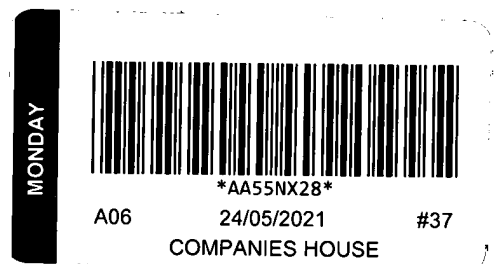


Registered number: 09509858

QUAYS PROTECT (UK) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020



COMPANY INFORMATION

| | |
|-------------------|---|
| Directors | S Parkin S J Parkin |
| Registered number | 09509858 |
| Registered office | Suite 1005 10th Floor 3 Hardman Street Manchester United Kingdom M3 3HF |

QUAYS PROTECT (UK) LIMITED

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QUAYS PROTECT (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present their report and the financial statements for the year ended 30 June 2020.

Principal activity

The principal activity of the group is that of insurance and reinsurance.

Results

The profit for the period, after taxation, amounted to £364,418 (2019: £14,212).

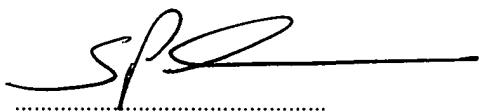
Directors

All the directors, as noted on the company information page, have served throughout the period and to the date of this report.

S Parkin

S J Parkin

This report was approved by the board on 29th April 2021 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'S J Parkin', written over a dotted line.

S J Parkin

Director

QUAYS PROTECT (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2020

The directors are responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

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

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

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

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

QUAYS PROTECT (UK) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – TECHNICAL ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2020**

| | | 2020 | 2019 |
|---|------|-----------------|------------------|
| | Note | | |
| EARNED PREMIUMS | | | |
| Gross written premiums | 4 | 3,353,116 | 8,136,928 |
| Change in the reserve for unearned premiums | | (2,873,108) | (7,852,782) |
| TOTAL PREMIUMS EARNED | | <u>480,008</u> | <u>284,146</u> |
| CLAIMS INCURRED | | | |
| Claims paid | | (25,295) | (44,031) |
| Provision for outstanding claims | | - | (9,000) |
| TOTAL CLAIMS INCURRED | | <u>(25,295)</u> | <u>(53,031)</u> |
| TECHNICAL EXPENSES | | <u>(47,982)</u> | <u>(181,113)</u> |
| BALANCE ON THE TECHNICAL ACCOUNT | | <u>406,731</u> | <u>50,002</u> |

All amounts relate to continuing operations.

The notes on pages 11 to 21 form part of these financial statements.

No other comprehensive income was recognised in the current or prior years and therefore the profit for the year is in effect total comprehensive income.

QUAYS PROTECT (UK) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – NON TECHNICAL ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2020**

| | | 2020 | 2019 |
|---|------|----------------|--------------|
| | Note | | |
| BALANCE ON THE TECHNICAL ACCOUNT | | 406,731 | 50,002 |
| Bank interest | | 3,126 | 3,377 |
| Loan interest receivable | | 48,132 | 46,422 |
| | | <hr/> 457,989 | <hr/> 99,801 |
| EXPENSES | | | |
| Management fees | | 50,500 | 50,000 |
| Director's fees | | 6,000 | 6,000 |
| Regulatory fees | | 8,394 | 8,394 |
| Audit fee | | 15,250 | 12,600 |
| Sundry expenses | | 13,427 | 8,595 |
| TOTAL EXPENSES | | <hr/> 93,571 | <hr/> 85,589 |
| PROFIT BEFORE TAX | 5 | <hr/> 364,418 | <hr/> 14,212 |
| Tax on profit on ordinary activities | 7 | <hr/> - | <hr/> - |
| PROFIT AFTER TAX | | <hr/> 364,418 | <hr/> 14,212 |

All amounts relate to continuing operations.

The notes on pages 11 to 21 form part of these financial statements.

No other comprehensive income was recognised in the current or prior years and therefore the profit for the year is in effect total comprehensive income.

QUAYS PROTECT (UK) LIMITED

REGISTERED NUMBER: 09509858

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

| | Notes | £ | 2020 £ | £ | 2019 £ |
|---|-------|-------------------|-------------------|------------------|------------------|
| CURRENT ASSETS | | | | | |
| Debtors arising out of insurance operations | | 11,219,541 | | 8,350,740 | |
| Other debtors | 9 | 7,205 | | 43,695 | |
| Related party loans | | 600,000 | | 600,000 | |
| Cash and cash equivalents | | 1,067,995 | | 651,812 | |
| | | <u>12,894,741</u> | | <u>9,646,247</u> | |
| Creditors: amounts falling due within one year | 10 | <u>(68,932)</u> | | <u>(48,964)</u> | |
| NET CURRENT ASSETS | | | <u>12,825,809</u> | | <u>9,597,283</u> |
| TECHNICAL PROVISIONS | | | | | |
| Unearned premium Provision | | (11,219,541) | | (8,346,433) | |
| Outstanding claims provision | | - | | (9,000) | |
| TOTAL NET ASSETS | | | <u>1,606,268</u> | | <u>1,241,850</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 11 | 450,000 | | 450,000 | |
| Profit and loss account | | 1,156,268 | | 791,850 | |
| SHAREHOLDER FUNDS | | | <u>1,606,268</u> | | <u>1,241,850</u> |

The notes on pages 11 to 21 form part of these financial statements.

The directors consider that the group is entitled to exemptions from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the group to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the group as at 30 June 2020 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the group.

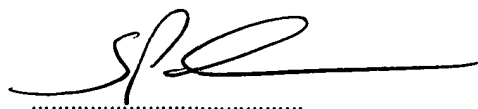
QUAYS PROTECT (UK) LIMITED

REGISTERED NUMBER: 09509858

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

The financial statements have been prepared in accordance with the provisions applicable to small companies with Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29th April 2021

A handwritten signature in black ink, appearing to be 'S J Parkin', written over a dotted line.

S J Parkin

Director

QUAYS PROTECT (UK) LIMITED

REGISTERED NUMBER: 09509858

COMPANY STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2020

| | Note | 2020 £ | 2019 £ |
|-----------------------------|------|----------------|----------------|
| FIXED ASSETS | | | |
| Investments | 8 | 450,000 | 450,000 |
| TOTAL NET ASSETS | | <u>450,000</u> | <u>450,000</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 11 | 450,000 | 450,000 |
| SHAREHOLDERS FUNDS | | <u>450,000</u> | <u>450,000</u> |

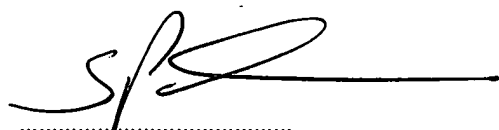
The notes on pages 11 to 21 form part of these financial statements.

The directors consider that the company is entitled to exemptions from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 June 2020 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to small companies with Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29th April 2021



S J Parkin

Director

QUAYS PROTECT (UK) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020 AND
YEAR ENDED 30 JUNE 2019**

| | Share Capital | Profit and Loss Account | Total Equity |
|-------------------------------------|----------------|----------------------------|------------------|
| | £ | £ | £ |
| AT 1 JULY 2019 | 450,000 | 791,850 | 1,241,850 |
| Comprehensive profit for the period | - | 364,418 | 364,418 |
| BALANCE AT 30 JUNE 2020 | 450,000 | 1,156,268 | 1,606,268 |

| | Share Capital | Profit and Loss Account | Total Equity |
|-------------------------------------|----------------|----------------------------|------------------|
| | £ | £ | £ |
| AT 1 JULY 2018 | 450,000 | 777,638 | 1,227,638 |
| Comprehensive profit for the period | - | 14,212 | 14,212 |
| BALANCE AT 30 JUNE 2019 | 450,000 | 791,850 | 1,241,850 |

The notes on pages 11 to 21 form part of these financial statements.

QUAYS PROTECT (UK) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020 AND YEAR
ENDED 30 JUNE 2019**

| | Share Capital £ | Total Equity £ |
|--|--------------------------------|---------------------------|
| BALANCE AT 1 JULY 2018, 30 JUNE 2019 & 30 JUNE 2020 | 450,000 | 450,000 |

The notes on pages 11 to 21 form part of these financial statements.

QUAYS PROTECT (UK) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2020

| | 2020 £ | 2019 £ |
|--|-------------|-------------|
| CASH FLOWS FORM OPERATING PROFITS | | |
| Operating profit | 364,418 | 14,212 |
| (Increase)/decrease in debtors | (2,832,311) | (8,035,045) |
| Increase in creditors | 19,968 | 32,238 |
| Increase in provision for claims | 2,864,108 | 7,861,782 |
| | <hr/> | <hr/> |
| NET CASH GENERATED FROM OPERATING PROFITS & NET (DECREASE)/INCREASE IN CASH IN THE PERIOD | 416,183 | (126,813) |
| | <hr/> | <hr/> |
| Cash and Cash equivalents brought forward | 651,812 | 778,625 |
| | <hr/> | <hr/> |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD | 1,067,995 | 651,812 |
| | <hr/> | <hr/> |
| CASH AND CASH EQUIVALENTS COMPRISE: | | |
| Cash at bank and in hand | 1,067,995 | 651,812 |
| | <hr/> | <hr/> |

The notes on pages 11 to 21 form part of these financial statements

QUAYS PROTECT (UK) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Quays Protect (UK) Limited is a group incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the group's operations and its principal activities are set out in the directors' report. The financial statements have been prepared in accordance with FRS 102 and all sections of FRS 103, except for paragraphs 4.4 to 4.9.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

1.1 Basis of preparation of financial statements

The financial statements are prepared on the historical cost basis.

The consolidated financial statements present the results of Quays Protect (UK) Limited and its subsidiaries ("The Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquirer's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

QUAYS PROTECT (UK) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1.2 Written premiums

Written premiums are premiums, which an insurer is contractually entitled to receive from the insured in relation to contracts of insurance. These are premiums on contracts entered into during the reporting period.

1.3 Outstanding claims provision

Provision is made at the period end for the estimated cost of claims incurred but not settled at the statement of financial position date. The estimated costs of claims includes expenses to be incurred in settling claims. The group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

1.4 Claims paid

Claims paid are calculated in accordance with the terms of each insurance agreement and are recognised as an expense when due for payment to the insured.

1.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the economic environment in which the group operates, Sterling. The financial statements are presented in Sterling, which is the group's functional and presentation currency.

1.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits of three months or less.

1.7 Financial assets and liabilities

Recognition

Financial assets and liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. The financial assets and liabilities of the group consist wholly of basic financial instruments.

Initial and subsequent measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), and subsequently carried at amortised cost.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1.7 Financial assets and liabilities (continued)

De-recognition of financial assets and liabilities

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party subsequently all of the risks and rewards of ownership of the financial asset, or c) the group, despite having retained some significant risks and rewards of ownership has 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.

1.8 Expenses

Expenses are recognised on an accruals basis and are measured at their transaction price.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in note 1, the directors are required to make judgements estimated and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimated is revised if the revision affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt within separately below), that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Loans receivable

The group has a loan balance receivable with a related entity Anthony Philip James & Co Limited (APJ). Directors are of the opinion that should the group request the repayment of the loan, APJ will be able to meet its obligations per the loan agreement.

Impairment of Investments

The parent company must determine whether there are indicators of impairment of its investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

QUAYS PROTECT (UK) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of the liabilities within the next financial year, are discussed below.

Valuation of liabilities of insurance contracts

Estimates are made for the expected ultimate cost of claims reported at the statement of financial position date. In calculating the estimated liability, the group uses estimation techniques based upon UK Government statistics. The carrying amount for insurance contracts liabilities in the statement of financial position is £nil (2019: £9,000).

3 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where, they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The company is liable to Guernsey income tax at the standard rate of 0%. Insurance Premium Tax has been charged at 12% of premiums written from 1 June 2017. At 30 June 2020 £43,943 was payable (2019: £16,610).

4 Earned Premiums

All premiums were earned within the Bailiwick of Guernsey.

QUAYS PROTECT (UK) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

5 Profit for the Period

This is arrived at after charging:

| | 2020 | 2019 |
|------------------------|--------|--------|
| | £ | £ |
| Auditor's remuneration | 15,250 | 12,600 |

6 Employees

The group employs no employees as such but paid an administration charge of £50,500 (2019: 50,000) which includes the provision of staff services.

| | 2020 | 2019 |
|-------------------------|-------|-------|
| | £ | £ |
| Directors' remuneration | 6,000 | 6,000 |

Key management personnel are the statutory directors who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group is shown above.

QUAYS PROTECT (UK) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 Taxation

| | 2020 | 2019 |
|--|------|------|
| | £ | £ |
| Current Tax | | |
| UK corporation tax charge on profit for the period | - | - |
| Foreign Tax | | |
| Current tax on foreign income for the period | - | - |
| Deferred Tax | | |
| Origination and reversal of timing differences | - | - |
| Tax on profit on ordinary activities | - | - |

The tax assessed for the period is less than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below

| | | |
|--|----------|---------|
| Profit on ordinary activities before tax | 364,418 | 14,212 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 – 19.00%) | 69,239 | 2,700 |
| Effects of: | | |
| Lower tax rates on overseas earning | (69,239) | (2,700) |
| Total Tax charge for period | - | - |

8 Fixed Asset Investments

| | Investments in subsidiary companies £ |
|----------------------------------|--|
| Cost | |
| At 30 June 2019 and 30 June 2020 | 450,000 |
| Net book value | |
| At 30 June 2019 and 30 June 2020 | 450,000 |

Subsidiary undertakings

The company holds 100% of the ordinary share capital of Quays Protect (Guernsey) Limited a Guernsey registered company.

QUAYS PROTECT (UK) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

9 Other Debtors

| | 2020 | 2019 |
|--------------------------|--------------|---------------|
| | £ | £ |
| Loan interest receivable | 132 | 37,990 |
| Bank interest receivable | 194 | 139 |
| Prepaid expenses | 6,879 | 5,566 |
| | <u>7,205</u> | <u>43,695</u> |

10 Creditors

| | 2020 | 2019 |
|-----------------------|---------------|---------------|
| | £ | £ |
| Other creditors | 24,989 | 32,354 |
| Insurance premium tax | 43,943 | 16,610 |
| | <u>68,932</u> | <u>48,964</u> |

11 Called up share capital

| | 2020 | 2019 |
|--|----------------|----------------|
| | £ | £ |
| Allotted, called up and fully paid 450,000 Ordinary Shares of £1 each | <u>450,000</u> | <u>450,000</u> |

12 Financial instruments

The Group's and Company's financial instruments may be analysed as follows:

| | Group 2020 £ | Group 2019 £ |
|--|--------------------|--------------------|
| Financial assets that are debt instruments measured at amortised cost | <u>12,894,741</u> | <u>9,646,247</u> |
| Financial liabilities measured at amortised cost | <u>68,932</u> | <u>48,964</u> |

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors and amounts owed by related parties.

Financial liabilities measured at amortised cost comprise amounts due to related parties.

QUAYS PROTECT (UK) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

13 Capital management

The objective of the group in managing its capital is to ensure that it will be able to continue as a going concern and comply with the regulatory capital requirements of the Guernsey Financial Services Commission, while maximising the return to the shareholders. This is achieved through regular monitoring of liquidity to ensure that the company has sufficient liquid assets to meet its requirements and to withstand the risks to which the business is subject.

The capital requirement of the company is determined by its exposure to risk and the solvency criteria established by management and statutory regulations.

The group is required to hold at all times regulatory capital resources to meet the group's Prescribed Capital Requirement and Minimum Capital Requirement, subject to an overall minimum Capital Floor of £100,000.

The group was in compliance with capital requirements imposed by the Guernsey Financial Services Commission throughout the financial period. The table below sets out the statutory minimum and prescribed capital requirements and the company's available capital.

| | 2020 | 2019 |
|---|------------|-----------|
| | £ | £ |
| Minimum capital requirement | 402,374 | 976,431 |
| Regulatory available capital resources | 10,581,899 | 7,918,996 |
| Solvency cover | 2,630% | 811% |
| | 2020 | 2019 |
| | £ | £ |
| Prescribed capital requirement | 1,683,710 | 3,088,763 |
| Regulatory available capital resources | 10,581,899 | 7,918,996 |
| Solvency cover | 629% | 256% |
| Shareholder's equity | 1,606,268 | 1,241,850 |
| Capital resources on a regulatory basis | 1,606,268 | 1,241,850 |

The table below sets out the capital that is managed by the company on a regulatory basis for its prescribed capital requirement:

| | 2020 | 2019 |
|---|-----------|-----------|
| | £ | £ |
| Shareholders' equity | 1,606,268 | 1,241,850 |
| Capital resources on a regulatory basis | 1,606,268 | 1,241,850 |

QUAYS PROTECT (UK) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

14 Financial risk management

The group's activities expose it to a variety of financial instrument risks. The risk management policies employed by the company to manage these risks are discussed below.

The primary objectives of the financial instrument risk management function are to establish risk limits, and then to ensure exposure to risks stays within these limits.

Credit risk

The group has exposure to credit risk from its normal activities where the risk is that of a counterparty will be unable to pay in full amounts when due. The group's maximum exposure to credit risk is represented by the carrying value of its financial assets, principally being the group's cash and cash equivalents and loans receivables.

The group's cash and cash equivalents are invested with Barclays Private Clients International Limited in Guernsey which is A rated as at the reporting date, or as at the date of authorisation of these financial statements. The loan receivable is with Anthony Philip James & Company Ltd (APJ), a related party, which does not have a credit rating. The Directors have comfort that the loan provided to APJ, although unrated, is recoverable because the company has common ownership.

The following table shows aggregated credit risk exposure for assets with external credit rating at the reporting date.

| | A Rated | Not Rated | Carrying amount |
|---------------------------|------------------|-------------------|------------------------|
| | 2020 | 2020 | 2020 |
| | £ | £ | £ |
| Loan receivable | - | 600,000 | 600,000 |
| Insurance debtors | - | 11,219,541 | 11,219,541 |
| Cash and cash equivalents | 1,067,995 | - | 1,067,995 |
| | 1,067,995 | 11,819,541 | 12,887,536 |

| | A Rated | Not Rated | Carrying amount |
|---------------------------|----------------|------------------|------------------------|
| | 2019 | 2019 | 2019 |
| | £ | £ | £ |
| Loan receivable | - | 600,000 | 600,000 |
| Insurance debtors | - | 8,350,740 | 8,350,740 |
| Cash and cash equivalents | 651,812 | - | 651,812 |
| | 651,812 | 8,950,740 | 9,602,552 |

QUAYS PROTECT (UK) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

14 Financial risk management (management)

Liquidity risk

Liquidity risk is the risk that the group cannot meet its obligations associated with financial liabilities as they fall due. The group has adopted an appropriate liquidity risk management framework for the management of the group's liquidity requirements.

The group manages liquidity risk by maintaining banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities. The group is exposed to liquidity risk arising primarily from its insurance and loan agreement. Liquidity management ensures that the group has sufficient access to funds necessary to cover insurance claims and maturing liabilities. All current liabilities will be settled within the next financial year.

The group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

Market risks

Market risk comprises interest rate risk, other price risk and currency risk. As the group does not hold any investments, there is no pricing risk considered. As the group maintains all its assets and liabilities in Pound Sterling, there is no currency risk considered.

Interest rate risk

Interest rate risk is the market risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The group's income and operating cash flows are substantially independent of changes in market interest rates and would not have a significant effect on the results or financial position of the group.

Cash and cash equivalent balances not available for use by the company

Of the group's cash deposits, £250,000 (2019: £250,000) is pledged for an evergreen letter of credit in the same amount issued by Barclays Private Clients International Limited and is secured on behalf of the company in favour of CHUBB.

QUAYS PROTECT (UK) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

15 Related party transactions

A management fee of £50,500 (2019: £50,000) is paid to Kingsbridge Risk Managers Limited. Mr C Scott is a director of both Kingsbridge Risk Managers Limited and Quays Protect (Guernsey) Limited.

£47,982 (2019: £25,113) underwriting fees were payable to Kingsbridge Risk Managers Limited during the year based on 10% of the premiums collected on After the Events Insurance. From the underwriting expenses as at the reporting date of £8,839 (2019: £18,993), expenses of £8,739 (2019: £13,900) was in relation to 10% of the premiums collected on After the Events Insurance.

Directors fees of £6,000 (2019: £6,000) were paid to Mr J Stuart. An amount of £3,000 (2019: £3,000) was outstanding at the reporting date.

During the year loans of £NIL (2019: £200,000) were advanced to APJ, a company related by virtue of common ownership. As at the reporting date loans of £600,000 (2019: £600,000) were outstanding. Loan interest of £48,132 (2019: £46,422) was receivable during the year at 8% per annum. As at the reporting date interest receivable outstanding is £132 (2019: £37,990).

Insurance premiums are collected from customers by APJ in respect of ATE insurance contracts, and then paid to the company. Gross premiums received total £480,008 (2019: £281,378) during the year with no further amounts due at the year end.

16 Ultimate controlling party

The company was under the control of S J Parkin throughout the year.