



ARGENTA SYNDICATE MANAGEMENT LIMITED

FINANCIAL STATEMENTS

31 December 2016

Company registration number: 3632880

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Argenta Syndicate Management Limited

**Financial Statements
For the year ended 31 December 2016**

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Argenta Syndicate Management Limited

Strategic Report

For the year ended 31 December 2016

The directors present their Strategic Report for Argenta Syndicate Management Limited ("ASML" or "the Company") for the year ended 31 December 2016.

The financial reporting framework that has been applied is United Kingdom Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

Principal activity and review of the business

ASML was the managing agent throughout the year of active syndicate 2121. Since its inception in 2000, the syndicate's capacity has steadily increased to £270 million for the 2016 year of account.

ASML also managed the affairs of syndicate 1110 under a turnkey arrangement whilst its capital provider sought regulatory approval for their own managing agency. Responsibility for the management of syndicate 1110 transferred to the new managing agent on 5 March 2015 other than in respect of the preparation of the year end 31 December 2014 syndicate financial statements.

ASML was also the managing agent of syndicate 1965 which ceased trading and was put into run-off on 22 November 2011. An orderly run-off of the syndicate was conducted and during 2015 all the open years were successfully reinsured to close into a third party syndicate with effect from 31 December 2014.

Capacity under management

Syndicate	2017 £million	2016 £million	2015 £million	2014 £million
1110	-	-	210	180
2121	300	270	240	240
	300	270	450	420

	2016 £000	2015 £000
Managed syndicate capacity at 1 January	270,000	450,000
Management fees	1,974	2,245
Profit commission	5,554	4,944
Profit before tax	5,517	5,123
Net assets solvency margin	10,432	9,175

ASML receives income principally from fees for managing the syndicates, and profit commission that may arise when syndicate 2121 releases profits to supporting capital providers.

Profit commission in respect of syndicate 2121 for the year ended 31 December 2016 amounted to £5,554,007, all of which was attributable to the 2014 year of account. (2015: £4,944,210 of which £3,162,392 was attributable to the 2013 year of account and £1,781,818 to the 2014 year of account).

Result

The results of the Company for the year are shown on page 8. The profit on ordinary activities after taxation for the year amounted to £5,192,000 (2015: £4,613,000).

Principal risks and uncertainties

The Company does not enter into any hedging transactions. It has normal exposure to price, credit, liquidity and cash flow risks, arising from its trading activities as a managing agency, which are only conducted in sterling. These are actively monitored by the Board during the course of the year and action taken accordingly. The Company manages its cash and borrowing requirements to maximise investment income and minimise interest expense whilst ensuring that it has sufficient liquidity to meet the operational needs of its business.

Argenta Syndicate Management Limited

Strategic Report (continued) For the year ended 31 December 2016

Future Developments

The principal area of focus for the development of the agency's business relates to syndicate 2121. The strategic objective remains to grow syndicate 2121 subject always to market conditions.

Important events since the end of the financial year

On 18 March 2017, a transaction was entered into for Argenta Holdings plc, the parent company of the Company, to be acquired by Hannover Rück SE. The transaction is expected to close in the third quarter of 2017 subject to all necessary approvals.

On 10 May 2017, Argenta Holdings plc was re-registered as a private limited company and re-named Argenta Holdings Limited ("AHL").

BY ORDER OF THE BOARD



Mr M P Rowan
Director and Company Secretary

18 May 2017

Argenta Syndicate Management Limited

Directors' Report For the year ended 31 December 2016

The directors present their report and the audited financial statements for the year ended 31 December 2016. The Company registration number is 3632880.

Going concern

The Company has considerable financial resources and, as a consequence, the directors believe that it is well placed to manage its business risks successfully in the current market and economic environment.

After making enquiries, the directors have a reasonable expectation that the Company and its parent undertaking, AHL, have adequate resources to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing reports and financial statements.

Dividend

On 18 May 2017 a final dividend of £5,500,000 was proposed by the directors for 2016 (2015: £nil) for payment to AHL.

Board of directors

The directors listed below have held office during the period 1 January 2016, up to the date of this report, unless indicated otherwise.

Mr J L P Whiter	(Non-Executive Chairman)	
Mr A J Annandale	(Managing Director)	
Mr G K Allen		
Mr P J Bruin		(resigned 31/10/2016)
Mr P Hunt	(Non-Executive Director)	
Mr I M Maguire		
Mr N J Moore		
Mr J E Mumford	(Non-Executive Director)	(resigned 16/04/2017)
Mr T P Newbery	(Non-Executive Director)	(resigned 25/06/2016)
Mr G A Powell	(Non-Executive Director)	
Mr M P Rowan	(Company Secretary)	
Mr D J Thompson		

It is with great sadness that the directors have to report that their good friend and colleague, John Mumford, passed away on 16 April 2017.

Mr P J Bruin was Company Secretary until his resignation on 31 October 2016.

No director had any interest in contracts or arrangements with the Company during the year other than directorship fees, salaries and other related remuneration.

Directors' and officers' insurance

The Company had directors' and officers' insurance in place during the year.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK GAAP, including FRS 102. 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.

Argenta Syndicate Management Limited

Directors' Report (continued) For the year ended 31 December 2016

Directors' responsibilities statement (continued)

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Disclosure of information to the auditor

Under the Companies Act 2006, we can confirm that:

- so far as we are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- we have taken the steps that we ought to have taken as directors in order to make us aware of any relevant information and to establish that the Company's auditor is aware of that information.

Auditor

It is proposed that Ernst & Young LLP remain as the Company's auditor for the year ended 31 December 2017.

BY ORDER OF THE BOARD


Mr M P Rowan
Director and Company Secretary

18 May 2017

Argenta Syndicate Management Limited

Independent Auditor's Report to the member of Argenta Syndicate Management Limited

We have audited the financial statements of the Company for the year ended 31 December 2016, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Argenta Syndicate Management Limited

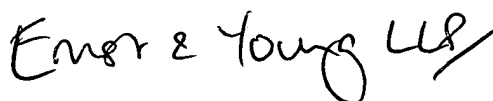
Independent Auditor's Report to the member of Argenta Syndicate Management Limited (continued)

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 identified no material misstatements in the Strategic Report or Directors' Report.

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

- adequate accounting records have not been kept, 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Michael Purrington (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 19 MAY 2017

Argenta Syndicate Management Limited**Statement of Comprehensive Income
For the year ended 31 December 2016**

		2016 £000	2015 £000
Continuing operations	Notes		
Turnover	3	7,532	7,192
Expenses		<u>(2,124)</u>	<u>(2,097)</u>
Operating profit	4	5,408	5,095
Interest receivable	7	111	28
Interest payable	8	<u>(2)</u>	<u>-</u>
Profit on ordinary activities before taxation		5,517	5,123
Taxation on profit on ordinary activities	9	<u>(325)</u>	<u>(510)</u>
Profit for the year attributable to the owners of the Company		<u>5,192</u>	<u>4,613</u>
Other comprehensive income		-	-
Total comprehensive income attributable to the owners of the Company		<u>5,192</u>	<u>4,613</u>

The notes on pages 11 to 18 form an integral part of these financial statements

Argenta Syndicate Management Limited**Statement of Financial Position
As at 31 December 2016**

	Notes	2016 £000	2015 £000
Current assets			
Debtors	11	8,078	7,579
Cash at bank and in hand		<u>6,422</u>	<u>5,758</u>
		14,500	13,337
Current liabilities			
Creditors: amounts falling due within one year	12	<u>(3,258)</u>	<u>(3,287)</u>
Net current assets		<u>11,242</u>	<u>10,050</u>
Debtors: amounts falling due after one year	13	4,000	-
Creditors: amounts falling due after one year	14	<u>(300)</u>	<u>(300)</u>
Net assets		<u>14,942</u>	<u>9,750</u>
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account		<u>14,842</u>	<u>9,650</u>
Shareholder's funds		<u>14,942</u>	<u>9,750</u>

The financial statements on pages 8 to 18 were approved and authorised for issue by the Board of directors on 18 May 2017 and signed on its behalf by:



Mr G K Allen
Director

The notes on pages 11 to 18 form an integral part of these financial statements

Argenta Syndicate Management Limited

Statement of Changes in Equity As at 31 December 2016

	Note	Called up share capital £000	Profit and loss account £000	Total £000
At 1 January 2015		<u>100</u>	<u>7,237</u>	<u>7,337</u>
Profit and comprehensive income for the year		-	4,613	4,613
Dividends paid	16	-	(2,200)	(2,200)
At 31 December 2015		<u>100</u>	<u>9,650</u>	<u>9,750</u>
Profit and comprehensive income for the year		-	5,192	5,192
Dividends paid	16	-	-	-
At 31 December 2016		<u>100</u>	<u>14,842</u>	<u>14,942</u>

Reserves

Profit and loss account

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

The notes on pages 11 to 18 form an integral part of these financial statements.

Argenta Syndicate Management Limited

Notes to the financial statements For the year ended 31 December 2016

1. Accounting policies

General information

Argenta Syndicate Management Limited is a private company, limited by shares and registered in England and Wales. The address of its registered office and principal place of business is 5th Floor, 70 Gracechurch Street, London, EC3V 0XL. The principal activity of the Company is that of being a managing agent of Lloyd's syndicates.

These financial statements have been presented in Pounds Sterling as this is the Company's functional and presentational 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 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. These financial statements have been prepared under the historical cost convention.

FRS 102 allows a qualifying entity particular disclosure exemptions, subject to certain conditions, (which have been complied with). In preparing the financial statements, the Company has taken advantage of the following exemptions:

- from disclosing key management personnel compensation, as required by paragraph 7 of Section 33: Related Party Disclosures;
- from presenting a reconciliation of the number of shares outstanding at the beginning and end of the year, as required by paragraph 12 of Section 4: Statement of Financial Position; and
- from presenting a statement of cash flows, as required by Section 7: Statement of Cash Flows.

On the basis that equivalent disclosures are given in the consolidated financial statements of AHL, the ultimate holding company of the Company, advantage has been taken of the exemption not to provide:

- certain disclosures required by Section 11: Basic Financial Instruments and Section 12: Other Financial Instrument Issues.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts for the provision of services, net of sales-related taxes.

Management fees are receivable in the first year of any underwriting year of account and are recognised in the accounting period to which they relate as income over the period in which the services are performed.

Underwriting profit commission is recognised as income when the contractual right to receive it is established, but only to the extent that it can be estimated with sufficient reliability.

Other income relating to services rendered is recognised as income when the services are performed.

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

Argenta Syndicate Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

Employee benefits

Retirement benefits

The Company participates in a group personal pension scheme operated by AHL, the assets of which are held separately from those of the Company in independently administered funds.

Contributions to the defined contribution pension scheme are charged to the profit or loss in the year to which the contributions relate, based on an apportionment of the costs incurred by the group in respect of the Company.

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. An accrual is recognised for short-term compensated absences where entitlement has accumulated, but has not been taken, at the reporting date.

Taxation

The tax expense for the year comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date.

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.

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 income 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.

Financial instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds only basic financial instruments, which comprise cash at bank and in hand, debtors and creditors. The Company has chosen to apply the provisions of Section 11: Basic Financial Instruments and Section 12: Other Financial Instrument Issues in full.

Argenta Syndicate Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

Financial assets – classified as basic financial instruments

Debtors

Debtors 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. Amounts that are receivable within one year are measured at the undiscounted amount expected to be receivable, net of any impairment.

Where a financial asset constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

Financial liabilities – classified as basic financial instruments

Creditors

Creditors are initially measured at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the amount expected to be payable.

Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

2. Critical accounting judgements and key sources of estimation 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. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

The Company's critical accounting judgements and key sources of estimation uncertainty are as follows:

(i) Recognition of management fees

The measurement and recognition of management fees required the directors to make judgements regarding the period in which the services are performed. In arriving at this view, the directors considered the scope and scale of activities associated with the role of the managing agent.

(ii) Recognition of underwriting profit commission

The measurement and recognition of profit commission required the directors to make judgements regarding the final profit position of the open years of account of the syndicates on which the Company earns profit commission. The actual profit commission received may vary from this estimate.

(iii) Recoverability of debtors

A provision for debtors is established where it is estimated that the debtors are not considered to be fully recoverable. When assessing recoverability, the directors consider factors such as the ageing of the receivables, past experience of recoverability and the credit profile of individual or groups of customers.

Argenta Syndicate Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

3. Turnover

An analysis of turnover by category is as follows:

	2016 £000	2015 £000
Management fees	1,974	2,245
Profit commission	5,554	4,944
Other services	4	3
	<u>7,532</u>	<u>7,192</u>

Turnover arises wholly within the United Kingdom.

4. Operating profit

	2016 £000	2015 £000
Operating profit is stated after charging:		
Salaries and associated expenses (Note 5)	1,963	1,886
Fees payable to the Company's auditors for the audit of the Company's annual accounts	14	13

Fees paid to the Company's auditors for services other than the statutory audit of the Company are not disclosed in the Company's accounts since the Company's parent is required to disclose non-audit fees on a consolidated basis.

Expenses recharged to managed syndicates during the year amounted to £13,349,000 (2015: £13,270,000).

5. Employee information

	2016 £000	2015 £000
Salaries and associated expenses net of amounts charged to managed syndicates:		
Remuneration (including directors' fees)	1,736	1,647
Social security costs	221	229
Pensions	6	10
	<u>1,963</u>	<u>1,886</u>
	2016 Number	2015 Number
Average number of persons employed during the year and working on the affairs of both the Company and the managed syndicates:		
Administration & finance	21	31
Underwriting	25	25
Underwriting support	21	19
Claims	8	7
	<u>75</u>	<u>82</u>

The comparative information for 2015 includes both salary costs and a headcount for employees not directly employed by the Company and recharged from AHL.

Argenta Syndicate Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

6. Directors' emoluments

Remuneration disclosed below relates to amounts paid during the year to directors who are remunerated specifically for their services to the Company and is net of amounts charged to managed syndicates.

	2016 £000	2015 £000
Aggregate remuneration	1,533	1,929
Company pension contributions	4	7
	<u>1,537</u>	<u>1,936</u>

During the year five directors (2015: seven) were accruing benefits under a defined contribution scheme.

Directors' remuneration includes amounts paid to the highest paid director. This is outlined below and relates specifically to services to the Company.

	2016 £000	2015 £000
Aggregate remuneration	474	576
	<u>474</u>	<u>576</u>

7. Interest receivable

	2016 £000	2015 £000
Investment income	18	27
Loan interest	93	-
Deposit interest	-	1
	<u>111</u>	<u>28</u>

In April 2016, ASML agreed to advance a loan to Argenta Underwriting Asia Pte Ltd (AUA) of £4,000,000. This loan is subordinated to the claims of the unsubordinated creditors of AUA and bears interest at the rate of LIBOR + 2%.

8. Interest payable

	2016 £000	2015 £000
Interest payable	2	-

Argenta Syndicate Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

9. Taxation on profit on ordinary activities

a) Analysis of charge in the year

	2016 £000	2015 £000
Current tax		
United Kingdom corporation tax on profit for the year	871	511
Adjustment in respect of prior years	(511)	(1)
Total current tax	<u>360</u>	<u>510</u>
Deferred tax:		
Origination and reversal of timing differences	(37)	-
Adjustments in respect of prior years	2	-
Total deferred tax (note 10)	<u>(35)</u>	<u>-</u>
Total tax	<u>325</u>	<u>510</u>

b) Factors affecting the tax charge for the year

Tax on profit on ordinary activities for the year is higher/lower than the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are reconciled below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	<u>5,517</u>	<u>5,123</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	1,103	1,037
Effects of:		
Expenses not deductible for tax purposes	1	1
Group relief claimed	(252)	(527)
Share-based payments	(18)	-
Adjustment in respect of prior years	(511)	(1)
Effect of decreased tax rate on opening liability/other differences	2	-
Total tax	<u>325</u>	<u>510</u>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% was substantively enacted in October 2015 and will take effect from 1 April 2017. A further reduction from 19% to 17% was substantively enacted in September 2016 and will take effect from 1 April 2020. Deferred tax balances at the reporting date are measured at these reduced rates (2015: 20%, 19% and 18%).

Argenta Syndicate Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

10. Deferred taxation

	2016 £000	2015 £000
At 1 January	-	-
Credit to profit or loss in the year	35	-
At 31 December	35	-

The deferred tax asset expected to reverse in 2017 is £nil.

11. Debtors

Amounts falling due within one year

	2016 £000	2015 £000
Amounts due from other group undertakings	93	164
Amounts due from managed syndicates	527	664
Profit commission receivable	7,336	4,857
Prepayments and accrued income	-	1,782
Deferred taxation (note 10)	35	-
Other debtors	87	112
	8,078	7,579

Amounts due from the group undertakings and managed syndicates are unsecured, interest free and are repayable on demand.

12. Creditors

Amounts falling due within one year

	2016 £000	2015 £000
Amounts owed to parent undertaking	745	677
Corporation tax	162	314
Accruals and deferred income	2,343	2,289
Other creditors	8	7
	3,258	3,287

Amounts owed to the parent undertaking are unsecured, interest free and are repayable on demand.

13. Debtors

Amounts falling due after more than one year

	2016 £000	2015 £000
Amounts due from other group undertakings	4,000	-

In April 2016, ASML agreed to advance a loan to Argenta Underwriting Asia Pte Ltd (AUA) of £4,000,000. This loan is subordinated to the claims of the unsubordinated creditors of AUA but is otherwise repayable on demand and bears interest at the rate of GBP LIBOR + 2%.

Argenta Syndicate Management Limited

Notes to the financial statements (continued) For the year ended 31 December 2016

14. Creditors

<i>Amounts falling due after more than one year</i>	2016 £000	2015 £000
Amounts owed to parent undertaking	<u>300</u>	<u>300</u>

On 30 September 2004, AHL made an interest free subordinated loan to the Company. The loan was made to enable the Company to satisfy the Lloyd's Agency minimum fixed capital requirement. The loan is subordinated to all other creditors of the Company and is repayable only if and when all such creditors have been paid or satisfied in full and with the prior written consent of the Council of Lloyd's.

15. Called up share capital

	2016 Number	2016 £000	2015 Number	2015 £000
Issued and fully paid				
Non-voting 'A' ordinary shares of £1 each	100,000	100	100,000	100
Voting 'B' ordinary shares of £0.01 each	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
	<u>100,100</u>	<u>100</u>	<u>100,100</u>	<u>100</u>

Ordinary shares with voting rights entitle shareholders to one vote per share. Voting shareholders have no rights to receive dividends or assets upon the winding up of the Company. Non-voting shareholders have the right to receive dividends and assets upon the winding up of the Company.

16. Dividends

The results of the Company are shown on page 8. The profit on ordinary activities after taxation for the year amounted to £5,192,000 (2015: £4,613,000).

	2016 £000	2015 £000
Final dividend paid	<u>-</u>	<u>2,200</u>

A final dividend of £5,500,000 has been proposed by the directors to be paid during 2017 in respect of the 2016 result (2016 in respect of the 2015 result: £nil).

Dividends proposed after the reporting date are not included as a liability in the statement of financial position.

17. Related parties

The Company has taken advantage of the exemption conferred by Section 33: Related Party Disclosures not to disclose transactions entered into between two or more wholly owned members of the Group.

18. Parent undertaking

The Company's immediate and ultimate parent undertaking is AHL, a Company registered in England and Wales. The financial statements of this Company can be obtained from 5th Floor, 70 Gracechurch Street, London, EC3V 0XL.

On 18 March 2017, a transaction was entered into for AHL, the parent company of the Company, to be acquired by Hannover Rück SE. The transaction is expected to close in the third quarter of 2017 subject to all necessary approvals.