

Company Registration Number: 3431334

Crowe Capital Limited

**Annual Report
31 December 2022**

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Crowe Capital Limited Company Information

Directors

Mr D C Bowles
APCL Corporate Director No.1 Limited
APCL Corporate Director No.2 Limited

Members' Agent

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

Company Secretary

Argenta Secretariat Limited

Registered Office

5th Floor, 70 Gracechurch Street
London
EC3V 0XL

Auditor

PKF Littlejohn LLP
15 Westferry Circus
Canary Wharf
London
E14 4HD

Crowe Capital Limited Strategic Report

The Directors submit their Strategic Report for the Company for the year ended 31 December 2022.

Business Review

The Company continues to write insurance business in the Lloyd's insurance market as a Lloyd's Corporate Capital Member.

The Financial Statements incorporate the annual accounting results of the Syndicates on which the Company participates for the 2020, 2021 and 2022 years of account, as well as any 2019 and prior run-off years. The 2020 year closed at 31 December 2022 with a result of £9,702 (2019 - £8,968). The 2021 and 2022 open underwriting accounts will normally close at 31 December 2023 and 2024 respectively.

Results and Dividends

The results for the year are set out on pages 9 to 10 of the Financial Statements. Dividends totalling £Nil were paid in the year (2021 - £Nil).

Financial Risk Management Objectives and Policies

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

Hedge accounting is not used by the Company.

Key Performance Indicators

	2022	2021
Capacity (youngest underwriting year)	£990,403	£853,439
Gross premium written as a % of capacity	114.1%	100.3%
Underwriting result of latest run-off/closed year:		
as a % of capacity	1.4%	1.4%
Run-off years of account movement	£(3,928)	£(5,677)
Combined ratio	93.2%	95.8%

The combined ratio is the ratio of net claims incurred and net operating expenses to net premiums earned.

Section 172(1) Statement

The Directors have considered the matters set out in Section 172(1) of the Companies Act 2006 when performing their duties and comments as follows:

- The Company continues to operate in the Lloyd's insurance market. The majority of its activities are carried out by the syndicates on which it participates. The Company is not involved directly in the management of the syndicates' activities, as these are the responsibility of the Managing Agents.
- Other than the Directors the Company has no employees. The Directors do not receive any remuneration from the Company.
- The Company's 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 Company's operations do not by their very nature produce significant environmental emissions.
- The Company and the syndicates are required to operate within the guidelines and code of conduct of the Lloyd's market. Behind the Lloyd's market is the Lloyd's Corporation, an independent organisation and regulator that acts to protect and maintain the market's reputation and provides services and original research, reports and analysis to the industry's knowledge base. The Directors ensure compliance with relevant requirements and promote high standards of business conduct.

Crowe Capital Limited
Strategic Report (continued)

Section 172(1) Statement (continued)

- f) The Directors work very closely with the Members of the Company to discuss all significant decisions including the level of participation on the syndicates.

More information on this can be found at www.argentagroup.com/Section172.

Approved by the Board on
and signed on its behalf by: 28/08/2023



D C Bowles
Director

Crowe Capital Limited

Report of the Directors

The Directors submit their Report together with the audited Financial Statements of the Company for the year ended 31 December 2022.

Principal Activities

The principal activity of the Company is that of trading as a Lloyd's Corporate Capital Member. The Company continues to underwrite for the 2023 year of account.

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Accounting Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

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

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

Directors

The Directors who served at any time during the year and to the date of this report were as follows:

Mr D C Bowles (Appointed 15 August 2022)
APCL Corporate Director No.1 Limited
APCL Corporate Director No.2 Limited
Mr M W Webb (Resigned 15 August 2022)

Crowe Capital Limited

Report of the Directors (continued)

Auditor

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

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

Approved by the Board on 28/08/2023
and signed on its behalf by:



D C Bowles

Director

Crowe Capital Limited

Independent Auditor's Report

Independent Auditor's report to the Members of Crowe Capital Limited

Opinion

We have audited the Financial Statements of Crowe Capital Limited (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Financial Statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Crowe Capital Limited

Independent Auditor's Report (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 4, 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 they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the Financial Statements. We obtained our understanding in this regard through discussion with management and the application of our knowledge and experience of the sector in which the company operates in. We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006, Lloyd's byelaws as they relate to the company and UK taxation legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
 - discussion with management of any known, or suspected instances, of non-compliance by the company with those laws and regulations;
 - discussion with management of any, or suspected, incidence of fraud;
 - review of the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
 - review of the minutes of the board of directors and other correspondence as we deemed appropriate; and
 - review and testing of the system of controls established by management to ensure the accuracy of the financial statements.
- We identified the risks of material misstatement of the Financial Statements due to fraud as being those arising from management override of controls. We have addressed this risk by performing audit procedures which included, but were not limited to, the testing of journals, reviewing material accounting estimates for evidence of bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business that came to our attention.

Crowe Capital Limited

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the Financial Statements (continued)

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

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

Use of the audit report

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

TUE Seaman

Thomas Seaman (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London
E14 4HD

Date: 14/09/2023

Crowe Capital Limited
Statement of Comprehensive Income
Technical Account – general business
For the year ended 31 December 2022

	Note	2022 £	2021 £
Premiums			
Gross premiums written	1	1,130,449	855,700
Outward reinsurance premiums	1	(237,789)	(224,852)
Net premiums written		<u>892,660</u>	<u>630,848</u>
Change in the provision for unearned premiums			
Gross provision	1	(83,538)	(81,437)
Reinsurers' share	1	(1,523)	12,453
Earned premiums, net of reinsurance		<u>807,599</u>	<u>561,864</u>
Allocated investment return transferred from the non-technical account		(27,829)	1,653
Other technical income, net of reinsurance		-	-
Claims paid			
Gross amount	1	(403,033)	(372,983)
Reinsurers' share	1	110,711	114,216
Net claims paid		<u>(292,322)</u>	<u>(258,767)</u>
Change in provision for claims			
Gross amount	1	(272,359)	(104,949)
Reinsurers' share	1	86,336	33,719
Change in net provision for claims		<u>(186,023)</u>	<u>(71,230)</u>
Claims incurred, net of reinsurance		(478,345)	(329,997)
Changes in other technical provisions, net of reinsurance		-	-
Net operating expenses	1,2	(274,610)	(208,286)
Other technical charges, net of reinsurance	1	(23)	-
Balance on the technical account for general business		<u>26,792</u>	<u>25,234</u>

The accounting policies and notes on pages 16 to 43 form part of these Financial Statements.

Crowe Capital Limited
Statement of Comprehensive Income
Non Technical Account
For the year ended 31 December 2022

	Note	2022 £	2021 £
Balance on technical account for general business		26,792	25,234
Investment income	3	(82,021)	(1,042)
Allocated investment return transferred to the general business technical account		27,829	(1,653)
Other income		40,205	-
Other charges, including value adjustments		(24,589)	(25,100)
Loss on ordinary activities before taxation	4	<u>(11,784)</u>	<u>(2,561)</u>
Tax on loss on ordinary activities	5	1,570	10,955
(Loss)/profit for the financial year		<u>(10,214)</u>	<u>8,394</u>
Other comprehensive (expenditure)/income:			
Currency translation differences		(1,344)	58
Tax on other comprehensive (expenditure)/income		(5)	181
Total comprehensive (expenditure)/income	10	<u>(11,563)</u>	<u>8,633</u>

All amounts relate to discontinued operations.

The accounting policies and notes on pages 16 to 43 form part of these Financial Statements.

Crowe Capital Limited
Statement of Financial Position
As at 31 December 2022

		31 December 2022			31 December 2021		
	Note	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Assets							
Intangible assets	6	-	6,457	6,457	-	17,150	17,150
Investments							
Other financial investments	7	941,687	385,692	1,327,379	733,642	469,311	1,202,953
Deposits with ceding undertakings		2,671	-	2,671	4,470	-	4,470
		944,358	385,692	1,330,050	738,112	469,311	1,207,423
Reinsurers' share of technical provisions							
Provision for unearned premiums	8	85,389	-	85,389	77,573	-	77,573
Claims outstanding	8	484,289	-	484,289	360,553	-	360,553
Other technical provisions		-	-	-	-	-	-
		569,678	-	569,678	438,126	-	438,126
Debtors							
Amounts falling due within one year	7,11	510,101	13,265	523,366	372,298	14,516	386,814
Amounts falling due after one year	7	83,600	3,255	86,855	47,225	3,255	50,480
		593,701	16,520	610,221	419,523	17,771	437,294
Other assets							
Cash at bank and in hand		55,180	97,111	152,291	49,728	22,523	72,251
Other		69,455	-	69,455	61,933	-	61,933
		124,635	97,111	221,746	111,661	22,523	134,184
Prepayments and accrued income							
Accrued interest		2,850	-	2,850	2,084	-	2,084
Deferred acquisitions costs	8	116,288	-	116,288	92,036	-	92,036
Other prepayments and accrued income		4,887	-	4,887	3,173	-	3,173
		124,025	-	124,025	97,293	-	97,293
Total assets		2,356,397	505,780	2,862,177	1,804,715	526,755	2,331,470

The accounting policies and notes on pages 16 to 43 form part of these Financial Statements.

Crowe Capital Limited
Statement of Financial Position
As at 31 December 2022

		31 December 2022			31 December 2021		
	Note	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Liabilities and Shareholder funds							
Capital and reserves							
Called up share capital	9	-	1	1	-	1	1
Capital redemption		-	-	-	-	-	-
Capital contribution		-	-	-	-	-	-
Share premium account		-	-	-	-	-	-
Profit and loss account	10	(10,071)	178,797	168,726	(25,596)	205,885	180,289
Shareholder funds – attributable to equity interests		(10,071)	178,798	168,727	(25,596)	205,886	180,290
Technical provisions							
Provision for unearned premiums	8	508,851	-	508,851	387,018	-	387,018
Claims outstanding	8	1,561,950	-	1,561,950	1,194,325	-	1,194,325
Other technical provisions		-	-	-	-	-	-
Provisions for other risks							
Deferred taxation	11	-	-	-	-	-	-
Other		915	-	915	807	-	807
Deposit received from reinsurers		5,600	-	5,600	9,590	-	9,590
Creditors							
Amounts falling due within one year	7	201,786	320,422	522,208	173,859	314,746	488,605
Amounts falling due after one year	7	69,775	-	69,775	48,113	-	48,113
		271,561	320,422	591,983	221,972	314,746	536,718
Accruals and deferred income		17,591	6,560	24,151	16,599	6,123	22,722
Total liabilities		2,356,397	505,780	2,862,177	1,804,715	526,755	2,331,470

Approved and authorised for issue by the Board of Directors on 28/08/2023
and signed on its behalf by:



D C Bowles
Director

Company registration number: 3431334

The accounting policies and notes on pages 16 to 43 form part of these Financial Statements.

Crowe Capital Limited
Statement of Changes in Equity
For the year ended 31 December 2022

	Called up share capital £	Capital redemption reserve £	Share premium account £	Profit and loss account £	Capital contribution reserve £	Total £
1 January 2021	1	-	-	171,656	-	171,657
Profit for the year	-	-	-	8,394	-	8,394
Other comprehensive income	-	-	-	239	-	239
Total comprehensive income	-	-	-	8,633	-	8,633
Proceeds from the issue of shares	-	-	-	-	-	-
Movement in reserves	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
As at 31 December 2021	1	-	-	180,289	-	180,290
Loss for the year	-	-	-	(10,214)	-	(10,214)
Other comprehensive expenditure	-	-	-	(1,349)	-	(1,349)
Total comprehensive expenditure	-	-	-	(11,563)	-	(11,563)
Proceeds from the issue of shares	-	-	-	-	-	-
Movement in reserves	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
As at 31 December 2022	1	-	-	168,726	-	168,727

Called up share capital represents the nominal value of shares that have been issued.

The capital redemption reserve records the nominal value of shares repurchased by the Company.

The share premium account records the amount above the nominal value received for shares issued, less transaction costs.

The profit and loss account represents cumulative profits and losses of the Company.

The capital contribution reserve relates to contributions to the equity capital of the Company.

The accounting policies and notes on pages 16 to 43 form part of these Financial Statements.

Crowe Capital Limited
Statement of Cash Flows
For the year ended 31 December 2022

	2022 £	2021 £
Operating activities		
Loss on ordinary activities before tax	(11,784)	(2,561)
Profit attributable to Syndicate transactions	(16,869)	(27,521)
Loss - excluding Syndicate transactions	(28,653)	(30,082)
Adjusted for:		
Increase in debtors	(543)	(3,252)
Increase in creditors	6,113	791
(Profit) on disposal of intangible assets	(40,205)	-
Amortisation of Syndicate capacity	8,639	10,557
Realised/unrealised gains on investments	67,009	13,158
Investment income	(12,817)	(10,463)
Corporation and overseas taxes refunded/(paid)	3,359	(6,612)
Net cash inflow/(outflow) from operating activities	2,902	(25,903)
Investing activities		
Investment income	12,817	10,463
Purchase of Syndicate capacity	-	-
Proceeds from sale of Syndicate capacity	42,259	-
Purchase of financial investments	(118,761)	(132,322)
Proceeds from sale of financial investments	135,371	163,107
Net cash inflow from investing activities	71,686	41,248
Financing activities		
Issue of shares	-	-
Share issue expenses	-	-
Capital contribution	-	-
Equity dividends paid	-	-
Net cash inflow from financing activities	-	-
Net cash increase in cash and cash equivalents	74,588	15,345
Effect of exchange rates on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	22,523	7,178
Cash and cash equivalents at the end of the year	97,111	22,523
Consisting of:		
Cash at bank and in hand	97,111	22,523
Cash equivalents	-	-
	97,111	22,523

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

The accounting policies and notes on pages 16 to 43 form part of these Financial Statements.

Crowe Capital Limited
Statement of Cash Flows (continued)
For the year ended 31 December 2022

Analysis of Net Debt	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	22,523	74,588	97,111
Debt due within one year	(298,083)	-	(298,083)
Debt due after one year	-	-	-
	<u>(275,560)</u>	<u>74,588</u>	<u>(200,972)</u>

The accounting policies and notes on pages 16 to 43 form part of these Financial Statements.

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

Basis of preparation of Financial Statements

General information

The Company is a private company limited by shares and incorporated in England, United Kingdom.

The Financial Statements have been presented in pounds sterling ("sterling") as this is the Company's functional currency, being the primary economic environment in which the Company operates.

Basis of preparation

These Financial Statements have been prepared in accordance with FRS 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland*, FRS103 *Insurance Contracts* and applicable legislation, as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("SI 2008/410"). These Financial Statements have been prepared under the historical costs convention as modified for certain financial instruments held at fair value.

Recognition of insurance transactions

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

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 and loss from providing insurance coverage during that period and any adjustments to the profit or loss of providing insurance cover during earlier accounting periods.

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

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

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

Sources of data

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

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

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

Accounting policies

i Going concern

These Financial Statements have been prepared on a going concern basis.

ii Premiums

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

iii Claims incurred

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

iv Provision for claims outstanding

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

The two most critical assumptions with regards to claims provisions are that the past is a reasonable predictor of the likely level of claims development, and that the rating and other models used for current business are fair reflections of the likely level of ultimate claims to be incurred. The Directors consider the provision for gross claims and related reinsurance recoveries, as based on the Returns to be fairly stated. However, ultimate liability will vary as a result of subsequent information and events, and this may result in significant adjustments to the amounts provided. Adjustments to amounts of claims provisions established in prior years are reflected in the Financial Statements for the period in which the adjustments are made.

v Unexpired risk provision

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

vi Deferred acquisition costs

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

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

Accounting policies (continued)

vii Reinsurance to close

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

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

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

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

viii Financial instruments

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

The Company holds both basic and non-basic financial instruments. The Company's financial instruments comprise of cash and cash equivalents, trade and other debtors, trade and other creditors and investments in a variety of basic and non-basic financial instruments, through both the Corporate activity and through the Syndicates' activities.

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

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

Accounting policies (continued)

viii Financial instruments (continued)

Basic financial instruments are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment in the case of financial assets. Amounts that are receivable/payable within one year are measured at the undiscounted amount of the cash expected to be received/settled. Financial instruments subsequently measured at amortised cost include cash, debtors and creditors.

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

All other financial instruments are measured at fair value through profit or loss, except for investments in equity instruments that are not publicly traded, and whose fair value cannot otherwise be measured reliably, which are measured at cost less impairment.

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

Investment income is initially recorded in the non-technical Statement of Comprehensive Income. All investment income arising on Syndicate participations is allocated to the technical Statement of Comprehensive Income.

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

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

ix Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in Statement of Comprehensive Income immediately.

x Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above. Overdrafts are reported separately in creditors.

xi Derecognition of financial assets

A financial asset or, when applicable, a part of a financial asset is derecognised when:

- The rights to the cash flows from the asset have expired; or
- The Company retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. In that case, the Company also recognises an associated liability.

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

Accounting policies (continued)

xii	Offsetting of financial instruments
xiii	<p>Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if, and only if there is a currently enforceable legal right to offset the recognised amounts; and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.</p> <p>Net operating expenses</p> <p>Operating expenses are recognised when incurred. They include the Company's share of Syndicate operating expenses, the remuneration payable to Managing Agents (and the Company's Members' Agents/licensed adviser) and the direct costs of membership of Lloyd's.</p>
xiv	<p>Foreign currencies</p> <p>Transactions in United States dollars, Canadian dollars and euros are translated at the rates of exchange ruling at the date the transaction is processed or at an appropriate average rate. Unless otherwise stated, transactions in currencies other than United States dollars, Canadian dollars and euros are translated at the rate of exchange ruling at the date the transaction is processed. Monetary assets and liabilities are retranslated into sterling at the rate of exchange at the Statement of Financial Position date. Non-monetary assets and liabilities at the Statement of Financial Position date are maintained at the rate of exchange ruling when the contract was entered into, except for non-monetary assets and liabilities arising out of insurance contracts which are treated as monetary items in accordance with FRS 103 <i>Insurance Contracts</i> ("FRS 103"). Exchange differences arising on translation to the functional currency are dealt with through the non-technical account in the Statement of Comprehensive Income.</p>
xv	<p>Intangible assets</p> <p>Intangible assets may include purchased rights to participate on Syndicates. The purchase cost is capitalised and amortised on a straight line basis over the useful life of the rights which is five years.</p>
xvi	<p>Insurance contracts – product classification</p> <p>Insurance contracts are those contracts when the Company (the insurer/reinsurer) has accepted significant insurance risk from another party (the policyholder/reinsured) by agreeing to compensate the policyholder if a specified uncertain future event (the re/insured event) adversely affects the policyholder. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.</p> <p>Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.</p> <p>Any separable embedded derivatives within an insurance contract are separated and accounted for in accordance with sections 11 and 12 of FRS 102 unless the embedded derivative is itself an insurance contract (i.e. the derivative is not separated if the policyholder benefits from the derivative only when the insured event occurs).</p>
xvii	<p>Taxation</p> <p>The Company is taxed on its share of the underwriting results declared by the Syndicates and these are deemed to accrue evenly over the calendar year in which they are declared. The Syndicates' results included in these Financial Statements (excluding any losses on open years of account) are only declared for tax purposes in the calendar year following closure of the year of account. HM Revenue & Customs agrees the taxable results of the Syndicates at a Syndicate level on the basis of computations submitted by the Managing Agent. At the date of approval of these Financial Statements, the Syndicates' taxable results of this year have not been agreed. Any adjustments that may be necessary to the tax provision as a result of HM Revenue & Customs agreement of the Syndicates' taxable results will be reflected in the Financial Statements of subsequent periods.</p>
xviii	<p>Deferred taxation</p> <p>Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the Financial Statements that arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the Financial Statements.</p>

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

Accounting policies (continued)

xviii Deferred taxation (continued)

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

xix Critical accounting judgements and key sources of estimated uncertainty

In applying the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis.

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 critical accounting judgements and key sources of estimation uncertainty set out below therefore relate to those made by the Directors in respect of the Corporate activity only, and do not include estimates and judgements made in respect of the Syndicates' activities.

Critical accounting judgements

The critical judgements that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the statutory Financial Statements are discussed below.

Assessing indicators of impairment

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

Key sources of estimation uncertainty

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

Impairment review

The impairment of the Syndicate Assets is performed by the Syndicate themselves. The Directors perform an impairment review when indications of impairment arise.

Recoverability of receivables

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

Determining the useful life of purchased Syndicate capacity

The Directors have assessed the useful life of syndicate capacity to be five years. This is on the basis that the Directors consider this to be the life over which value is created from the investment made.

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

1. Class of Business

2022	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	20,383	19,414	(8,608)	(8,104)	(1,175)	1,527
Motor – third party liability	3,476	8,367	(5,963)	(1,820)	(186)	398
Motor – other classes	20,945	19,966	(8,754)	(7,234)	(731)	3,247
Marine, aviation and transport	101,839	88,837	(61,589)	(29,652)	11,372	8,968
Fire and other damage to property	314,738	292,661	(153,068)	(80,713)	(27,630)	31,250
Third party liability	268,825	253,166	(164,829)	(73,524)	(5,276)	9,537
Credit and suretyship	28,008	25,783	(14,277)	(7,709)	(1,154)	2,643
Legal expenses	1,265	859	(384)	(370)	35	140
Assistance	-	-	-	-	-	-
Miscellaneous	32	12	(9)	(159)	-	(156)
	759,511	709,065	(417,481)	(209,285)	(24,745)	57,554
Reinsurance	370,938	337,846	(257,911)	(65,325)	(17,520)	(2,910)
Total	1,130,449	1,046,911	(675,392)	(274,610)	(42,265)	54,644

2021	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	20,709	20,455	(7,021)	(8,401)	(1,173)	3,860
Motor – third party liability	11,292	7,255	(4,600)	(1,666)	(764)	225
Motor – other classes	15,430	14,048	(3,697)	(5,915)	(3,188)	1,248
Marine, aviation and transport	69,635	59,715	(27,232)	(21,849)	(3,499)	7,135
Fire and other damage to property	247,275	230,601	(128,225)	(64,884)	(26,335)	11,157
Third party liability	214,147	194,230	(129,356)	(56,362)	(3,661)	4,851
Credit and suretyship	21,291	17,732	(11,881)	(5,715)	(2,202)	(2,066)
Legal expenses	266	252	(113)	(111)	-	28
Assistance	-	-	-	-	-	-
Miscellaneous	39	22	(15)	(98)	1	(90)
	600,084	544,310	(312,140)	(165,001)	(40,821)	26,348
Reinsurance	255,616	229,953	(165,792)	(43,285)	(23,643)	(2,767)
Total	855,700	774,263	(477,932)	(208,286)	(64,464)	23,581

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

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

2. Net Operating Expenses

	2022	2021
	£	£
Acquisition costs	256,849	202,256
Change in deferred acquisition costs	(18,363)	(17,283)
Administrative expenses	48,592	38,489
Reinsurance commissions and profit participations	(29,680)	(31,605)
Personal expenses	17,212	16,429
	<u>274,610</u>	<u>208,286</u>

3. Investment Income

	2022	2021
	£	£
Financial instruments held at fair value through profit or loss:		
Interest and dividend income	29,050	22,841
Realised gains and losses	3,459	(11,153)
Unrealised gains and losses	(113,953)	(12,224)
Other	-	-
	<u>(81,444)</u>	<u>(536)</u>
Financial instruments held at amortised cost:		
Interest	114	13
Other	-	-
	<u>114</u>	<u>13</u>
Investment management expenses, including interest	(691)	(519)
	<u>(691)</u>	<u>(519)</u>
	<u>(82,021)</u>	<u>(1,042)</u>

4. Loss on Ordinary Activities before Taxation

	2022	2021
	£	£
Operating loss is stated after charging:		
Directors' remuneration	-	-
Amortisation of Syndicate capacity	8,639	10,557
Profit on disposal of intangible fixed assets	(40,205)	-
Profit on exchange	(718)	(1,118)

The Company has no employees and no staff costs are met by the Company.

The Directors are considered to be the key management personnel of the Company.

The auditor charged a fixed fee to Argenta Private Capital Limited of £300 for the provision of the statutory audit.

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

5. Taxation	2022	2021
	£	£
a. Analysis of Charge in Year included in the statement of comprehensive income		
Current tax:		
UK corporation tax on loss of the year	-	-
Adjustment in respect of previous period	(4,102)	(5,496)
	<u>(4,102)</u>	<u>(5,496)</u>
Double taxation relief	-	-
	<u>-</u>	<u>-</u>
Foreign tax	743	602
	<u>743</u>	<u>602</u>
Total current tax	<u>(3,359)</u>	<u>(4,894)</u>
Deferred tax		
Origination and reversal of timing differences	(4,653)	(2,239)
Change in tax rate	(1,171)	(3,822)
Prior period adjustments	7,613	-
Total deferred tax	<u>1,789</u>	<u>(6,061)</u>
Tax on loss on ordinary activities	<u>(1,570)</u>	<u>(10,955)</u>
b. Analysis of Charge in Year included in other comprehensive income		
Deferred tax		
Origination and reversal of timing differences	(316)	(159)
Effect of change in tax rate on opening liability or asset	(163)	(22)
Prior period adjustments	484	-
Total deferred tax	<u>5</u>	<u>(181)</u>
c. Factors affecting tax charge for period		
The tax assessed for the period is different to the standard rate of corporation tax in the UK (19%). The differences are explained below:		
Loss on ordinary activities before tax	<u>(11,784)</u>	<u>(2,561)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2021 – 19.00%)	(2,239)	(487)
Effects of:		
Change in deferred tax rate	(1,171)	(3,822)
Deferred tax asset unrecognised on result for the year	-	-
Foreign tax	743	602
Expenses and income not deductible for tax purposes	(2,414)	(1,985)
Other corporation computation adjustments for Lloyd's corporate members	-	234
Prior period adjustments	3,511	(5,497)
Other adjustments	<u>-</u>	<u>-</u>
Total tax credit for the period on ordinary activities	<u>(1,570)</u>	<u>(10,955)</u>

The results of the Company's participation on the 2020, 2021 and 2022 years of account and any calendar year movement on 2019 and prior run-offs, will not be assessed to tax until the year ended 31 December 2023, 2024 and 2025 respectively being the year after the calendar year result of each run-off year or the normal date of closure of each year of account. An increase in the UK corporation tax rate from 19% to 25% was enacted within the Finance Act 2021 and will be effective from 1 April 2023. As a result, the relevant deferred tax balances have been remeasured. Deferred tax expected to reverse in the year to 31 December 2022 has been measured using the effective rate that will apply in UK for the period (19%). Deferred tax expected to reverse in the year to 31 December 2023 has been measured using a rate of 23.5%. For years ending after 31 December 2023, the company has used the new tax rate of 25%.

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

6.	Intangible Assets	Total £
	Purchased Syndicate Capacity	
	Cost	
	At 1 January 2022	62,490
	Additions	-
	Disposals	(7,783)
	At 31 December 2022	54,707
	Amortisation	
	At 1 January 2022	45,340
	Charge	8,639
	Disposals	(5,729)
	At 31 December 2022	48,250
	Net Book Value	
	At 31 December 2022	6,457
	At 31 December 2021	17,150

7. Financial Instruments and Financial Risk Management

7.1 Financial Investments

Other financial investments – Syndicate participation

	2022 Market Value £	2022 Cost price £	2021 Market Value £	2021 Cost price £
Shares and other variable yield securities and units in unit trusts	106,918	105,674	92,201	89,609
Debt securities and other fixed income securities	801,539	836,616	611,193	609,507
Participation in investment pools	3,057	3,069	7,764	7,596
Loans guaranteed by mortgage	-	-	-	645
Other investments	2,276	-	300	-
Other loans	5,671	4,074	5,808	4,509
Deposits with credit institutions	400	400	361	361
Overseas deposits as investments	21,826	21,827	16,015	16,041
	<u>941,687</u>	<u>971,660</u>	<u>733,642</u>	<u>728,268</u>

Other financial investments – Corporate

Shares and other variable yield securities and units in unit trusts	385,692	469,311
Debt securities and other fixed income securities	-	-
Other investments	-	-
	<u>385,692</u>	<u>469,311</u>

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

7. Financial Instruments and Financial Risk Management (continued)

7.2 Debtors

	2022			2021		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Amounts falling due within one year:						
Arising out of direct insurance operations	290,810	-	290,810	228,241	-	228,241
Arising out of reinsurance operations	170,490	-	170,490	120,133	-	120,133
Other Debtors:						
Amounts due from group undertakings	-	-	-	-	-	-
Other	48,801	13,265	62,066	23,924	14,516	38,440
Total Amounts falling due within one year	510,101	13,265	523,366	372,298	14,516	386,814
Amounts falling due after one year:						
Arising out of direct insurance operations	5,554	-	5,554	7,428	-	7,428
Arising out of reinsurance operations	71,913	-	71,913	35,632	-	35,632
Other Debtors:						
Amounts due from group undertakings	-	-	-	-	-	-
Other	6,133	3,255	9,388	4,165	3,255	7,420
Total Amounts falling due after one year	83,600	3,255	86,855	47,225	3,255	50,480
	593,701	16,520	610,221	419,523	17,771	437,294

7.3 Funds at Lloyd's

The amount of Funds at Lloyd's is represented in the statement of financial position as:

	2022			2021		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Cash	-	37,603	37,603	-	18,155	18,155
Investments	-	385,692	385,692	-	469,311	469,311
	-	423,295	423,295	-	487,466	487,466

Funds at Lloyd's 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 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.

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

7. Financial Instruments and Financial Risk Management (continued)

7.4 Creditors

	2022			2021		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Amounts falling due within one year:						
Arising out of direct insurance operations	19,025	-	19,025	13,806	-	13,806
Arising out of reinsurance operations	157,486	-	157,486	120,642	-	120,642
Amounts owed to credit institutions	-	-	-	-	-	-
Other creditors:						
Corporation tax	-	-	-	-	-	-
Directors' loan accounts	-	16,000	16,000	-	16,000	16,000
Third party funds	-	298,083	298,083	-	298,083	298,083
Other creditors	25,275	6,339	31,614	39,411	663	40,074
Amount due to group undertakings	-	-	-	-	-	-
Total Amounts falling due within one year	201,786	320,422	522,208	173,859	314,746	488,605
Amounts falling due after one year:						
Arising out of direct insurance operations	604	-	604	296	-	296
Arising out of reinsurance operations	55,638	-	55,638	35,150	-	35,150
Amounts owed to credit institutions	-	-	-	-	-	-
Other creditors:						
Corporation tax	-	-	-	-	-	-
Directors' loan accounts	-	-	-	-	-	-
Third party funds	-	-	-	-	-	-
Other creditors	13,533	-	13,533	12,667	-	12,667
Amount due to group undertakings	-	-	-	-	-	-
Total Amounts falling due after one year	69,775	-	69,775	48,113	-	48,113
	271,561	320,422	591,983	221,972	314,746	536,718

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

7. Financial Instruments and Financial Risk Management (continued)

7.5 Classification of Financial Instruments

The tables below set out the Company's financial instruments by classification.

Financial instruments – Syndicate participation

	2022			2021		
	At fair value through profit or loss £	At amortised cost £	Total £	At fair value through profit or loss £	At amortised cost £	Total £
Financial assets						
Investments	941,687	-	941,687	733,642	-	733,642
Deposits with ceding undertakings	-	2,671	2,671	-	4,470	4,470
Insurance debtors	-	296,364	296,364	-	235,669	235,669
Reinsurance debtors	-	242,403	242,403	-	155,765	155,765
Other debtors	-	54,934	54,934	-	28,089	28,089
Cash at bank and in hand	-	55,180	55,180	-	49,728	49,728
Other assets	69,455	-	69,455	61,933	-	61,933
	1,011,142	651,552	1,662,694	795,575	473,721	1,269,296
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative financial instruments	489	-	489	302	-	302
Insurance creditors	-	19,629	19,629	-	14,102	14,102
Reinsurance creditors	-	213,124	213,124	-	155,792	155,792
Amounts owed to credit institutions	-	-	-	-	-	-
Other creditors	-	38,808	38,808	-	52,078	52,078
	489	271,561	272,050	302	221,972	222,274

Financial instruments – Corporate

	2022			2021		
	At fair value through profit or loss £	At amortised cost £	Total £	At fair value through profit or loss £	At amortised cost £	Total £
Financial assets						
Investments	385,692	-	385,692	469,311	-	469,311
Other debtors	-	16,520	16,520	-	17,771	17,771
Cash at bank and in hand	-	97,111	97,111	-	22,523	22,523
Other assets	-	-	-	-	-	-
	385,692	113,631	499,323	469,311	40,294	509,605
Financial liabilities						
Other creditors	-	320,422	320,422	-	314,746	314,746
	-	320,422	320,422	-	314,746	314,746

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

7. Financial Instruments and Financial Risk Management (continued)

7.5 Classification of Financial Instruments (continued)

The table below sets out details of the Company's derivative financial instruments.

	2022		2021	
	Notional amount £	Fair value £	Notional amount £	Fair value £
Foreign exchange forward contracts	37,212	2,260	32,668	291
Interest rate future contracts	509	16	13,246	9
Foreign exchange options	-	-	-	-
Equity options	-	-	-	-
Foreign exchange contract for difference	-	-	-	-
Other	-	-	-	-
	37,721	2,276	45,914	300

7.6 Financial Instruments held at fair value through profit or loss

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

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

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

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

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

7. Financial Instruments and Financial Risk Management (continued)

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

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

Financial instruments – Syndicate participation

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2022						
Financial assets						
Shares and other variable yield securities and units in unit trusts	13,373	81,608	11,937	106,918	-	106,918
Debt securities and other fixed income securities	282,474	519,065	-	801,539	-	801,539
Participation in investment pools	2,402	517	138	3,057	-	3,057
Loans and deposits with credit institutions	4,617	-	1,454	6,071	-	6,071
Overseas deposits	39,539	47,968	3,774	91,281	-	91,281
Derivatives	854	1,422	-	2,276	-	2,276
Other investments	-	-	-	-	-	-
Financial assets classified as held for sale	-	-	-	-	-	-
	343,259	650,580	17,303	1,011,142	-	1,011,142
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative liabilities	489	-	-	489	-	489
Financial liabilities classified as held for sale	-	-	-	-	-	-
	489	-	-	489	-	489

Crowe Capital Limited
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7. Financial Instruments and Financial Risk Management (continued)

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

Financial instruments – Syndicate participation (continued)

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2021						
Financial assets						
Shares and other variable yield securities and units in unit trusts	10,637	68,818	12,746	92,201	-	92,201
Debt securities and other fixed income securities	243,551	367,531	111	611,193	-	611,193
Participation in investment pools	7,124	520	120	7,764	-	7,764
Loans and deposits with credit institutions	4,715	-	1,454	6,169	-	6,169
Overseas deposits	34,587	39,938	3,063	77,588	-	77,588
Derivatives	219	81	-	300	-	300
Other investments	-	-	-	-	-	-
Financial assets classified as held for sale	-	-	-	-	-	-
	300,833	476,888	17,494	795,215	-	795,215
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative liabilities	302	-	-	302	-	302
Financial liabilities classified as held for sale	-	-	-	-	-	-
	302	-	-	302	-	302

Financial instruments – Corporate

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2022						
Financial assets						
Shares and other variable yield securities and units in unit trusts	385,692	-	-	385,692	-	385,692
Debt securities and other fixed income securities	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
	385,692	-	-	385,692	-	385,692

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

7. Financial Instruments and Financial Risk Management (continued)

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

Financial instruments – Corporate (continued)

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2021						
Financial assets						
Shares and other variable yield securities and units in unit trusts	469,311	-	-	469,311	-	469,311
Debt securities and other fixed income securities	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
	<u>469,311</u>	<u>-</u>	<u>-</u>	<u>469,311</u>	<u>-</u>	<u>469,311</u>

7.7 Financial Risk Management

The Company is a financial institution and therefore provides the following disclosures in respect of the financial instruments it holds.

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

- Credit risk
- Liquidity risk
- Interest rate risk
- Equity price risk; and
- Currency risk

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, including those in respect of financial risk management. The following qualitative risk management disclosures made by the Directors therefore relate to the Corporate activity only. The quantitative disclosures are made in respect of both the Corporate activity and the Syndicates' activities.

Crowe Capital Limited
Notes to the Financial Statements
For the year ended 31 December 2022

7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

i. Credit risk

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

The Company manages credit risk at the Corporate level by ensuring that investments and cash and cash equivalent deposits are placed only with highly rated credit institutions. At the Corporate level the Company did not hold any collateral as security against its receivables, or have any other credit enhancements at the reporting dates.

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

The tables below show the credit quality of financial assets that are neither past due nor impaired. The Syndicates have excluded insurance and other debtors from the table as these are generally not rated.

Syndicate participation	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
2022						
Shares and other variable yield securities and units in unit trusts	17,563	6,315	42,454	6,615	33,971	106,918
Debt securities and other fixed income securities	232,614	228,257	225,581	108,513	6,574	801,539
Participation in investment pools	-	2,919	-	-	138	3,057
Loans secured with credit institutions	4,217	-	1,454	-	-	5,671
Deposits with credit institutions	-	-	400	-	-	400
Overseas deposits	39,776	17,212	20,008	10,497	3,788	91,281
Derivative investments	-	-	17	8	2,251	2,276
Other investments	-	-	-	-	-	-
Deposits with ceding undertakings	-	-	2,290	-	381	2,671
Reinsurers share of claims outstanding	23,388	151,125	289,187	2,237	18,352	484,289
Cash at bank and in hand	3,309	1,103	49,684	17	1,067	55,180
	320,867	406,931	631,075	127,887	66,522	1,553,282

Crowe Capital Limited
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7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

Syndicate participation	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
2021						
Shares and other variable yield securities and units in unit trusts	1,811	4,650	47,326	8,342	30,072	92,201
Debt securities and other fixed income securities	156,040	160,939	177,446	110,593	6,175	611,193
Participation in investment pools	27	7,606	6	5	120	7,764
Loans secured with credit institutions	4,354	-	1,454	-	-	5,808
Deposits with credit institutions	-	-	361	-	-	361
Overseas deposits	31,258	16,786	17,815	9,056	2,673	77,588
Derivative investments	-	-	7	8	285	300
Other investments	-	-	-	-	-	-
Deposits with ceding undertakings	-	-	4,255	-	215	4,470
Reinsurers share of claims outstanding	9,631	104,593	219,306	6,392	20,631	360,553
Cash at bank and in hand	9,928	968	38,346	221	265	49,728
	213,049	295,542	506,322	134,617	60,436	1,209,966

The tables below show the financial assets that are neither due nor impaired, past their due date or impaired:

Syndicate participation	Financial assets that are neither due nor impaired %	Financial assets that are past due but not impaired				Financial assets that have been impaired %
		Up to 3 months %	Between 3 and 6 months %	Between 6 months and 1 year %	Greater than 1 year %	
2022						
Other financial investments	100	-	-	-	-	-
Deposits with ceding undertakings	100	-	-	-	-	-
Reinsurers share of claims outstanding	100	-	-	-	-	-
Reinsurance debtors	48	49	2	1	-	-
Cash at bank and in hand	100	-	-	-	-	-
Insurance debtors	86	7	3	3	1	-
Other	100	-	-	-	-	-

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7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

Syndicate participation	Financial assets that are neither due nor impaired %	Financial assets that are past due but not impaired				Financial assets that have been impaired %
		Up to 3 months %	Between 3 and 6 months %	Between 6 months and 1 year %	Greater than 1 year %	
2021						
Other financial investments	100	-	-	-	-	-
Deposits with ceding undertakings	100	-	-	-	-	-
Reinsurers share of claims outstanding	100	-	-	-	-	-
Reinsurance debtors	100	-	-	-	-	-
Cash at bank and in hand	60	-	35	4	1	-
Insurance debtors	100	-	-	-	-	-
Other debtors	89	-	5	2	2	2

At the Corporate level the Company is not exposed to significant credit risk. Consequently a sensitivity analysis for credit risk has not been presented for the Corporate activity.

ii. Liquidity risk

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

At the Corporate level the Company manages liquidity by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of assets and liabilities.

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

Syndicate participation	No stated maturity £	Less than 1 year £	1 to 3 years £	3 to 5 years £	Greater than 5 years £	Total £
2022						
Derivative financial instruments	-	489	-	-	-	489
Deposits received from reinsurers	-	3,445	1,623	324	208	5,600
Provisions for other risks and charges	24	891	-	-	-	915
Claims outstanding	-	547,316	551,977	229,341	233,316	1,561,950
Creditors	11,760	197,592	51,802	3,322	1,886	266,362
Other	(24)	(891)	-	-	-	(915)
	11,760	748,842	605,402	232,987	235,410	1,834,401

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Notes to the Financial Statements
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7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

Syndicate participation	No stated maturity £	Less than 1 year £	1 to 3 years £	3 to 5 years £	Greater than 5 years £	Total £
2021						
Derivative financial instruments	-	302	-	-	-	302
Deposits received from reinsurers	-	6,200	2,518	542	330	9,590
Provisions for other risks and charges	-	807	-	-	-	807
Claims outstanding	-	399,178	420,992	180,516	193,639	1,194,325
Creditors	11,684	154,564	45,351	1,214	-	212,813
Other	-	(807)	-	-	-	(807)
	11,684	560,244	468,861	182,272	193,969	1,417,030

At the Corporate level the Company is not exposed to significant liquidity risk. Consequently a maturity profile has not been presented for the Corporate activity.

iii. Interest rate risk

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

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

At the Corporate level the Company manages interest rate risk by maintaining an appropriate mix between fixed and floating rate financial instruments.

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

Syndicate participation	2022 £	2021 £
Impact of 50 basis point increase on profit or loss	(9,347)	(6,721)
Impact of 50 basis point decrease on profit or loss	9,020	6,131
Impact of 50 basis point increase on equity	(9,347)	(6,721)
Impact of 50 basis point decrease on equity	9,020	6,131

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

iv. Equity price risk

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

The Company is exposed to equity price risk in respect of its equity investments.

At the Corporate level the Company manages equity price risk by maintaining an appropriate mix between equity and debt financial instruments, and by spreading the risk on equity investments across a portfolio of investments.

Crowe Capital Limited
Notes to the Financial Statements
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7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

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

Syndicate participation

	2022 £	2021 £
Impact on profit or loss of 5% increase in Stock Market Prices	1,371	1,195
Impact on profit or loss of 5% decrease in Stock Market Prices	(1,371)	(1,195)
Impact on equity of 5% increase in Stock Market Prices	1,371	1,195
Impact on equity of 5% decrease in Stock Market Prices	(1,371)	(1,195)

At the Corporate level the Company is not exposed to significant cash flow equity price risk. Consequently a sensitivity analysis for equity price risk has not been presented for the Corporate activity.

v. Currency risk

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

At the Corporate level the Company manages currency risk by ensuring that exchange rate exposures are managed within approved policy parameters.

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

Net assets and liabilities

	Syndicate Participation £	2022 Corporate £	Syndicate Participation £	2021 Corporate £
Sterling	(62,406)	(107,150)	(30,997)	(170,274)
United States dollar	(11,526)	238,498	(35,985)	340,489
Euro	(16,443)	40,993	(3,942)	18,521
Canadian dollar	51,791	-	26,010	-
Australian dollar	6,041	-	8,975	-
Japanese yen	(1,136)	-	(1,632)	-
Other	5,575	-	4,340	-

Crowe Capital Limited
Notes to the Financial Statements
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7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

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

The Company's assets are primarily Funds at Lloyd's to support its underwriting. These are held in various currencies but are all either listed investments or cash. As such, any exchange movement would be accounted for in the Statement of Comprehensive Income.

	Corporate Profit and loss			
	31 December 2022		31 December 2021	
	Increase £	Decrease £	Increase £	Decrease £
Effect of sterling exchange movement by 10%				
United States dollar	21,682	(26,500)	30,954	(37,832)
Euro	3,727	(4,555)	1,684	(2,058)
Canadian dollar	-	-	-	-
Australian dollar	-	-	-	-
Japanese yen	-	-	-	-
Other	-	-	-	-

7.8 Capital Management

Lloyd's capital setting process

In order to meet Lloyd's requirements, each Syndicate is required to calculate its Standard Capital Requirement ("SCR") for the prospective underwriting year. This amount must be sufficient to cover a 1 in 200 year loss, reflecting uncertainty in the ultimate run-off of underwriting liabilities (SCR "to ultimate"). The Syndicate must also calculate its SCR at the same confidence level but reflecting uncertainty over a one year time horizon (one year SCR) for Lloyd's to use in meeting Solvency II requirements. The SCRs of each Syndicate are subject to review by Lloyd's and approval by the Lloyd's Capital and Planning Group.

Each Syndicate member is liable for its own share of underwriting liabilities on the Syndicate on which it participates but not other members' shares.

Accordingly, the capital requirement that Lloyd's sets for each member operates on a similar basis. Each member's SCR shall thus be determined by the sum of the member's share of the Syndicate SCR "to ultimate".

Over and above this, Lloyd's applies a capital uplift to the member's capital requirement, the ECA. The purpose of this uplift, which is a Lloyd's requirement and not a Solvency II requirement, is to meet Lloyd's financial strength, licence and ratings objectives.

The Funds at Lloyd's represent the capital which allows the Company to participate on the Syndicates. Refer to Note 7.3 for further information.

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8. Insurance Contracts

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

	2022			2021		
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	1,194,325	360,553	833,772	1,087,578	324,287	763,291
Movements in the year	272,359	86,336	186,023	104,949	33,719	71,230
Other movements	95,266	37,400	57,866	1,798	2,547	(749)
At 31 December	<u>1,561,950</u>	<u>484,289</u>	<u>1,077,661</u>	<u>1,194,325</u>	<u>360,553</u>	<u>833,772</u>

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

	2022			2021		
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	387,018	77,573	309,445	301,226	63,905	237,321
Movements in the year	83,538	(1,523)	85,061	81,437	12,453	68,984
Other movements	38,295	9,339	28,956	4,355	1,215	3,140
At 31 December	<u>508,851</u>	<u>85,389</u>	<u>423,462</u>	<u>387,018</u>	<u>77,573</u>	<u>309,445</u>

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

	2022 £	2021 £
At 1 January	92,036	76,103
Movements in the year	18,363	17,283
Other movements	5,889	(1,350)
At 31 December	<u>116,288</u>	<u>92,036</u>

The other movements category includes exchange differences and the movements attributable to RITC.

8.1 Risks arising from Insurance Contracts

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

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

Crowe Capital Limited
Notes to the Financial Statements
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8. Insurance Contracts (continued)

8.1 Risks arising from Insurance Contracts (continued)

Claims development - gross

	At end of reporting year	One year later	Two years later	Three years later	Four years later	Five years later	Six years later	Seven years later
2013	117,632	215,233	219,979	215,517	215,332	211,848	209,180	207,132
2014	113,918	207,580	219,532	223,714	228,645	225,540	225,298	225,705
2015	106,966	213,756	242,183	237,037	234,819	235,766	235,202	236,311
2016	121,928	282,111	287,861	287,745	286,669	287,146	288,855	
2017	278,665	412,402	442,274	438,489	436,352	439,404		
2018	249,062	433,429	465,785	456,296	455,073			
2019	226,341	451,983	448,236	432,613				
2020	272,411	488,578	502,179					
2021	338,006	610,510						
2022	420,148							
	Eight years later	Nine years later	Cumulative payments to date	Estimated balance to pay	Reserve strengthening/ (reduction) in subsequent 12 months			
2012 & prior				93,586				
2013	207,156	206,310	192,782	13,528	(32,364)			
2014	225,834		202,855	22,979	(38,139)			
2015			203,589	32,722	(27,518)			
2016			242,982	45,873	(21,987)			
2017			355,676	83,728	(17,612)			
2018			340,565	114,508	(28,100)			
2019			280,988	151,625	(21,465)			
2020			285,311	216,868				
2021			191,119	419,391				
2022			53,006	367,142				
				<u>1,561,950</u>				

Claims development - net

	At end of reporting year	One year later	Two years later	Three years later	Four years later	Five years later	Six years later	Seven years later
2013	97,371	184,597	188,616	185,698	186,058	182,584	180,046	177,906
2014	94,073	179,631	190,322	192,479	191,519	189,225	188,488	187,837
2015	89,275	182,862	210,086	206,306	202,391	201,546	200,925	198,889
2016	93,646	226,736	233,884	233,566	231,386	233,228	231,231	
2017	168,826	278,492	300,305	300,782	295,570	294,924		
2018	162,994	297,863	323,835	321,161	313,455			
2019	147,729	314,997	315,716	305,740				
2020	181,755	336,116	342,663					
2021	227,818	417,192						
2022	302,966							

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8. Insurance Contracts (continued)

8.1 Risks arising from Insurance Contracts (continued)

Claims development – net (continued)

	Eight years later	Nine years later	Cumulative payments to date	Estimated balance to pay	Reserve strengthening/ (reduction) in subsequent 12 months
2012 & prior				76,183	
2013	178,536	177,781	165,715	12,066	(31,586)
2014	186,340		168,532	17,808	(35,425)
2015			175,910	22,979	(28,706)
2016			198,323	32,908	(26,776)
2017			242,069	52,855	(19,279)
2018			236,903	76,552	(21,433)
2019			200,542	105,198	(35,332)
2020			195,877	146,786	
2021			141,917	275,275	
2022			43,915	259,051	
				<u>1,077,661</u>	

Sensitivity analysis

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

- a 5% increase/decrease in the managing agents' calculation of gross claims reserves will decrease/increase the Company's pre-tax profit/loss by £78,098 (2021: £59,716);
- a 5% increase/decrease in the managing agents' calculation of net claims reserves will decrease/increase the Company's pre-tax profit/loss by £53,883 (2021: £41,689).

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

9. Called-up Share Capital

Issued and fully paid	Number of shares			At 31 December
	At 1 January	Issued during the year	Redeemed during the year	
Par value per share				
1 Ordinary £1 shares	1	-	-	1
Total	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>

The Ordinary £1 shares each hold one voting right. There are no restrictions on the distribution of dividends and the repayments of capital.

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10. Profit and Loss Account

	2022			2021		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Retained profit brought forward	(25,596)	205,885	180,289	(53,175)	224,831	171,656
Reallocate distribution	(8,968)	8,968	-	3,413	(3,413)	-
(Loss)/profit for the financial year	24,493	(36,056)	(11,563)	24,166	(15,533)	8,633
Equity dividends	-	-	-	-	-	-
Retained profit carried forward	(10,071)	178,797	168,726	(25,596)	205,885	180,289

11. Deferred Tax

	2022			
	Syndicate Results £	Tax losses £	Claims Equalisation Reserve £	Total £
At 1 January	(6,874)	(7,642)	-	(14,516)
Movement in year	4,036	46	-	1,789
Movement in the year - OCI	5	-	-	5
At 31 December	(2,833)	(7,596)	-	(12,722)

	2021			
	Syndicate Results £	Tax losses £	Claims Equalisation Reserve £	Total £
At 1 January	(10,103)	-	2,816	(8,274)
Movement in the year	3,410	(7,642)	(2,816)	(6,061)
Movement in the year - OCI	(181)	-	-	(181)
At 31 December	(6,874)	(7,642)	-	(14,516)

The unused tax losses carried forward at the Statement of Financial Position date are £30,385. Unused tax losses are expected to be recoverable against the future profits of the Company and have no expiry date.

The deferred tax balance consists of timing differences relating to the taxation of underwriting results. Deferred tax assets are shown within other debtors (Note 7.2).

The deferred tax expected to unwind within one year is £2,293. The deferred tax expected to unwind over one year is £10,429.

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12. Related Party Disclosure

Any related party loans and balances do not attract interest and are repayable on demand.

13. Ultimate Controlling Party

The Company is controlled by Mr Craig T. Crowe, who holds 100% of the issued £1 ordinary share capital.

14. Post Balance Sheet Event Note

There are no post balance sheet events to be disclosed.