

Company Registration Number: 3848190

Dogpark House Limited

**Revised Annual Accounts
31 December 2019**

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COMPANIES HOUSE

**Dogpark House Limited
Company Information**

Directors

Mr A M W Davis

Company Secretary

Argenta Secretariat Limited

Registered Office

5th Floor, 70 Gracechurch Street
London
EC3V 0XL

Auditors

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

Dogpark House Limited Strategic Report

The Directors submit their Strategic Report for the Company for the year ended 31 December 2019.

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 2017, 2018 and 2019 years of account, as well as any 2016 and prior run-off years. The 2017 year closed at 31 December 2019 with a result of £(36,350) (2016 - £13,234). The 2018 and 2019 open underwriting accounts will normally close at 31 December 2020 and 2021 respectively.

Results and Dividends

The results for the year are set out on pages 8 to 9 of the Financial Statements. Dividends totalling £Nil were paid in the year (2018 - £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

	2019	2018
Capacity (youngest underwriting year)	£ 675,411	£ 684,174
Gross premium written as a % of capacity	112.3%	99.6%
Underwriting profit of latest closed year:		
as a % of capacity	5.7%	2.2%
Run-off years of account movement	£3	£ (1)
Combined ratio	98.0%	102.9%

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

Principal Risks and Uncertainties

Brexit

The UK left the EU on 31 January 2020 and negotiations in respect of the EU-UK Trade and Cooperation Agreement ("the Agreement") concluded on 24 December 2020, with the Agreement becoming effective from 1 January 2021. The Agreement consists of a Free Trade Agreement, a close partnership on citizens' security and an overarching governance framework. From 1 January 2021, UK financial services firms no longer have passporting rights allowing them to sell their services into the EU from their UK base without the need for additional regulatory clearances. In preparation for this, on 25 November the English High Court sanctioned a Part VII transfer of all policies insuring EEA risks from the syndicates to Lloyd's Insurance Company, Brussels. The Directors are monitoring the implications of the Part VII transfer along with general market conditions to identify whether it is appropriate to make any changes to the current strategy of the Company.

Coronavirus

In March 2020, the World Health Organisation declared Coronavirus (Covid-19) to be a global pandemic. Consideration has been given to the potential risks and uncertainties which may occur, however it is too early to assess the full impact on market conditions. As the Company participates on multiple syndicates they are regarded as having mitigated the potential effect as far as possible due to underwriting diversified risks.

Approved by the Board on
and signed on its behalf by:

A W DAVIS
Director

Adrian M. W. Davis 14 April 2021

Dogpark House 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 2019.

Revised annual accounts: revision by replacement

These revised accounts replace the original annual accounts for the financial year ended 31 December 2019, and are now the statutory accounts for Dogpark House Limited for that financial year.

These accounts have been prepared to 31 December 2019, the same date as the original annual accounts and, not to the date of this revision. Therefore they do not deal with any events between these dates.

The accounts have been revised in respect of errors in the accounting of investments, specifically additional assets introduced not being correctly recorded as a liability and the incorrect calculation of realised gains and losses. The effect of this on the Statement of Comprehensive Income is as follows; an increase in investment income of £7,665 relating to realised gains and losses and an increase in other charges of £52,555 relating to the additional assets not classified as a liability. The subsequent tax impact on these adjustments is a decrease in the tax charge of £8,529. Creditors have increased by £36,361 reflecting the net impact of the adjustments

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 2020 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 A M W Davis

Dogpark House Limited
Report of the Directors (continued)

Auditors

Mazars LLP have signified their willingness to act and continue to be appointed as the Company's auditors.

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 auditors are 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 auditors are aware of that information.

Approved by the Board on 14 April 2021
and signed on its behalf by:

Adrian M. W. Davis

A W DAVIS

Director

Dogpark House Limited

Independent Auditor's Report

Independent auditor's report to the members of Dogpark House Limited

Opinion

We have audited the revised Financial Statements of Dogpark House Limited (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the revised 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). These revised Financial Statements replace the original financial statements approved by the Directors on 16 December 2020.

The revised financial statements have been prepared in accordance with The Companies (Revision of Defective Accounts and Reports) Regulations 2008 and as such do not consider events which have taken place after the date on which the original financial statements were approved.

In our opinion, the Financial Statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit 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 revised 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.

Emphasis of matter – Revision of the Financial Statements

We draw attention to the basis of preparation note on page 14 of the revised financial statements, which describes the error noted in the original financial statements. Our opinion is not modified in this respect.

Conclusions relation to going concern

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

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

Other information

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

Dogpark House Limited

Independent Auditor's Report (continued)

Other information (continued)

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

We have nothing to report in this regard.

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.

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 3, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as 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.

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.

Dogpark House Limited Independent Auditor's Report (continued)

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.


Andrew Goldsworthy (Apr 14, 2021 13:44 GMT+1)

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

14/04/2021

Dogpark House Limited
Statement of Comprehensive Income
Technical Account – general business
For the year ended 31 December 2019

	Note	2019 £	2018 £
Premiums			
Gross premiums written	1	758,316	681,217
Outward reinsurance premiums	1	(211,303)	(170,270)
Net premiums written		<u>547,013</u>	<u>510,947</u>
Change in the provision for unearned premiums			
Gross provision	1	(32,678)	(29,559)
Reinsurers' share	1	14,859	13,799
Earned premiums, net of reinsurance		<u>529,194</u>	<u>495,187</u>
Allocated investment return transferred from the non-technical account		24,399	6,523
Other technical income, net of reinsurance		33	18
Claims paid			
Gross amount	1	(410,192)	(371,522)
Reinsurers' share	1	120,609	94,901
Net claims paid		<u>(289,583)</u>	<u>(276,621)</u>
Change in provision for claims			
Gross amount	1	(62,657)	(52,779)
Reinsurers' share	1	40,909	21,915
Change in net provision for claims		<u>(21,748)</u>	<u>(30,864)</u>
Claims incurred, net of reinsurance		<u>(311,331)</u>	<u>(307,485)</u>
Changes in other technical provisions, net of reinsurance		(587)	(941)
Net operating expenses	1,2	(207,271)	(201,921)
Other technical charges, net of reinsurance	1	-	-
Balance on the technical account for general business		<u>34,437</u>	<u>(8,619)</u>

The accounting policies and notes on pages 14 to 41 form part of these Financial Statements.

Dogpark House Limited
Statement of Comprehensive Income
Non Technical Account
For the year ended 31 December 2019

	Note	2019 £	2018 £
Balance on technical account for general business		34,437	(8,619)
Investment income	3	75,000	(7,043)
Allocated investment return transferred to the general business technical account		(24,399)	(6,523)
Other income		23	31
Other charges, including value adjustments		(17,794)	(16,911)
Profit/(loss) on ordinary activities before taxation	4	67,267	(39,065)
Tax on profit/(loss) on ordinary activities	5	(11,270)	8,689
Profit/(loss) for the financial year		55,997	(30,376)
Other comprehensive income/(expenditure):			
Currency translation differences		3,277	(3,918)
Tax on other comprehensive income/(expenditure)		(569)	681
Total comprehensive income/(expenditure)	10	58,705	(33,613)

All amounts relate to continuing operations.

The accounting policies and notes on pages 14 to 41 form part of these Financial Statements.

Dogpark House Limited
Statement of Financial Position
As at 31 December 2019

		31 December 2019			31 December 2018		
	Note	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Assets							
Intangible assets	6	-	45,861	45,861	-	9,644	9,644
Investments							
Other financial investments	7	584,523	404,314	988,837	590,767	280,088	870,855
Deposits with ceding undertakings		69	-	69	65	-	65
		584,592	404,314	988,906	590,832	280,088	870,920
Reinsurers' share of technical provisions							
Provision for unearned premiums	8	75,492	-	75,492	62,986	-	62,986
Claims outstanding	8	349,080	-	349,080	323,581	-	323,581
Other technical provisions		250	-	250	837	-	837
		424,822	-	424,822	387,404	-	387,404
Debtors							
Amounts falling due within one year	7	308,525	17,620	326,145	287,138	20,849	307,987
Amounts falling due after one year	7	21,199	17,569	38,768	41,267	17,459	58,726
		329,724	35,188	364,912	328,405	38,308	366,713
Other assets							
Cash at bank and in hand		47,765	66,217	113,982	40,214	101,518	141,732
Other		55,970	-	55,970	48,305	-	48,305
		103,735	66,217	169,952	88,519	101,518	190,037
Prepayments and accrued income							
Accrued interest		1,096	-	1,096	1,101	-	1,101
Deferred acquisitions costs	8	90,472	-	90,472	85,529	-	85,529
Other prepayments and accrued income		3,592	-	3,592	4,286	-	4,286
		95,160	-	95,160	90,916	-	90,916
Total assets		1,538,033	551,581	2,089,614	1,486,076	429,558	1,915,634

The accounting policies and notes on pages 14 to 41 form part of these Financial Statements.

Dogpark House Limited
Statement of Financial Position
As at 31 December 2019

	Note	31 December 2019			31 December 2018		
		Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Liabilities and shareholders' funds							
Capital and reserves							
Called up share capital	9	-	103,804	103,804	-	103,804	103,804
Capital redemption		-	-	-	-	-	-
Capital contribution		-	-	-	-	-	-
Share premium account		-	-	-	-	-	-
Profit and loss account	10	(94,961)	249,170	154,209	(118,719)	214,223	95,504
Shareholders' funds – attributable to equity interests		(94,961)	352,974	258,013	(118,719)	318,027	199,308
Technical provisions							
Provision for unearned premiums	8	340,561	-	340,561	317,497	-	317,497
Claims outstanding	8	1,061,025	-	1,061,025	1,057,557	-	1,057,557
Other technical provisions		-	-	-	565	-	565
Provisions for other risks							
Deferred taxation	11	-	-	-	-	-	-
Other		-	-	-	-	-	-
Deposit received from reinsurers		21,421	-	21,421	12,267	-	12,267
Creditors							
Amounts falling due within one year	7	164,292	191,515	355,807	127,136	103,973	281,109
Amounts falling due after one year	7	25,943	-	25,943	24,625	-	24,625
		190,235	191,515	381,750	151,761	103,973	305,734
Accruals and deferred income		19,752	7,092	26,844	15,148	7,558	22,706
Total liabilities		1,538,033	551,581	2,089,614	1,486,076	429,558	1,915,634

Approved and authorised for issue by the Board of Directors on 14 April 2021
and signed on its behalf by:

Adrian M. W. Davis

A W DAVIS
Director

Company registration number: 3848190

The accounting policies and notes on pages 14 to 41 form part of these Financial Statements.

Dogpark House Limited
Statement of Changes in Equity
For the year ended 31 December 2019

	Called up share capital £	Capital redemption reserve £	Share premium account £	Profit and loss account £	Capital contribution reserve £	Total £
Opening balance	103,804	-	-	129,117	-	232,921
Loss for the year	-	-	-	(30,376)	-	(30,376)
Other comprehensive expenditure	-	-	-	(3,237)	-	(3,237)
Total comprehensive expenditure	-	-	-	(33,613)	-	(33,613)
Proceeds from the issue of shares	-	-	-	-	-	-
Movement in reserves	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
As at 31 December 2018	103,804	-	-	95,504	-	199,308
Profit for the year	-	-	-	55,997	-	55,997
Other comprehensive income	-	-	-	2,708	-	2,708
Total comprehensive income	-	-	-	58,705	-	58,705
Proceeds from the issue of shares	-	-	-	-	-	-
Movement in reserves	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
As at 31 December 2019	103,804	-	-	154,209	-	258,013

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

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.

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

The accounting policies and notes on pages 14 to 41 form part of these Financial Statements.

Dogpark House Limited
Statement of Cash Flows
For the year ended 31 December 2019

	2019 £	2018 £
Operating activities		
Profit/(loss) on ordinary activities before tax	67,267	(39,065)
(Profit)/loss attributable to Syndicate transactions	(20,481)	64,076
Profit - excluding Syndicate transactions	<u>46,786</u>	<u>25,011</u>
Adjusted for:		
Increase in debtors	(110)	(17,459)
Increase in creditors	84,329	19,021
Loss on disposal of intangible assets	(23)	(31)
Amortisation of Syndicate capacity	4,691	5,996
Realised/unrealised (losses)/gains on investments	(33,015)	29,865
Investment income	(17,586)	(16,299)
Corporation and overseas taxes paid	<u>(5,863)</u>	<u>(10,455)</u>
Net cash inflow from operating activities	<u>79,209</u>	<u>35,649</u>
Investing activities		
Investment income	17,586	16,299
Purchase of Syndicate capacity	(40,908)	(3,953)
Proceeds from sale of Syndicate capacity	23	42
Purchase of financial investments	(144,293)	(145,135)
Proceeds from sale of financial investments	<u>53,082</u>	<u>96,238</u>
Net cash outflow from investing activities	<u>(114,510)</u>	<u>(36,509)</u>
Financing activities		
Issue of shares	-	-
Share issue expenses	-	-
Capital contribution/redemption	-	-
Equity dividends paid	<u>-</u>	<u>-</u>
Net cash inflow from financing activities	<u>-</u>	<u>-</u>
Net cash decrease in cash and cash equivalents	(35,301)	(860)
Effect of exchange rates on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	<u>101,518</u>	<u>102,378</u>
Cash and cash equivalents at the end of the year	<u>66,217</u>	<u>101,518</u>
Consisting of:		
Cash at bank and in hand	66,217	101,518
Cash equivalents	<u>-</u>	<u>-</u>
	<u>66,217</u>	<u>101,518</u>

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 14 to 41 form part of these Financial Statements.

Dogpark House Limited

Notes to the Revised Financial Statements

For the year ended 31 December 2019

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.

Revised annual accounts – revision by replacement

These revised accounts replace the original annual accounts for the financial year ended 31 December 2019, and are now the statutory accounts for Dogpark House Limited for that financial year.

These accounts have been prepared to 31 December 2019, the same date as the original annual accounts and, not to the date of this revision. Therefore they do not deal with any events between these dates.

The accounts have been revised in respect of errors in the accounting of investments, specifically additional assets introduced not being correctly recorded as a liability and the incorrect calculation of realised gains and losses. The effect of this on the Statement of Comprehensive Income is as follows; an increase in investment income of £7,665 relating to realised gains and losses and an increase in other charges of £52,555 relating to the additional assets not classified as a liability. The subsequent tax impact on these adjustments is a decrease in the tax charge of £8,529. Creditors have increased by £36,361 reflecting the net impact of the adjustments

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

The format of the Returns is established by Lloyd's. Lloyd's 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.

Dogpark House Limited
Notes to the Revised Financial Statements
For the year ended 31 December 2019

Accounting policies

i Going concern

These Financial Statements have been prepared on a going concern basis. The Directors have considered the impact of Coronavirus (Covid-19) and believe that, due to participating on multiple syndicates and thus diversifying their risk, it will not impact on the Company's ability to continue as a going concern.

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.

Dogpark House Limited
Notes to the Revised Financial Statements
For the year ended 31 December 2019

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 and through the Syndicates.

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

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.

Dogpark House Limited
Notes to the Revised Financial Statements
For the year ended 31 December 2019

Accounting policies (continued)

viii Financial instruments (continued)

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 account. All investment income arising on Syndicate participations is allocated to the technical account.

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

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

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 profit or loss immediately.

x Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks 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.

xii Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

Dogpark House Limited
Notes to the Revised Financial Statements
For the year ended 31 December 2019

Accounting policies (continued)

xiii Net operating expenses

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' Agent/licensed adviser) and the direct costs of membership of Lloyd's.

xiv Foreign currencies

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

xv Intangible assets

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

xvi Insurance contracts – product classification

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.

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.

Any separable embedded derivatives within an insurance contract are separated and accounted for in accordance with sections 11 and 12 of FRS102 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).

xvii Taxation

The Company is taxed on its share of the underwriting results declared by Syndicates and these are deemed to accrue evenly over the calendar year in which they are declared. The Syndicate 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 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 Syndicate 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 Syndicate taxable results will be reflected in the Financial Statements of subsequent periods.

xviii Deferred taxation

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.

Dogpark House Limited
Notes to the Revised Financial Statements
For the year ended 31 December 2019

Accounting policies (continued)

xviii Deferred taxation (continued)

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 only, and do not include estimates and judgements made in respect of the Syndicates.

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 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 customers.

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.

Dogpark House Limited
Notes to the Revised Financial Statements
For the year ended 31 December 2019

1. Class of Business

2019	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	20,424	21,690	(12,755)	(9,499)	(1,426)	(1,990)
Motor – third party liability	6,432	4,219	(2,695)	(1,322)	(29)	173
Motor – other classes	25,740	30,217	(17,890)	(9,942)	(1,036)	1,349
Marine, aviation and transport	69,137	69,395	(35,748)	(22,402)	(4,727)	6,518
Fire and other damage to property	238,998	226,105	(126,757)	(64,184)	(25,789)	9,375
Third party liability	188,869	176,038	(120,724)	(55,383)	(549)	(618)
Credit and suretyship	24,406	23,598	(13,550)	(6,722)	(1,501)	1,825
Legal expenses	978	885	(316)	(454)	(59)	56
Assistance	-	-	-	-	-	-
Miscellaneous	339	514	(423)	(176)	(1)	(86)
	575,323	552,661	(330,858)	(170,084)	(35,117)	16,602
Reinsurance	182,993	172,977	(141,991)	(37,187)	191	(6,010)
Total	758,316	725,638	(472,849)	(207,271)	(34,926)	10,592

2018	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	22,725	23,646	(11,972)	(10,092)	(580)	1,002
Motor – third party liability	3,049	2,998	(1,681)	(1,009)	(293)	15
Motor – other classes	33,376	33,875	(14,373)	(11,046)	(7,038)	1,418
Marine, aviation and transport	64,650	64,030	(34,314)	(22,809)	(5,969)	938
Fire and other damage to property	205,896	192,388	(130,530)	(59,552)	(20,370)	(18,064)
Third party liability	168,733	154,962	(101,849)	(54,083)	3,984	3,014
Credit and suretyship	17,437	15,616	(7,109)	(4,800)	(1,613)	2,094
Legal expenses	754	776	(273)	(508)	7	2
Assistance	-	-	-	-	-	-
Miscellaneous	4,874	4,487	(2,139)	(1,576)	(496)	276
	521,494	492,778	(304,240)	(165,475)	(32,368)	(9,305)
Reinsurance	159,723	158,880	(120,061)	(36,446)	(7,287)	(4,914)
Total	681,217	651,658	(424,301)	(201,921)	(39,655)	(14,219)

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.

Dogpark House Limited
Notes to the Revised Financial Statements
For the year ended 31 December 2019

2. Net Operating Expenses

	2019 £	2018 £
Acquisition costs	198,384	184,175
Change in deferred acquisition costs	(5,197)	(7,327)
Administrative expenses	35,206	33,364
Reinsurance commissions and profit participations	(31,843)	(24,050)
Personal expenses	10,721	15,759
	<u>207,271</u>	<u>201,921</u>

3. Investment Income

	2019 £	2018 £
Financial instruments held at fair value through profit or loss:		
Interest and dividend income	30,403	27,355
Realised gains and losses	7,227	9,597
Unrealised gains and losses	36,408	(44,666)
Other	-	-
	<u>74,038</u>	<u>(7,714)</u>
Financial instruments held at amortised cost:		
Interest	1,787	1,409
Other	-	-
	<u>1,787</u>	<u>1,409</u>
Investment management expenses, including interest	(825)	(738)
	<u>(825)</u>	<u>(738)</u>
	<u>75,000</u>	<u>(7,043)</u>

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

	2019 £	2018 £
Operating profit/(loss) is stated after charging:		
Directors' remuneration	-	-
Amortisation of Syndicate capacity	4,691	5,996
Profit on disposal of intangible fixed assets	(23)	(31)
Loss/(profit) on exchange	1,319	(1,164)

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 auditors charge a fixed fee to Argenta Private Capital Limited of £365 for the provision of the statutory audit, they also provide non-audit services through an outsourcing arrangement of approximately £515.

Dogpark House Limited
Notes to the Revised Financial Statements
For the year ended 31 December 2019

5. Taxation	2019 £	2018 £
Analysis of charge in year		
Current tax:		
UK corporation tax on profit/(loss) of the year	6,780	3,744
Adjustment in respect of previous period	1,274	(186)
	<u>8,054</u>	<u>3,558</u>
Foreign tax	556	836
Total current tax	<u>8,610</u>	<u>4,394</u>
Deferred tax:		
Origination and reversal of timing differences	3,229	(15,994)
Change in tax rate	-	2,230
Total tax charge/(credit)	<u>11,839</u>	<u>(9,370)</u>
Factors affecting tax charge for period		
The tax assessed for the period is different to the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:		
Profit/(loss) on ordinary activities before tax	<u>67,267</u>	<u>(39,065)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	12,781	(7,422)
Effects of:		
Difference in current and deferred tax rates	384	2,230
Deferred tax asset unrecognised	-	-
Foreign tax	450	677
Expenses and income not deductible for tax purposes	(3,002)	-
Other corporation computation adjustments for Lloyds corporate members	(49)	(2,829)
Prior period adjustments	1,274	(186)
Other adjustments	-	(1,840)
Total tax charge/(credit) for the period	<u>11,839</u>	<u>(9,370)</u>

The results of the Company's participation on the 2017, 2018 and 2019 years of account and any calendar year movement on 2016 and prior run-offs, will not be assessed to tax until the year ended 31 December 2020, 2021 and 2022 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.

The current UK corporation tax rate is 19%, and will continue to be 19% in 2020.

Dogpark House Limited
Notes to the Revised Financial Statements
For the year ended 31 December 2019

6. Intangible Assets	Total £
Purchased Syndicate Capacity	
Cost	
At 1 January 2019	36,324
Additions	40,908
Disposals	<u>(154)</u>
At 31 December 2019	<u>77,078</u>
Amortisation	
At 1 January 2019	26,680
Charge	4,691
Disposals	<u>(154)</u>
At 31 December 2019	<u>31,217</u>
Net Book Value	
At 31 December 2019	<u>45,861</u>
At 31 December 2018	<u>9,644</u>

7. Financial Instruments and Financial Risk Management

7.1 Financial Investments

Other financial investments – Syndicate participation

	2019 Market Value £	2018 Market Value £
Shares and other variable yield securities and units in unit trusts	99,663	94,295
Debt securities and other fixed income securities	460,403	467,852
Participation in investment pools	9,536	13,621
Loans with credit institutions	164	485
Derivative financial instruments	1,007	364
Other investments	1,764	561
Deposits with credit institutions	1,641	2,655
Other	<u>10,345</u>	<u>10,934</u>
	<u>584,523</u>	<u>590,767</u>

Other financial investments – Corporate

Shares and other variable yield securities and units in unit trusts	404,314	280,088
Debt securities and other fixed income securities	-	-
Other investments	<u>-</u>	<u>-</u>
	<u>404,314</u>	<u>280,088</u>

Dogpark House Limited
Notes to the Revised Financial Statements
For the year ended 31 December 2019

7. Financial Instruments and Financial Risk Management (continued)

7.2 Debtors

	2019			2018		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Amounts falling due within one year:						
Arising out of direct insurance operations	170,969	-	170,969	158,051	-	158,051
Arising out of reinsurance operations	117,802	-	117,802	100,108	-	100,108
Other Debtors:						
Amounts due from group undertakings	-	-	-	-	-	-
Other	19,754	17,620	37,374	28,979	20,849	49,828
Total Amounts falling due within one year	308,525	17,620	326,145	287,138	20,849	307,987
Amounts falling due after one year:						
Arising out of direct insurance operations	2,939	-	2,939	4,356	-	4,356
Arising out of reinsurance operations	14,078	-	14,078	32,321	-	32,321
Other Debtors:						
Amounts due from group undertakings	-	-	-	-	-	-
Other	4,182	17,569	21,751	4,590	17,459	22,049
Total Amounts falling due after one year	21,199	17,569	38,768	41,267	17,459	58,726
	329,724	35,189	364,913	328,405	38,308	366,713

7.3 Funds at Lloyd's

The amount of Funds at Lloyd's is represented in the balance sheet as:

	2019			2018		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Cash	-	65,290	65,290	-	93,746	93,746
Investments	-	404,314	404,314	-	280,088	280,088
	-	469,604	469,604	-	373,834	373,834

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.

Dogpark House Limited
Notes to the Revised Financial Statements
For the year ended 31 December 2019

7. Financial Instruments and Financial Risk Management (continued)

7.4 Creditors

	2019			2018		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Amounts falling due within one year:						
Arising out of direct insurance operations	24,904	-	24,904	23,545	-	23,545
Arising out of reinsurance operations	105,803	-	105,803	86,257	-	86,257
Amounts owed to credit institutions	-	-	-	-	-	-
Other creditors:						
Corporation tax	-	6,780	6,780	-	4,033	4,033
Directors' loan accounts	-	184,735	184,735	-	99,939	99,939
Third party funds	-	-	-	-	-	-
Other creditors	33,585	-	33,585	67,334	1	67,335
Amount due to group undertakings	-	-	-	-	-	-
Total Amounts falling due within one year	164,292	191,515	355,807	177,136	103,973	281,109
Amounts falling due after one year:						
Arising out of direct insurance operations	147	-	147	223	-	223
Arising out of reinsurance operations	19,499	-	19,499	19,263	-	19,263
Amounts owed to credit institutions	-	-	-	-	-	-
Other creditors:						
Corporation tax	-	-	-	-	-	-
Directors' loan accounts	-	-	-	-	-	-
Third party funds	-	-	-	-	-	-
Other creditors	6,297	-	6,297	5,139	-	5,139
Amount due to group undertakings	-	-	-	-	-	-
Total Amounts falling due after one year	25,943	-	25,943	24,625	-	24,625
	190,235	191,515	381,750	201,761	103,973	305,734

Dogpark House Limited
Notes to the Revised Financial Statements
For the year ended 31 December 2019

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.

Other financial investments – Syndicate participation

	2019			2018		
	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	584,153	370	584,523	590,767	-	590,767
Deposits with ceding undertakings	-	69	69	-	65	65
Insurance debtors	-	173,908	173,908	-	162,407	162,407
Reinsurance debtors	-	131,880	131,880	-	132,429	132,429
Other debtors	-	23,936	23,936	-	33,569	33,569
Cash at bank and in hand	-	47,765	47,765	-	40,214	40,214
Other assets	55,970	-	55,970	48,305	-	48,305
	640,123	377,928	1,018,051	639,072	368,684	1,007,756
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative financial instruments	333	-	333	351	-	351
Insurance creditors	-	25,051	25,051	-	23,768	23,768
Reinsurance creditors	-	125,302	125,302	-	105,520	105,520
Amounts owed to credit institutions	-	-	-	-	-	-
Other creditors	-	-	-	-	-	-
	333	150,353	150,686	351	129,288	129,639

Other financial investments – Corporate

	2019			2018		
	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	404,314	-	404,314	280,088	-	280,088
Other debtors	-	35,188	35,188	-	38,308	38,308
Cash at bank and in hand	-	66,217	66,217	-	101,518	101,518
Other assets	-	-	-	-	-	-
	404,314	101,405	505,719	280,088	139,826	419,914
Financial liabilities						
Other creditors	-	191,515	191,515	-	103,973	103,973
	-	191,515	191,515	-	103,973	103,973

Dogpark House Limited
Notes to the Revised Financial Statements
For the year ended 31 December 2019

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.

	2019		2018	
	Notional amount £	Fair value £	Notional amount £	Fair value £
Foreign exchange forward contracts	47,251	994	34,975	355
Interest rate future contracts	5,690	11	1,409	4
Foreign exchange options	-	-	-	-
Equity options	-	-	-	-
Foreign exchange contract for difference	-	-	-	-
Other	8,398	2	-	5
	61,339	1,007	36,384	364

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.

Dogpark House 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)

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

Other financial investments – Syndicate participation

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2019						
Financial assets						
Shares and other variable yield securities and units in unit trusts	30,275	65,407	3,981	99,663	-	99,663
Debt securities and other fixed income securities	114,739	345,664	-	460,403	-	460,403
Participation in investment pools	4,635	4,245	656	9,536	-	9,536
Loans and deposits with credit institutions	1,955	1,161	83	3,199	370	3,569
Overseas deposits	26,914	38,037	1,359	66,310	-	66,310
Derivatives	137	870	-	1,007	-	1,007
Other investments	-	5	-	5	-	5
Financial assets classified as held for sale	-	-	-	-	-	-
	178,655	455,389	6,079	640,123	370	640,493
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative liabilities	333	-	-	333	-	333
Financial liabilities classified as held for sale	-	-	-	-	-	-
	333	-	-	333	-	333

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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)

Other financial investments – Syndicate participation (continued)

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2018						
Financial assets						
Shares and other variable yield securities and units in unit trusts	23,156	69,412	1,727	94,295	-	94,295
Debt securities and other fixed income securities	127,693	340,159	-	467,852	-	467,852
Participation in investment pools	6,884	4,934	1,803	13,621	-	13,621
Loans and deposits with credit institutions	2,649	491	561	3,701	-	3,701
Overseas deposits	31,065	26,718	1,450	59,233	-	59,233
Derivatives	275	89	-	364	-	364
Other investments	-	6	-	6	-	6
Financial assets classified as held for sale	-	-	-	-	-	-
	191,722	441,809	5,541	639,072	-	639,072
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative liabilities	327	24	-	351	-	351
Financial liabilities classified as held for sale	-	-	-	-	-	-
	327	24	-	351	-	351

Other financial investments – Corporate

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2019						
Financial assets						
Shares and other variable yield securities and units in unit trusts	404,314	-	-	404,314	-	404,314
Debt securities and other fixed income securities	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
	404,314	-	-	404,314	-	404,314

Dogpark House Limited
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For the year ended 31 December 2019

7. Financial Instruments and Financial Risk Management (continued)

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

Other financial investments – Corporate (continued)

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2018						
Financial assets						
Shares and other variable yield securities and units in unit trusts	280,088	-	-	280,088	-	280,088
Debt securities and other fixed income securities	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
	<u>280,088</u>	<u>-</u>	<u>-</u>	<u>280,088</u>	<u>-</u>	<u>280,088</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 only. The quantitative disclosures are made in respect of both the Corporate and the Syndicates.

Dogpark House Limited
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7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

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.

Syndicate participation	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
2019						
Shares and other variable yield securities and units in unit trusts	18,770	4,869	34,171	2,572	39,281	99,663
Debt securities and other fixed income securities	104,801	156,557	131,448	57,224	10,373	460,403
Participation in investment pools	2,035	5,028	1,624	188	661	9,536
Loans secured with credit institutions	1,212	-	633	-	83	1,928
Deposits with credit institutions	-	-	914	-	727	1,641
Overseas deposits	30,543	11,053	5,384	7,032	12,298	66,310
Derivative investments	6	-	-	129	872	1,007
Other investments	-	-	-	-	5	5
Deposits with ceding undertakings	-	-	-	-	69	69
Reinsurers share of claims outstanding	20,930	60,982	243,506	608	23,054	349,080
Reinsurance debtors	286	6,139	19,020	696	6,927	33,068
Cash at bank and in hand	18,741	435	21,356	2,553	4,680	47,765
Insurance debtors	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
	197,324	245,063	458,056	71,002	99,030	1,070,475

Dogpark House 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 £
2018						
Shares and other variable yield securities and units in unit trusts	12,952	4,309	15,992	3,245	57,797	94,295
Debt securities and other fixed income securities	114,405	146,533	137,423	54,524	14,967	467,852
Participation in investment pools	2,648	6,955	840	204	2,974	13,621
Loans secured with credit institutions	479	6	-	-	561	1,046
Deposits with credit institutions	-	-	1,941	-	714	2,655
Overseas deposits	26,550	11,023	4,267	5,074	12,319	59,233
Derivative investments	-	-	230	38	96	364
Other investments	-	-	-	-	6	6
Deposits with ceding undertakings	-	-	-	-	65	65
Reinsurers share of claims outstanding	22,909	58,673	216,219	294	25,486	323,581
Reinsurance debtors	680	3,481	13,379	-	2,667	20,207
Cash at bank and in hand	8,858	386	24,360	2,920	3,690	40,214
Insurance debtors	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
	189,481	231,366	414,651	66,299	121,342	1,023,139

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

Syndicate participation	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
2019						
Shares and other variable yield securities and units in unit trusts	99,663	-	-	-	-	99,663
Debt securities and other fixed income securities	460,403	-	-	-	-	460,403
Participation in investment pools	9,536	-	-	-	-	9,536
Loans secured with credit institutions	1,928	-	-	-	-	1,928
Deposits with credit institutions	1,641	-	-	-	-	1,641
Overseas deposits	66,310	-	-	-	-	66,310
Derivative investments	1,007	-	-	-	-	1,007
Other investments	5	-	-	-	-	5
Deposits with ceding undertakings	69	-	-	-	-	69
Reinsurers share of claims outstanding	349,112	-	-	-	(32)	349,080
Reinsurance debtors	23,605	8,563	552	349	(1)	33,068
Cash at bank and in hand	47,765	-	-	-	-	47,765
Insurance debtors	153,578	15,357	2,809	2,215	(51)	173,908
Other debtors	283,974	339	13	9	-	284,335
	1,498,596	24,259	3,374	2,573	(84)	1,528,718

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7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

Syndicate participation	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
2018						
Shares and other variable yield securities and units in unit trusts	94,295	-	-	-	-	94,295
Debt securities and other fixed income securities	467,852	-	-	-	-	467,852
Participation in investment pools	13,621	-	-	-	-	13,621
Loans secured with credit institutions	1,046	-	-	-	-	1,046
Deposits with credit institutions	2,655	-	-	-	-	2,655
Overseas deposits	59,233	-	-	-	-	59,233
Derivative investments	364	-	-	-	-	364
Other investments	6	-	-	-	-	6
Deposits with ceding undertakings	65	-	-	-	-	65
Reinsurers share of claims outstanding	323,612	-	-	-	(31)	323,581
Reinsurance debtors	12,655	7,042	226	286	(2)	20,207
Cash at bank and in hand	40,214	-	-	-	-	40,214
Insurance debtors	145,699	11,991	2,474	2,301	(58)	162,407
Other debtors	288,801	299	140	-	-	289,240
	1,450,118	19,332	2,840	2,587	(91)	1,474,786

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.

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 £
2019						
Derivative financial instruments	-	333	-	-	-	333
Deposits received from reinsurers	-	13,878	5,799	1,150	594	21,421
Provisions for other risks and charges	-	-	-	-	-	-
Claims outstanding	-	399,483	342,542	181,899	137,101	1,061,025
Creditors	780	159,062	26,086	2,759	-	188,687
Other	-	-	-	-	-	-
	780	572,756	374,427	185,808	137,695	1,271,466

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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 £
2018						
Derivative financial instruments	-	351	-	-	-	351
Deposits received from reinsurers	-	7,602	3,639	880	146	12,267
Provisions for other risks and charges	-	-	-	-	-	-
Claims outstanding	-	390,503	375,005	158,110	133,939	1,057,557
Creditors	1,142	149,019	29,690	5,892	543	186,286
Other	-	-	-	-	-	-
	1,142	547,475	408,334	164,882	134,628	1,256,461

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

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	2019 £	2018 £
Impact of 50 basis point increase on profit or loss	(4,964)	(4,788)
Impact of 50 basis point decrease on profit or loss	4,709	4,714
Impact of 50 basis point increase on equity	(4,964)	(4,788)
Impact of 50 basis point decrease on equity	4,709	4,714

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.

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.

Dogpark House Limited
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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

	2019 £	2018 £
Impact on profit or loss of 5% increase in Stock Market Prices	833	1,685
Impact on profit or loss of 5% decrease in Stock Market Prices	(834)	(1,683)
Impact on equity of 5% increase in Stock Market Prices	833	1,685
Impact on equity of 5% decrease in Stock Market Prices	(834)	(1,683)

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.

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 £	2019 Corporate £	Syndicate Participation £	2018 Corporate £
Sterling	(169,858)	94,557	(133,870)	149,696
United States Dollar	17,151	212,556	(43,879)	158,687
Euro	39,210	-	22,351	-
Canadian Dollar	21,683	-	36,398	-
Australian Dollar	10,716	-	7,612	-
Japanese Yen	(7,355)	-	(2,299)	-
Other	3,943	-	5,527	-

Dogpark House Limited
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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 for the Corporate 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 profit and loss.

	Corporate Profit and loss			
	31 December 2019		31 December 2018	
	Increase	Decrease	Increase	Decrease
	£	£	£	£
Effect of Sterling exchange movement by 10%				
United States Dollar	19,323	(23,617)	14,426	(17,632)
Euro	-	-	-	-
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 not a Solvency II requirement, is to meet Lloyd's financial strength, licence and ratings objectives.

Effective 1 January 2016, Lloyd's is subject to the Solvency II capital regime and the Solvency I figures are no longer applicable from that date. Although the capital regime has changed, this has not significantly impacted the solvency capital requirement of the Syndicate, since this has been previously calculated using Solvency II principles.

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.

	2019			2018		
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	1,057,557	323,581	733,976	995,818	295,274	700,544
Movements in the year	62,657	40,909	21,748	48,137	21,915	26,222
Exchange differences	(59,189)	(15,410)	(43,779)	13,602	6,392	7,210
At 31 December	<u>1,061,025</u>	<u>349,080</u>	<u>711,945</u>	<u>1,057,557</u>	<u>323,581</u>	<u>733,976</u>

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

	2019			2018		
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	317,497	62,986	254,511	275,903	46,259	229,644
Movements in the year	32,678	14,859	17,819	29,559	13,799	15,760
Exchange differences	(9,614)	(2,353)	(7,261)	12,035	2,928	9,107
At 31 December	<u>340,561</u>	<u>75,492</u>	<u>265,069</u>	<u>317,497</u>	<u>62,986</u>	<u>254,511</u>

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

	2019 £	2018 £
At 1 January	85,529	77,683
Movements in the year	5,197	7,327
Exchange differences	(254)	519
At 31 December	<u>90,472</u>	<u>85,529</u>

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 balance sheet.

Dogpark House Limited
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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
2011	204,793	327,023	326,391	325,637	320,368	316,766	311,973	307,681
2012	203,498	295,080	288,954	279,520	276,220	271,795	268,303	266,429
2013	152,483	264,340	259,010	250,914	245,739	240,521	237,473	
2014	149,597	259,130	265,522	256,740	260,776	256,668		
2015	143,769	276,480	283,916	282,255	279,258			
2016	170,245	348,322	360,550	362,182				
2017	345,851	516,524	543,747					
2018	265,418	475,526						
2019	236,565							
	Eight years later	Cumulative payments to date	Estimated balance to pay	Profit/(loss) on RITC received				
2010 & prior			68,078					
2011	306,365	288,656	17,709	(17,481)				
2012		245,700	20,729	(35,665)				
2013		214,386	23,087	(27,310)				
2014		217,637	39,031	(44,351)				
2015		211,587	67,671	(29,525)				
2016		252,277	109,905	(26,910)				
2017		319,796	223,951					
2018		195,516	280,010					
2019		25,711	210,854					
			<u>1,061,025</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
2011	167,701	267,875	265,970	259,906	254,080	251,600	249,048	246,104
2012	160,037	244,203	239,629	229,646	226,577	224,019	221,714	219,626
2013	129,231	230,758	224,800	218,290	213,863	210,342	207,817	
2014	125,349	223,725	228,348	219,702	219,696	217,154		
2015	119,248	234,104	239,668	238,018	233,981			
2016	135,108	274,983	285,100	284,163				
2017	210,617	351,475	370,692					
2018	173,903	323,169						
2019	151,918							

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8. Insurance Contracts (continued)

8.1 Risks arising from Insurance Contracts (continued)

Claims development – net (continued)

	Eight years later	Cumulative payments to date	Estimated balance to pay	Profit/(loss) on RITC received
2010 & prior			43,409	
2011	244,205	231,634	12,571	(18,713)
2012		202,913	16,713	(33,865)
2013		187,931	19,886	(28,418)
2014		187,224	29,930	(28,307)
2015		182,852	51,129	(24,718)
2016		207,409	76,754	(34,210)
2017		224,472	146,220	
2018		138,834	184,335	
2019		20,912	131,006	
			<u>711,953</u>	

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				
103,804 Ordinary £1 shares	103,804	-	-	103,804
Total	<u>103,804</u>	<u>-</u>	<u>-</u>	<u>103,804</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

	2019			2018		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Retained profit brought forward	(118,719)	214,223	95,504	(50,725)	179,842	129,117
Reallocate distribution	(13,235)	13,235	-	(56,081)	56,081	-
Profit/(loss) for the financial year	36,993	21,712	58,705	(11,913)	(21,700)	(33,613)
Equity dividends	-	-	-	-	-	-
Retained profit carried forward	(94,961)	249,170	154,209	(118,719)	214,223	95,504

11. Deferred Tax

	2019			
	Syndicate Results £	Tax losses £	Claims Equalisation Reserve £	Total £
At 1 January	(20,286)	-	2,990	(20,849)
Movement in the year	3,961	-	(1,062)	3,229
At 31 December	(16,325)	-	1,928	(17,620)

	2018			
	Syndicate Results £	Tax losses £	Claims Equalisation Reserve £	Total £
At 1 January	(8,304)	-	4,052	(7,085)
Movement in the year	(11,982)	-	(1,062)	(13,764)
At 31 December	(20,286)	-	2,990	(20,849)

The unused tax losses carried forward at the Statement of Financial Position date are £Nil. 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).

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12. Related Party Disclosure

During the year the Directors made loans to and from the Company. At the Balance Sheet date the amount due (to)/from the Company was £184,735 (2018: £99,939).

13. Ultimate Controlling Party

The Company is controlled by Mr A M W Davis who holds 100% of the issued £103,804 ordinary share capital.

14. Post Balance Sheet Event Note

In March 2020, the World Health Organisation declared Coronavirus (Covid-19) to be a global pandemic. The full extent of the impact is not yet known, however as the Company participates on multiple syndicates the potential impact is mitigated due to the diverse spread of risks underwritten in them. This is a non-adjusting post balance sheet event.