideration of the debt position and intended repayments
4. Implement any further steps required to rectify a deficit including discussions with debenture holders and shareholders

The Directors believe that with this plan in place and with the support of the Company's shareholders that the Company will not be in breach of the FCA requirements in the foreseeable future.

The Directors have received confirmation from the Company's shareholders that they will continue to support the operations of the Company for the foreseeable future. The Company has also received confirmation from its debenture loan holders that immediate repayment of the loans will not be requested, payment will be expected as per the terms of the various debentures.

Therefore, the Company's Directors have reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future.

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**TRILOGY MANAGING GENERAL AGENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

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**2. Accounting policies (continued)**

**2.3 Revenue**

Turnover consists principally of commissions associated with the placement of insurance contracts.

Revenues from commissions are recognised at the inception date of the policy, or the date of contractual entitlement, if later. Alterations in commissions arising from premium adjustments are taken into account as and when such adjustments are notified.

**2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 4 years straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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**TRILOGY MANAGING GENERAL AGENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

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**2. Accounting policies (continued)**

**2.6 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**2.8 Insurance debtors and creditors**

During the year being reported on, the Company acts as an agency administering insurance business on behalf of Syndicate 1991 at Lloyd's. Notwithstanding the legal relationship with clients and underwriters, the Company has followed generally accepted accounting practice by showing debtors, creditors and cash relating to insurance business as assets and liabilities of the Company itself.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017

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**2. Accounting policies (continued)**

**2.9 Financial Instruments**

**(i) Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**(iii) Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.10 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.11 Finance costs**

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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**TRILOGY MANAGING GENERAL AGENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

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**2. Accounting policies (continued)**

**2.12 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.13 Borrowing costs**

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**3.1 Critical judgments in applying the entity's accounting policies**

No judgments have been made in applying the entities accounting policies that would have a significant effect on the amounts recognised in these financial statements.

**3.2 Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**(i) Recoverability of Debtors**

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of debtors.

<b>TRILOGY MANAGING GENERAL AGENTS LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

**4. Turnover**

An analysis of turnover by type of income is as follows:

	2017 £	2016 £
Retained Commissions	792,438	798,388
	<u>792,438</u>	<u>798,388</u>

All turnover arose within the United Kingdom.

**5. Operating loss**

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	191	80
Defined contribution pension cost	40,052	44,269
	<u>40,243</u>	<u>44,349</u>

**6. Auditors' remuneration**

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	8,400	8,400
	<u>8,400</u>	<u>8,400</u>

**TRILOGY MANAGING GENERAL AGENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

**7. Staff costs**

Staff costs, including Directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	623,670	613,705
Social security costs	71,596	73,977
Cost of defined contribution scheme	40,052	44,269
	<u>735,318</u>	<u>731,951</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2017 No.	2016 No.
Directors	1	1
Services	8	6
	<u>9</u>	<u>7</u>

**8. Directors' remuneration**

	2017 £	2016 £
Directors' emoluments	253,913	250,000
Social security costs	33,381	33,381
Directors pension costs - defined contrib'n sch.	17,500	17,500
	<u>304,794</u>	<u>300,881</u>

During the year retirement benefits were accruing to 1 Director (2016 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £253,913 (2016 - £253,026).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £17,500 (2016 - £17,500).

<b>TRILOGY MANAGING GENERAL AGENTS LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

**9. Interest payable and similar charges**

	2017 £	2016 £
Bank interest payable	33,852	31,288
	<u>33,852</u>	<u>31,288</u>

**10. Taxation**

	2017 £	2016 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	215,355	(26,754)
<b>Total deferred tax</b>	<u>215,355</u>	<u>(26,754)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>215,355</u>	<u>(26,754)</u>

**TRILOGY MANAGING GENERAL AGENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

**10. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2016 - *higher than*) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	<u>(216,481)</u>	<u>(193,463)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(43,296)	(38,693)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,153	3,833
Capital allowances for year in excess of depreciation	38	686
Other timing differences	250,319	(32,176)
Unrelieved tax losses carried forward	6,141	39,596
<b>Total tax charge for the year</b>	<u><b>215,355</b></u>	<u><b>(26,754)</b></u>

**Factors that may affect future tax charges**

The Company has tax losses carried forward in the UK of £1,317,413 (2016: £1,111,889) that are available indefinitely for offset against future taxable profits of the Company.

**TRILOGY MANAGING GENERAL AGENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

**11. Tangible fixed assets**

	Computer equipment £
<b>Cost or valuation</b>	
At 1 May 2016	766
At 30 April 2017	<u>766</u>
<b>Depreciation</b>	
At 1 May 2016	80
Charge for the year on owned assets	191
At 30 April 2017	<u>271</u>
<b>Net book value</b>	
At 30 April 2017	<u><u>495</u></u>
At 30 April 2016	<u><u>686</u></u>

**12. Debtors**

	2017 £	2016 £
<b>Due after more than one year</b>		
Deferred tax asset	-	215,355
	<u>-</u>	<u>215,355</u>
<b>Due within one year</b>		
Other debtors	7,089	6,486
Prepayments and accrued income	82,409	51,933
Insurance debtors	828,751	1,510,333
	<u><u>918,249</u></u>	<u><u>1,784,107</u></u>

<b>TRILOGY MANAGING GENERAL AGENTS LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

**13. Cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	823,552	1,565,888
	823,552	1,565,888
	823,552	1,565,888

At 30 April 2017 £743,519 (2016: £1,535,516) relates to cash held in insurance broking accounts.

**14. Creditors: Amounts falling due within one year**

	2017 £	<i>As restated</i> 2016 £
Insurance creditors	1,518,061	2,813,109
Other taxation and social security	22,142	25,673
Other creditors	367,193	230,507
Accruals and deferred income	46,219	60,874
	1,953,615	3,130,163
	1,953,615	3,130,163

**15. Creditors: Amounts falling due after more than one year**

	2017 £	<i>As restated</i> 2016 £
Long term loans	850,000	850,000
	850,000	850,000
	850,000	850,000

Long term loans comprise £50,000 (2016: £50,000) due to a Director of the Company and £800,000 (2016: £800,000) due to a shareholder.

**TRILOGY MANAGING GENERAL AGENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

**16. Deferred taxation**

	2017 £	2016 £
At beginning of year	215,355	188,601
Charged to profit or loss	(215,355)	26,754
	<u>215,355</u>	<u>26,754</u>

The deferred tax asset is made up as follows:

	2017 £	2016 £
Tax losses carried forward	-	211,129
Holiday pay accrual adjustment	-	4,226
	<u>-</u>	<u>215,355</u>

**17. Share capital**

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
140 Ordinary shares of £1 each	140	140
60 A Ordinary shares of £1 each	60	60
	<u>200</u>	<u>200</u>

The 'A' Ordinary shares and Ordinary shares rank parri passu. On a return of capital, whether in a winding-up or reduction of capital or otherwise, or a sale of the Company, the holders of the 'A' Ordinary share receive preferential rights to the amount held within share premium.

**18. Reserves**

**Profit and loss account**

The profit and loss account represents accumulated profits and losses.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2017**

**19. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £40,052 (2016: £44,269). At the year end contributions of £963 (2016: £Nil) were included in other creditors.

**20. Related party transactions**

A shareholder, Randall & Quilter Underwriting Management Holdings Ltd ("R&Q"), has provided a debenture loan to the Company. Interest is charged at a rate of 2.75% above LIBOR and at 30 April 2017 the total debenture balance (including accrued interest) was £1,160,098 (2016: £1,027,784). This debenture is subordinated to senior liabilities.

The Company acts as an underwriting agency for Syndicate 1991 at Lloyd's which is managed by R&Q Managing Agency Limited ("RQMA"), a subsidiary of R&Q. Transactions in the year total £7,473,923 (2016: £7,577,436) with £3,535,156 (2016: £5,640,732) owed to Syndicate 1991 at Lloyd's at 30 April 2017.

All transactions are on an arm's length basis.

CGI Insurance Services Ltd ("CGI"), a shareholder, acts on behalf of its clients and introduces business to the Company under a standard TOBA arrangement. Transactions in the year total £1,030,587 (2016: £911,429), with £466,984 (2016: £547,146) owed to the Company at 30 April 2017.

A Director has provided a debenture loan to the Company. Interest is charged at a rate of 2.75% above LIBOR and at 30 April 2017 the total debenture balance (including accrued interest) was £56,132 (2016: £52,653). This debenture is subordinated to senior liabilities.

R&Q also provided administrative services to the Company totalling £138,753 (2016: £137,713) during the period.

R McCoy, in his capacity as director of the Company, provided services totalling £10,456 (2016: £3,106) during the year which are included within the R&Q administration services disclosed above.

During the year, remuneration paid to key management personnel totalled £253,913 (2016: £253,026).

**21. Post balance sheet events**

On 20 December 2017 Randall & Quilter Underwriting Management Holdings Limited acquired 60 Ordinary shares from CGI Insurance Services Limited and 40 Ordinary shares from Christopher Blackwell. Randall & Quilter Underwriting Management Holdings Limited now own a majority shareholding in the Company of 80%.

**22. Controlling party**

In the opinion of the Directors there is no ultimate controlling party.