Registered number : 01392226

David Holman Holdings Limited

Directors' report and financial statements

For the Year ended 31 December 2019

David Holman Holdings Limited

Company Information

Directors	M J Holman V M Edmonds E K Holman
Registered number	01392226
Registered office	Chance House Pips Lewes Road East Grinstead RH19 3TB
Independent auditors	Kreston Reeves LLP Statutory Auditor & Chartered Accountants 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers	Lloyds Bank plc PO Box 72 Bailey Drive Gillingham Business Park Kent ME8 0LS

David Holman Holdings Limited

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Directors' report
For the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

The company is not trading, but is the parent company of a group, the principal activities of which are:

- Property ownership and investment
- Trading as a Lloyd's Corporate Capital Member

With regard to the trading as a Lloyd's Corporate Capital Member, the financial statements incorporate the annual accounting results of the syndicates on which Nameco (No 523) Limited (a wholly owned subsidiary undertaking) continues to trade in 2020 and the directors expect this year's result to be profitable.

Results and dividends

The loss for the year, after taxation, amounted to £192,248 (2018 - £322,360).

Dividends of £30,000 were declared and paid in the year to 31 December 2019 (2018 - £nil).

Directors

The directors who served during the year were:

M J Holman
V M Edmonds
E K Holman

Financial instruments

The group's principal financial instruments comprise listed investments, bank balances, loans from related parties, trade debtors and trade creditors. Listed investments are held as a means of generating income and capital growth, as well as a means of retaining funds for making future investments in areas such as property, and as a means of retaining funds to be able to pay out any future insurance claims made. Other financial instruments are held as working capital of the group.

The group is exposed to price risk in respect of its listed investments. This risk is managed through the careful management of the portfolio in order to meet the objectives of the Board, taking professional advice wherever it is appropriate to do so. To this end the portfolio is principally held with Ruffer.

In respect of bank balances the liquidity risk is managed by ensuring that there always remains sufficient funds to meet the obligations of the group. The group does not make use of bank overdrafts, but will borrow funds from related parties in order to meet amounts falling due when necessary.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to tenants and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

COVID-19

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

Although the spread of COVID-19 has created challenges, Nameco (No. 523) Limited and the Lloyd's market as a whole are well equipped to react and deal with any difficulties. The financial impact of COVID-19 on Nameco (No. 523) Limited is still uncertain, but it is not expected to affect the long term strategy.

Directors' report
For the Year Ended 31 December 2019

Section 172(1) Statement

The Directors of Nameco (No. 523) Limited have a duty to promote the success of the Company whilst giving due regard to the interests of stakeholders affected by the Company's activities.

As a result of the nature of Nameco (No. 523) Limited as a Lloyd's corporate member, the majority of its activities are carried out by the syndicates in which it participates. Nameco (No. 523) Limited is not involved directly in the management of the syndicates' activities, as these are the responsibility of the relevant managing agent. Each managing agent has a board of directors which are responsible for the activities of each syndicate, and themselves have a duty towards a range of considerations including (but not limited to) employees, community and environmental matters, standards of business conduct and the long term consequence of decisions.

Nameco (No. 523) Limited itself undertakes very few transactions. Nameco (No. 523) Limited does not employ any staff and the only suppliers are those who provide services for the administration of the Company. The Directors ensure supplier invoices are paid on time in line with any agreed terms. The Directors work very closely with the Members of the Company to discuss all significant decisions, including the selection of which syndicates to participate.

Nameco (No. 523) Limited and the syndicates are required to operate within the guidelines and code of conduct of the Lloyd's market. Behind the Lloyd's market is the Lloyd's Corporation, an independent organisation and regulator that acts to protect and maintain the market's reputation and provides services and original research, reports and analysis to the industry's knowledge base.

Nameco (No. 523) Limited's Section 172(1) Statement is also available at https://www.hampden.co.uk/namecosection172.

Departure from the European Union

The United Kingdom left the EU on 31 January 2020 and began a transition period that is set to end on 31 December 2020, during which the UK and the EU will negotiate their future relationship. The UK remains subject to EU law and remains part of the EU customs union and single market during the transition, but is no longer part of the EU's political bodies or institutions. Lloyd's has been working together with market members to prepare for changes that are likely to arise as a result of leaving the EU. Lloyd's have noted that, although only around 11% of the market's gross written premiums arise from the EU excluding the UK, they are making preparations to maintain access to the insurance market in the EU. At this time the details of future trading with the EU in general and the impact on the Lloyd's market cannot be known, although these uncertainties, together with related economic factors including exchange rates and investment values, may have an impact on results for several years. The Directors 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 Nameco (No. 523) Limited.

Disclosure of information to auditors

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

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

Post balance sheet events

After the balance sheet date there has been uncertainty and volatility arising from the Coronavirus pandemic which will impact on the market value of the Group's assets.

Auditors

Under section 487(2) of the Companies Act 2006, Kreston Reeves LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on ...22 December 2020... and signed on its behalf.

Vanessa Edmonds

Ms V M Edmonds
Director

Directors' responsibilities statement
For the Year Ended 31 December 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the shareholders of David Holman Holdings Limited (continued)

Opinion

We have audited the financial statements of David Holman Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, which comprise the Group Statement of comprehensive income, the Group and company Balance sheets, the Group Statement of cash flows, the Group and company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2019 and of the Group's profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter

We draw your attention to Note 35 to the Financial Statements which explains that the Directors, having considered the impact of COVID-19 pandemic, believe it is appropriate to continue to adopt going concern basis of accounting in preparing the Financial Statements. Our opinion is not modified in this respect.

Conclusions relating to going concern

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

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

Independent auditors' report to the shareholders of David Holman Holdings Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with those financial statements: and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a group strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the shareholders of David Holman Holdings Limited (continued)

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the group financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the group financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditors' report to the shareholders of David Holman Holdings Limited (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Peter Manser FCA DChA (senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Canterbury
Date: .22/12/2020...................

David Holman Holdings Limited

Consolidated statement of comprehensive income
Technical account – general business insurance underwriting
For the year ended 31 December 2019

	Note		2019 £		2018 £
Premiums written	5				
Gross premiums written			1,591,364		1,538,231
Outward reinsurance premiums			(408,410)		(374,461)
Net premiums written			1,182,954		1,163,770
Change in the provision for unearned premiums					
Gross provision			(4,701)		(5,158)
Reinsurers' share			14,916		17,975
Earned premiums, net of reinsurance			1,193,169		1,176,587
Allocated investment return transferred from the non-technical account			62,269		16,263
Other technical income, net of reinsurance			-		-
Total technical income			1,255,438		1,192,850
Claims paid					
Gross amount		(840,299)		(853,961)	
Reinsurers' share		209,377		188,971	
Net claims paid		(630,922)		(664,990)	
Change in the provision for claims					
Gross amount		(111,440)		(32,224)	
Reinsurers' share		15,857		(19,368)	
Change in the net provision for claims		(95,583)		(51,592)	
Claims incurred, net of reinsurance			(726,505)		(716,582)
Changes in other technical provisions, net of reinsurance			(1,135)		(904)
Net operating expenses	8		(467,495)		(505,930)
Other technical charges, net of reinsurance			-		-
Balance on the technical account for general business			60,303		(30,566)

David Holman Holdings Limited

Consolidated statement of comprehensive income
For the year ended 31 December 2019

	Note	2019 £	2018 £
Commercial activities	6	**65,298**	67,554
Insurance company technical account		**60,303**	(30,566)
Turnover		**125,601**	36,988
Operating expenses		**(383,636)**	(326,778)
Other income		**177**	469
Fair value movements	9	**10,739**	1,284
Operating (loss)		**(247,119)**	(288,037)
Income from other fixed assets investments	14	**(26,943)**	14,463
Investment gains and losses	14	**89,761**	(75,870)
Interest receivable and similar income	15	**7,512**	6,440
Interest payable and similar charges	16	**(1,720)**	(1,794)
(Loss) on disposal of listed investments		**(968)**	-
(Loss) before taxation		**(179,477)**	(344,798)
Tax on (loss)/profit	17	**(12,950)**	22,438
(Loss) for the year		**(192,427)**	(322,360)
Currency translation differences		**5,761**	(7,009)
Tax on other comprehensive income		**(979)**	1,192
Other comprehensive income for the year		**4,782**	(5,817)
Total comprehensive income for the year		**(187,645)**	(328,177)

The notes on pages 15 to 47 form part of these financial statements.

David Holman Holdings Limited
Registered number: 01392226

Consolidated balance sheet
As at 31 December 2018

	Note	£	2019 £	£	2018 £
Fixed assets					
Intangible assets	19		**153,155**		170,531
Tangible assets	20		**11,614**		22,816
Investments	21		**1,432,919**		1,487,992
Investment property	22		**595,000**		595,000
			2,192,688		2,276,339
Current assets					
Debtors: amounts falling due within one year	23	**4,408,343**		4,345,783	
Current asset investments	24	**224,135**		94,739	
Cash at bank and in hand	25	**175,443**		374,429	
		4,807,921		4,814,951	
Creditors: amounts falling due within one year	26	**(2,139,582)**		(1,870,323)	
Net current assets			**2,668,339**		2,944,628
Total assets less current liabilities			**4,860,027**		5,220,967
Provisions for liabilities					
Deferred taxation	28	**8,235**		4,116	
Other provisions	29	**(2,327,483)**		(2,465,659)	
			(2,319,248)		(2,461,543)
Net assets			**2,541,779**		2,759,424
Capital and reserves					
Called up share capital	30		**1,558**		1,558
Share premium account	31		**18,692**		18,692
Other reserves	31		**355,186**		355,186
Non-distributable reserve	31		**228,249**		228,249
Profit and loss account	31		**1,938,094**		2,155,739
			2,541,779		2,759,424

The financial statements were approved and authorised for issue by the board and were signed on its behalf on ..22 December 2020

Vanessa Edmonds

Ms V M Edmonds
Director

The notes on pages 15 to 47 form part of these financial statements.

David Holman Holdings Limited
Registered number: 01392226

Company balance sheet
As at 31 December 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Investments	21		**625,748**		625,748
			625,748		625,748
Current assets					
Debtors: amounts falling due within one year	23		**702,001**		702,001
			702,001		702,001
Total assets less current liabilities			**1,327,749**		1,327,749
Net assets			**1,327,749**		1,327,749
Capital and reserves					
Called up share capital	30		**1,558**		1,558
Share premium account	31		**18,692**		18,692
Other reserves	31		**355,186**		355,186
Profit and loss account	31		**952,313**		952,313
			1,327,749		1,327,749

The financial statements were approved and authorised for issue by the board and were signed on its behalf on ....22 December 2020

Vanessa Edmonds

Ms V M Edmonds
Director
The notes on pages 15 to 47 form part of these financial statements.

David Holman Holdings Limited

Consolidated statement of changes in equity
For the Year Ended 31 December 2019

	Called up share capital	Share premium account	Other reserves	Non-distributable reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2019	1,558	18,692	355,186	228,249	2,155,739	2,759,424
Comprehensive income for the year						
Loss for the year	-	-	-	-	(192,427)	(192,427)
Currency translation differences	-	-	-	-	4,782	4,782
Other comprehensive income for the year	-	-	-	-	4,782	4,782
Total comprehensive income for the year	-	-	-	-	(187,645)	(187,645)
Dividends: Equity capital	-	-	-	-	(30,000)	(30,000)
At 31 December 2019	1,558	18,692	355,186	228,249	1,938,094	2,541,779

The notes on pages 15 to 47 form part of these financial statements.

David Holman Holdings Limited

Consolidated statement of changes in equity
For the Year Ended 31 December 2018

	Called up share capital	Share premium account	Other reserves	Non-distributable reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2018	1,558	18,692	355,186	388,391	2,323,774	3,087,601
Comprehensive income for the year						
Loss for the year	-	-	-	-	(322,360)	(322,360)
Currency translation differences	-	-	-	-	(5,817)	(5,817)
Other comprehensive income for the year	-	-	-	-	(5,817)	(5,817)
Total comprehensive income for the year	-	-	-	-	(328,177)	(328,177)
Transfer to/ from profit and loss reserves	-	-	-	(160,142)	160,142	-
At 31 December 2018	1,558	18,692	355,186	228,249	2,155,739	2,759,424

The notes on pages 15 to 47 form part of these financial statements.

Company statement of changes in equity
For the Year Ended 31 December 2019

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2019	1,558	18,692	355,186	952,313	1,327,749
Profit for the year				30,000	30,000
Total comprehensive income for the year	-	-	-	30,000	30,000
Dividends: Equity capital				(30,000)	(30,000)
Total comprehensive income for the year	-	-	-	-	-
At 31 December 2019	1,558	18,692	355,186	952,313	1,327,749

Company statement of changes in equity
For the Year Ended 31 December 2018

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2018	1,558	18,692	355,186	952,313	1,327,749
Total comprehensive income for the year	-	-	-	-	-
At 31 December 2018	1,558	18,692	355,186	952,313	1,327,749

The notes on pages 15 to 47 form part of these financial statements.

	2019 £	2018 £
Cash flows from operating activities		
(Loss) for the financial year	**(192,427)**	(322,360)
Adjustments for:		
Amortisation of intangible assets	**5,787**	15,645
Depreciation of tangible assets	**11,587**	11,223
Profit on disposal of investments	**-**	-
Interest paid	**1,720**	1,794
Interest received	**(7,512)**	(6,440)
Income from investments	**62,818**	(61,407)
Taxation	**12,950**	(22,438)
(Increase)/Decrease in debtors	**55,745**	(177,869)
(Increase)/Decrease in creditors	**266,860**	15,076
(Increase)/Decrease in provisions	**(142,295)**	62,018
Net fair value (gains)/losses recognised in P&L	**(10,739)**	(1,284)
Corporation tax	**(18,048)**	(6,581)
Net cash used in operating activities	**46,447**	(492,623)
Cash flows from investing activities		
New loan to company under common ownership	**(117,920)**	(377,715)
Purchase of intangible fixed assets	**(1499)**	(13,479)
Sale of intangible assets	**68**	469
Purchase of tangible fixed assets	**(385)**	(3,480)
Investment property additions	**-**	(6,908)
Investment property disposals	**-**	433,583
Sale of listed investments	**(68,671)**	80,148
Interest received	**7,512**	6,440
Income from investments	**(62,818)**	61,407
Net cash from investing activities	**(243,713)**	180,465

	2019 £	2018 £
Cash flows from financing activities		
Interest paid	**(1,720)**	(1,794)
Net cash used in financing activities	**(1,720)**	(1,794)
Cash and cash equivalents at beginning of year	**374,429**	688,380
Cash and cash equivalents at the end of year	**175,443**	374,429
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**175,443**	374,429
	175,443	374,429

1. General information

David Holman Holdings Limited is a private company limited by shares and incorporated in England with the registration number 01392226. The address of the registered office is Chance House, Pips, Lewes Road, East Grinstead, RH19 3TB.

The company is not trading, but is the parent company of a group, the principal activities of which are:

- Property ownership and investment
- Trading as a Lloyd's Corporate Capital Member

2. Accounting policies

2.1. Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the remeasurement of investment properties and listed investments at their fair value and in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", FRS 103 "Insurance Contracts", the Companies Act 2006 and Schedule 3 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations, relating to insurance.

Nameco (No. 523) Limited, a subsidiary of David Holman Holdings Limited, participates in insurance business as an underwriting member of various syndicates at Lloyd's.

Accounting information in respect of the syndicate participation has been provided by the Syndicate's managing agent and has been reported upon by the syndicate auditors.

The Directors do not consider Nameco (No. 523) Limited to be a financial institution under FRS 102.

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 judgment in applying the Company's accounting policies (see note 3).

2.2. Basis of consolidation

The consolidated financial statements present the results of the Group and its own 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 balance sheet, the acquiree'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.

2.3. Going concern

A subsidiary of the group participates as an underwriting member of Lloyd's. Its underwriting is supported by Funds at Lloyd's either made available by the group directly or by its members.

The directors are of the opinion that the group has adequate resources to continue in its underwriting and other operational obligations for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

While the impact of the COVID-19 pandemic has been assessed by the directors so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the company, its customers and suppliers. However, taking into consideration the UK Government's response, its range of measures to support businesses and support from the parent company, the directors have reasonable expectation that the company will continue its activities for the foreseeable future.

2.4. Basis of accounting for insurance business

The Financial Statements are prepared under the historical cost basis of accounting modified to include the revaluation through profit and loss of certain financial instruments held at fair value through profit or loss.

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 group participates.

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

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

General business

Premiums

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

Unearned premiums

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

Deferred acquisition costs

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

Reinsurance premiums

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

Claims incurred and reinsurers' share

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

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

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

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

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

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

Unexpired risks provision

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

Closed years of account

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

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

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

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

Run-off years of account

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

Net operating expenses (including acquisition costs)

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

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

Distribution of profits and collection of losses

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

Financial assets and financial liabilities

Classification

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

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

Recognition

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

Initial measurement

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

Subsequent measurement

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

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

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

De-recognition of financial assets and liabilities

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

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

<u>Fair value measurement</u>

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

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

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

<u>Impairment of financial instruments measured at amortised cost or cost</u>

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

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

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

<u>Offsetting</u>

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

Investment return

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

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

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

Basis of currency translation

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

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

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

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

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

Reinsurance at corporate level

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

2.5. Revenue

The group's revenue is derived from its investing, rental and underwriting activities.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

- Dividend income from investments is recognised when the shareholder's right to receive payment has been established. UK dividend income is shown without any associated tax credit.
- Rental income arising from investment properties is accounted for on a straight line basis over the lease term.

Underwriting activities can be found within the General Business heading above.

2.6. Intangible assets

Costs incurred by the Group in the Corporation of Lloyd's auctions in order to acquire rights to participate on syndicates' underwriting years are included within intangible fixed assets and amortised over a 5 year period beginning in the year following the purchase of the syndicate participation.

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

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the profit and loss account over its useful economic life.

2.7. Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Motor vehicles	- 20% straight line
Fixtures & fittings	- 15% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

2.8. Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the profit and loss account.

2.9. Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in listed company shares are remeasured to fair value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.10. Debtors

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

2.11. Cash and cash equivalents

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

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.12. Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

2.13. Creditors

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

2.14. Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

2.15. Finance costs

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

2.16. Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2.17. Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.18. Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

2.19. Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income and 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 balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcome could differ significantly from those estimates.

The following are the group's key sources of estimation uncertainty:

Goodwill

The group has recognised goodwill and other intangible assets arising from business combinations with a carrying value of £143,964 at the reporting date (see note 19). On acquisition the group determines a reliable estimate of the useful life of goodwill and intangible assets based upon factors such as the expected use of the acquired business, forecasts of expected future results and cash flows, and any legal, regulatory or contractual provisions that can limit useful life. At each subsequent reporting date the directors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the useful life of goodwill and intangible assets.

Investment Property

The group holds investment property with fair value of £595,000 at the year end (see note 22). In order to determine the fair value of investment property the directors have used a valuation technique based on comparable market data. The determined fair value of the investment property is most sensitive to fluctuations in the property market.

Fair value measurement of financial instruments

When the fair value of financial assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. See note 21 for further details.

Insurance estimations

The measurement of the provision for claims outstanding is the most significant judgement involving estimation uncertainty regarding amounts recognised in these Financial Statements in relation to underwriting by the syndicates and this is disclosed further in Note 7.

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

The key accounting judgements and sources of estimation uncertainty set out below therefore relate to those made in respect of the Nameco (No. 523) Limited only, and do not include estimates and judgements made in respect of the syndicates.

Purchased syndicate capacity:

Estimating value in use:

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

Determining the useful life of purchased syndicate capacity:

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

Assessing indicators of impairment:

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

Recoverability of receivables:

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

4. Risk management: Insurance business

This section summarises the financial and insurance risks Nameco (No. 523) Limited is exposed to either directly at its own corporate level or indirectly via its participation in the Lloyd's syndicates.

Risk background

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

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

Nameco (No. 523) Limited manages the risks faced by the syndicates on which it participates by monitoring the performance of the syndicates it supports. This commences in advance of committing to support a syndicate for the following year, with a review of the business plan prepared for each syndicate by its managing agent. In addition, quarterly reports and annual accounts together with any other information made available by the managing agent are monitored and if necessary enquired into. If Nameco (No. 523) Limited considers that the risks being run by the syndicate are excessive it will seek confirmation from the managing agent that adequate management of the risk is in place and, if considered appropriate will withdraw support from the next underwriting year. Nameco (No. 523) Limited relies on advice provided by the members' agent which acts for it, who are specialists in assessing the performance and risk profiles of syndicates. Nameco (No. 523) Limited also mitigates its insurance risks by participating across several syndicates as detailed in Note 32.

Departure from the European Union:

The UK's departure from the EU and the future relationship being negotiated during the transition period will have an impact on various risk factors, including currency risks. Lloyd's have now set up an office in Brussels through which the syndicates are able to operate very much on the same terms as previously. Nameco (No. 523) Limited will monitor these developments and identify whether it needs to modify its participation in the Lloyd's market.

The analysis below provides details of the financial risks Nameco (No. 523) Limited is exposed to from syndicate insurance activities and at a corporate company level as required by FRS 103. Note 7 provides further analysis of sensitivities to reserving and underwriting risks.

Syndicate risks

Liquidity risk

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

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

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

2019	No stated maturity £	0-1 year £	1-3 years £	3-5 years £	>5 years £	Total £
Claims outstanding	(61)	886,240	801,226	376,864	307,243	2,371,512

2018	No stated maturity £	0-1 year £	1-3 years £	3-5 years £	>5 years £	Total £
Claims outstanding	-	903,457	841,684	349,390	337,400	2,431,931

Credit risk

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

2019	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
Financial investments	245,586	414,377	433,899	198,356	140,541	1,432,759
Deposits with ceding undertakings	-	-	-	-	160	160
Reinsurers share of claims outstanding	33,744	123,887	383,324	922	60,699	602,576
Reinsurance debtors	357	7,106	24,608	766	22,499	55,336
Cash at bank and in hand	60	1,130	70,423	5,309	11,232	88,154
	279,747	546,500	912,254	205,353	235,131	2,178,985

2018	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
Financial investments	293,473	392,374	424,478	201,881	175,623	1,487,829
Deposits with ceding undertakings	-	-	-	-	163	163
Reinsurers share of claims outstanding	30,214	111,786	377,841	580	69,802	590,223
Reinsurance debtors	709	4,360	19,523	1	9,492	34,085
Cash at bank and in hand	424	4,487	53,973	6,255	8,719	73,858
	324,820	513,007	875,815	208,717	263,799	2,186,158

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

2019	Neither past due nor impaired	Past due but not impaired: Less than 6 months	Past due but not impaired: Between 6 months and 1 year	Past due but not impaired: Greater than 1 year	Impaired	Total
	£	£	£	£	£	£
Financial investments	1,432,759	-	-	-	-	1,432,759
Deposits with ceding undertakings	160	-	-	-	-	160
Reinsurers share of claims outstanding	602,576	-	-	-	(62)	602,514
Reinsurance debtors	55,336	10,064	1,093	652	(1)	67,144
Cash at bank and in hand	88,154	-	-	-	-	88,154
Insurance and other debtors	1,015,634	26,946	8,201	6,155	(99)	1,056,837
	3,194,619	37,010	9,294	6,807	(162)	3,247,568

2018	Neither past due nor impaired	Past due but not impaired: Less than 6 months	Past due but not impaired: Between 6 months and 1 year	Past due but not impaired: Greater than 1 year	Impaired	Total
	£	£	£	£	£	£
Financial investments	1,487,829	-	-	-	-	1,487,829
Deposits with ceding undertakings	163	-	-	-	-	163
Reinsurers share of claims outstanding	590,223	4,487	-	-	(68)	594,642
Reinsurance debtors	34,085	12,818	355	334	(5)	47,587
Cash at bank and in hand	73,858	-	-	-	-	73,858
Insurance and other debtors	1,153,773	25,284	5,636	7,236	(127)	1,191,802
	3,339,931	42,589	5,991	7,570	(200)	3,395,881

Interest rate and equity price risk

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

Currency risk

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

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

2019	GBP £ converted	USD £ converted	EUR £ converted	CAD £ converted	Other £ converted	Total £ converted
Total assets	566,127	2,299,558	154,427	280,194	82,420	3,382,726
Total liabilities	(773,544)	(2,309,023)	(128,639)	(235,371)	(43,088)	(3,489,665)
Surplus/(deficiency) of assets	(207,417)	(9,465)	(25,788)	44,823	39,332	(106,939)

2018	GBP £ converted	USD £ converted	EUR £ converted	CAD £ converted	Other £ converted	Total £ converted
Total assets	653,340	2,291,236	204,148	290,958	150,681	3,590,363
Total liabilities	(824,484)	(2,405,232)	(212,318)	(200,886)	(103,152)	(3,746,072)
Surplus/(deficiency) of assets	(171,144)	(113,996)	(8,170)	90,072	47,529	(155,709)

The impact of a 5% change in exchange rates between GBP and other currencies would be £5,024 on shareholders' funds (2018: £772).

Nameco (No. 523) Limited risks

Investment, credit and liquidity risks

The significant risks faced by Nameco (No. 523) Limited are with regard to the investment of the available funds within its own custody. The elements of these risks are investment risk, credit risk, interest rate risk and currency risk. The main liquidity risk would arise if a syndicate had inadequate liquid resources for a large claim and sought funds from Nameco (No. 523) Limited to meet the claim. In order to minimise investment, credit and liquidity risk Nameco (No. 523) Limited's funds are invested in readily realisable short term deposits. Nameco (No. 523) Limited does not use derivative instruments to manage risk and, as such, no hedge accounting is applied.

Currency risks

The syndicates can distribute their results in Pound Sterling, US dollars or a combination of the two. Nameco (No. 523) Limited is exposed to movements in the US dollar between the Balance Sheet date and the distribution of the underwriting profits and losses, which is usually in the May following the closure of a year of account.

In addition, Nameco (No. 523) Limited is also subject to currency fluctuations in respect of any financial investments and Funds at Lloyd's shown in the Corporate column of the Balance Sheet and as set out in Notes 21 and 23 respectively.

Regulatory risks

Nameco (No. 523) Limited is subject to continuing approval by Lloyd's to be a member of a Lloyd's syndicate. The risk of this approval being removed is mitigated by monitoring and fully complying with all requirements in relation to membership of Lloyd's. The capital requirements to support the proposed amount of syndicate capacity for future years are subject to the requirements of Lloyd's. A variety of factors are taken into account by Lloyd's in setting these requirements including market conditions and syndicate performance and although the process is intended to be fair and reasonable, the requirements can fluctuate from one year to the next, which may constrain the volume of underwriting Nameco (No. 523) Limited is able to support.

Operational risks

As there are relatively few transactions actually undertaken by Nameco (No. 523) Limited there are only limited systems and operational requirements of Nameco (No. 523) Limited and therefore operational risks are not considered to be significant. Close involvement of all Directors in Nameco (No. 523) Limited key decision making and the fact that the majority of Nameco (No. 523) Limited's operations are conducted by syndicates, provides control over any remaining operational risks.

5. Class of insurance business

2019	Gross written premiums	Gross premiums earned	Gross claims incurred	Net operating expenses	Reinsurance balance	Total
	£	£	£	£	£	£
Direct insurance						
Accident and health	44,366	49,363	(29,484)	(21,914)	(2,243)	(4,278)
Motor – third party liability	3,855	4,507	(2,611)	(1,422)	(275)	199
Motor – other classes	57,716	65,743	(39,802)	(21,792)	(1,238)	2,911
Marine, aviation and transport	117,998	123,737	(58,398)	(41,875)	(11,329)	12,135
Fire and other damage to property	447,602	428,469	(216,296)	(126,780)	(58,824)	26,569
Third party liability	368,238	372,991	(222,062)	(123,899)	(6,251)	20,779
Credit and suretyship	43,880	47,393	(19,087)	(14,217)	(6,762)	7,327
Legal expenses	3,259	2,846	(1,103)	(1,526)	(159)	58
Assistance	-	-	-	-	-	-
Miscellaneous	752	1,042	(853)	(374)	(1)	(186)
Total direct	1,087,666	1,096,091	(589,696)	(353,799)	(87,082)	65,514
Reinsurance inwards	503,698	490,572	(362,043)	(113,696)	(81,178)	(66,345)
Total	1,591,364	1,586,663	(951,739)	(467,495)	(168,260)	(831)

2018	Gross written premiums	Gross premiums earned	Gross claims incurred	Net operating expenses	Reinsurance balance	Total
	£	£	£	£	£	£
Direct insurance						
Accident and health	59,546	58,464	(29,448)	(25,696)	(1,463)	1,857
Motor – third party liability	5,686	6,239	(3,229)	(2,100)	(741)	169
Motor – other classes	71,453	72,265	(30,319)	(24,048)	(16,395)	1,503
Marine, aviation and transport	122,220	123,250	(56,843)	(45,967)	(15,383)	5,057
Fire and other damage to property	389,636	394,884	(226,319)	(137,565)	(39,971)	(8,971)
Third party liability	363,843	338,537	(204,364)	(125,664)	(3,076)	5,433
Credit and suretyship	33,199	46,422	(17,529)	(18,147)	(3,462)	7,284
Legal expenses	2,562	2,564	(830)	(1,719)	14	29
Assistance	-	-	-	-	-	-
Miscellaneous	25,743	20,058	(10,842)	(10,463)	(369)	(1,616)
Total direct	1,073,888	1,062,683	(579,723)	(391,369)	(80,846)	10,745
Reinsurance inwards	464,343	470,390	(306,462)	(114,561)	(106,037)	(56,670)
Total	1,538,231	1,533,073	(886,185)	(505,930)	(186,883)	(45,925)

6. Geographical analysis

	2019 £	2018 £
Direct gross premium written in:		
United Kingdom	1,087,666	1,073,088
Other EU Member States	-	-
Rest of the World	-	-
	1,087,666	1,073,088

7. Technical provisions

Movement in claims outstanding	Gross £	Reinsurance £	2019 Net £	Gross £	Reinsurance £	2018 Net £
At 1 January	2,431,931	594,642	1,837,289	2,343,171	578,615	1,764,556
Movement of reserves	111,440	15,857	95,583	32,224	(19,368)	51,592
Other movements	(171,859)	(7,985)	(163,874)	56,536	35,395	21,141
At 31 December	2,431,931	594,642	1,837,289	2,431,931	594,642	1,837,289

Movement in unearned *premiums*	Gross £	Reinsurance £	2018 Net £	Gross £	Reinsurance £	2017 Net £
At 1 January	2,343,171	578,615	1,764,556	2,133,487	391,328	1,742,159
Movement of reserves	32,224	(19,368)	51,592	398,744	317,701	81,043
Other movements	56,536	35,395	21,141	(189,060)	(130,414)	(58,646)
At 31 December	2,431,931	594,642	1,837,289	2,343,171	578,615	1,764,556

Movement in deferred acquisition costs	2019 Net £	2018 Net £
At 1 January	203,992	227,859
Movement in deferred acquisition costs	(5,326)	(17,129)
Other movements	(30,189)	(6,738)
At 31 December	168,477	203,992

Included within other movements are foreign exchange movements and the effect of the 2016 and prior years' technical provisions being reinsured to close into the 2017 year of account (2018: 2015 and prior years' technical provisions being reinsured to close into the 2016 year of account), to the extent where the group's syndicate participation portfolio has changed between those two years of account.

Assumptions, changes in assumptions and sensitivity

As described in Note 4 the majority of the risks to the group's future cash flows arise from its participation in the results of Lloyd's syndicates and are mostly managed by the managing agents of the syndicates. The group's role in managing these risks, in conjunction with the group's members' agent, is limited to a selection of syndicate participations and monitoring the performance of the syndicates and their managing agents.

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

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

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

There have been no changes to these assumptions in 2019.

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

- a 5% increase/decrease in net earned premium (with all other underwriting elements assumed to change pro-rata with premium) will increase/decrease the Company's pre-tax profit/loss by £59,658 (2018: £58,829);
- a 5% increase/decrease in the managing agents' calculation of gross claims reserves will decrease/increase the group's pre-tax profit/loss by £118,576 (2018: £121,597);
- a 5% increase/decrease in the managing agents' calculation of net claims reserves will decrease/increase the group's pre-tax profit/loss by £88,450 (2018: £91,864).

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

The tables below show the historical gross and net claims development based on the group's syndicate participations on all syndicate years during the year ended 31 December 2019. The table does not include the claims development on any syndicates which the group no longer participates upon and is based on the latest participation shares during the year ended 31 December 2019.

Claims development - Gross

Underwriting pure year	After one year	After two years	After three years	After four years	After five years	After six years	After seven years	After eight years	After nine years	Profit/ (loss) on RITC received
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2011	460	728	717	706	690	678	667	665	655	53
2012	446	641	622	599	591	580	569	563		86
2013	351	585	565	547	529	515	508			57
2014	341	566	572	552	552	543				87
2015	324	606	604	589	580					87
2016	393	758	769	748						119
2017	777	1,145	1,200							
2018	596	1,019								
2019	522									

Claims development - Net

Underwriting pure year	After one year	After two years	After three years	After four years	After five years	After six years	After seven years	After eight years	After nine years	Profit/ (loss) on RITC received
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2011	385	623	613	592	576	567	560	561	550	52
2012	363	542	525	502	494	486	478	472		80
2013	303	512	489	473	458	447	441			62
2014	288	493	494	473	465	461				70
2015	279	518	516	508	497					72
2016	319	616	629	611						123
2017	535	839	875							
2018	448	762								
2019	387									

8. Net operating expenses

	2019	2018
	£	£
Acquisition costs	323,602	333,642
Change in deferred acquisition costs	5,326	17,129
Administrative expenses	138,567	155,400
Loss/(profit) on exchange	-	(241)
	467,495	505,930

9. Fair value movements

	2019 £	2018 £
Remeasurement of investment property	-	1,685
Remeasurement of listed investments	10,739	(401)
	10,739	1,284

10. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	11,587	11,223
Amortisation of intangible assets, including goodwill	5,787	15,645
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	4,335	4,200

11. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	550	525
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of associates of the company	3,785	3,675
Taxation compliance services	4,600	4,500
All other non-audit services not included above	9,830	9,075

12. Employees

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

	2019 £	2018 £
Wages and salaries	194,898	165,308
Social security costs	18,631	16,139
Cost of defined contribution scheme	11,137	10,773
	224,666	192,220

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

	2019 No.	2018 No.
	4	5

13. Directors remuneration

	2019 £	2018 £
Directors' emoluments	**183,748**	129,253
Company contributions to defined contribution pension schemes	**11,137**	10,553
	194,885	139,806

During the year retirement benefits were accruing to 3 directors (2018 – 3) in respect of defined contribution pension schemes.

14. Income from investments

	2019 £	2018 £
Investment income	**34,133**	29,507
Dividend income	**1,193**	1,219
Allocated investment return	**(62,269)**	(16,263)
Investment income	**(26,943)**	14,463
Unrealised gains and losses, net	**89,761**	(75,870)
	62,818	(61,407)

15. Interest receivable

	2019 £	2018 £
Other interest receivable	**7,512**	6,440
	7,512	6,440

16. Interest payable and similar charges

	2019 £	2018 £
Bank interest payable	**1,720**	1,794
	1,720	1,794

17. Taxation

	2019	2018
	£	£
UK Corporation Tax		
UK Tax on income for the year	**23,813**	1,263
Adjustment in respect of previous years	**(6,389)**	2,710
Foreign Tax		
Foreign tax on income for the year	**624**	2,608
Total current tax	**18,048**	6,581
Deferred tax		
Origination and reversal of timing differences	(5,098)	(29,019)
Change in tax rate	-	-
Total deferred tax	**(5,098)**	(29,019)
Taxation on profit on ordinary activities	**12,950**	(22,438)

Factors affecting tax charge for the year

The tax assessed for the year is different to (2018 – higher than) the standard rate of corporation tax in the UK of 19% (2018 – 19%). The differences are explained below:

	2019	2018
	£	£
(Loss)/profit on ordinary activities before tax	(166,389)	(331,322)
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19%)	(31,614)	(62,951)
Effects of:		
Adjustment in respect of previous year	(6,389)	2,710
Expenses not deductible for tax purposes	1,180	2,214
Non-taxable fair value remeasurements	(1,267)	1,702
Exempt dividend income	(151)	(98)
Capital allowances in excess of depreciation	916	117
Capital losses	184	-
Foreign tax	624	2,608
Rate change and other adjustments	(1,906)	(13,329)
Other temporary differences	-	(4,348)
Other permanent differences	302	(70)
Tax losses carried forward	51,071	49,007
Total tax (credit)/charge for the year	12,950	(22,438)

Factors that may affect future tax charges

The group has unutilised tax losses available which are expected to be sufficient to eliminate any tax liability that would arise should the group's investment property be disposed of at its fair value, as shown in these financial statements.

No deferred tax has been recognised in respect of these unutilised losses nor on any revaluation surpluses recognised in respect of investments as the net balance is not considered to be material.

18. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £30,000 (2018 - £nil).

19. Intangible assets

Group

	Purchased syndicate capacity £	Goodwill £	Total £
Cost			
At 1 January 2019	**276,916**	**261,756**	**538,672**
Additions	**1,499**	**-**	**1,499**
Disposals	**(26)**	**-**	**(26)**
At 31 December 2019	**278,389**	**261,756**	**540,145**
Amortisation			
At 1 January 2019	**263,437**	**104,704**	**368,141**
Charge for the year	**5,787**	**13,088**	**18,875**
On disposals	**(26)**	**-**	**(26)**
At 31 December 2019	**269,198**	**117,792**	**386,990**
Net book value			
At 31 December 2019	**9,191**	**143,964**	**153,155**
At 31 December 2018	13,479	157,052	170,531

David Holman Holdings Limited

Notes to the financial statements
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20. Tangible fixed assets

Group

	Motor vehicles £	Fixtures & fittings £	Total £
Cost			
At 1 January 2019	34,450	23,409	57,859
Additions	-	385	385
Disposals	-	-	-
At 31 December 2019	34,450	23,794	58,244
Depreciation			
At 1 January 2019	25,266	9,777	35,043
Charge owned for the period	6,890	4,697	11,587
On disposals	-	-	-
At 31 December 2019	32,156	14,474	46,630
Net book value			
At 31 December 2019	2,294	9,320	11,614
At 31 December 2018	9,184	13,632	22,816

21. Fixed asset investments

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

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

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

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

Financial investments Syndicate	**Financial investments held at fair value through profit or loss**				**Held at amortised**	
	Level 1	**Level 2**	**Level 3**	**Total**	**cost**	**Total**
2019	**£**	**£**	**£**	**£**	**£**	**£**
Shares and other variable yield securities and units in unit trusts	93,613	143,406	7,083	244,102	-	244,102
Debt securities and other fixed income securities	326,507	845,893	-	1,172,400	-	1,172,400
Participation in investment pools	2,446	5,323	1,981	9,750	-	9,750
Loans and deposits with credit institutions	2,332	2,303	206	4,841	558	5,399
Derivatives	323	773	-	1,096	-	1,096
Other investments	-	12	-	12	-	12
Financial assets classified as held for sale	-	-	-	-	-	-
Fair value	425,221	997,710	9,270	1,432,201	558	1,432,759
						Total
						£
Cost				1,417,248	-	1,417,806

Financial investments Syndicate	**Financial investments held at fair value through profit or loss**				**Held at amortised**	
	Level 1	**Level 2**	**Level 3**	**Total**	**cost**	**Total**
2018	**£**	**£**	**£**	**£**	**£**	**£**
Shares and other variable yield securities and units in unit trusts	86,826	141,912	2,675	231,413	-	231,413
Debt securities and other fixed income securities	413,190	823,484	-	1,236,674	-	1,236,674
Participation in investment pools	3,622	5,195	5,161	13,978	-	13,978
Loans and deposits with credit institutions	3,595	26	1,343	4,964	-	4,964
Derivatives	680	106	-	786	-	786
Other investments	-	14	-	14	-	14
Financial assets classified as held for sale	-	-	-	-	-	-
Fair value	507,913	970,737	9,179	1,487,829	-	1,487,829
						Total
						£
Cost				1,492,725	-	1,492,725

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

			Total £
Cost	-	-	-

Financial investments Corporate	**Financial investments held at fair value through profit or loss**				**Held at amortised cost**	**Total**
	Level 1	**Level 2**	**Level 3**	**Total**		
2018	**£**	**£**	**£**	**£**	**£**	**£**
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Fair value	-	-	-	-	-	-

			Total £
Cost	-	-	-

Included within the Corporate figures above are financial investments denominated in non-Sterling currency. The impact of a 5% change in exchange rates between GBP and other currencies would be £nil on shareholders' funds (2018: £nil).

Company	**Investments in subsidiary companies £**
Cost	
At 1 January 2019 and 31 December 2019	**625,748**
Net book value	
At 31 December 2019	**625,748**
At 31 December 2018	625,748

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity	Registered office
David Holman & Co Limited	Ordinary	100%	Property ownership and investment	Chance House, Pips, Lewes Road, East Grinstead, RH19 3TB
Holman Managed Syndicates Limited	Ordinary	100%	Dormant company	Chance House, Pips, Lewes Road, East Grinstead, RH19 3TB
Nameco (No. 523) Limited	Ordinary	100%	Lloyd's corporate capital member	5th Floor, 40 Gracechurch Street, London, England, EC3V 0BT.

22. Investment Property

Group

	Freehold investment property £
Valuation	
At 1 January 2019	**595,000**
At 31 December 2019	**595,000**

The 2018 and 2019 valuations of the freehold property were made by the directors, using the 2016 valuation obtained from external specialists and updated to reflect current market conditions.

23. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Due within one year				
Trade debtors	**352,819**	387,681	**-**	-
Amounts owed by group undertakings	**-**	-	**702,001**	702,001
Corporate funds at Lloyds	**1,031,996**	876,879	**-**	-
Other assets	**118,203**	113,728	**-**	-
Arising out of reinsurance operations	**444,721**	552,527	**-**	-
Other debtors	**2,280,523**	2,192,051	**-**	-
Prepayments and accrued income	**180,081**	222,917	**-**	-
	4,408,343	4,345,783	**702,001**	702,001

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

Where FAL is comprised of financial investments, to meet Lloyd's requirements these investments will usually be the equivalent of Level 1 as defined in Note 21. FAL are held mainly either in Sterling or US dollar denominations and therefore are potentially exposed to the currency risk of fluctuation between the Sterling and US dollar exchange rate. The maximum exposure to a 5% movement in the Sterling and USD exchange rate will be £51,600 (2018: £43,844).

24. Current asset investments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Listed investments	**224,135**	94,739	**-**	-
	224,135	94,739	**-**	-

25. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	**175,443**	374,429	**-**	-
	175,443	374,429	**-**	-

26. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	**Company 2018 £**	Company 2017 £
Trade creditors	**327,054**	351,669	**-**	-
Other creditors	**1,712,218**	1,416,016	**-**	-
Accruals and deferred income	**100,310**	102,638	**-**	-
	2,139,582	1,870,323	**-**	-

Included within other creditors is £89,408 relating to the group's syndicate participation (2018: £186,068).

27. Financial instruments

	Group 2019 £	Group 2018 £	**Company 2018 £**	Company 2017 £
Financial assets				
Financial assets measured at fair value through profit or loss	**2,282,802**	2,208,479	**-**	-
	2,282,802	2,216,198	**-**	-

Financial assets measured at fair value through profit or loss comprises fixed asset investments and current asset investments.

28. Deferred taxation

Group

	2019 £	**2018 £**
At beginning of year	**4,116**	**(26,095)**
Charged to the profit or loss	**4,119**	**30,211**
At end of year	**8,235**	**4,116**

The company has no deferred tax asset or liability.

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Underwriting results	**8,235**	4,116
	8,235	4,116

29. Provisions

	Provision for unearned premiums	Claims outstanding – gross amount	Provision for unearned premiums	Claims outstanding	Other technical provisions	Total
	£	£	£	£	£	£
At 1 January 2019	746,787	2,431,931	(119,142)	(594,642)	725	**2,465,659**
Charged to the profit or loss	(67,510)	(60,419)	(2,132)	(7,872)	(243)	**(138,176)**
Utilised in year	-	-	-	-	-	-
At 31 December 2019	**679,277**	**2,371,512**	**(121,274)**	**(602,514)**	**482**	**2,327,483**

Positive provisions relate to the reinsurer's share of technical provisions.

The Company has no provisions.

30. Share capital

	2019 £	2018 £
Shares classified as equity		
Allotted, called up and fully paid		
1,558 - Ordinary shares of £1 each	**1,558**	1,558

31. Reserves

Share premium

This reserve records the amount above the nominal value received for shares issued by the company. Share premium may only be utilised to write-off any expenses incurred or commissions paid on the issue of those shares, or to pay up new shares to be allotted to members as fully paid bonus shares.

Non-distributable reserve

To assist with the identification of profits available for distribution this reserve represents changes in the fair value of the group's financial instruments and investment properties to the extent that they are not considered to be distributable to the company's shareholders, less any related provision for current or deferred tax.

Other reserves

Other reserves comprise the difference between the consideration paid and the fair value of net assets transferred arising from a previous merger.

Profit & loss account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

32. Syndicate participation

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

Syndicate or MAPA number	Managing agent	2020 Allocated Capacity £	2019 Allocated Capacity £	2018 Allocated capacity £	2017 Allocated capacity £
33	Hiscox Syndicates Limited	65,572	54,001	61,715	44,357
218	ERS Syndicate Management Limited	-	-	19,738	19,738
510	Tokio Marine Kiln Syndicates Limited	207,493	180,429	180,429	180,429
557	Tokio Marine Kiln Syndicates Limited	32,000	26,522	26,522	26,522
609	Atrium Underwriters Limited	54,605	46,925	46,925	43,811
623	Beazley Furlonge Limited	46,521	40,250	38,528	33,463
727	S A Meacock & Company Limited	28,523	27,693	27,693	27,693
779	Amtrust Syndicates Limited	-	-	-	-
1176	Chaucer Syndicates Limited	101,889	101,889	101,889	82,169
1910	Argo Managing Agency Limited	-	-	-	-
2010	Cathedral Underwriting Limited	56,147	56,147	56,147	56,147
2014	Pembroke Managing Agency Limited	-	30,000	89,292	89,292
2689	Asta Managing Agency Limited	-	30,000	40,000	40,000
2791	Managing Agency Partners Limited	45,973	45,973	25,973	25,973
5820	Amstrust Syndicates Limited	-	-	-	-
6103	Managing Agency Partners Limited	16,803	16,091	14,208	4,736
6104	Hiscox Syndicates Limited	15,447	15,000	11,047	11,047
6107	Beazley Furlonge Limited	13,098	10,585	8,580	7,267
6111	Catlin Underwriting Agencies Limited	-	-	-	-
6117	Argo Managing Agency Limited	33,608	40,000	40,000	40,000
7200	Members' Agents Pooling Arrangement	90,921	82,080	82,080	73,996
7201	Members' Agents Pooling Arrangement	467,528	434,793	434,793	395,030
7202	Members' Agents Pooling Arrangement	165,308	151,480	151,480	137,293
7203	Members' Agents Pooling Arrangement	83,399	77,747	77,747	70,117
7211	Members' Agents Pooling Arrangement	29,808	27,570	27,848	25,500
7212	Members' Agents Pooling Arrangement	40,048	35,830	35,830	32,134

33. Related party transactions

Included in other creditors at 31 December 2019 is £1,565,220 (2018: £1,200,820), an amount owed to Holdfield Group (No 2) Limited, a company where Mr M J Holman is a director and shareholder. The loan is interest free and repayable on demand.

Included in other debtors at 31 December 2019 is £2,151,342 (2018: £2,003,423), owed from Queensmere House Limited, a company where Mr M J Holman is a director and shareholder. The loan is interest free and repayable on demand.

During the year Nomina plc, a director of Nameco (No. 523) Limited, provided administration services to the group. Nomina plc charged a management fee of £2,900 (2018: £2,900) to cover some of the costs of basic administration of the group.

Mr M J Holman, a director of the company, owed the company at 31 December 2019 £3,286 (2018: £7,443 was owed by the company). Interest of £132 (2018: £167) was charged to Mr M J Holman in the year to 31 December 2019.

Mrs E Holman, a director of the company, owed the company at 31 December 2019 £5,453 (2018: £nil was owed by the company). Interest of £92 (2018: £nil) was charged to Mrs E Holman in the year to 31 December 2019.

Key management comprises solely the directors of the company. The compensation paid or payable to key management for employee services, including related social security and pension contributions, was £211,389 (2018 as restated: £210,143).

The group has taken advantage of the exemption from disclosing related party transactions within the group provided by Section 33 of FRS 102, as all subsidiaries are wholly owned by the parent company.

34. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund. During the year the company contributed a total of £11,137 (2018: £10,773) into the pension scheme.

35. Post balance sheet event

Following the year end, the COVID-19 pandemic has caused significant uncertainty around the world and the subsequent economic consequences are unknown. There is uncertainty and volatility arising from the Covid-19 pandemic which will impact on the market value of the group's assets.

As Nameco (No. 523) Limited does not employ any staff and the members agent and the Lloyd's market were well prepared to work remotely, Nameco (No. 523) Limited is continuing to be run with minimal disruption.

The Directors are of the opinion that the Group has adequate resources to meet its future obligations and therefore adopt the going concern basis for the following reasons:

- Nameco (No. 523) Limited continues to have significant funds to support its underwriting through Fund at Lloyd's made available by either Nameco (No. 523) Limited or its members for the rest of 2020.
- If Nameco (No. 523) Limited ceases underwriting for the 2021 year of account, it will continue to run off its affairs in an orderly manner for at least three years.
- While the impact on the Lloyd's insurance market is currently uncertain, Lloyd's have stated that they are "confident in Lloyd's ability to meet the challenges of the pandemic."

36. Controlling party

The group's ultimate controlling party is M J Holman by virtue of his 100% shareholding in the company.