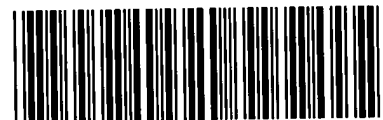


TRILOGY MANAGING GENERAL AGENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

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TRILOGY MANAGING GENERAL AGENTS LIMITED
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COMPANY INFORMATION

Directors	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)
Company secretary	R&Q Central Services Limited
Registered number	08397254
Registered office	71 Fenchurch Street London EC3M 4BS
Independent auditors	Wilkins Kennedy Audit Services Statutory Auditor Bridge House London Bridge London SE1 9QR

TRILOGY MANAGING GENERAL AGENTS LIMITED
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TRILOGY MANAGING GENERAL AGENTS LIMITED
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**STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2018**

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.

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 to become majority shareholder with an 80% shareholding in the Company.

On 4 April 2018 the shares were transferred from Randall & Quilter Underwriting Management Holdings Limited to R&Q MGA Limited.

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 2018**

Financial key performance indicators

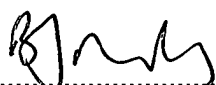
The Company's key performance indicators during the year were as follows:

	2018	2017
	£000	£000
Turnover	597	792
Operating loss	(317)	(182)

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.



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

Date: 1 November 2018

TRILOGY MANAGING GENERAL AGENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2018

The Directors present their report and the Financial Statements for the year ended 30 April 2018.

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 £361,724 (2017 - loss £431,836).

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)
M L Glover (appointed 30 September 2017)
A K Quilter (appointed 20 October 2017)
S J Petch (appointed 31 October 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 2018**

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.

Auditors

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

This report was approved by the board on 31 October 2018 and signed on its behalf.



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

TRILOGY MANAGING GENERAL AGENTS LIMITED

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

Opinion

We have audited the financial statements of Trilogy Managing General Agents Limited (the 'Company') for the year ended 30 April 2018, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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

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

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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 Strategic Report or the Directors' Report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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.

TRILOGY MANAGING GENERAL AGENTS LIMITED

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

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

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

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an 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.

Wilkins Kennedy Audit Services
Julian Golding (Senior Statutory Auditor)
for and on behalf of
Wilkins Kennedy Audit Services
Statutory Auditor
Bridge House
London Bridge
London
SE1 9QR
Date: 27/11/2018

TRILOGY MANAGING GENERAL AGENTS LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 APRIL 2018**

	Note	2018 £	2017 £
Turnover	4	596,883	792,438
Gross profit		<u>596,883</u>	<u>792,438</u>
Administrative expenses		(913,784)	(975,067)
Operating loss		<u>(316,901)</u>	<u>(182,629)</u>
Interest payable and expenses	8	(44,823)	(33,852)
Loss before tax		<u>(361,724)</u>	<u>(216,481)</u>
Tax on loss	9	-	(215,355)
Loss after tax		<u><u>(361,724)</u></u>	<u><u>(431,836)</u></u>
Retained earnings at the beginning of the year		(1,361,519)	(929,683)
		<u>(1,361,519)</u>	<u>(929,683)</u>
Loss for the year		(361,724)	(431,836)
Retained earnings at the end of the year		<u><u>(1,723,243)</u></u>	<u><u>(1,361,519)</u></u>


The notes on pages 11 to 23 form part of these financial statements.

TRILOGY MANAGING GENERAL AGENTS LIMITED
REGISTERED NUMBER: 08397254

BALANCE SHEET
AS AT 30 APRIL 2018

	Note	2018 £	As restated 2017 £
Fixed assets			
Intangible assets		22,908	-
Tangible assets	11	304	495
		<u>23,212</u>	<u>495</u>
Current assets			
Debtors	12	865,629	918,249
Cash at bank and in hand	13	322,673	823,552
		<u>1,188,302</u>	<u>1,741,801</u>
Creditors: amounts falling due within one year	14	(1,784,557)	(1,953,615)
Net current liabilities		<u>(596,255)</u>	<u>(211,814)</u>
Total assets less current liabilities		<u>(573,043)</u>	<u>(211,319)</u>
Creditors: amounts falling due after more than one year	15	(850,000)	(850,000)
Net liabilities		<u><u>(1,423,043)</u></u>	<u><u>(1,061,319)</u></u>
Capital and reserves			
Called up share capital	16	200	200
Share premium account	17	300,000	300,000
Profit and loss account	17	(1,723,243)	(1,361,519)
		<u><u>(1,423,043)</u></u>	<u><u>(1,061,319)</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: 1-11-18

The notes on pages 11 to 23 form part of these financial statements.

TRILOGY MANAGING GENERAL AGENTS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2018**

	2018 £	2017 £
Cash flows from operating activities		
Loss for the financial year	(361,724)	(431,836)
Adjustments for:		
Depreciation of tangible assets	191	191
Interest paid	44,823	33,852
Taxation charge	-	215,355
Decrease in debtors	52,620	650,502
(Decrease) in creditors	(1,040,647)	(1,312,341)
Increase in amounts owed to groups	871,589	-
Net cash generated from operating activities	(433,148)	(844,277)
Cash flows from investing activities		
Purchase of intangible fixed assets	(22,908)	-
Net cash from investing activities	(22,908)	-
Cash flows from financing activities		
Purchase of debenture loans	-	135,793
Interest paid	(44,823)	(33,852)
Net cash used in financing activities	(44,823)	101,941
Net (decrease) in cash and cash equivalents	(500,879)	(742,336)
Cash and cash equivalents at beginning of year	823,552	1,565,888
Cash and cash equivalents at the end of year	322,673	823,552
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	322,673	823,552
	322,673	823,552

The notes on pages 11 to 23 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

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. The debenture from Randall & Quilter Underwriting Management Holdings was waived on 15 June 2018.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

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 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.5 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
--------------------	-------------------------

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.

2.6 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 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 2018

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

2. Accounting policies (continued)**2.13 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.

2.14 Borrowing costs

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

2.15 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

TRILOGY MANAGING GENERAL AGENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

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.

4. Turnover

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

	2018 £	2017 £
Retained Commissions	596,883	792,438
	<u>596,883</u>	<u>792,438</u>

All turnover arose within the United Kingdom.

5. Auditors' remuneration

	2018 £	2017 £
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 2018**

6. Staff costs

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

	2018 £	2017 £
Wages and salaries	542,578	623,670
Social security costs	64,267	71,596
Cost of defined contribution scheme	36,767	40,052
	<u>643,612</u>	<u>735,318</u>

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

	2018 No.	2017 No.
Directors	1	1
Services	8	8
	<u>9</u>	<u>9</u>

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	255,439	253,913
Social security costs	33,457	33,381
Directors pension costs - defined contrib'n sch.	17,544	17,500
	<u>306,440</u>	<u>304,794</u>

During the year retirement benefits were accruing to 1 Director (2017 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £255,439 (2017 - £253,913).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £17,544 (2017 - £17,500).

<p>TRILOGY MANAGING GENERAL AGENTS LIMITED</p>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

8. Interest payable and similar expenses

	2018 £	2017 £
Loans from Group undertakings	44,823	33,852
	<u>44,823</u>	<u>33,852</u>

9. Taxation

	2018 £	2017 £
Deferred tax		
Origination and reversal of timing differences	-	215,355
Total deferred tax	<u>-</u>	<u>215,355</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>215,355</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	<u>(361,724)</u>	<u>(216,481)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	(68,728)	(43,296)
Effects of:		
Expenses not deductible for tax purposes	899	2,153
Capital allowances for year in excess of depreciation	36	38
Other timing differences	-	250,319
Unrelieved tax losses carried forward	67,793	6,141
Total tax charge for the year	<u>-</u>	<u>215,355</u>

Factors that may affect future tax charges

The Company has tax losses carried forward in the UK of £1,321,241 (2017: £1,317,413) 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 2018**

10. Intangible assets

	Develop- ment £
Cost	
Additions	22,908
At 30 April 2018	<u>22,908</u>
Net book value	
At 30 April 2018	<u>22,908</u>
At 30 April 2017	<u>-</u>

11. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 May 2017	766
At 30 April 2018	<u>766</u>
Depreciation	
At 1 May 2017	271
Charge for the year on owned assets	191
At 30 April 2018	<u>462</u>
Net book value	
At 30 April 2018	<u>304</u>
At 30 April 2017	<u>495</u>

TRILOGY MANAGING GENERAL AGENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

12. Debtors

	2018 £	2017 £
Other debtors	20,647	7,089
Prepayments and accrued income	256,059	82,409
Insurance debtors	588,923	828,751
	<u>865,629</u>	<u>918,249</u>

13. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	322,673	823,552
	<u>322,673</u>	<u>823,552</u>

At 30 April 2018 £214,064 (2017: £743,519) relates to cash held in insurance broking accounts.

14. Creditors: Amounts falling due within one year

	2018 £	As restated 2017 £
Insurance creditors	863,144	1,518,061
Amounts owed to Group undertakings	871,589	-
Other taxation and social security	23,791	22,142
Other creditors	565	367,193
Accruals and deferred income	25,468	46,219
	<u>1,784,557</u>	<u>1,953,615</u>

Amounts owed to Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

Included in amounts owed to Group undertakings are loans of £871,589 (2017: £NIL) which is being charged interest at Libor + 2.75%.

TRILOGY MANAGING GENERAL AGENTS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

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

	2018 £	As restated 2017 £
Long term loans	850,000	850,000
	850,000	850,000

Long term loans comprise £NIL (2017: £50,000) due to a Director of the Company and £850,000 (2017: £800,000) due to a shareholder.

The debenture from Randall & Quilter Underwriting Management Holdings was waived on 15 June 2018.

16. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
140 Ordinary shares of £1 each	140	140
60 A Ordinary shares of £1 each	60	60
	200	200

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.

17. Reserves

Profit and loss account

The profit and loss account represents accumulated profits and losses.

18. 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 £23,994 (2017: £40,052). At the year end contributions of £144 (2017: £963) were included in other creditors.

TRILOGY MANAGING GENERAL AGENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

19. Commitments under operating leases

At 30 April 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	29,064	-
	<u>29,064</u>	<u>-</u>

20. Related party transactions

Randall & Quilter Underwriting Management Holdings Ltd ("R&Q"), provided a debenture loan to the Company. Interest was charged at a rate of 2.75% above LIBOR and at 30 April 2018 the total debenture balance (including accrued interest) was £1,719,190 (2017: £1,160,098). This debenture was subordinated to senior liabilities. This debenture loan was waived on 15 June 2018.

A Director had provided a debenture loan to the Company. Interest was charged at a rate of 2.75% above LIBOR and at 30 April 2018 the total debenture balance (including accrued interest) was £NIL (2017: £56,132). This debenture was subordinated to senior liabilities. This debenture was repaid on 1 December 2017.

During the year, remuneration paid to key management personnel totalled £255,439 (2017: £253,913).

21. Controlling party

The immediate Parent undertaking is R&Q MGA Limited, which is registered in England and Wales.

Group Financial Statements are prepared by the ultimate Parent undertaking, Randall & Quilter Investment Holdings Ltd., a Company registered in Bermuda, and can be obtained from 71 Fenchurch Street, London, EC3M 4BS.