Company registration number: 08675418

A MacNab Limited

Annual Report and Financial Statements
31 December 2020

A MacNab Limited

Contents

A MacNab Limited

Company Information

Directors	Rachael Anne Scarr-Hall
Registered Office	Third floor One London Square Cross Lanes Guildford Surrey GU1 1UN
Auditors	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD

The Directors present their Strategic Report for the year ended 31 December 2020.

Business review and future developments

The Financial Statements incorporate the annual accounting results of the syndicates on which the Group participates for the 2018, 2019 and 2020 years of account, as well as any prior run-off years.

The results of the Group for the year are set out in the Profit and Loss Account.

Key performance indicators

The Directors monitor the performance of the Group by reference to the key performance indicators of the underlying Lloyd's limited liability members.

Other performance indicators

As a result of the nature of this Group the majority of its activities are carried out by the syndicates in which it participates. The Group is not involved directly in the management of the syndicates' activities and therefore the Directors of the Company do not consider it appropriate to monitor and report any performance indicators in relation to staff or environmental matters.

Financial risk management objectives and policies

As a supporter of corporate member of Lloyd's, the majority of the risks to this Group's future cash flows arise from its participation in the results of Lloyd's syndicates. As detailed in Note 5, these risks are mostly managed by the managing agent of the syndicate. The Group's role in managing this risk is limited to selection of syndicate participations and monitoring performance of the syndicates. The Group is also directly exposed to these risks, but they are not considered material compared to the syndicate risk for the assessment of the assets, liabilities, financial position and profit or loss of the Group.

COVID–19

The rapid spread of COVID-19 around the world in 2020 has had a significant impact on families, communities and the global economy.

Although the spread of COVID-19 has created challenges, the Group and the Lloyd's market as a whole are well equipped to react and deal with any difficulties. The financial impact of COVID-19 on the Group is still uncertain, but it is not expected to affect the long term strategy.

As the Group does not employ any staff and the members agent and the Lloyd's market were well prepared to work remotely, the Group is continuing to be run with minimal disruption.

Section 172(1) Statement

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

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

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

The Group and the syndicates are required to operate within the guidelines and code of conduct of the Lloyd's market. Behind the Lloyd's market is the Lloyd's Corporation, an independent organisation and regulator that acts to protect and maintain the market's reputation and provides services and original research, reports and analysis to the industry's knowledge base.

The Company's Section 172(1) Statement is available at https://www.hampden.co.uk/namecosection172

Departure from the European Union

The United Kingdom left the EU on 31 January 2020 and entered a transition period that ended on 31 December 2020. During this time the UK remained subject to EU law and remained part of the EU customs union and single market but was no longer part of the EU's political bodies or institutions. With effect from 31 December 2020, the UK and the EU have reached a number of agreements including a Trade and Cooperation Agreement, which covers the provision of financial services. Lloyd's has given much thought to and has developed a solution allowing Syndicates to continue to trade beyond the transition period ending 31 December 2020. Lloyd's Brussels (Lloyd's Insurance Company S.A) is Lloyd's first Europe wide operation, established to bring the scale, expertise and capacity to the world's specialist insurance market closer to its customers in Europe through a locally staffed and regulated insurer. The transfer does not change the terms and conditions of any policy, except that Lloyd's Brussels becomes the Insurer and Data Controller in respect of Transferring Policies. The transfer has been carefully designed to ensure that it will not change how policies operate. Policyholders will see no direct administrative change as a result of the proposed transfer and the process for making claims and any payments that may be due as settlement of a valid claim is unaffected by the proposed transfer. The transfer took effect on 30 December 2020 The Directors will continue to monitor the impact of leaving the EU along with general market conditions to identify if it is appropriate to make any changes to the current strategy of the Company.

Approved by the Board of Directors on 8 November 2021 and signed on its behalf by:

Rachael Anne Scarr-Hall
Director

The Directors present their Report together with the audited Financial Statements of the Group and the Company for the year ended 31 December 2020.

Principal activities

The Company mainly acts as a holding company of Nameco (No. 1005) Limited, a corporate members of Lloyd's (Note 15).

Results and dividends

The results of the Group for the year are set out on pages 9 to 10 of the Financial Statements. No dividends were paid in the year (2019: £nil).

Directors

The Directors who served at any time during the year were as follows:

Rachael Anne Scarr-Hall

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Group and Company Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 Group and Company and of the profit or loss of the Group for that period. In preparing those 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 United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for: such internal control as they determine necessary to enable the preparation of Financial Statements that are free from material misstatements, whether due to fraud or error; and safeguarding the assets of the Group and Company, complying with laws and regulations, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A MacNab Limited

Directors' Report (continued)

Auditor

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

ii. Disclosure of information to the Auditor:

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

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

Approved by the Board of Directors on 8 November 2021 and signed on its behalf by:

Rachael Anne Scarr-Hall
Director

Independent Auditor's Report to the Members of A MacNab Limited

Opinion

We have audited the Financial Statements of A MacNab Limited (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2020 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Shareholders' Equity, the Company Statement of Changes in Shareholders' Equity and notes to the Financial Statements, including 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 and FRS 103 *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 Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's result 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 Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

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

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

Other information

The other information comprises the information included in the Annual Report other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the Financial Statements themselves. 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 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 Group and Parent Company and their 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Group and Parent Company 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 Group and Parent Company Financial Statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent 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.

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

- We obtained an understanding of the Group and Parent Company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the Financial Statements. We obtained our understanding in this regard through discussion with the with the Directors and the application of our knowledge and experience of the sector in which the Group and Parent Company operates in .We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006, Lloyds of London byelaws as they relate to limited liability vehicles, UK GAAP and UK taxation regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group and Parent Company with those laws and regulations. These procedures included, but were not limited to:
  - Discussion with management of any known, or suspected instances, of non-compliance by the Group and Parent Company with those laws and regulations;
  - discussion with management of any, or suspected, incidence of fraud;
  - review of the Financial Statements disclosure and testing to supporting documentation to assess compliance with applicable law and regulation.
- A review and testing of the system of controls established by management to ensure the accuracy of the Financial Statements.

We identified the risks of material misstatement of the Financial Statements due to fraud as being those arising from management override of controls. We have addressed this risk by performing audit procedures which included, but were not limited to, the testing of journals ,reviewing material accounting estimates for evidence of bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business that came to our attention.

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

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: 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.

Carmine Papa (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
24 November 2021

15 Westferry Circus
Canary Wharf
London
E14 4HD

A MacNab Limited

Consolidated Profit and Loss Account
Technical Account – General Business
for the year ended 31 December 2020

	Note		2020 £		2019 £
Premiums written					
Gross premiums written	6,7		1,247,895		1,170,060
Outward reinsurance premiums			(307,978)		(295,223)
Net premiums written			939,917		874,837
Change in the provision for unearned premiums	8				
Gross provision			(50,106)		(10,210)
Reinsurers' share			8,469		13,242
Net change in the provision for unearned premiums			(41,637)		3,032
Earned premiums, net of reinsurance			898,280		877,869
Allocated investment return transferred from the non-technical account			41,849		54,711
Other technical income, net of reinsurance			-		-
Total technical income			940,129		932,580
Claims paid					
Gross amount		(680,515)		(672,292)	
Reinsurers' share		171,419		165,202	
Net claims paid		(509,096)		(507,090)	
Change in the provision for claims					
Gross amount		(114,577)		(104,298)	
Reinsurers' share		35,295		64,149	
Change in the net provision for claims	8	(79,282)		(40,149)	
Claims incurred, net of reinsurance			(588,378)		(547,239)
Changes in other technical provisions, net of reinsurance			(196)		(568)
Net operating expenses	9		(349,143)		(338,376)
Other technical charges, net of reinsurance			-		-
Balance on the technical account for general business			2,412		46,397

The Notes are an integral part of these Financial Statements.

A MacNab Limited

Consolidated Profit and Loss Account
Non - Technical Account
for the year ended 31 December 2020

	Note	2020 £	2019 £
Balance on technical account for general business		2,412	46,397
Investment income	10	46,080	52,032
Unrealised gains on investments	10	42,266	41,912
Investment expenses and charges	10	(14,841)	(10,957)
Unrealised losses on investments	10	(30,144)	(23,964)
Allocated investment return transferred to the general business technical account		(41,849)	(54,711)
Other income		-	-
Other charges		(35,464)	(42,486)
Goodwill on bargain purchase - amortisation		-	-
Profit/(loss) before taxation	11	(31,540)	8,223
Tax on profit/(loss)	12	2,814	4,887
Profit/(loss) for the financial year		(28,726)	13,110

Consolidated Statement of Comprehensive Income

		2020 £	2019 £
Profit/(loss) for the financial year		(28,726)	13,110
Other comprehensive income:			
Currency translation differences		762	4,522
Tax on other comprehensive income		(145)	(769)
Other comprehensive income for the year, net of tax		617	3,753
Total comprehensive income for the financial year	18	(28,109)	16,863

All amounts relate to continuing operations.

The Notes are an integral part of these Financial Statements.

A MacNab Limited

Consolidated Balance Sheet
as at 31 December 2020

	Note	31 December 2020 Syndicate participation £	Corporate £	Total £	31 December 2019 Syndicate participation £	Corporate £	Total £
Assets							
Intangible assets	13	-	31,215	31,215	-	42,218	42,218
Investments							
Financial investments	14	1,314,779	-	1,314,779	1,235,373	-	1,235,373
Deposits with ceding undertakings		83	-	83	94	-	94
		1,314,862	-	1,314,862	1,235,467	-	1,235,467
Provision for unearned premiums	8	100,701	-	100,701	95,062	-	95,062
Claims outstanding	8	521,210	-	521,210	508,176	-	508,176
Other technical provisions		-	-	-	196	-	196
		621,911	-	621,911	603,434	-	603,434
Debtors							
Arising out of direct insurance operations							
- Policyholders		4	-	4	3	-	3
- Intermediaries		282,142	-	282,142	256,758	-	256,758
Arising out of reinsurance operations		293,084	-	293,084	262,187	-	262,187
Other debtors	16	51,958	223,054	275,012	68,819	207,858	276,677
		627,188	223,054	850,242	587,767	207,858	795,625
Other assets							
Cash at bank and in hand		48,251	92,566	140,817	44,669	209,795	254,464
Other		103,460	-	103,460	100,375	-	100,375
		151,711	92,566	244,277	145,044	209,795	354,839
Prepayments and accrued income							
Accrued interest		4,459	-	4,459	4,816	-	4,816
Deferred acquisition costs	8	138,824	-	138,824	134,959	-	134,959
Other prepayments and accrued income		3,705	-	3,705	3,227	-	3,227
		146,988	-	146,988	143,002	-	143,002
Total assets		2,862,660	346,835	3,209,495	2,714,714	459,871	3,174,585

The Notes are an integral part of these Financial Statements.

A MacNab Limited

Consolidated Balance Sheet
as at 31 December 2020

	Note	31 December 2020 Syndicate participation £	Corporate £	Total £	31 December 2019 Syndicate participation £	Corporate £	Total £
Liabilities and shareholders' funds							
Capital and reserves							
Called up share capital	17	-	100	100	-	100	100
Share premium account		-	-	-	-	-	-
Profit and loss account	18	(91,190)	336,453	245,263	(148,416)	421,788	273,372
Total shareholders' funds		(91,190)	336,553	245,363	(148,416)	421,888	273,472
Technical provisions							
Provision for unearned premiums	8	545,947	-	545,947	508,898	-	508,898
Claims outstanding – gross	8	2,056,003	-	2,056,003	2,045,374	-	2,045,374
Other technical provisions		-	-	-	-	-	-
		2,601,950	-	2,601,950	2,554,272	-	2,554,272
Provisions for other risks and charges							
Deferred taxation	19	-	-	-	-	-	-
Other		2,449	-	2,449	2,537	-	2,537
		2,449	-	2,449	2,537	-	2,537
Deposits received from reinsurers		1,597	-	1,597	6,345	-	6,345
Creditors							
Arising out of direct insurance operations		49,251	-	49,251	38,184	-	38,184
Arising out of reinsurance operations		205,529	-	205,529	187,796	-	187,796
Amounts owed to credit institutions		-	-	-	-	-	-
Other creditors including taxation and social security	20	66,547	575	67,122	47,849	27,918	75,767
		321,327	575	321,902	273,829	27,918	301,747
Accruals and deferred income		26,527	9,707	36,234	26,147	10,065	36,212
Total liabilities		2,953,850	10,282	2,964,132	2,863,130	37,983	2,901,113
Total liabilities and shareholders' funds		2,862,660	346,835	3,209,495	2,714,714	459,871	3,174,585

The Financial Statements were approved and authorised for issue by the Board of Directors on 8 November 2021 and signed on its behalf by:

Rachael Anne Scarr-Hall
Director

Company registration number: 08675418

The Notes are an integral part of these Financial Statements.

A MacNab Limited

Company Balance Sheet
as at 31 December 2020

	Note	2020 £	2019 £
Assets			
Fixed assets			
Investments			
Investment in subsidiary undertakings	15	-	-
		-	-
Current assets			
Amounts owed by subsidiary undertakings		-	-
Amounts owed by shareholders		-	-
Other debtors	16	-	-
Cash at bank		-	-
		-	-
Creditors: amounts falling due within one year			
Amounts owed to subsidiary undertakings		(40,098)	(9,771)
Amounts owed to shareholders		(575)	(23,631)
Other creditors and accruals	20	(5,401)	(5,340)
		(46,074)	(38,742)
Net current assets / (liabilities)		(46,074)	(38,742)
Total assets less current liabilities		(46,074)	(38,742)
Creditors: amounts falling due after one year			
Deferred taxation	19	-	-
Other creditors	20	-	-
		-	-
Net assets / (liabilities)		(46,074)	(38,742)
Shareholders' funds			
Capital and reserves			
Called up share capital	17	100	100
Profit and loss account			
At 1 January		(38,842)	(33,304)
Profit/(loss) for the year attributable to the owners		(7,332)	(5,538)
Other changes in profit and loss account		-	-
At 31 December		(46,174)	(38,842)
Total shareholders' funds		(46,074)	(38,742)

The Financial Statements were approved and authorised for issue by the Board of Directors on 8 November 2021 and signed on its behalf by:

Rachael Anne Scarr-Hall
Director

Company registration number: 08675418

The Notes are an integral part of these Financial Statements.

A MacNab Limited

Consolidated Statement of Changes in Shareholders' Equity for the year ended 31 December 2020

	Note	Called up share capital £	Share premium account £	Profit and loss account £	Total share-holders' funds £
At 1 January 2019		100	-	256,509	256,609
Total comprehensive income for the year:					
Profit/(loss) for the financial year		-	-	13,110	13,110
Other comprehensive income for the year		-	-	3,753	3,753
Total comprehensive income for the year		-	-	16,863	16,863
Transactions with owners:					
Dividends paid	18,22	-	-	-	-
Proceeds from the issue of shares	17	-	-	-	-
Total transactions with owners		-	-	-	-
At 31 December 2019		100	-	273,372	273,472
At 1 January 2020		100	-	273,372	273,472
Total comprehensive income for the year:					
Profit/(loss) for the financial year		-	-	(28,726)	(28,726)
Other comprehensive income for the year		-	-	617	617
Total comprehensive income for the year		-	-	(28,109)	(28,109)
Transactions with owners:					
Dividends paid	18,22	-	-	-	-
Proceeds from the issue of shares	17	-	-	-	-
Total transactions with owners		-	-	-	-
At 31 December 2020		100	-	245,263	245,363

The Notes are an integral part of these Financial Statements.

A MacNab Limited

Company Statement of Changes in Shareholders' Equity
for the year ended 31 December 2020

	Note	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 1 January 2019		100	-	(33,304)	(33,204)
Total comprehensive income for the year:					
Profit/(loss) for the financial year		-	-	(5,538)	(5,538)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	(5,538)	(5,538)
Transactions with owners:					
Dividends paid	18,22	-	-	-	-
Proceeds from issue of shares	17	-	-	-	-
Total transactions with owners		-	-	-	-
At 31 December 2019		100	-	(38,842)	(38,742)
At 1 January 2020		100	-	(38,842)	(38,742)
Total comprehensive income for the year:					
Profit/(loss) for the financial year		-	-	(7,332)	(7,332)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	(7,332)	(7,332)
Transactions with owners:					
Dividends paid	18,22	-	-	-	-
Proceeds from issue of shares	17	-	-	-	-
Total transactions with owners		-	-	-	-
At 31 December 2020		100	-	(46,174)	(46,074)

The Notes are an integral part of these Financial Statements.

A MacNab Limited

Consolidated Statement of Cash Flows
for the year ended 31 December 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit/(loss) before tax	(31,540)	8,223
Deduction of (profit)/loss attributed to syndicate transactions	(27,642)	(69,630)
Distribution/(collection) of closed year result from/(to) syndicates	(28,822)	92,358
Profit/(loss) excluding syndicate transactions	(88,004)	30,951
Adjustments for:		
(Increase)/decrease in debtors	(36,714)	3,204
Increase/(decrease) in creditors	6,913	(11,712)
(Profit)/loss on disposal of intangible assets	-	-
Amortisation of syndicate capacity	11,003	8,074
Amortisation of goodwill/(release of negative goodwill)	-	-
Investment income	(1,512)	(4,310)
Realised/unrealised (gains)/losses on investments	-	-
Income tax paid	(10,427)	(21,278)
Net cash inflow/(outflow) from operating activities	(118,741)	4,929
Cash flows from investing activities		
Investment income	1,512	4,310
Purchase of syndicate capacity	-	(29,050)
Proceeds from sale of syndicate capacity	-	-
Purchase of investments	-	-
Proceeds from sale of investments	-	-
Acquisition of subsidiaries, net of cash acquired	-	-
Net cash inflow/(outflow) from investing activities	1,512	(24,740)
Cash flows from financing activities		
Equity dividends paid		
Issue of shares		
Net cash inflow/(outflow) from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(117,229)	(19,811)
Cash and cash equivalents at beginning of year	209,795	229,606
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of year	92,566	209,795
Cash and cash equivalents comprise:		
Cash at bank and in hand	92,566	209,795
Other financial investments		
Cash and cash equivalents	92,566	209,795

The Group has no control over the disposition of assets and liabilities at Lloyd's. Consequently, the Consolidated Statement of Cash Flows is prepared reflecting only the movement in corporate funds, which includes transfers to and from the syndicates at Lloyd's.

Net Debt Reconciliation:

The Net Debt Reconciliation comprises only of the corporate cash and cash equivalents, as the Group does not have any borrowings.

The cash and cash equivalents at the beginning of the year, the cash flows arising during the year, any exchange rate movements and the cash and cash equivalents at the end of the year are disclosed within the Cash Flow Statement above.

The Notes are an integral part of these Financial Statements.

1. General information

The Company is a private company limited by shares that was incorporated in England and Wales and whose registered office is Third floor, One London Square, Cross Lanes, Guildford, Surrey, GU1 1UN. The Group participates in insurance business as an underwriting member of various syndicates at Lloyd's.

2. Statement of compliance

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

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 years presented, unless otherwise stated.

Basis of preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost basis of accounting, as modified by the revaluation of certain financial instruments measured at fair value through profit or loss.

The preparation of Financial Statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 4.

The Company has elected to take the exemption under Section 408 of the Companies Act 2006, not to present the Company Profit and Loss Account as part of these Financial Statements. The individual profit or loss of the Company for the year is shown on the face of the Company Balance Sheet and in the Company Statement of Changes in Shareholders' Equity on pages 13 and 15.

FRS 102: Reduced disclosure exemptions for the Company

The Company has taken advantage of the following disclosure exemptions in preparing these Financial Statements, as far as the Company standalone disclosures are concerned, as permitted by FRS 102:

i. The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d) as far as the Company Statement of Cash Flows is concerned, as the Consolidated Statement of Cash Flows includes the Company's cash flows;

ii. The requirements of Section 33 Related Party Disclosures, paragraph 33.7 for disclosing key management personnel compensation in total, for the Company;

iii. The requirements of Section 33 Related Party Disclosures, paragraph 33.1A, for disclosing related party transactions entered into between two or more members of the Group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

Going concern

The Group participates as an underwriting member of Lloyd's. Its underwriting is supported by Funds at Lloyd's, either made available by the Company directly or by its members. The Directors are of the opinion that the Group and the Company have adequate resources to meet its underwriting and other operational obligations for the foreseeable future. Accordingly, the going concern concept has been adopted in the preparation of these Financial Statements. In arriving at this opinion, the Directors have considered the matter referred to in Note 24 in respect of the impact of COVID-19.

Basis of consolidation, goodwill and investments in subsidiaries

The Group Financial Statements consolidate the Financial Statements of the Company and its subsidiary undertakings made up to 31 December 2020.

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding or partnership participation of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

3. Summary of significant accounting policies (continued)

Basis of consolidation, goodwill and investments in subsidiaries (continued)

In the Parent Company's Financial Statements, investments in subsidiaries are stated at cost and are reviewed for impairment annually or when events or changes in circumstances indicate the carrying value to be impaired.

The Group uses the acquisition method of accounting to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is capitalised and recorded as goodwill. Following initial recognition, goodwill is amortised over a period of five years. Goodwill is assessed for impairment annually and any impairment is charged to the Profit and Loss Account in the year the impairment is identified. Reversals of impairments are recognised when the reasons for impairment no longer apply. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is negative goodwill and this is recognised in the Consolidated Balance Sheet. Following initial recognition, negative goodwill is released to the Consolidated Non-Technical Account over a period of five years.

Uniform Accounting Policies are used for all Group companies. Profits or losses on intra-Group transactions are eliminated on consolidation.

Basis of accounting

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

Amounts reported in the general business technical account relate to movements in the period in respect of all relevant years of account of the syndicates on which the Group participates.

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

The information included in these Financial Statements in respect of the syndicates has been supplied by managing agents based upon the various accounting policies they have adopted. The following describes the policies they have adopted:

General business

i. Premiums

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

ii. Unearned premiums

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

iii. Deferred acquisition costs

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

iv. Reinsurance premiums

Managing agents enter into reinsurance contracts on behalf of syndicates, in the normal course of business, in order to limit the potential losses arising from certain exposures. Reinsurance premium costs are allocated by the managing agent of each syndicate to reflect the protection arranged in respect of the business written and earned.

3. *Summary of significant accounting policies (continued)*

v. Claims incurred and reinsurers' share

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

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

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

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

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

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

vi. Unexpired risks provision

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

vii. Closed years of account

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

Any subsequent variation in the ultimate liabilities of the closed year of account is borne by the underwriting year into which it is reinsured.

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

3. *Summary of significant accounting policies (continued)*

vii. Closed years of account (continued)

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

viii. Run-off years of account

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

ix. Net operating expenses (including acquisition costs)

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

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

x. Distribution of profits and collection of losses

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

xi. Financial assets and financial liabilities

Classification:
The accounting classification of financial assets and liabilities determines their basis of measurement and how changes in those values are presented in the Profit and Loss Account and Other Comprehensive Income. These classifications are made at initial recognition and subsequent classification is only permitted in restricted circumstances.

The syndicates' investments comprise of debt and equity investments, derivatives, cash and cash equivalents and loans and receivables. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the syndicate after deducting all of its liabilities.

Recognition:
Financial assets and liabilities are recognised when the syndicate becomes party to the contractual provisions of the instrument. In respect of the purchases and sales of financial assets, they are recognised on the trade date.

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

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

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

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

3. Summary of significant accounting policies (continued)

xi. Financial assets and financial liabilities (continued)

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

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

Fair value measurement:
The best evidence of fair value is a quoted price for an identical asset or liability in an active market that the entity can access at the measurement date.

When quoted prices are unavailable, observable inputs developed using market data for the asset or liability, either directly or indirectly, are used to determine the fair value.

If the market for the asset is not active and there are no observable inputs, then the syndicate estimates the fair value by using unobservable inputs, i.e. where market data is unavailable.

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

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

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

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

xii. Investment return

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

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

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

3. Summary of significant accounting policies (continued)

xiii. Basis of currency translation

The presentation and functional currency of the Group is Pound Sterling, which is the currency of the primary economic environment in which it operates. Supported syndicates may have different functional currencies.

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

Monetary assets and liabilities, which according to FRS 103 are deemed to include unearned premiums and deferred acquisition costs, are translated into Pound Sterling at the rates of exchange at the Balance Sheet date.

Any non-monetary items are translated into the functional currency using the rate of exchange prevailing at the time of the transaction.

Differences arising on translation to the functional currency of the syndicates where the functional currency was not Pound Sterling are reported in the Statement of Other Comprehensive Income. All other exchange differences are reported within the Profit and Loss Account, Non-Technical Account (or the Technical Account in respect of Life syndicates).

Reinsurance at corporate level

Where considered applicable by the Directors, the Group may purchase additional reinsurance to that purchased through the syndicates. Any such reinsurance premiums and related reinsurance recoveries are treated in the same manner as described for syndicates in Note 2 (iv) and (v) above.

Taxation

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

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

Deferred taxation

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

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax assets and liabilities have not been discounted.

Intangible assets

Costs incurred by the Company in the Corporation of Lloyd's auctions in order to acquire rights to participate on syndicates' underwriting years are included within intangible assets and amortised over a five year period beginning in the year following the purchase of the syndicate participation.

The intangible assets are reviewed for impairment where there are indicators for impairment, and any impairment is charged to the Profit and Loss Account for the period.

3. Summary of significant accounting policies (continued)

Cash and cash equivalents and Statement of Cash Flows

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

The Group has no control over the disposition of assets and liabilities at Lloyd's. Consequently, the Consolidated Statement of Cash Flows is prepared reflecting only the movement in corporate funds, which includes transfers to and from syndicates at Lloyd's.

Share capital

Ordinary share capital is classified as equity. The difference between fair value of the consideration received and the nominal value of the share capital being issued, is taken to the share premium account. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of taxes, from the proceeds.

Dividend distributions to shareholders

Dividend distributions to the Company's shareholders are recognised in the Financial Statements in the period in which the dividends are approved by the shareholders. These amounts are recognised in the Statement of Changes in Shareholders' Equity.

4. Key accounting judgements and estimation uncertainties

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

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

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

The key accounting judgements and sources of estimation uncertainty set out below therefore relate to those made in respect of the Group only, and do not include estimates and judgements made in respect of the syndicates.

Purchased syndicate capacity:

Estimating value in use:
Where an indication of impairment of capacity values exists, the Directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires an estimate of the future cash flows expected to arise from the capacity and a suitable discount rate in order to calculate present value.

Determining the useful life of purchased syndicate capacity:
The assessed useful life of syndicate capacity is five years. This is on the basis that this is the life over which the original value of the capacity acquired is used up.

Assessing indicators of impairment:

In assessing whether there have been any indicators of impairment assets, the Directors consider both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Recoverability of receivables:

The Group establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability, factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers are all considered.

5. Risk management

This section summarises the financial and insurance risks the Group is exposed to either directly at its own corporate level or indirectly via its participation in the Lloyd's syndicates.

Risk background

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

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

The Group manages the risks faced by the syndicates on which it participates by monitoring the performance of the syndicates it supports. This commences in advance of committing to support a syndicate for the following year, with a review of the business plan prepared for each syndicate by its managing agent. In addition, quarterly reports and annual accounts together with any other information made available by the managing agent are monitored and if necessary enquired into. If the Group considers that the risks being run by the syndicate are excessive it will seek confirmation from the managing agent that adequate management of the risk is in place and, if considered appropriate will withdraw support from the next underwriting year. The Group relies on advice provided by the members' agent which acts for it, who are specialists in assessing the performance and risk profiles of syndicates. The Group also mitigates its insurance risks by participating across several syndicates as detailed in Note 25.

Departure from the European Union:
The UK's departure from the EU and the new Agreements in place will have an impact on various risk factors, including currency risks. Lloyd's have now set up an office in Brussels through which the syndicates are able to operate very much on the same terms as previously. The Company will monitor these developments and identify whether it needs to modify its participation in the Lloyd's market

The analysis below provides details of the financial risks the Group is exposed to from syndicate insurance activities and at a corporate company level, as required by FRS 103. Note 8 provides further analysis of sensitivities to reserving and underwriting risks.

Syndicate risks

i. Liquidity risk

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

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

Although there are usually no stated maturities for claims outstanding, syndicates have provided their expected maturity of future claims settlements as follows:

2020	No stated maturity £	0-1 year £	1-3 years £	3-5 years £	> 5 years £	Total £
Claims outstanding	(104)	688,181	669,038	364,104	334,784	2,056,003

2019	No stated maturity £	0-1 year £	1-3 years £	3-6 years £	> 5 years £	Total £
Claims outstanding	(83)	698,155	681,124	343,639	322,539	2,045,374

5. Risk management (continued)

Syndicate risks (continued)

ii. Credit risk

Credit ratings to syndicate assets emerging directly from insurance activities which are neither past due nor impaired, are as follows:

2020	AAA	AA	A	BBB or lower	Not rated	Total
	£	£	£	£	£	£
Financial investments	122,842	370,276	493,570	249,260	78,831	1,314,779
Deposits with ceding undertakings	-	-	-	-	83	83
Reinsurers share of claims outstanding	31,820	134,823	305,535	14,629	34,443	521,250
Reinsurance debtors	225	9,178	24,833	4,660	4,948	43,844
Cash at bank and in hand	83	2,622	44,821	617	108	48,251
	154,970	516,899	868,759	269,166	118,413	1,928,207

2019	AAA	AA	A	BBB or lower	Not rated	Total
	£	£	£	£	£	£
Financial investments	109,311	342,311	424,732	253,628	105,391	1,235,373
Deposits with ceding undertakings	-	-	-	-	94	94
Reinsurers share of claims outstanding	37,739	105,396	330,216	1,097	33,756	508,204
Reinsurance debtors	373	7,660	21,056	892	11,761	41,742
Cash at bank and in hand	99	2,036	31,043	2,507	8,984	44,669
	147,522	457,403	807,047	258,124	159,986	1,830,082

Syndicate assets emerging directly from insurance activities, with reference to their due date or impaired are as follows:

	Neither past due nor	Past due but not impaired				
2020	impaired	Less than 6 months	Between 6 months and 1 year	Greater than 1 year	Impaired	Total
	£	£	£	£	£	£
Financial investments	1,314,779	-	-	-	-	1,314,779
Deposits with ceding undertakings	83	-	-	-	-	83
Reinsurers share of claims outstanding	521,250	-	-	-	(40)	521,210
Reinsurance debtors	43,844	17,369	492	279	(9)	61,975
Cash at bank and in hand	48,251	-	-	-	-	48,251
Insurance and other debtors	760,248	21,835	6,516	3,973	(43)	792,529
	2,688,455	39,204	7,008	4,252	(92)	2,738,827

	Neither past due nor	Past due but not impaired				
2019	impaired	Less than 6 months	Between 6 months and 1 year	Greater than 1 year	Impaired	Total
	£	£	£	£	£	£
Financial investments	1,235,373	-	-	-	-	1,235,373
Deposits with ceding undertakings	94	-	-	-	-	94
Reinsurers share of claims outstanding	508,204	-	-	-	(28)	508,176
Reinsurance debtors	41,742	9,080	692	602	(1)	52,115
Cash at bank and in hand	44,669	-	-	-	-	44,669
Insurance and other debtors	726,439	19,790	3,884	3,623	(46)	753,690
	2,556,521	28,870	4,576	4,225	(75)	2,594,117

5. Risk management (continued)

Syndicate risks (continued)

iii. Interest rate and equity price risk

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

iv. Currency risk

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

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

2020	**GBP** **£** **converted**	**USD** **£** **converted**	**EUR** **£** **converted**	**CAD** **£** **converted**	**Other** **£** **converted**	**Total** **£** **converted**
Total assets	350,113	2,069,652	114,495	249,095	79,305	2,862,660
Total liabilities	(514,954)	(2,070,810)	(127,600)	(185,314)	(55,172)	(2,953,850)
Surplus/(deficiency) of assets	(164,841)	(1,158)	(13,105)	63,781	24,133	(91,190)

2019	**GBP** **£** **converted**	**USD** **£** **converted**	**EUR** **£** **converted**	**CAD** **£** **converted**	**Other** **£** **converted**	**Total** **£** **Converted**
Total assets	310,163	1,993,780	133,008	212,681	65,082	2,714,714
Total liabilities	(509,279)	(2,004,147)	(116,430)	(172,383)	(60,891)	(2,863,130)
Surplus/(deficiency) of assets	(199,116)	(10,367)	16,578	40.298	4,191	(148,416)

The impact of a 5% change in exchange rates between GBP and other currencies would be £3,683 on shareholders' funds (2019: £2,535).

Group risks

i. *Investment, Credit and Liquidity risks*

The significant risks faced by the Group are with regard to the investment of the available funds within its own custody. The elements of these risks are investment risk, credit risk, interest rate risk and currency risk. The main liquidity risk would arise if a syndicate had inadequate liquid resources for a large claim and sought funds from the Group to meet the claim. In order to minimise investment, credit and liquidity risk the Group's funds are invested in readily realisable short term deposits. The Group does not use derivative instruments to manage risk and, as such, no hedge accounting is applied.

ii. Currency risks

The syndicates can distribute their results in Pound Sterling, US dollars or a combination of the two. The Group is exposed to movements in the US dollar between the Balance Sheet date and the distribution of the underwriting profits and losses, which is usually in the May following the closure of a year of account.

In addition, the Group is also subject to currency fluctuations in respect of any financial investments and Funds at Lloyd's shown in the Corporate column of the Consolidated Balance Sheet and as set out in Notes 14 and 16 respectively.

5. Risk management (continued)

Group risks (continued)

iii. Regulatory risks

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

iv. Operational risks

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

6. Class of business

2020	Gross written premiums	Gross premiums earned	Gross claims incurred	Net operating expenses	Reinsurance balance	Total
	£	£	£	£	£	£
Direct insurance						
Accident and health	51,381	50,459	(47,899)	(18,600)	(158)	(16,198)
Motor – third party liability	3,243	2,936	(2,517)	(927)	114	(394)
Motor – other classes	34,527	31,547	(20,388)	(11,209)	(1,163)	(1,213)
Marine, aviation and transport	127,363	119,823	(66,686)	(39,027)	(7,661)	6,449
Fire and other damage to property	375,218	352,266	(198,526)	(110,176)	(37,941)	5,623
Third party liability	313,698	288,571	(192,747)	(89,160)	(7,343)	(679)
Credit and suretyship	37,091	38,464	(109,421)	(11,774)	32,222	(50,509)
Legal expenses	1,826	1,637	(790)	(559)	(266)	22
Assistance	-	-	-	-	-	-
Miscellaneous	-	-	(6)	(4)	2	(8)
Total direct	944.347	885,703	(638,980)	(281,436)	(22,194)	(56,907)
Reinsurance inwards	303,548	312,086	(156,112)	(67,707)	(70,601)	17,666
Total	1,247,895	1,197,789	(795,092)	(349,143)	(92,795)	(39,241)

2019	Gross written premiums	Gross premiums earned	Gross claims incurred	Net operating expenses	Reinsurance balance	Total
	£	£	£	£	£	£
Direct insurance						
Accident and health	44,768	46,446	(27,676)	(20,311)	(2,155)	(3,696)
Motor – third party liability	2,749	3,342	(2,038)	(1,046)	(152)	106
Motor – other classes	33,128	42,606	(24,359)	(14,893)	(816)	2,538
Marine, aviation and transport	104,062	103,866	(49,232)	(35,802)	(10,517)	8,315
Fire and other damage to property	348,735	331,383	(195,950)	(98,857)	(39,016)	(2,440)
Third party liability	296,420	289,832	(175,772)	(95,819)	(335)	19,906
Credit and suretyship	35,971	36,356	(16,043)	(11,941)	(3,561)	4,811
Legal expenses	1,784	1,623	(548)	(873)	(120)	82
Assistance	-	-	-	-	-	-
Miscellaneous	(21)	299	(260)	(99)	-	(60)
Total direct	867,596	855,753	(489,878)	(279,641)	(56,672)	29,562
Reinsurance inwards	302,464	304,097	(286,712)	(58,735)	4,042	(37,308)
Total	1,170,060	1,159,850	(776,590)	(338,376)	(52,630)	(7,746)

7. Geographical analysis

	2020 £	2019 £
Gross premium written in:		
United Kingdom	944.262	867,596
Other EU Member States	85	-
Rest of the World	-	-
Total direct gross premium written	944,347	867,596

8. Technical provisions

Movement in claims outstanding	Gross £	Reinsurance £	2020 Net £	Gross £	Reinsurance £	2019 Net £
At 1 January	2,045,374	508,176	1,537,198	1,950,463	450,374	1,500,089
Acquired on acquisition	-	-	-	-	-	-
Movement of reserves	114,577	35,295	79,282	104,298	64,149	40,149
Other movements	(103,948)	(22,261)	(81,687)	(9,387)	(6,347)	(3,040)
At 31 December	2,056,003	521,210	1,534,793	2,045,374	508,176	1,537,198

Movement in unearned premiums	Gross £	Reinsurance £	2020 Net £	Gross £	Reinsurance £	2019 Net £
At 1 January	508,898	95,062	413,836	511,821	84,494	427,327
Acquired on acquisition	-	-	-	-	-	-
Movement of reserves	50,106	8,469	41,637	10,210	13,242	(3,032)
Other movements	(13,057)	(2,830)	(10,227)	(13,133)	(2,674)	(10,459)
At 31 December	545,947	100,701	445,246	508,898	95,062	413,836

Movement in deferred acquisition costs	2020 Net £	2019 Net £
At 1 January	134,959	136,920
Acquired on acquisition	-	-
Movement in deferred acquisition costs (Note 9)	7,074	1,843
Other movements	(3,209)	(3,804)
At 31 December	138,824	134,959

Included within other movements are foreign exchange movements and the effect of the 2017 and prior years' technical provisions being reinsured to close into the 2018 year of account (2019: 2016 and prior years' technical provisions being reinsured to close into the 2017 year of account), to the extent where the Group's syndicate participation portfolio has changed between those two years of account.

Assumptions, changes in assumptions and sensitivity

As described in Note 5 the majority of the risks to the Group's future cash flows arise from its participation in the results of Lloyd's syndicates and are mostly managed by the managing agents of the syndicates. The Group's role in managing these risks, in conjunction with the Group's members' agent, is limited to a selection of syndicate participations and monitoring the performance of the syndicates and their managing agents.

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

8. Technical provisions (continued)

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

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

There have been no changes to these assumptions in 2020.

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

- a 5% increase/decrease in net earned premium (with all other underwriting elements assumed to change pro-rata with premium) will increase/decrease the Group's pre-tax profit/loss by £44,914 (2019: £43,893).
- a 5% increase/decrease in the managing agents' calculation of gross claims reserves will decrease/increase the Group's pre-tax profit/loss by £102,800 (2019: £102,269);
- a 5% increase/decrease in the managing agents' calculation of net claims reserves will decrease/increase the Group's pre-tax profit/loss by £76,740 (2019: £76,860).

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

The tables below show the historical gross and net claims development based on the Group's syndicate participations on all syndicate years during the year ended 31 December 2020. The table does not include the claims development on any syndicates which the Group no longer participates upon and is based on the latest participation shares during the year ended 31 December 2020.

Claims development - Gross

Underwriting pure year	After one year £000	After two years £000	After three years £000	After four years £000	After five years £000	After six years £000	After seven years £000	After eight years £000	After nine years £000	After ten years £000	Profit / (loss) on RITC received £000
2011	356	557	561	552	541	531	521	517	515	513	49
2012	347	510	499	477	470	459	452	448	444		69
2013	271	457	446	430	417	408	402	396			58
2014	255	433	442	426	433	426	423				78
2015	246	451	465	453	450	448					57
2016	274	536	542	535	531						41
2017	556	802	845	829							51
2018	457	800	830								
2019	423	746									
2020	418										

8. Technical provisions (continued)

Claims development - Net

Underwriting pure year	After one year £000	After two years £000	After three years £000	After four years £000	After five years £000	After six years £000	After seven years £000	After eight years £000	After nine years £000	After ten years £000	Profit / (loss) on RITC received £000
2011	302	477	478	462	450	443	437	435	432	430	55
2012	285	435	428	406	399	391	385	381	379		66
2013	233	403	391	378	366	359	353	348			60
2014	216	382	389	372	369	364	362				68
2015	210	391	406	396	391	387					53
2016	219	437	446	439	435						49
2017	379	584	617	611							47
2018	336	598	618								
2019	302	552									
2020	298										

9. Net operating expenses

	2020 £	2019 £
Acquisition costs	260,807	254,735
Change in deferred acquisition costs (Note 8)	(7,074)	(1,843)
Administrative expenses	95,410	85,484
Loss/(profit) on exchange	-	-
	349,143	338,376

10. Investment return

	2020 £	2019 £
Investment income	31,186	34,557
Dividend income	293	559
Interest on cash at bank	1,856	5,377
Other interest and similar income	1,022	1,277
Realised gains on investments	11,723	10,262
Investment income	46,080	52,032
Investment management expenses	(969)	(1,356)
Realised losses on investments	(13,872)	(9,601)
Investment expenses and charges	(14,841)	(10,957)
Unrealised gains and losses, net	12,122	17,948
Total investment return	43,361	59,023

10. Investment Return (continued)

Analysed as follows:

	Investments at fair value through profit or loss £	Investments available for sale £	2020 Total £	Investments at fair value through profit or loss £	Investments available for sale £	2019 Total £
Realised gains and losses	1,989	(4,138)	(2,149)	661	-	661
Unrealised gains and losses	7,662	4,460	12,122	17,948	-	17,948
Other relevant income	-	-	-	-	-	-
	9,651	322	9,973	18,609	-	18,609
Interest and similar income, net of expenses			33,388			40,414
Total investment return			43,361			59,023

11. Profit/(loss) before taxation

This is stated after charging/(crediting):

	2020 £	2019 £
Key management personnel remuneration	-	-
Auditor's remuneration – Company audit	2,300	2,250
Auditor's remuneration – Other group entity audit	105	99
Amortisation of syndicate capacity	11,003	8,074
Amortisation of goodwill/(release of negative goodwill)	-	-
Interest on bank loan and overdrafts	-	-
Interest on other loans	-	-

The Company has no employees.

12. Taxation

Analysis of charge in year

	2020 £	2019 £
Current tax:		
UK corporation tax on profit/(loss) of the year	(9,985)	4,288
Adjustment in respect of previous years	4,732	(1,452)
Foreign tax	1,407	561
Total current tax	(3,846)	3,397
Deferred tax:		
Origination and reversal of timing differences	4,694	(8,284)
Change in tax rate	(3,662)	-
Total deferred tax	1,032	(8,284)
Tax charge/(credit) on profit/(loss)	(2,814)	(4,887)

12. Taxation (continued)

Factors affecting tax charge for year

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £	2019 £
Profit/(loss) before tax	(31,540)	8,223
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(5,993)	1,562
Effects of:		
Adjustment in respect of previous years	4,732	(1,452)
Group relief claimed	-	-
Income not taxable	1,393	1,052
Permanent differences	80	602
Foreign tax	1,407	561
Rate change adjustments	(4,433)	(7,212)
Tax on charge/(credit) for the year	(2,814)	(4,887)

The results of the Group's participation on the 2018, 2019 and 2020 years of account and the calendar year movement on 2017 and prior run-offs will not be assessed to tax until the year ended 31 December 2021, 2022 and 2023 respectively being the year after the calendar year result of each run-off year or the normal date of closure of each year of account.

Legislation was passed on 18 November 2015 to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020. Further legislation was introduced in the Finance Bill 2016 to reduce the main rate of corporation tax to 17% from 1 April 2020, superseding the 18% rate. The deferred tax balance at 31 December 2020 has been calculated at these substantively enacted tax rates.

On the 3rd March 2021, the government announced its intention to increase the corporate tax rate, for most companies, to 25% with effect from 1 April 2023. This change in the corporation tax rate may have a material impact on the deferred tax balance.

13. Intangible assets

			2020			2019
	Goodwill £	Syndicate Capacity £	Total £	Goodwill £	Syndicate Capacity £	Total £
Cost						
At 1 January	(444,323)	532,478	88,155	(444,323)	503,428	59,105
Additions	-	-	-	-	29,050	29,050
Disposals	-	-	-	-	-	-
Acquired with acquisition	-	-	-	-	-	-
At 31 December	(444,323)	532,478	88,155	(444,323)	532,478	88,155
Amortisation						
At 1 January	(444,323)	490,260	45,937	(444,323)	482,186	37,863
Provided during the year	-	11,003	11,003	-	8,074	8,074
Disposals	-	-	-	-	-	-
Acquired with acquisition	-	-	-	-	-	-
At 31 December	(444,323)	501,263	56,940	(444,323)	490,260	45,937
Net book value						
At 31 December 2020 / 2019	-	31,125	31,125	-	42,218	42,218
At 31 December 2019 / 2018	-	42,218	42,218	-	21,242	21,242

14. Financial investments

The Group categorises its fair value measurement using the following three fair value hierarchy levels based on the reliability of inputs used in determining fair values as follows:

Level 1: The unadjusted quoted price in an active market for identical assets that an entity can access at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable (i.e. developed using market data) for the asset, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset.

Financial investments Syndicate	Financial investments held at fair value through profit or loss				Held at amortised	
	Level 1	Level 2	Level 3	Total	cost	Total
2020	£	£	£	£	£	£
Shares and other variable yield securities and units in unit trusts	58,017	117,869	19,821	195,707	-	195,707
Debt securities and other fixed income securities	520,656	589,731	-	1,110,387	-	1,110,387
Participation in investment pools	264	824	651	1,739	-	1,739
Loans and deposits with credit institutions	1,169	3,129	131	4,429	-	4,429
Derivatives	1,360	1,157	-	2,517	-	2,517
Other investments	-	-	-	-	-	-
Financial assets classified as held for sale	-	-	-	-	-	-
Fair value	581,466	712,710	20,603	1,314,779	-	1,314,779
						Total
						£
Cost				1,293,767	-	1,293,767

Financial investments Syndicate	Financial investments held at fair value through profit or loss				Held at amortised	
	Level 1	Level 2	Level 3	Total	cost	Total
2019	£	£	£	£	£	£
Shares and other variable yield securities and units in unit trusts	78,547	97,295	6,858	182,700	-	182,700
Debt securities and other fixed income securities	446,950	593,590	-	1,040,540	-	1,040,540
Participation in investment pools	601	4,550	1,666	6,817	-	6,817
Loans and deposits with credit institutions	1,223	1,994	51	3,268	667	3,935
Derivatives	242	1,136	-	1,378	-	1,378
Other investments	-	3	-	3	-	3
Financial assets classified as held for sale	-	-	-	-	-	-
Fair value	527,563	698,568	8,575	1,234,706	-	1,235,373
						Total
						£
Cost				1,224,948	667	1,224,948

14. Financial investments (continued)

Financial investments Group Corporate	Financial investments held at fair value through profit or loss				Held at amortised	
	Level 1	Level 2	Level 3	Total	cost	Total
2020	£	£	£	£	£	£
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Fair value	-	-	-	-	-	-

				Total
				£
Cost		-	-	-

Financial investments Group Corporate	Financial investments held at fair value through profit or loss				Held at amortised	
	Level 1	Level 2	Level 3	Total	cost	Total
2019	£	£	£	£	£	£
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Fair value	-	-	-	-	-	-

				Total
				£
Cost		-	-	-

Included within the Group Corporate figures above are financial investments denominated in non-Sterling currency. The impact of a 5% change in exchange rates between GBP and other currencies would be £nil on shareholders' funds (2019: £nil).

15. Investments in subsidiary undertakings - Company

The Company's fixed asset investments represent unlisted investments in subsidiary undertakings stated at cost adjusted for any impairment. The subsidiary undertakings are as follows:

Entity	Ownership share by the Group	Nature of business	2020 £	2019 £
Huiseabhal Limited	100%	Property management	-	-
Nameco (No 1005) Limited	100%	Lloyd's corporate member	-	-
			-	-

All Group undertakings are registered in England and Wales.

The Company fully consolidates Nameco (No 1005) Limited, whose registered office is 5th Floor, 40 Gracechurch Street, London, EC3V 0BT. Nameco (No 1005) Limited was acquired during 2014 and negative goodwill arising of £444,323 is amortised over five years (Note 13).

Huiseabhal Limited, whose registered office is Third Floor, One London Square, Cross Lanes, Guildford, GU1 1UN, was acquired during 2014. It is not included in the consolidation, as the Director deems its activities to be immaterial to the Group.

16. Other debtors

	Syndicate participation	Corporate	2020 Total	Syndicate participation	Corporate	2019 Total
	£	£	£	£	£	£
Group						
Amounts due from shareholders	-	-	-	-	-	-
Funds at Lloyd's	-	187,911	187,911	-	177,247	177,247
Deferred tax asset (Note 19)	-	25,157	25,157	-	26,334	26,334
Receivables from other related parties	-	-	-	-	-	-
Other	51,958	9,986	61,944	68,819	4,277	73,096
	51,958	223,054	275,012	68,819	207,858	276,677

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

Where FAL is comprised of financial investments, to meet Lloyd's requirements these investments will usually be the equivalent of Level 1 as defined in Note 14. FAL are held mainly either in Sterling or US dollar denominations and therefore are potentially exposed to the currency risk of fluctuation between the Sterling and US dollar exchange rate. The maximum exposure to a 5% movement in the Sterling and USD exchange rate will be £nil (2019: £nil).

The receivables from other related parties include £nil (2019: £nil) falling due after more than one year (Note 23).

	2020 Total	2019 Total
	£	£
Company		
Deferred tax asset (Note 19)	-	-
Receivables from other related parties	-	-
Other debtors	-	-
	-	-

17. Share capital

Allotted, called-up and fully paid	2020 Issued	2020 Value	2019 Issued	2019 Value
		£		£
Ordinary £1 shares	100	100	100	100

18. Profit and loss account

			2020			2019
	Syndicate participation	Corporate	Total	Syndicate participation	Corporate	Total
	£	£	£	£	£	£
Group						
Retained profit/(loss) brought forward	(148,416)	421,788	273,372	(130,210)	(386,719)	256,509
Acquired on acquisition of subsidiary	-	-	-	-	-	-
Reallocate distribution	28,822	(28,822)	-	(92,358)	92,358	-
Profit/(loss) and other comprehensive income for the financial year	28,404	(56,513)	(28,109)	74,152	(57,289)	16,863
Dividends	-	-	-	-	-	-
Retained profit/(loss) carried forward	(91,190)	336,453	245,263	(148,416)	421,788	273,372

The result for each underwriting year of account is generated over a three year period. These Financial Statements, which cover the period from 1 January 2020 to 31 December 2020, show movements in the first twelve months of the 2020 year of account, the second twelve months of the 2019 year of account and the final twelve months of the 2018 year of account.

Future cash flows will arise when profits/(losses) are distributed/(collected) by Lloyd's after each year of account has closed. Subject to certain conditions, Lloyd's can allow the partial early release of some profits or in the event of an expect loss require advance funding prior to the year of account closing.

The cumulative profit and loss account on all open underwriting years of account is shown in the Balance Sheet under 'Syndicate participation' as detailed in the table below:

	2020	2019
Underwriting year of account (cumulative):	£	£
2017 after 36 months	-	(28,822)
2018 after 36 months / 24 months	2,830	(61,784)
2019 after 24 months / 12 months	(33,124)	(57,810)
2020 after 12 months	(60,896)	-
	-	
	(91,190)	(148,416)

19. Deferred taxation assets/(liabilities)

	2020	2019
Group	£	£
Opening balance - net	26,334	18,819
Acquired on acquisition	-	-
Profit and loss account (charge)/credit	(1,032)	8,284
Other comprehensive income (charge)/credit	(145)	(769)
Closing balance - net	25,157	26,334

The above net deferred tax position as at the year end is analysed as follows:	2020	2019
	£	£
Deferred tax asset (Note 16)	25,157	26,334
Deferred tax liability	-	-
Net deferred tax balance	25,157	26,334

19. Deferred taxation assets/(liabilities) (continued)

Company	2020 £	2019 £
Opening balance - net	-	-
Profit and loss account (charge)/credit	-	-
Closing balance - net	-	-

The above net deferred tax position as at the year end is analysed as follows:	2020 £	2019 £
Deferred tax asset (Note 16)	-	-
Deferred tax liability	-	-
Net deferred tax balance	-	-

The deferred tax balance consists of timing differences relating to the taxation of underwriting results. Deferred tax assets are shown within Other debtors (Note 16).

20. *Other creditors including taxation and social security*

	2020			2019		
	Syndicate participation £	Corporate £	Total £	Syndicate participation £	Corporate £	Total £
Group						
Corporation tax	-	-	-	-	4,287	4,287
Amounts due to shareholders	-	575	575	-	23,631	23,631
Bank loan	-	-	-	-	-	-
Other creditors	66,547	-	66,547	47,849	-	47,849
	66,547	575	67,122	47,849	27,918	75,767

Company	2020 Total £	2019 Total £
Falling due within one year		
Corporation tax	-	-
Accruals	5,401	5,340
	5,401	5,340
Falling due after one year		
Bank loan	-	-
Other creditors	-	-
	-	-

21. Financial liabilities

The Group categorises its fair value measurement using the following three fair value hierarchy levels based on the reliability of inputs used in determining fair values as follows:

Level 1: The unadjusted quoted price in an active market for identical liabilities that an entity can access at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable (i.e. developed using market data) for the liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the liability.

Financial liabilities Syndicate	**Financial liabilities held at fair value through profit or loss**				**Held at amortised cost**	**Total**
	Level 1	**Level 2**	**Level 3**	**Total**		
2020	**£**	**£**	**£**	**£**	**£**	**£**
Borrowings	-	-	-	-	-	-
Derivative liabilities	644	-	-	644	-	644
Financial liabilities classified as held for sale	-	-	-	-	-	-
Fair value	644	-	-	644	-	644

Financial liabilities Syndicate	**Financial liabilities held at fair value through profit or loss**				**Held at amortised cost**	**Total**
	Level 1	**Level 2**	**Level 3**	**Total**		
2019	**£**	**£**	**£**	**£**	**£**	**£**
Borrowings	-	-	-	-	-	-
Derivative liabilities	619	-	-	619	-	619
Financial liabilities classified as held for sale	-	-	-	-	-	-
Fair value	619	-	-	619	-	619

All other financial liabilities of the syndicate participation, including creditors arising out of direct insurance operations, creditors arising out of reinsurance operations and other creditors, are measured at amortised cost.

Financial liabilities – Group and Company Corporate

All corporate financial liabilities are measured at amortised cost.

22. Dividends

	2020	**2019**
	£	**£**
Equity dividends declared and paid	-	-

23. Related party transactions

Nomina Plc, a Director of Nameco (No. 1005) Limited, provided management and administration services to Nameco (No. 1005) Limited for which it charged a fee of £3,000 (2019: £2,900). Nomina Plc also provided management and administration services to A MacNab Limited for which it charged a fee of £2,200 (2019: £2,200).

Rachael Scarr-Hall, a Director of A MacNab Limited and Nameco (No. 1005) Limited, has provided funding to the Group. The balance outstanding as at 31 December 2020, included within the Group and Company creditors, is £575 (2019: £23,631). No interest is chargeable on the amount outstanding.

24. Ultimate controlling party

The Company is controlled by Rachael Anne Scarr-Hall.

25. Syndicate participation

The principal syndicates or members' agent pooling arrangements ("MAPA") in which the Company participates as an underwriting member are as follows:

Syndicate or MAPA number	Managing agent	2021 Allocated Capacity £	2020 Allocated Capacity £	2019 Allocated Capacity £	2018 Allocated capacity £
33	Hiscox Syndicates Limited	245,557	245,557	202,224	231,113
218	ERS Syndicate Management Limited	-	-	-	25,000
386	QBE Underwriting Limited	47,231	44,961	44,961	44,961
510	Tokio Marine Kiln Syndicates Limited	212,144	184,575	160,500	160,500
609	Atrium Underwriters Limited	222,298	186,959	160,663	160,663
623	Beazley Furlonge Limited	235,939	194,143	167,972	160,788
727	S A Meacock & Company Limited	140,000	140,000	100,000	100,000
1176	Chaucer Syndicates Limited	14,685	14,685	14,685	14,685
2010	Cathedral Underwriting Limited	23,209	21,875	21,875	21,875
2791	Managing Agency Partners Limited	120,000	120,000	120,000	93,264
4444	Canopius Managing Agents Limited	-	-	-	26,875
5886	Asta Managing Agency Limited	58,016	44,628	38,380	32,132
6103	Managing Agency Partners Limited	34,460	26,106	25,000	25,000
6104	Hiscox Syndicates Limited	-	-	25,000	25,000
6107	Beazley Furlonge Limited	-	-	30,842	25,000
6117	Asta Managing Agency Limited	-	-	-	50,000