Registered number: 6308306

FURNESS UNDERWRITING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

WEDNESDAY
A6EVBMEG
A09 13/09/2017 #454
COMPANIES HOUSE

CONTENTS

DIRECTORS	B Gozzi P Molyneaux M L Glover
REGISTERED NUMBER	6308306
REGISTERED OFFICE	50 Fenchurch Street London EC3M 3JY
INDEPENDENT AUDITORS	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD

The Directors present their report and the financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the Company is the provision of insurance underwriting services.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,560,629 *(2015 - £444,164)*.

Dividends paid in the year amounted to £500,000 *(2015 - £660,000)*.

DIRECTORS

The Directors who served during the year were:

B Gozzi
P Molyneaux
M L Glover

FUTURE DEVELOPMENTS

The Directors do not foresee any future developments for the Company other than to cement its position in the insurance market, and expand its activity as an underwriting agent.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITORS

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

This report was approved by the board on 20 June 2017 and signed on its behalf.

B Gozzi
Director

The Directors are responsible for preparing 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the financial statements unless 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 judgments and accounting estimates that are reasonable and prudent; 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FURNESS UNDERWRITING LIMITED

We have audited the financial statements of Furness Underwriting Limited for the year ended 31 December 2016, set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's shareholders, 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 shareholders those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, 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 Directors' report 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; 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report have been prepared in accordance with applicable legal requirements

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FURNESS UNDERWRITING LIMITED

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/have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, 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; or
- the Directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Philip Alexander

Philip Alexander (Senior statutory auditor)
for and on behalf of
PKF Littlejohn LLP
Statutory Auditor

1 Westferry Circus
Canary Wharf
London
E14 4HD
Date: 23 June 2017

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	*2015* £
Turnover	3	**3,385,805**	2,485,530
Gross profit		**3,385,805**	2,485,530
Administrative expenses		**(1,446,923)**	(1,921,574)
Operating profit	4	**1,938,882**	563,956
Profit on ordinary activities before taxation		**1,938,882**	563,956
Tax on profit of ordinary activities	7	**(378,253)**	(119,792)
Profit for the year		**1,560,629**	444,164

The Company has no comprehensive income other than the amounts recognised in the profit and loss account.

The notes on pages 9 to 21 form part of these financial statements.

FURNESS UNDERWRITING LIMITED
REGISTERED NUMBER: 6308306

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note		2016 £		2015 £
Fixed assets					
Tangible assets	9		**163,951**		*109,851*
			163,951		*109,851*
Current assets					
Debtors: amounts falling due within one year	10	**675,419**		*1,300,275*	
Cash at bank and in hand	11	**2,718,479**		*929,321*	
		3,393,898		*2,229,596*	
Creditors: amounts falling due within one year	12	**(433,298)**		*(281,208)*	
Net current assets			**2,960,600**		*1,948,388*
Total assets less current liabilities			**3,124,551**		*2,058,239*
Provisions for liabilities					
Deferred tax	13		**(19,419)**		*(13,736)*
Net assets			**3,105,132**		*2,044,503*
Capital and reserves					
Called up share capital	14		**50,000**		*50,000*
Profit and loss account	15		**3,055,132**		*1,994,503*
			3,105,132		*2,044,503*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 June 2017.

B Gozzi
Director

The notes on pages 9 to 21 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2016

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2016	50,000	1,994,503	2,044,503
Profit for the year	-	1,560,629	1,560,629
Contributions by and distributions to owners			
Dividends	-	(500,000)	(500,000)
At 31 December 2016	50,000	3,055,132	3,105,132

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2015

	Share capital	Other reserves	Profit and loss account	Total
	£	£	£	£
At 1 January 2015	50,000	6,037	2,204,302	2,260,339
Profit for the year	-	-	444,164	444,164
Movement on share option	-	(6,037)	6,037	-
Contributions by and distributions to owners				
Dividends	-	-	(660,000)	(660,000)
At 31 December 2015	50,000	-	1,994,503	2,044,503

The notes on pages 9 to 21 form part of these financial statements.

1. ACCOUNTING POLICIES

The following principal accounting policies have been applied:

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company is a private Company limited by shares and is incorporated and domiciled in England. The principal place of business is 50 Fenchurch Street, London, EC3M 3JY.

The individual financial statements have been prepared under the historical costs convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of individual financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

1.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29.

This information is included in the consolidated financial statements of Furness Insurance Services Limited as at 31 December 2016 and these financial statements may be obtained from the Company's registered office.

1. ACCOUNTING POLICIES (continued)

1.3 REVENUE

Turnover comprises commissions and fees received for services provided. Insurance commission is recognised in full in the month when the policy concerned is incepted. Commission for policies written prior to the balance sheet date but incepting after the balance sheet date is deferred until the inception date.

Profit commission arising from the placement of insurance contracts is recognised when the right to such profit commission is established through a contract, but only to the extent that a reliable estimate of the amount due can be made. Such estimates are made on a prudent basis that reflects the level of uncertainty involved.

1.4 TANGIBLE FIXED ASSETS

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

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

The estimated useful lives are as follows:

Improvements to Leasehold property	-	20% straight line basis
Fixtures and fittings	-	20% straight line basis
Computer equipment	-	20% straight line basis
Software	-	20% straight line basis

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Profit and loss account.

1. ACCOUNTING POLICIES (continued)

1.5 OPERATING LEASES

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.6 FINANCIAL INSTRUMENTS

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

Short term debtors are measured at the transaction price, less impairment. Short term creditors are measured at the transaction price.

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.7 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentation currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses are presented in the Profit and loss account within administrative expenses.

1. ACCOUNTING POLICIES (continued)

1.8 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

1.9 SHARE BASED PAYMENTS

Where share options in the Holding Company are awarded to employees, the fair value of the options at the date of grant is charged to the Profit and loss account over the vesting period within administrative expenses, the corresponding entry is treated as a capital contribution within other reserves. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Holding Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

1.10 PENSIONS

Defined contribution pension plan

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

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

1. ACCOUNTING POLICIES (continued)

1.11 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

1.12 INSURANCE ASSETS AND LIABILITIES

The Company acts as an underwriting agent and underwrites risks on behalf of insurers and as such is not liable as principal for the amounts arising from such transactions. In recognition of this relationship, debtors from insurance transactions are not included as assets of the Company.

Other than amounts receivable for the fees and commissions earned on a transaction the Company does not recognise any part of the insurance transaction until cash is received in respect of premiums or claims. At that time a corresponding liability is established in favour of the insurer or client. In certain circumstances the Company advances premiums, refunds or claims to insurers or clients prior to collection. The advances are reflected in the balance sheet as part of insurance debtors.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies

No judgements have been made in applying the entities accounting policies that would have a significant effect on the amounts recognised in these financial statements.

(b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The only estimate and assumption that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is accrued profit commission.

The Company is entitled to profit commission arising from the placement of insurance under certain contracts. The profit commission earned by the Company is dependent upon the underlying profitability of the book of business written, which given the tail of claims arising may not be payable to the Company for a period of time following completion of the contract on which profit commission is earned. Due to the unexpired risk on those contracts, the uncertain assessment of any final losses, including an assessment of any IBNR, and the impact of any loss deficit clauses, the Directors are not able to reliably estimate profit commission due at 31 December 2016 and have therefore not recognised such income.

3. ANALYSIS OF TURNOVER

Turnover is wholly attributable to the Company's principal activity of operating as an insurance underwriting agent and represents commission, fees and profit commission. All turnover arose within the United Kingdom.

4. OPERATING PROFIT

The operating profit is stated after charging:

	2016 **£**	*2015* *£*
Depreciation of tangible fixed assets	**46,098**	*33,312*
Fees payable to the Company's auditor for the audit of the company's annual accounts	**9,000**	*9,000*
Exchange differences	**(147,728)**	*86,345*
Defined contribution pension cost	**49,900**	*149,927*
Operating lease group recharge	**39,834**	*37,927*

5. EMPLOYEES

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

	2016 £	*2015* *£*
Wages and salaries	**677,682**	*938,905*
Social security costs	**84,649**	*100,678*
Other pension costs	**49,990**	*149,927*
	812,321	*1,189,510*

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

	2016 No.	*2015* *No.*
Administrative staff	**15**	*10*
Account executives	**4**	*7*
	19	*17*

6. DIRECTORS' REMUNERATION

	2016 £	*2015* *£*
Directors' emoluments	**302,600**	*343,300*
Company contributions to defined contribution pension schemes	**27,288**	*124,128*
	329,888	*467,428*

During the year retirement benefits were accruing to 1 Director *(2015 - 1)* in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £302,600 *(2015 - £343,300)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £27,288 *(2015 - £124,128)*.

7. TAXATION

	2016 £	*2015 £*
Corporation tax		
Current tax on profits for the year	385,070	*120,404*
Adjustments in respect of prior periods	(12,500)	-
Total current tax	372,570	*120,404*
Deferred tax		
Origination and reversal of timing differences	5,683	*(612)*
Total deferred tax	5,683	*(612)*
Taxation on profit on ordinary activities	378,253	*119,792*

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than *(2015 - higher than)* the standard rate of corporation tax in the UK of 20% *(2015 - 20.25%)*. The differences are explained below:

	2016 £	*2015 £*
Profit on ordinary activities before tax	1,938,862	*563,956*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% *(2015 - 20.25%)*	387,776	*114,201*
Effects of:		
Expenses not deductible for tax purposes	3,774	*6,945*
Adjustments in respect of prior periods	(12,500)	-
Rate change adjustments	(797)	*(1,354)*
Total tax charge for the year	378,253	*119,792*

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Further reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2015 on 2 July 2015. These reduce the main rate to 21% from 1 April 2016 and to 20% from 1 April 2017. The deferred tax assets and liabilities reflect these rates.

8. DIVIDENDS

	2016 £	*2015 £*
Dividends paid	500,000	*660,000*

9. TANGIBLE FIXED ASSETS

	Improvements to leasehold property £	Fixtures and fittings £	Computer equipment £	Software £	Total £
Cost or valuation					
At 1 January 2016	**30,320**	**23,290**	**46,326**	**97,507**	**197,443**
Additions	**24,835**	**1,027**	**2,028**	**72,308**	**100,198**
At 31 December 2016	**55,155**	**24,317**	**48,354**	**169,815**	**297,641**
Depreciation					
At 1 January 2016	**19,203**	**14,938**	**18,222**	**35,229**	**87,592**
Charge for the period	**6,593**	**4,545**	**9,319**	**25,641**	**46,098**
At 31 December 2016	**25,796**	**19,483**	**27,541**	**60,870**	**133,690**
At 31 December 2016	**29,359**	**4,834**	**20,813**	**108,945**	**163,951**
At 31 December 2015	*11,117*	*8,352*	*28,104*	*62,278*	*109,851*

10. DEBTORS

	2016 £	*2015 £*
Insurance debtors	**481,505**	*510,396*
Amounts owed by group undertakings	**77,553**	*13,927*
Other debtors	**36,951**	*740,556*
Prepayments and accrued income	**79,410**	*35,396*
	675,419	*1,300,275*

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

11. CASH AND CASH EQUIVALENTS

	2016 £	*2015 £*
Cash at bank and in hand	**2,718,479**	*929,321*

Cash at bank and in hand includes £1,517 *(2015 - £79,091)* held in client money bank accounts, which is not available to the Company for working capital purposes.

12. CREDITORS: Amounts falling due within one year

	2016 £	*2015 £*
Insurance creditors	**1,517**	*79,091*
Trade creditor	**75,214**	*29,443*
Amounts owed to group undertakings	**9,382**	*25,090*
Corporation tax	**166,876**	*38,266*
Other taxation and social security	**29,166**	*622*
Accruals and deferred income	**151,143**	*108,696*
	433,298	*281,208*

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are payable on demand.

13. DEFERRED TAXATION

	Deferred tax £
At 1 January 2016	**(13,736)**
Charge for the year	**(5,683)**
At 31 December 2016	**(19,419)**

The provision for deferred taxation is made up as follows:

	2016 £	*2015 £*
Accelerated capital allowances	**(19,419)**	*(13,736)*
	(19,419)	*(13,736)*

The net deferred tax liability expected to reverse in 2017 is £19,419. This relates to the reversal of timing differences on capital allowances.

14. SHARE CAPITAL

	2016 £	2015 £
Allotted, called up and fully paid		
50,000 Ordinary Share shares of £1 each	**50,000**	*50,000*

There is a single class of Ordinary Shares. There are no restrictions on the distribution of dividends and the repayment of capital.

15. RESERVES

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

16. SHARE BASED PAYMENT TRANSACTIONS

On 14 October 2014 Furness Insurance Services Limited introduced and adopted the rules of the 'Shipley House Limited Share Option Plan 2014'. On the same date options were granted over the B Ordinary Shares of £0.01 each to a number of employees employed by the Company.

The Directors now consider that the vesting conditions are unlikely to be satisfied and that the share options will not be exercised and no Share Option reserve is recognised in these financial statements. Details of outstanding Share Options can be found in Furness Insurance Services Limited.

17. PENSION COMMITMENTS

The Company operates a defined contribution pension plan. The assets of the plan are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £49,990 (2015 - £149,927). Contributions totalling £Nil (2015 - £Nil) were payable to the fund at the balance sheet date.

18. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with Group companies in instances where subsidiaries of the Company's parent undertaking are wholly owned.

As at 31 December 2016 the Company was owed £15,572 (2015 – owed £25,090) by International Professional Risks Limited and £51,399 by CHP Legal Limited a fellow group subsidiary of Furness Insurance Services Limited. During the year Company earned commission of £2,731,725 (2015 - £2,277,291) on policies placed into the market by International Professional Risks Limited.

As at 31 December 2016 the Company owed B Gozzi, the Director and ultimate controlling party, £22,610 (£Nil) in respect of unpaid expenses. During the year the Company was repaid in full a loan made to B Gozzi during 2015 of £750,000. As at the balance sheet date £Nil (2015 - £722,553) remained outstanding, which was included within other debtors, and included accrued interest which was charged at 4% per annum.

During the period £36,090 (2015 - £7,464) was paid to R&Q Market Services Limited, which is related by virtue of common directorship of M L Glover, in respect of professional fees. At the balance sheet date £Nil (2015 - £3,673) was due to R&Q Market Services Limited.

During the year commission totalling £529,950 (2015 - £699,750) was earned on policies placed through the Company by Assigeco Srl. O Rosa is a director of Assigeco Srl and Furness Insurance Services Limited, the ultimate parent undertaking of the Company. At the balance sheet date commission of £132,429 (2015 - £258,023) remained outstanding.

19. CONTROLLING PARTY

The Company's immediate and Ultimate Parent Undertaking is Furness Insurance Services Limited, a company registered in England and Wales. Group financial statements are available from the Company's registered office.

The ultimate controlling party is B Gozzi through his majority shareholdings in Furness Insurance Services Limited.