
LIMITED LIABILITY PARTNERSHIP

Glen Protea LLP

Financial Statements

◆ For the year ended 31 December 2017 ◆



Registered Number: OC322767

Glen Protea LLP

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Glen Protea LLP

General Information

DESIGNATED MEMBERS

Argenta Continuity Limited
Argenta LLP Services Limited

MEMBERS' AGENT

(Regulated by the Financial Conduct Authority)
Argenta Private Capital Limited

AUDITORS

Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

REGISTERED NUMBER

OC322767

REGISTERED OFFICE

5th Floor, 70 Gracechurch Street
London
EC3V 0XL

ACCOUNTANTS

Argenta Tax & Corporate Services Limited
5th Floor
70 Gracechurch Street
London
EC3V 0XL

Glen Protea LLP

Strategic Report For the year ended 31 December 2017

The Members present their Strategic report for the year ended 31 December 2017.

Business Review

The Limited Liability Partnership has ceased to write insurance business in the Lloyd's insurance market as a limited liability underwriting member of Lloyd's.

The Financial Statements incorporate the annual accounting results of the syndicates on which the Limited Liability Partnership participates for any run-off years of account.

Results

The result for the year is shown in the profit and loss account.

Financial Risk Management Objectives and Policies

The Limited Liability Partnership is principally exposed to financial risk through its participation on Lloyd's Syndicates. It has delegated sole management and control of its underwriting through each Syndicate to the managing agent of that Syndicate and it looks to the managing agents to implement appropriate policies, procedures and internal controls to manage each Syndicate's exposures to insurance risk, credit risk, market risk, liquidity risk and operational risk. The Limited Liability Partnership is also directly exposed to these risks, but they are not considered material for the assessment of the assets, liabilities, financial position and profit or loss of the Limited Liability Partnership.

Hedge accounting is not used by the Limited Liability Partnership.

Approved by the Members on 27 June 2018 and signed on their behalf by:



D C BOWLES
ARGENTA LLP SERVICES LIMITED
Designated Member

Glen Protea LLP

Members' Report For the year ended 31 December 2017

The Members present their report together with the financial statements for the year ended 31 December 2017.

Statement of Members' Responsibilities

Legislation applicable to Limited Liability Partnerships requires the Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period.

In preparing those financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departure 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 Partnership will continue in business.

The Members are responsible for ensuring that proper and up to date books of account are maintained in accordance with generally accepted accounting principles, and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Limited Liability Partnership Regulations. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Activities

The principal activity of the Limited Liability Partnership in the year under review was that of a limited liability underwriting member of Lloyd's in run – off. The Limited Liability Partnership ceased underwriting at 31 December 2014. The Members do not consider the Limited Liability Partnership to be a going concern and the financial statements have been prepared on a break up basis.

Designated Members

The Designated Members during the period were as follows:

Argenta Continuity Limited
Argenta LLP Services Limited

Members' Interests

The net profit of the Limited Liability Partnership for the financial year is allocated to each Member in accordance with their respective profit shares for the relevant year(s) of account.

The net loss of the Limited Liability Partnership for the financial year is allocated to each Member in accordance with their respective yearly shares for the relevant year(s) of account.

Brexit

The Brexit talks have now entered the second phase focusing on trade. At present the insurance sector still needs certainty on the UK's future trading relationship with EU. The priority is to ensure mutual insurance and reinsurance market access once the UK leaves the EU. In the meantime Lloyds continue to move ahead with their plans to establish a Lloyd's subsidiary in Brussels, which will provide certainty for the market and Lloyds clients. The Members are monitoring the Lloyd's market's preparations along with general market conditions to identify if it is appropriate to make any changes to the current strategy of the Partnership.

Auditors

Mazars LLP have signified their willingness to act and continue to be appointed as the auditors to the Limited Liability Partnership.

Approved by the Members on 27 June 2018 and signed on their behalf by:



D C BOWLES
ARGENTA LLP SERVICES LIMITED
Designated Member

Glen Protea LLP

Independent Auditor's Report

To the Members of Glen Protea LLP

For the year ended 31 December 2017

Opinion

We have audited the financial statements of Glen Protea LLP (the 'LLP') for the year ended 31 December 2017 which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of Member's Interests, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

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 LLP 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.

Use of the audit report

This report is made solely to the LLP's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members as a body for our audit work, for this report, or for the opinions we have formed.

Emphasis of Matter

These financial statements have not been prepared on a going concern basis for the reason set out in note i to the financial statements. We have nothing to report in respect of our conclusions relating to going concern as the accounts have been appropriately prepared on the cessation basis and the appropriate disclosures have been made. Our opinion is not modified in respect of this matter.

Other information

The members are responsible for the other information. The other information comprises the information included in the whole financial statements, other than the financial statements themselves and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Glen Protea LLP

Independent Auditor's Report To the Members of Glen Protea LLP For the year ended 31 December 2017

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Members

As explained more fully in the statement of members' responsibilities set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the LLP'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 members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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



Amanda Barker (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St. Katharine's Way
London E1W 1DD

27 June 2018

Glen Protea LLP

Profit & Loss Account – Technical Account For the year ended 31 December 2017

	Note	2017 £	2016 £
Premiums			
Gross premiums written	1	-	3,937
Outward reinsurance premiums	1	-	3,869
Net premiums written		-	7,806
Change in the provision for Unearned premiums			
Gross provision	1	-	67,776
Reinsurers' share	1	-	(6,864)
Earned premiums, net of reinsurance		-	68,718
Allocated investment return transferred from the non-technical account		-	22,726
Other technical income, net of reinsurance		-	-
Claims paid			
Gross amount	1	-	(349,880)
Reinsurers' share	1	-	50,692
Net claims paid		-	(299,188)
Change in provision for claims			
Gross amount	1	-	392,960
Reinsurers' share	1	-	(20,166)
Net change in provisions for claims		-	372,794
Claims incurred, net of reinsurance		-	73,606
Changes in other technical provisions, net of reinsurance		-	(3,947)
Net operating expenses	1, 2	-	(59,636)
Other technical charges, net of reinsurance		-	-
Balance on the technical account for general business		-	101,467

The accounting policies and notes on pages 13 to 36 form part of these financial statements.

Glen Protea LLP

Profit & Loss Account – Non Technical Account For the year ended 31 December 2017

	Note	2017 £	2016 £
Balance on general business technical account		-	101,467
Investment income	3	86	22,746
Allocated investment return transferred to the technical account		-	(22,726)
Other income		-	27,197
Other charges, including value adjustments		(13,293)	(34,186)
Profit/(loss) for the financial period before Members' remuneration and profit shares	4	(13,207)	94,498
Members' remuneration charged as an expense	5	-	-
Profit/(loss) for the financial period available for discretionary division among Members		(13,207)	94,498
Other comprehensive income/(expenditure):			
Currency translation differences		-	13,290
Total comprehensive income/(expenditure)		(13,207)	107,788

All items derive from discontinued activities.

The accounting policies and notes on pages 13 to 36 form part of these financial statements.

Glen Protea LLP

Balance sheet As at 31 December 2017

		31 December 2017			31 December 2016		
	Note	Syndicate Participation £	Partnership £	Total £	Syndicate Participation £	Partnership £	Total £
Assets							
Intangible assets	6	-	-	-	-	-	-
Investments							
Other financial investments	7	-	-	-	1,200,599	-	1,200,599
Deposits with ceding undertakings		-	-	-	19	-	19
		-	-	-	1,200,618	-	1,200,618
Reinsurers' share of technical provisions							
Provision for unearned premiums	8	-	-	-	1,110	-	1,110
Claims outstanding	8	-	-	-	282,392	-	282,392
Other technical provisions		-	-	-	2,995	-	2,995
		-	-	-	286,497	-	286,497
Debtors							
Amounts falling due within one year	7	-	-	-	245,841	-	245,841
Amounts falling due after one year	7	-	-	-	6,201	-	6,201
		-	-	-	252,042	-	252,042
Other assets							
Cash at bank and in hand		-	-	-	68,157	-	68,157
Other		-	-	-	53,692	-	53,692
		-	-	-	121,849	-	121,849
Prepayments and accrued income							
Accrued interest		-	-	-	4,419	-	4,419
Deferred acquisitions costs	8	-	-	-	1,865	-	1,865
Other prepayments and accrued income		-	-	-	857	-	857
		-	-	-	7,141	-	7,141
Total assets		-	-	-	1,868,147	-	1,868,147

The accounting policies and notes on pages 13 to 36 form part of these financial statements.

Glen Protea LLP

Balance sheet As at 31 December 2017

	Note	31 December 2017			31 December 2016		
		Syndicate Participation £	Partnership £	Total £	Syndicate Participation £	Partnership £	Total £
Liabilities and Members' interests							
Loans and other debts due to Members							
Syndicate profit and loss		-	-	-	206,690	-	206,690
Corporate profit and loss - syndicate capacity		-	-	-	-	756	756
Corporate profit and loss - other		-	-	-	-	(25,614)	(25,614)
		-	-	-	206,690	(24,858)	181,832
Technical provisions							
Provision for unearned premiums	8	-	-	-	5,368	-	5,368
Claims outstanding	8	-	-	-	1,437,419	-	1,437,419
Other technical provisions		-	-	-	-	-	-
Provisions for other risks and charges		-	-	-	-	-	-
Deposit received from reinsurers		-	-	-	200	-	200
Creditors							
Amounts falling due within one year	7	-	-	-	198,484	-	198,484
Amounts falling due after one year	7	-	-	-	8,921	-	8,921
		-	-	-	1,650,392	-	1,650,392
Accruals and deferred income		-	-	-	11,065	24,858	35,923
Total liabilities		-	-	-	1,868,147	-	1,868,147

The financial statements were approved by the Members of the Limited Liability Partnership and signed on its behalf by:



D C BOWLES
ARGENTA LLP SERVICES LIMITED
27 June 2018

Registered Number: OC322767

The accounting policies and notes on pages 13 to 36 form part of these financial statements.

Glen Protea LLP

Reconciliation of Members' Interests For the year ended 31 December 2017

	Syndicate profit and loss allocated to Members £	Liabilities		Total £
		Partnership profit and loss allocated to Members		
		Syndicate capacity £	Other £	
Members' interests at 1 January 2016	257,697	756	(33,726)	224,727
Allocated profits/(losses) 2014 year of account	141,954	-	-	141,954
Allocated profits/(losses) 2015 year of account	-	-	-	-
Allocated profits/(losses) 2016 year of account	-	-	(34,166)	(34,166)
Members' interests after profit/(loss) for the year	399,651	756	(67,892)	332,515
Reallocate distribution Introduced by Members	(192,961)	-	192,961	-
Repayment of debt (including Members' capital classified as a liability)	-	-	(150,683)	(150,683)
Other movements	-	-	-	-
Members' interests at 31 December 2016	206,690	756	(25,614)	181,832
Allocated profits/(losses) 2015 year of account	-	-	-	-
Allocated profits/(losses) 2016 year of account	-	-	-	-
Allocated profits/(losses) 2017 year of account	-	-	(13,207)	(13,207)
Members' interests after profit/(loss) for the year	206,690	756	(38,821)	168,625
Reallocate distribution Introduced by Members	(206,690)	-	206,690	-
Repayment of debt (including Members' capital classified as a liability)	-	(756)	(167,869)	(168,625)
Other movements	-	-	-	-
Members' interests at 31 December 2017	-	-	-	-

The accounting policies and notes on pages 13 to 36 form part of these financial statements.

Glen Protea LLP

Cash Flow Statement For the year ended 31 December 2017

	2017 £	2016 £
Operating activities		
Profit/(loss) on ordinary activities before tax	(13,207)	94,498
(Profit)/loss attributable to syndicate transactions	1	(128,664)
Profit/(loss) excluding syndicate transactions	(13,206)	(34,166)
Adjustment for:		
(Increase)/decrease in debtors	-	-
Increase/(decrease) in creditors	(24,858)	(8,112)
(Profit)/loss on disposal of intangible assets	-	-
Amortisation of syndicate capacity	-	-
Realised/unrealised (gains)/losses on investments	-	-
Investment income	(86)	(20)
Net cash inflow/(outflow) from operating activities	(38,150)	(42,298)
Investing activities		
Investment income	86	20
Purchase of syndicate capacity	-	-
Proceeds from sale of syndicate capacity	-	-
Net cash inflow/(outflow) from investing activities	86	20
Financing activities		
Repayment of debt to Members	-	-
Capital introduced by Members	38,064	42,278
Net cash inflow/(outflow) from financing activities	38,064	42,278
Net cash increase/(decrease) in cash and cash equivalents	-	-
Effect of exchange rates on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	-	-
Consisting of:		
Cash at bank and in hand	-	-
Cash equivalents	-	-
	-	-

The Limited Liability Partnership has no control over the disposition of assets and liabilities at Lloyd's. Consequently, the cash flow statement is prepared reflecting only the movement in Limited Liability Partnership funds, which includes transfers to and from the syndicates at Lloyd's.

The accounting policies and notes on pages 13 to 36 form part of these financial statements.

Glen Protea LLP

Notes to the Financial Statements For the year ended 31 December 2017

General information

The Partnership is a Limited Liability Partnership incorporated in the United Kingdom.

The financial statements have been presented in Pounds Sterling ("Sterling") as this is the Limited Liability Partnership's functional currency, being the primary economic environment in which the Limited Liability Partnership operates.

Basis of preparation

These financial statements have been prepared in accordance with:

- FRS 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* ("FRS 102");
- FRS 103 *Insurance Contracts*;
- The requirements of the Statement of Recommended Practice *Accounting by Limited Liability Partnerships* ("LLP SORP"); and
- Applicable legislation, as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("SI 2008/410") as modified by the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 ("SI 2008/1913").

These financial statements have been prepared under the historical costs convention as modified for certain financial instruments held at fair value.

Recognition of insurance transactions

The Limited Liability Partnership recognises its proportion of all the transactions undertaken by the Lloyd's Syndicates in which it participates ("the Syndicates") in aggregation with the transactions undertaken by the Limited Liability Partnership at entity level ("the Partnership").

The financial statements are 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 Limited Liability Partnership participates.

For each such Syndicate, the Limited Liability Partnership's proportion of the underwriting transactions, investment return and operating expenses has been reflected within the Limited Liability Partnership's profit and loss account. Similarly, its proportion of the Syndicate's assets and liabilities has been reflected in its balance sheet (under the column heading "Syndicate"). The Syndicate's assets are held subject to trust deeds for the benefit of the Limited Liability Partnership's insurance creditors.

The proportion referred to above is calculated by reference to the Limited Liability Partnership's participation as a percentage of the Syndicate's total capacity.

The Limited Liability Partnership has delegated sole management and control of its underwriting through each Syndicate to the managing agent of the Syndicate ("the Managing Agent") and it has further undertaken not to interfere with the exercise of such management and control. The Managing Agents of the Syndicates are therefore responsible for determining the insurance transactions to be recognised by the Limited Liability Partnership.

Sources of data

The information used to compile the technical account and the "Syndicate" balance sheet is based on returns prepared for this purpose by the Managing Agents of the Syndicates ("the Returns"). These Returns have been subjected to audit by the Syndicate auditors and are consistent with the audited annual reports to Syndicate Members.

The format of the Returns is established by Lloyd's. Lloyd's collate this data at a Syndicate level analysing it into corporate member level results which reflects the relevant data in respect of all the syndicates in which the LLP participates.

**Notes to the Financial Statements
For the year ended 31 December 2017**

Accounting policies

i. Going concern

The members do not consider the Limited Liability Partnership (LLP) to be a going concern as the LLP has sold or returned all the capacity and will not be underwriting on any new years of account going forward. Accordingly the financial statements have been prepared on a break up basis.

ii. Premiums

Premiums written comprise the total premiums receivable for the whole period of cover provided by the contracts incepting during the financial year, together with any adjustments arising in the year to such premiums receivable in respect of business written in prior years. Premiums are shown gross of commission payable to intermediaries and exclude insurance premium tax. Gross premiums written may include "reinsurance to close" premiums receivable (see vi below). Outward reinsurance premiums may include "reinsurance to close" premiums payable (see vi below). Premiums written by a Syndicate may also include the reinsurance of other syndicates on which the Partnership participates. No adjustments have been made to gross premiums written or outward reinsurance premiums (or to gross and reinsurers' claims) to remove this inter - Syndicate reinsurance. Unearned premiums represent the proportion of premiums written in the year that relate to the unexpired terms of policies in force at the balance sheet date, calculated on the basis of established earnings patterns or time apportionment as appropriate.

iii. Claims incurred

Claims incurred include the costs of claims handling expenses. Recoverable amounts arising out of subrogation or salvage are deducted from the cost of claims. Claims incurred comprise amounts paid or provided in respect of claims occurring during the year to 31 December, together with the amount by which settlement or reassessment of claims from prior years differ from the provision at the beginning of the year.

iv. Provision for claims outstanding

Claims outstanding comprise amounts set aside for claims notified and claims incurred but not yet reported (IBNR). Provision is made for claims incurred but not paid in respect of events up to 31 December. The provision is based on the Returns and reports from the Managing Agents and the Limited Liability Partnership's licensed adviser or Members' Agent. When appropriate, statistical methods have been applied to past experience of claims frequency and severity.

The two most critical assumptions with regard to 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 for current business are fair reflections of the likely level of ultimate claims to be incurred. The Members consider the provision for gross claims and related reinsurance recoveries, as based on the Returns to be fairly stated. 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 amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made.

v. Unexpired risk provision

A provision for unexpired risk is made by the underlying Syndicates where claims, related expenses and deferred acquisition costs, likely to arise after the end of the financial period in respect of contracts concluded before that date, are expected to exceed the unearned premiums and premiums receivable under these contracts, after the deduction of any acquisition costs deferred.

**Notes to the Financial Statements
For the year ended 31 December 2017**

Accounting policies (continued)

vi. Reinsurance to close

A reinsurance to close is a particular type of reinsurance contract entered into by Lloyd's Syndicates. Under it, underwriting Members (the reinsured Members) who are Members of a Syndicate for a year of account (the closed year), agree with underwriting Members who comprise that or another syndicate for a later year of account (the reinsuring Members) that the reinsuring Members will indemnify, discharge or procure the discharge, of the reinsured Members against all known and unknown liabilities of the reinsured Members arising out of insurance business undertaken through that Syndicate and allocated to the closed year in consideration of:

- (1) a premium; and
- (2) either:
 - a) the assignment, or agreement to assign, to the reinsuring Members of all the rights of the reinsured Members arising out of, or in connection with, that insurance business (including without limitation the right to receive all future premiums, reinsurances and other monies receivable in connection with that insurance business); or
 - b) an agreement by the reinsured Members that the reinsuring Members shall collect on behalf of the reinsured Members the proceeds of all such rights and retain them for their own benefit so far as they are not applied in discharges of the liabilities of the reinsured Members.

Where the reinsurance to close is between Members on successive years of account of the same Syndicate, the Managing Agent has a duty to ensure both sets of Members are treated equitably and to set the reinsurance to close with the intention that neither a profit nor a loss accrues to either group of Members. To the extent that the Limited Liability Partnership participates on successive years of account of the same syndicate and there is a reinsurance to close between those years, the Limited Liability Partnership has offset its share of the reinsurance to close received against its share of the reinsurance to close paid.

If the Limited Liability Partnership has increased its participation from one year of account to the next, the reinsurance to close paid is eliminated, as a result of this offset, leaving an element of the reinsurance to close received. This reflects the fact that the Limited Liability Partnership has assumed a greater proportion of the business of the Syndicate. If the Limited Liability Partnership has reduced its participation from one year of account to the next, the reinsurance to close received is eliminated, leaving an element of the reinsurance to close paid. This reflects the reduction in the Limited Liability Partnership's exposure to risks previously written by the Syndicate. The reinsurance to close is technically a reinsurance contract and, as such, the payment of a reinsurance to close does not remove from Members of that year of account ultimate responsibility for claims payable on risks they have written. If the reinsuring Members under the reinsurance to close become insolvent and the other elements of the Lloyd's chain of security also fail, the reinsured Members remain theoretically liable for the settlement of any outstanding claims. However, payment of a reinsurance to close is conventionally accepted as terminating a reinsured Member's participation on a Syndicate year of account and it is treated for accounts purposes as settling all the Limited Liability Partnership's outstanding gross liabilities in respect of the business so reinsured.

**Notes to the Financial Statements
For the year ended 31 December 2017**

Accounting policies (continued)

vii. Financial instruments

The Limited Liability Partnership has chosen to apply the provisions of Section 11 *Basic Financial Instruments* and Section 12 *Other Financial Instruments* in full.

The Limited Liability Partnership holds both basic and non-basic financial instruments. The Limited Liability Partnership's financial instruments comprise of cash and cash equivalents, trade and other receivables, trade and other payables and investments in a variety of basic and non-basic financial instruments, through both the Limited Liability Partnership and through the Syndicates.

Financial assets and liabilities are recognised when the Limited Liability Partnership becomes party to the contractual provisions of the financial instrument.

Basic financial instruments (except for non-puttable ordinary and non-convertible preference shares) are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment in the case of financial assets. Amounts that are receivable/payable within one year are measured at the undiscounted amount of the cash expected to be received/settled.

Where a financial instrument constitutes a financing transaction, it is initially measured at the present value of the future payments, discounted at a market rate of interest, and subsequently measured at amortised cost using the effective interest rate method.

All other financial instruments are measured at fair value through profit or loss.

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

Investment income is initially recorded in the non-technical account. All investment income arising on Syndicate participations is allocated to the technical account.

Interest income is recognised as it accrues using the effective interest method.

Dividend income receivable is recognised when the rights to receive the distributions have been established.

viii. Net operating expenses

Operating expenses are recognised when incurred. They include the Limited Liability Partnership's share of Syndicate operating expenses, the remuneration payable to Managing Agents (and the Partnership's Members' Agent/licensed adviser) and the direct costs of Membership of Lloyd's.

ix. Deferred acquisition costs

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

x. Foreign currencies

Transactions in United States dollars, Canadian dollars and Euros are translated at the rates of exchange ruling at the date the transaction is processed or at an appropriate average rate. Unless otherwise stated, transactions in currencies other than United States dollars, Canadian dollars and Euros are translated at the rate of exchange ruling at the date the transaction is processed. Monetary assets and liabilities are retranslated into Sterling at the rate of exchange at the balance sheet date. Non-monetary assets and liabilities at the balance sheet date are maintained at the rate of exchange ruling when the contract was entered into except for non-monetary assets and liabilities arising out of insurance contracts which are treated as monetary items in accordance with FRS 103 *Insurance Contracts* ("FRS 103"). Exchange differences arising on translation to the functional currency are dealt with through the non-technical account in the profit and loss account.

**Notes to the Financial Statements
For the year ended 31 December 2017**

Accounting policies (continued)

xi. Intangible assets

Intangible assets include purchased rights to participate on Syndicates. The purchase cost is capitalised and amortised on a straight line basis over the useful life of the rights which is five years.

xii. Members' participation rights and remuneration

Members' participation rights are the rights of a Member against the Limited Liability Partnership that arise under the Members' Agreement.

Members' participation rights in the earnings or assets of the Limited Liability Partnership are analysed between those that are, from the Limited Liability Partnership's perspective, either a financial liability or equity, in accordance with Section 22 *Liabilities and Equity*. A Member's participation right results in a liability where there is a contractual obligation on the part of the Limited Liability Partnership to deliver cash, or other financial assets, to the Member.

Amounts subscribed or otherwise contributed by Members, for instance Members' capital, are classified as equity where the Limited Liability Partnership has an unconditional right to avoid delivering cash or other assets to the Member (i.e. the right to any payment or repayment is discretionary on the part of the Limited Liability Partnership). If the Limited Liability Partnership does not have such an unconditional right, such amounts are classified as liabilities.

The net profit of the Limited Liability Partnership for the financial year is allocated to each Member in accordance with their respective profit shares for the relevant year(s) of account.

The net loss of the Limited Liability Partnership for the financial year is allocated to each Member in accordance with their respective yearly shares for the relevant year(s) of account.

Loans and other debts due to Members rank *pari passu* with other unsecured creditors on the winding up of a partnership.

The key management personnel of the Limited Liability Partnership are considered to be the Members. The Members are not employees of the Limited Liability Partnership, and consequently the total remuneration of the Members' consists of the allocated profit/(loss) for the year.

xiii. Taxation

Income tax payable on the Limited Liability Partnership's profits is solely the personal liability of the Members and consequently is not dealt with in these financial statements.

xiv. Critical accounting judgements and key sources of estimation uncertainty

In applying the Limited Liability Partnership's accounting policies, the Members are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Members' 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 management and control of each Syndicate is carried out by the managing agent of that Syndicate, and the Limited Liability Partnership looks to the managing agent to implement appropriate policies, procedures and internal controls to manage each Syndicate. The critical accounting judgements and key sources of estimation uncertainty set out below therefore relate to those made by the Members in respect of the Partnership only, and do not include estimates and judgements made in respect of the Syndicates.

Notes to the Financial Statements
For the year ended 31 December 2017

Accounting policies (continued)

xiv Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical accounting judgements

The critical judgements that the Members have made in the process of applying the Limited Liability Partnership's accounting policies and that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment assets, the Members have considered 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.

Key sources of estimation uncertainty

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

Estimating value in use

Where an indication of impairment exists the Members 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 the Members to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

Recoverability of receivables

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

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Notes to the Financial Statements For the year ended 31 December 2017

1. Class of Business

2017	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	-	-	-	-	-	-
Motor – third party liability	-	-	-	-	-	-
Motor – other classes	-	-	-	-	-	-
Marine, aviation and transport	-	-	-	-	-	-
Fire and other damage to property	-	-	-	-	-	-
Third party liability	-	-	-	-	-	-
Credit and suretyship	-	-	-	-	-	-
Legal expenses	-	-	-	-	-	-
Assistance	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Reinsurance	-	-	-	-	-	-
Total	-	-	-	-	-	-

2016	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	(829)	4,096	2,389	(3,401)	155	3,239
Motor – third party liability	277	746	(600)	(217)	31	(40)
Motor – other classes	206	3,304	(34,296)	(6,100)	37,018	(74)
Marine, aviation and transport	(4,536)	3,016	11,924	(6,819)	3,009	11,130
Fire and other damage to property	(1,379)	19,909	31,532	(15,033)	(3,149)	33,259
Third party liability	10,654	28,847	12,712	(17,454)	(5,705)	18,400
Credit and suretyship	(820)	2,209	(167)	(1,053)	553	1,542
Legal expenses	(305)	(149)	(30)	(7)	12	(174)
Assistance	-	-	-	-	-	-
Miscellaneous	(65)	1,911	903	(778)	(330)	1,706
Reinsurance	3,203	63,889	24,367	(50,862)	31,594	68,988
Total	734	7,824	18,713	(8,774)	(4,063)	13,700

All insurance business is underwritten in the United Kingdom in the Lloyd's insurance market. Consequently all insurance contracts are deemed to be concluded in the United Kingdom.

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Notes to the Financial Statements For the year ended 31 December 2017

2. Net Operating Expenses

	2017 £	2016 £
Acquisition costs	-	7,256
Change in deferred acquisition costs	-	21,421
Administrative expenses	-	9,428
Reinsurance commissions and profit participations	-	(1,281)
Personal expenses	-	22,812
	<u>-</u>	<u>59,636</u>

3. Investment Income

	2017 £	2016 £
Financial instruments held at fair value through profit or loss:		
Interest and dividend income	-	27,985
Realised gains and losses	-	(8,307)
Unrealised gains and losses	-	4,792
Other	-	-
	<u>-</u>	<u>24,470</u>
Financial instruments held at amortised cost:		
Interest	86	20
Other	-	-
	<u>86</u>	<u>20</u>
Investment management expenses, including interest	-	(1,744)
	<u>-</u>	<u>(1,744)</u>
Total	<u>86</u>	<u>22,746</u>

4. Profit/(Loss) on Ordinary Activities before Taxation

	2017 £	2016 £
Operating profit/(loss) is stated after charging:		
Amortisation of syndicate capacity	-	-
(Profit)/loss on disposal of intangible fixed assets	-	-
(Profit)/loss on exchange	7,340	(31,053)

The Limited Liability Partnership has no employees.

The fees payable to the Limited Liability Partnership's auditors for audit services are included in the fees payable to the Members' Agent.

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Notes to the Financial Statements For the year ended 31 December 2017

5. Members' Remuneration

The key management personnel of the Limited Liability Partnership are considered to be the Members. The Members are not employees of the Limited Liability Partnership, and consequently the total remuneration of the Members' consists of the allocated profit/(loss) for the year.

The average number of Members during the year was 4.

6. Intangible Assets	2017 £	2016 £
Purchased Syndicate Capacity		
Cost		
At 1 January 2017	-	-
Additions	-	-
Disposals	-	-
At 31 December 2017	-	-
Amortisation		
At 1 January 2017	-	-
Additions	-	-
Disposals	-	-
At 31 December 2017	-	-
Net Book Value		
At 31 December 2017	-	-
At 31 December 2016	-	-

7. Financial Instruments and Financial Risk Management

7.1 Financial Investments

Other financial investments – Syndicate participation

	2017 Market Value £	2016 Market Value £
Shares and other variable yield securities and units in unit trusts	-	144,318
Debt securities and other fixed income securities	-	1,001,356
Participation in investment pools	-	20,236
Loans with credit institutions	-	69
Derivative financial instruments	-	1,071
Other investments	-	5,049
Deposits with credit institutions	-	8,585
Other	-	19,915
	-	1,200,599

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Notes to the Financial Statements For the year ended 31 December 2017

7. Financial Instruments and Financial Risk Management (continued)

7.2 Debtors

	2017			2016		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Amounts falling due within one year:						
Arising out of direct insurance operations	-	-	-	14,329	-	14,329
Arising out of reinsurance operations	-	-	-	115,910	-	115,910
Other Debtors:						
Amounts due from group undertakings	-	-	-	-	-	-
Other	-	-	-	115,602	-	115,602
Total Amounts falling due within one year	-	-	-	245,841	-	245,841
Amounts falling due after one year:						
Arising out of direct insurance operations	-	-	-	2,162	-	2,162
Arising out of reinsurance operations	-	-	-	2,648	-	2,648
Other Debtors:						
Amounts due from group undertakings	-	-	-	-	-	-
Other	-	-	-	1,391	-	1,391
Total Amounts falling due after one year	-	-	-	6,201	-	6,201
	-	-	-	252,042	-	252,042

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Notes to the Financial Statements For the year ended 31 December 2017

7. Financial Instruments and Financial Risk Management (continued)

7.3 Creditors

	2017			2016		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Amounts falling due within one year:						
Arising out of direct insurance operations	-	-	-	18,878	-	18,878
Arising out of reinsurance operations	-	-	-	48,677	-	48,677
Amounts owed to credit institutions	-	-	-	-	-	-
Other creditors:						
Corporation tax	-	-	-	-	-	-
Members loan accounts	-	-	-	-	-	-
Third party funds	-	-	-	-	-	-
Other creditors	-	-	-	130,929	-	130,929
Amount due to group undertakings	-	-	-	-	-	-
Total Amounts falling due within one year	-	-	-	198,484	-	198,484
Amounts falling due after one year:						
Arising out of direct insurance operations	-	-	-	-	-	-
Arising out of reinsurance operations	-	-	-	8,921	-	8,921
Amounts owed to credit institutions	-	-	-	-	-	-
Other creditors:						
Corporation tax	-	-	-	-	-	-
Members loan accounts	-	-	-	-	-	-
Third party funds	-	-	-	-	-	-
Other creditors	-	-	-	-	-	-
Amount due to group undertakings	-	-	-	-	-	-
Total Amounts falling due after one year	-	-	-	8,921	-	8,921
	-	-	-	207,405	-	207,405

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Notes to the Financial Statements For the year ended 31 December 2017

7. Financial Instruments and Financial Risk Management (continued)

7.4 Classification of Financial Instruments

The tables below set out the Limited Liability Partnership's financial instruments by classification.

Other financial investments – Syndicate participation

	2017			2016		
	At fair value through profit or loss £	At amortised cost £	Total £	At fair value through profit or loss £	At amortised cost £	Total £
Financial assets						
Investments	-	-	-	1,200,599	-	1,200,599
Deposits with ceding undertakings	-	-	-	-	19	19
Insurance debtors	-	-	-	-	16,491	16,491
Reinsurance debtors	-	-	-	-	118,558	118,558
Other debtors	-	-	-	-	116,993	116,993
Cash at bank and in hand	-	-	-	-	68,157	68,157
Other assets	-	-	-	53,692	-	53,692
	-	-	-	1,254,291	320,218	1,574,509
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative financial instruments	-	-	-	812	-	812
Insurance creditors	-	-	-	-	18,878	18,878
Reinsurance creditors	-	-	-	-	57,598	57,598
Amounts owed to credit institutions	-	-	-	-	-	-
Other creditors	-	-	-	-	-	-
	-	-	-	812	76,476	77,288

Other financial investments – Partnership

	2017			2016		
	At fair value through profit or loss £	At amortised cost £	Total £	At fair value through profit or loss £	At amortised cost £	Total £
Financial assets						
Investments	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
Cash at bank and in hand	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
	-	-	-	-	-	-
Financial liabilities						
Other creditors	-	-	-	-	-	-
	-	-	-	-	-	-

Notes to the Financial Statements

For the year ended 31 December 2017

7. Financial Instruments and Financial Risk Management (continued)

7.4 Classification of Financial Instruments (continued)

The table below sets out details of the Limited Liability Partnership's derivative financial instruments.

	2017		2016	
	Notional amount £	Fair value £	Notional amount £	Fair value £
Foreign exchange forward contracts	-	-	44,611	861
Interest rate future contracts	-	-	38,494	205
Foreign exchange options	-	-	-	-
Equity options	-	-	-	-
Foreign exchange contract for difference	-	-	-	-
Other	-	-	-	5
	-	-	83,105	1,071

7.5 Financial Instruments held at fair value through profit or loss

The assets and liabilities carried at fair value through profit or loss have been categorised between the three levels of the fair value hierarchy that reflects the observability and significance of inputs used when establishing the fair value. The categorisation of these instruments is based on the lowest level input that is significant to the fair value measurement in its entirety.

Level (a) in the fair value hierarchy consists of assets and liabilities valued using unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an on-going basis.

Level (b) in the fair value hierarchy consists of assets and liabilities that do not have directly quoted market prices available from active markets. Instead the price of a recent transaction for an identical asset or liability is used, provided that there has not been a significant change in economic circumstances or a significant lapse of time since the recent transaction.

Level (c) in the fair value hierarchy consists of those types of assets and liabilities for which fair values cannot be obtained directly from quoted market prices in active markets or in a recent transaction. These assets and liabilities are measured using a valuation technique to estimate what the transaction price would have been in an arm's length transaction.

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Notes to the Financial Statements For the year ended 31 December 2017

7. Financial Instruments and Financial Risk Management (continued)

7.5 Financial Instruments held at fair value through profit or loss (continued)

The tables below set out the Limited Liability Partnership's financial instruments held at fair value through profit or loss by level of hierarchy.

Other financial investments – Syndicate participation

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2017						
Financial assets						
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Participation in investment pools	-	-	-	-	-	-
Loans and deposits with credit institutions	-	-	-	-	-	-
Overseas deposits	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
Financial assets classified as held for sale	-	-	-	-	-	-
	-	-	-	-	-	-
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative liabilities	-	-	-	-	-	-
Financial liabilities classified as held for sale	-	-	-	-	-	-
	-	-	-	-	-	-

Notes to the Financial Statements
For the year ended 31 December 2017

7. Financial Instruments and Financial Risk Management (continued)

7.5 Financial Instruments held at fair value through profit or loss (continued)

Other financial investments – Syndicate participation (continued)

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2016						
Financial assets						
Shares and other variable yield securities and units in unit trusts	17,220	127,063	35	144,318	-	144,318
Debt securities and other fixed income securities	416,531	584,825	-	1,001,356	-	1,001,356
Participation in investment pools	4,992	5,489	9,755	20,236	-	20,236
Loans and deposits with credit institutions	8,569	4,837	297	13,703	-	13,703
Overseas deposits	40,829	27,468	4,008	72,305	-	72,305
Derivatives	1,066	5	-	1,071	-	1,071
Other investments	-	-	-	-	-	-
Financial assets classified as held for sale	-	-	-	-	-	-
	489,207	749,687	14,095	1,252,989	-	1,252,989
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative liabilities	805	7	-	812	-	812
Financial liabilities classified as held for sale	-	-	-	-	-	-
	805	7	-	812	-	812

At the Partnership level the Limited Liability Partnership does not hold any financial investments. Consequently investment tables have not been presented for the Partnership.

7.6 Financial Risk Management

The Limited Liability Partnership is a financial institution and therefore provides the following disclosures in respect of the financial instruments it holds. The Limited Liability Partnership holds only cash and cash equivalents in respect of financial instruments.

The Limited Liability Partnership is exposed to the following financial risks in the course of its operating and financing activities:

- Credit risk
- Liquidity risk
- Interest rate risk
- Equity price risk; and
- Foreign exchange risk

The management and control of each Syndicate is carried out by the managing agent of that Syndicate, and the Limited Liability Partnership looks to the managing agent to implement appropriate policies, procedures and internal controls to manage each Syndicate, including those in respect of financial risk management. The following qualitative risk management disclosures made by the Members therefore relate to the Partnership only. The quantitative disclosures are made in respect of both the Partnership and the Syndicates.

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Notes to the Financial Statements For the year ended 31 December 2017

7. Financial Instruments and Financial Risk Management (continued)

7.6 Financial Risk Management (continued)

Credit risk

Credit risk is the risk that a counterparty to the Limited Liability Partnership's financial instruments will cause a loss to the Limited Liability Partnership through failure to perform its obligations. The key areas of exposure to credit risk for the Limited Liability Partnership result through its reinsurance programme, investments, bank deposits and policyholder receivables.

The Limited Liability Partnership manages credit risk at the Limited Liability Partnership level by ensuring that investments and cash and cash equivalent deposits are placed only with highly rated credit institutions.

The carrying amount of the Limited Liability Partnership's financial assets represents the Limited Liability Partnership's maximum exposure to credit risk.

The tables below show the credit quality of financial assets that are neither past due nor impaired.

Syndicate participation	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
2017						
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Participation in investment pools	-	-	-	-	-	-
Loans secured with credit institutions	-	-	-	-	-	-
Deposits with credit institutions	-	-	-	-	-	-
Overseas deposits	-	-	-	-	-	-
Derivative investments	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
Deposits with ceding undertakings	-	-	-	-	-	-
Reinsurers share of claims outstanding	-	-	-	-	-	-
Reinsurance debtors	-	-	-	-	-	-
Cash at bank and in hand	-	-	-	-	-	-
Insurance debtors	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
	-	-	-	-	-	-

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Notes to the Financial Statements For the year ended 31 December 2017

7. Financial Instruments and Financial Risk Management (continued)

7.6 Financial Risk Management (continued)

Syndicate participation	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
2016						
Shares and other variable yield securities and units in unit trusts	17,075	12,250	39,354	9,244	66,395	144,318
Debt securities and other fixed income securities	159,425	249,351	334,958	246,363	11,259	1,001,356
Participation in investment pools	5,911	5,353	-	-	8,972	20,236
Loans secured with credit institutions	-	4,821	-	-	297	5,118
Deposits with credit institutions	-	-	1,782	-	6,803	8,585
Overseas deposits	28,657	12,537	7,266	5,479	18,366	72,305
Derivative investments	-	208	780	78	5	1,071
Other investments	-	-	-	-	-	-
Deposits with ceding undertakings	-	-	-	-	19	19
Reinsurers share of claims outstanding	2,389	87,670	181,325	3,666	7,342	282,392
Reinsurance debtors	1,590	5,086	5,769	770	162	13,377
Cash at bank and in hand	9	12,959	49,972	5,203	14	68,157
Insurance debtors	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
	215,056	390,235	621,206	270,803	119,634	1,616,934

The tables below show the ageing and impairment of financial assets by class of instruments.

Syndicate participation	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
2017						
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Participation in investment pools	-	-	-	-	-	-
Loans secured with credit institutions	-	-	-	-	-	-
Deposits with credit institutions	-	-	-	-	-	-
Overseas deposits	-	-	-	-	-	-
Derivative investments	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
Deposits with ceding undertakings	-	-	-	-	-	-
Reinsurers share of claims outstanding	-	-	-	-	-	-
Reinsurance debtors	-	-	-	-	-	-
Cash at bank and in hand	-	-	-	-	-	-
Insurance debtors	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
	-	-	-	-	-	-

Notes to the Financial Statements
For the year ended 31 December 2017

7. Financial Instruments and Financial Risk Management (continued)

7.6 Financial Risk Management (continued)

Syndicate participation	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
2016						
Shares and other variable yield securities and units in unit trusts	144,318	-	-	-	-	144,318
Debt securities and other fixed income securities	1,001,356	-	-	-	-	1,001,356
Participation in investment pools	20,236	-	-	-	-	20,236
Loans secured with credit institutions	5,118	-	-	-	-	5,118
Deposits with credit institutions	8,585	-	-	-	-	8,585
Overseas deposits	72,305	-	-	-	-	72,305
Derivative investments	1,071	-	-	-	-	1,071
Other investments	-	-	-	-	-	-
Deposits with ceding undertakings	19	-	-	-	-	19
Reinsurers share of claims outstanding	282,392	-	-	-	-	282,392
Reinsurance debtors	10,741	1,729	365	110	432	13,377
Cash at bank and in hand	68,157	-	-	-	-	68,157
Insurance debtors	13,760	179	184	2,376	(8)	16,491
Other debtors	217,259	-	6	302	-	217,567
	1,845,317	1,908	555	2,788	424	1,850,992

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The following tables detail the Limited Liability Partnership's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date of which the Partnership can be required to pay.

Syndicate participation	No stated maturity £	Less than 1 year £	1 to 3 years £	3 to 5 years £	Greater than 5 years £	Total £
2017						
Derivative financial instruments	-	-	-	-	-	-
Deposits received from reinsurers	-	-	-	-	-	-
Provisions for other risks and charges	-	-	-	-	-	-
Claims outstanding	-	-	-	-	-	-
Creditors	-	-	-	-	-	-
Other	-	-	-	-	-	-
	-	-	-	-	-	-

**Notes to the Financial Statements
For the year ended 31 December 2017**

7. Financial Instruments and Financial Risk Management (continued)

7.6 Financial Risk Management (continued)

Syndicate participation	No stated maturity £	Less than 1 year £	1 to 3 years £	3 to 5 years £	Greater than 5 years £	Total £
2016						
Derivative financial instruments	-	812	-	-	-	812
Deposits received from reinsurers	-	200	-	-	-	200
Provisions for other risks and charges	-	-	-	-	-	-
Claims outstanding	-	449,240	462,360	221,106	304,713	1,437,419
Creditors	36,298	104,993	3,894	3,622	352	149,159
Other	-	-	-	-	-	-
	36,298	555,245	466,254	224,728	305,065	1,587,590

At the Partnership level the Limited Liability Partnership is not exposed to significant liquidity risk. Consequently a maturity profile has not been presented for the Partnership.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Limited Liability Partnership is exposed to the risk of interest rate fluctuations in respect of cash and cash equivalents and other interest bearing securities.

At the Partnership level the Limited Liability Partnership manages interest rate risk by maintaining an appropriate mix between fixed and floating rate financial instruments.

The table below shows the impact of changes in interest rates on the profit or loss for the period and on the equity of the Limited Liability Partnership.

Syndicate participation

	2017 £	2016 £
Impact of 50 basis point increase on profit or loss	-	(10,224)
Impact of 50 basis point decrease on profit or loss	-	10,243
Impact of 50 basis point increase on equity	-	(10,224)
Impact of 50 basis point decrease on equity	-	10,243

At the Partnership level the Limited Liability Partnership is not exposed to significant cash flow interest rate risk as all of the financial instruments attract fixed rates of interest. Consequently a sensitivity analysis for interest rate risk has not been presented for the Partnership.

Equity price risk

Equity price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices.

The Limited Liability Partnership is exposed to equity price risk in respect of its equity investments.

**Notes to the Financial Statements
For the year ended 31 December 2017**

7. Financial Instruments and Financial Risk Management (continued)

7.6 Financial Risk Management (continued)

The table below shows the impact of changes in equity prices on the profit or loss for the period and on the equity of the Limited Liability Partnership.

Syndicate participation

	2017 £	2016 £
Impact on profit or loss of 5% increase in Stock Market Prices	-	1,861
Impact on profit or loss of 5% decrease in Stock Market Prices	-	(1,859)
Impact on equity of 5% increase in Stock Market Prices	-	1,861
Impact on equity of 5% decrease in Stock Market Prices	-	(1,859)

At the Partnership level the Limited Liability Partnership is not exposed to significant cash flow equity price risk. Consequently a sensitivity analysis for equity price risk has not been presented for the Partnership.

Currency risk

The Limited Liability Partnership holds both assets and liabilities denominated in currencies other than Sterling, its functional currency. It is therefore exposed to currency risk as the value of the foreign currency assets and liabilities will fluctuate in line with changes in foreign exchange rates.

At the Partnership level the Limited Liability Partnership manages currency risk by ensuring that exchange rate exposures are managed within approved policy parameters.

The table below considers financial assets and financial liabilities denominated in the currencies of the Limited Liability Partnership's principal foreign exchange exposures in aggregate.

Net assets and liabilities

	2017	2016
	Syndicate Participation £	Syndicate Participation £
	Partnership £	Partnership £
Sterling	-	(91,068)
United States Dollar	-	196,681
Euro	-	24,815
Canadian Dollar	-	60,124
Australian Dollar	-	7,849
Japanese Yen	-	(1,799)
Other	-	2,780

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Notes to the Financial Statements For the year ended 31 December 2017

7. Financial Instruments and Financial Risk Management (continued)

7.6 Financial Risk Management (continued)

The Limited Liability Partnership has delegated sole management and control of its underwriting through each Syndicate to the managing agent of the Syndicate and it has further undertaken not to interfere with the exercise of such management and control. The managing agents of the Syndicates are therefore responsible for determining the insurance transactions to be recognised. As such, disclosures in respect of the assumptions and judgements made, and the objectives, policies and processes for managing currency risk arising from assets and liabilities are only presented for the Partnership in these financial statements.

The Limited Liability Partnership's assets are held in various currencies but are all cash. As such, any exchange movement would be accounted for in the profit and loss.

	Partnership Profit and loss			
	31 December 2017		31 December 2016	
	Increase	Decrease	Increase	Decrease
	£	£	£	£
Effect of sterling exchange movement by 10%				
United States Dollar	-	-	-	-
Euro	-	-	-	-
Canadian Dollar	-	-	-	-
Australian Dollar	-	-	-	-
Japanese Yen	-	-	-	-
Other	-	-	-	-

7.7 Capital Management

The total Members' interests represent the capital which allows the Limited Liability Partnership to participate on the Syndicates.

8. Insurance Contracts

The following reconciliation shows the movement in the provision for claims outstanding during the year.

	2017			2016		
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	1,437,419	282,392	1,155,027	1,565,563	246,817	1,318,746
Movements in the year	-	-	-	(392,960)	(20,166)	(372,794)
Exchange differences	(1,437,419)	(282,392)	(1,155,027)	264,816	55,741	209,075
At 31 December	-	-	-	1,437,419	282,392	1,155,027

Notes to the Financial Statements
For the year ended 31 December 2017

8. Insurance Contracts (continued)

The following reconciliation shows the movement in the provision for unearned premium during the year.

	2017			2016		
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	5,368	1,110	4,258	67,396	7,251	60,145
Movements in the year	-	-	-	(67,776)	(6,864)	(60,912)
Exchange differences	(5,368)	(1,110)	(4,258)	5,748	723	5,025
At 31 December	-	-	-	5,368	1,110	4,258

The following reconciliation shows the movement in deferred acquisition costs during the year.

	2017 £	2016 £
At 1 January	1,865	20,797
Movements in the year	-	(21,421)
Exchange differences	(1,865)	2,489
At 31 December	-	1,865

8.1 Risks arising from Insurance Contracts

The Limited Liability Partnership has delegated sole management and control of its underwriting through each Syndicate to the managing agent of the Syndicate and it has further undertaken not to interfere with the exercise of such management and control. The managing agents of the Syndicates are therefore responsible for determining the insurance transactions to be recognised by the Limited Liability Partnership. As such, disclosures in respect of the assumptions and judgements made, and the objectives, policies and processes for managing risk arising from insurance contracts, are not presented in these financial statements.

The development of insurance liabilities provides a measure of the managing agent's ability to estimate the ultimate value of claims. The top half of each table below illustrates how the estimate of total claims outstanding for each accident year has changed at successive year ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the balance sheet.

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Notes to the Financial Statements For the year ended 31 December 2017

8.1 Risks arising from Insurance Contracts (continued)

Claims development – gross

Reporting year	2013 and prior £	2014 £	2015 £	2016 £	2017 £	Total £
Estimate of cumulative claims At end of reporting year	-	-	-	-	-	-
One year later	-	-	-	-	-	-
Two years later	-	-	-	-	-	-
Three years later	-	-	-	-	-	-
Four years later	-	-	-	-	-	-
Five years later	-	-	-	-	-	-
Cumulative payments to date	-	-	-	-	-	-
Estimated balance to pay	-	-	-	-	-	-

	2012 and prior in 2015 £	2013 and prior in 2016 £	2014 and prior in 2017 £
RITC received at 24 months	-	-	-
Reserve strengthening/(reduction) in subsequent 12 months	-	-	-
Paid in subsequent 12 months	-	-	-
Prior years RITC at 36 months	-	-	-

Claims development – net

Reporting year	2013 and prior £	2014 £	2015 £	2016 £	2017 £	Total £
Estimate of cumulative claims At end of reporting year	-	-	-	-	-	-
One year later	-	-	-	-	-	-
Two years later	-	-	-	-	-	-
Three years later	-	-	-	-	-	-
Four years later	-	-	-	-	-	-
Five years later	-	-	-	-	-	-
Cumulative payments to date	-	-	-	-	-	-
Estimated balance to pay	-	-	-	-	-	-

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Notes to the Financial Statements For the year ended 31 December 2017

8.1 Risks arising from Insurance Contracts (continued)

	2012 and prior in 2015	2013 and prior in 2016	2014 and prior in 2017
	£	£	£
RITC received at 24 months	-	-	-
Reserve strengthening/(reduction) in subsequent 12 months	-	-	-
Paid in subsequent 12 months	-	-	-
Prior years RITC at 36 months	-	-	-

9. Related Party Disclosure

There are no related party transactions other than those disclosed in the members interest statements. Related party loans and balances do not attract interest and are repayable on demand.

10. Ultimate Controlling Party

The controlling Partnership is shared equally by Mr D Fabian and Mr J Fabian.