

# ORANGE CAPITAL LIMITED

## COMPANY INFORMATION

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### COMPANY PERSONNEL

**Directors** Miss M K Hall  
S D Hall  
D H Hall

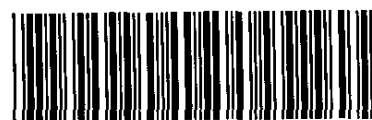
**Company Secretary** Miss M K Hall

### COMPANY ADDRESSES

**Registered office** 82 Devonshire Road  
London  
W4 2HS

**Auditors** Humphrey & Co Audit Services Ltd  
7 - 9 The Avenue  
Eastbourne  
East Sussex  
BN21 3YA

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# ORANGE CAPITAL LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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The directors present their strategic report for the year ended 31 December 2019.

### Review of the business

The principal activity of the group is carrying on the trade of underwriting at Lloyd's of London and providing the Funds at Lloyd's required to support the group's underwriting activities.

The result for the year is in respect of the 2019 annual accounting year, which consists of movements in the 2017, 2018 and 2019 years of account as well as any 2016 and prior run-off years.

Gross premiums written increased from £1,468,195 to £1,644,408 compared to the previous year and the overall balance in the technical account increased from £45,115 to £90,578 as a result of the level of claims experienced.

The group has continued to underwrite on the 2020 underwriting account.

The impact of COVID-19 on the open underwriting years will take some time to assess and initial estimates must be treated with caution. The global financial markets are experiencing significant volatility and it is difficult at this stage to estimate how the COVID-19 outbreak will impact upon the insurance industry and for how long. Although the spread of COVID-19 has created challenges, the group and the Lloyd's market as a whole are well equipped to react and deal with any difficulties.

As it is difficult at this stage to assess the overall impact COVID-19 will have on the group the directors consider this to be a key uncertainty over which they have no control, however, it is not expected to affect the group's long term strategy.

The key business risks and uncertainties affecting the group are considered to relate to insurance risk, investment and currency risk and regulatory risk.

### Financial risk management objectives and policies

The group 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 Agent to implement appropriate policies, procedures and internal controls to manage each Syndicates' exposures to insurance risk, credit risk, market risk, liquidity risk and operational risk. The group is also directly exposed to these risks, but they are not considered material for the assessment of the assets, liabilities, financial position and income statement of the group.

Hedge accounting is not used by the group.

### Departure from the European Union

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

### Key performance indicators

The directors monitor the performance of the group by reference to the following key performance indicators:

	2019	2018
Capacity	£1,560,339	£1,596,645
Gross premium written as a % of capacity	105.39%	91.96%
Combined ratio	97.20%	97.39%

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

## **ORANGE CAPITAL LIMITED**

### **STRATEGIC REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **Section 172(1) statement**

The directors of the group have a duty to promote the success of the group whilst giving due regard to the interests of stakeholders affected by the group's activities.

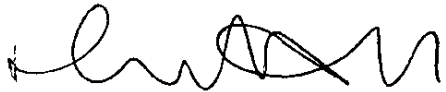
As a result of the nature of this group as a Lloyd's Corporate member, the majority of its activities are carried out by the syndicates in which it participates. The group is not involved directly in the management of the syndicates' activities, as these are the responsibility of the relevant managing agent. Each managing agent has a board of directors who are responsible for the activities of each syndicate, and themselves have a duty towards a range of considerations including (but not limited to) employees, community and environmental matters, standards of business conduct and the long term consequence of decisions.

The group itself undertakes very few transactions. The group does not employ any staff other than the directors and the only suppliers are those who provide services for the administration of the group. The directors ensure supplier invoices are paid on time in line with any agreed terms. The directors work very closely with the members of the group and the members agent, Alpha Insurance Analysts Limited, to discuss all significant decisions, including the selection of which syndicates to participate. This ensures the directors act fairly between members of the group.

The group and the syndicates are required to operate within the guidelines and code of conduct of the Lloyd's market. Behind the Lloyd's market is the Lloyd's Corporation, an independent organisation and regulator that acts to protect and maintain the market's reputation and provides services and original research, reports and analysis to the industry's knowledge base.

Approved by the Board on

and signed on its behalf by:



**Miss M K Hall**  
**Director**

## ORANGE CAPITAL LIMITED

### REPORT OF THE DIRECTORS' FOR THE YEAR ENDED 31 DECEMBER 2019

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The directors have pleasure in presenting their report together with the financial statements for the year ended 31 December 2019.

#### Results and dividends

The profit for the year after taxation was £50,080 (2018: loss £11,669). Interim dividends of £Nil (2018: £Nil) were paid during the year. The directors do not recommend the payment of a final dividend.

#### Directors

The directors who held office at any time during the year are listed below:

Miss M K Hall  
S D Hall  
D H Hall

#### Statement of director's responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they have satisfied themselves 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 year. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditors

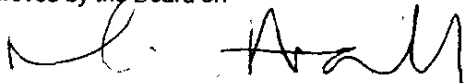
The auditors, Humphrey & Co Audit Services Ltd, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

#### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's or the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

Approved by the Board on

and signed on its behalf by:



Miss M K Hall  
Director

# ORANGE CAPITAL LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORANGE CAPITAL LIMITED

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### Opinion

We have audited the financial statements of Orange Capital Limited (the 'parent company') and its subsidiaries ('the group') for the year ended 31 December 2019 set out on pages 7 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs and of the parent company's 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 financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's 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.

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 our audit:

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

# ORANGE CAPITAL LIMITED

## INDEPENDENT AUDITOR'S REPORT (continued) TO THE SHAREHOLDERS OF ORANGE CAPITAL LIMITED

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the directors**

As explained more fully in the Statement of director's responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

**Andrew Robinson (Senior Statutory Auditor)**  
for and on behalf of Humphrey & Co Audit Services Ltd  
Chartered Accountants  
Statutory Auditor

Date:

Humphrey & Co Audit Services Ltd  
7 - 9 The Avenue  
Eastbourne  
East Sussex  
BN21 3YA

# ORANGE CAPITAL LIMITED

## CONSOLIDATED INCOME STATEMENT - TECHNICAL ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Gross premiums written	5	1,644,408	1,468,195
Outward reinsurance premiums		(431,040)	(350,783)
<b>Net premiums written</b>		<b>1,213,368</b>	<b>1,117,412</b>
<b>Change in the provision for unearned premiums</b>			
Gross provision		(61,541)	(22,560)
Reinsurers' share		26,963	18,810
Net change in the provision for unearned premiums		(34,578)	(3,750)
<b>Earned premiums net of reinsurance</b>		<b>1,178,790</b>	<b>1,113,662</b>
<b>Allocated investment return transferred from the non-technical account</b>		<b>57,598</b>	<b>15,994</b>
Other technical income, net of reinsurance		-	-
<b>Total technical income</b>		<b>1,236,388</b>	<b>1,129,656</b>
<b>Claims paid</b>			
Gross amount		(867,884)	(815,518)
Reinsurers' share		245,531	200,748
Net claims paid		(622,353)	(614,770)
<b>Change in provision for claims</b>			
Gross amount		(159,660)	(32,408)
Reinsurers' share		90,978	26,551
Net change in provision for claims		(68,682)	(5,857)
<b>Claims incurred net of reinsurance</b>		<b>(691,035)</b>	<b>(620,627)</b>
Net operating expenses	9	(452,005)	(461,673)
Changes in other technical provisions, net of reinsurance		(2,770)	(2,241)
<b>Balance on technical account for general business</b>		<b>90,578</b>	<b>45,115</b>

# ORANGE CAPITAL LIMITED

## CONSOLIDATED INCOME STATEMENT - NON-TECHNICAL ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
<b>Balance on the general business technical account</b>		<b>90,578</b>	<b>45,115</b>
Investment income	8	45,115	35,466
Realised gain on investments	8	13,299	3,598
Unrealised gain on investments	8	61,388	36,433
Realised loss on investments	8	(4,805)	(8,405)
Unrealised loss on investments	8	(46,335)	(47,122)
Investment expenses and charges	8	(1,821)	(1,749)
Allocated investment return transferred to the general business technical account		(57,598)	(15,994)
Other income	10	-	-
Other charges		(52,595)	(25,981)
<b>Profit on ordinary activities before taxation</b>	<b>11</b>	<b>47,226</b>	<b>21,361</b>
Tax on profit on ordinary activities	20	2,854	(33,030)
<b>Profit/(Loss) for the financial year</b>		<b>50,080</b>	<b>(11,669)</b>
Non-controlling interest - technical	28	(596)	4,558
Non-controlling interest - non-technical		-	-
<b>Retained profit/(loss) for the group</b>		<b>49,484</b>	<b>(7,111)</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<b>Retained profit/(loss) for the group</b>	<b>49,484</b>	<b>(7,111)</b>
Other comprehensive income:	-	-
<b>Profit/(Loss) for the financial year</b>	<b>49,484</b>	<b>(7,111)</b>

All amounts above relate to continuing operations.

# ORANGE CAPITAL LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

Company registration number (England and Wales): 7741921

					as restated
ASSETS	Note	Syndicate Assets £	Corporate £	2019 Total £	2018 Total £
<b>Fixed assets</b>					
Tangible assets	12	-	-	-	-
<b>Intangible assets</b>					
Intangible assets	13	-	3,256	3,256	5,481
<b>Investments</b>					
Financial investments	14	1,359,871	-	1,359,871	1,417,160
Deposits with ceding undertakings		141	-	141	144
Total investments		1,360,012	-	1,360,012	1,417,304
<b>Reinsurers' share of technical provisions</b>					
Provision for unearned premiums	7	146,119	-	146,119	123,589
Claims outstanding	7	351,851	-	351,851	382,774
Other technical provisions		438,691	-	438,691	382,761
Total reinsurers' share of technical provisions		936,661	-	936,661	889,124
<b>Debtors</b>					
Arising out of direct insurance operations	15				
Policyholders		6	-	6	14
Intermediaries		349,695	-	349,695	319,841
Arising out of reinsurance operations	15	79,524	-	79,524	49,854
Other debtors	16	307,927	-	307,927	338,528
Total debtors		737,152	-	737,152	708,237
<b>Other assets</b>					
Cash at bank	17	234,939	512,002	746,941	735,506
Other		-	-	-	-
Total other assets		234,939	512,002	746,941	735,506
<b>Prepayments and accrued income</b>					
Accrued interest		3,726	-	3,726	4,365
Deferred acquisition costs	7	184,625	-	184,625	182,722
Other prepayments and accrued income		4,226	-	4,226	11,999
Total prepayments and accrued income		192,577	-	192,577	199,086
<b>Total assets</b>		<b>3,461,341</b>	<b>515,258</b>	<b>3,976,599</b>	<b>3,954,738</b>

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# ORANGE CAPITAL LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

AS AT 31 DECEMBER 2019

Company registration number (England and Wales): 7741921

				2019	as restated
	Note	Syndicate	Corporate	2019	2018
		Liabilities		Total	Total
		£	£	£	£
<b>LIABILITIES</b>					
<b>Capital and reserves</b>					
Called-up share capital	18	-	100	100	100
Profit and loss account	19	(195,396)	130,923	(64,473)	(113,957)
<b>Shareholder's funds attributable to equity interests</b>		(195,396)	131,023	(64,373)	(113,857)
<b>Non-controlling interest</b>	28	-	-	-	4,652
<b>Total equity</b>		(195,396)	131,023	(64,373)	(109,205)
<b>Technical provisions</b>					
Provision for unearned premiums	7	681,293	-	681,293	643,975
Claims outstanding - gross amount	7	2,506,224	-	2,506,224	2,534,443
<b>Total technical provisions</b>		3,187,517	-	3,187,517	3,178,418
<b>Provisions for other risks and charges</b>					
Provision for taxation	20	-	-	-	21,221
<b>Deposits received from reinsurers</b>		10,989	-	10,989	10,608
<b>Creditors</b>					
Arising out of direct insurance operations		43,709	-	43,709	31,158
Arising out of reinsurance operations		313,490	-	313,490	251,874
Amounts due to credit institutions		-	-	-	-
Other creditors	21	54,362	369,337	423,699	524,453
<b>Total creditors</b>		411,561	369,337	780,898	807,485
<b>Accruals and deferred income</b>					
Other accruals and deferred income		46,670	14,898	61,568	46,211
<b>Total liabilities</b>		3,461,341	515,258	3,976,599	3,954,738

Approved by the Board on

and signed on its behalf by:

Miss M K Hall  
Director

# ORANGE CAPITAL LIMITED

## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

Company registration number (England and Wales): 7741921

ASSETS	Note	Syndicate Assets £	Corporate £	2019 Total £	2018 Total £
<b>Fixed assets</b>					
Tangible fixed assets	12	-	-	-	-
<b>Investments</b>					
Financial investments	14	-	37,670	37,670	37,670
Deposits with ceding undertakings		-	-	-	-
<b>Total investments</b>		-	37,670	37,670	37,670
<b>Reinsurers' share of technical provisions</b>					
Provision for unearned premiums		-	-	-	-
Claims outstanding		-	-	-	-
Other technical provisions		-	-	-	-
<b>Total reinsurers' share of technical provisions</b>		-	-	-	-
<b>Debtors</b>					
Arising out of direct insurance operations					
Policyholders		-	-	-	-
Intermediaries		-	-	-	-
Arising out of reinsurance operations		-	-	-	-
Other debtors	16	-	46,117	46,117	-
<b>Total debtors</b>		-	46,117	46,117	-
<b>Other assets</b>					
Cash at bank	17	-	281,879	281,879	301,532
Other		-	-	-	-
<b>Total other assets</b>		-	281,879	281,879	301,532
<b>Prepayments and accrued income</b>					
Accrued interest		-	-	-	-
Deferred acquisition costs		-	-	-	-
Other prepayments and accrued income		-	-	-	-
<b>Total prepayments and accrued income</b>		-	-	-	-
<b>Total assets</b>		-	365,666	365,666	339,202

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# ORANGE CAPITAL LIMITED

## COMPANY STATEMENT OF FINANCIAL POSITION (continued)

AS AT 31 DECEMBER 2019

Company registration number (England and Wales): 7741921

	Note	Syndicate Liabilities £	Corporate £	2019 Total £	2018 Total £
<b>LIABILITIES</b>					
<b>Capital and reserves</b>					
Called-up share capital	18	-	100	100	100
Profit and loss account		-	(49,805)	(49,805)	(103,371)
<b>Shareholder's funds attributable to equity interests</b>		-	(49,705)	(49,705)	(103,271)
<b>Technical provisions</b>					
Provision for unearned premiums		-	-	-	-
Claims outstanding - gross amount		-	-	-	-
<b>Total technical provisions</b>		-	-	-	-
<b>Provisions for other risks and charges</b>					
Provision for taxation	20	-	-	-	21,221
<b>Deposits received from reinsurers</b>		-	-	-	-
<b>Creditors</b>					
Arising out of direct insurance operations		-	-	-	-
Arising out of reinsurance operations		-	-	-	-
Amounts due to credit institutions		-	-	-	-
Other creditors	21	-	400,473	400,473	417,358
<b>Total creditors</b>		-	400,473	400,473	417,358
<b>Accruals and deferred income</b>					
Other accruals and deferred income		-	14,898	14,898	3,894
<b>Total liabilities</b>		-	365,666	365,666	339,202

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £53,566 (2018: £19,807 loss).

Approved by the Board on

and signed on its behalf by:

Miss M K Hall  
Director

# ORANGE CAPITAL LIMITED

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Company registration number (England and Wales): 7741921

**AS AT 31 DECEMBER 2019**

Group	Called up share capital £	Share premium account £	Retained earnings £	Total £	Non- controlling interests £	Total Equity £
At 1 January 2018	100	-	(106,846)	(106,746)	9,210	(97,536)
Profit/(loss) for the financial year	-	-	(7,111)	(7,111)	(4,558)	(11,669)
Other comprehensive income	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Proceeds from share issue	-	-	-	-	-	-
At 31 December 2018	100	-	(113,957)	(113,857)	4,652	(109,205)
At 1 January 2019	100	-	(113,957)	(113,857)	4,652	(109,205)
Profit/(loss) for the financial year	-	-	49,484	49,484	596	50,080
Other comprehensive income	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Transfer to shareholders' loan account	-	-	-	-	(5,248)	(5,248)
At 31 December 2019	100	-	(64,473)	(64,373)	-	(64,373)

Company	Called up share capital £	Share premium account £	Retained earnings £	Total Equity £
At 1 January 2018	100	-	(83,564)	(83,464)
Profit/(loss) for the financial year	-	-	(19,807)	(19,807)
Other comprehensive income	-	-	-	-
Dividends paid	-	-	-	-
Proceeds from share issue	-	-	-	-
At 31 December 2018	100	-	(103,371)	(103,271)
At 1 January 2019	100	-	(103,371)	(103,271)
Profit/(loss) for the financial year	-	-	53,566	53,566
Other comprehensive income	-	-	-	-
Dividends paid	-	-	-	-
Proceeds from share issue	-	-	-	-
At 31 December 2019	100	-	(49,805)	(49,705)

**ORANGE CAPITAL LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Cash inflow from operating activities</b>	23	<b>42,064</b>	109,227
Interest received		9,243	2,227
UK corporation tax paid		(13,040)	-
Foreign tax paid		(1,974)	(3,403)
<b>Net cash inflow from operating activities</b>		<b>36,293</b>	108,051
<b>Cash inflow from investing activities</b>			
<b>Net cash inflow from investing activities</b>		-	-
<b>Cash outflow from financing activities</b>			
Funds withdrawn from the company by the company's shareholders		(2,323)	(12,788)
Issue of share capital		-	-
<b>Net cash (outflow) from financing activities</b>		<b>(2,323)</b>	(12,788)
<b>Increase in cash</b>		<b>33,970</b>	95,263
Net funds at 1 January		496,373	377,675
Exchange (losses)/gains		(18,341)	23,435
Increase in cash in the year		33,970	95,263
<b>Net funds at 31 December</b>		<b>512,002</b>	496,373

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

# ORANGE CAPITAL LIMITED

## ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 General Information

The Company is a private company limited by shares that was incorporated in England and whose registered office is given on page one of these financial statements. The group participates in insurance business as an underwriting member of various syndicates at Lloyd's.

### 2 Accounting policies

#### 2.1 Basis of preparation

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", FRS 103 "Insurance Contracts", the Companies Act 2006 and Regulation 6 of Schedule 3 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, relating to insurance.

*The directors do not consider the Group to be a financial institution under FRS 102.*

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

#### Basis of accounting

The Financial Statements are prepared under the historical cost basis of accounting modified to include the revaluation of certain financial instruments held at fair value, through the income statement.

The technical account has been prepared on an annual basis of accounting, whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums net of re-insurance. Amounts reported in the technical account relate to movements in the period in respect of all relevant years of account of the Syndicates on which the company participates.

Accounting information in respect of the Syndicate participations has been provided by the Syndicate managing agents through an information exchange facility operated by Lloyd's and has been reported on by the Syndicate auditors.

Assets and liabilities arising as a result of the underwriting activities are mainly controlled by the Syndicates' managing agents and are shown separately on the Statement of Financial Position as "Syndicate Assets" and "Syndicate Liabilities". The assets are held subject to trust deeds for the benefit of the Syndicates' insurance creditors.

The impact of COVID-19 on the open underwriting years will take some time to assess and initial estimates must be treated with caution. It is difficult at this stage, therefore, to estimate how the COVID-19 outbreak will impact upon the insurance industry and for how long.

As it is difficult at this stage to assess the overall impact COVID-19 will have on the Group the directors consider this to be a key uncertainty over which they have no control.

# ORANGE CAPITAL LIMITED

## ACCOUNTING POLICIES (continued)

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **Basis of accounting (continued)**

The group's underwriting is supported by Funds at Lloyd's, either made available by the Group directly or by its members. The directors are of the opinion that the Group has adequate resources to meet its underwriting and other operational obligations for the foreseeable future. Accordingly, the going concern concept has been adopted in the preparation of the financial statements. In arriving at this opinion the directors have considered the matter referred to in note 29 in respect of the impact of COVID-19.

In continuing to apply the going concern basis to this Group's financial statements the following factors have been taken into account: the likely timing of any underwriting and non underwriting cash flows, any Funds at Lloyd's supporting the Group's underwriting and not reflected in the Group's Statement of Financial Position and the continued support of the Directors and Shareholders including the potential deferral of balances due to them.

### **Basis of consolidation**

The group financial statements consolidate the financial statements of Orange Capital Limited and all its subsidiary undertakings for the year ended 31 December 2019.

*The consolidated financial statements are based on the financial statements of subsidiary undertakings which are coterminous with those of the parent company.*

Acquisitions of companies or LLPs that are consolidated are accounted for using the purchase method, by allocating their acquisition cost to the acquired identifiable assets and liabilities (including contingent liabilities) at the time of acquisition. Where the acquisition cost exceeds the net fair value of the acquired assets and liabilities, the difference is recognised as goodwill.

All expenses, income, debtors, creditors and provisions from transactions between consolidated companies are eliminated.

# ORANGE CAPITAL LIMITED

## ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### General business

#### i Premiums

Gross premiums are accounted for in the period in which the risk commences, together with adjustments to premiums written in previous accounting periods. Future premiums relating to risks commencing in the period are based upon estimates made by the Syndicates' management. Other adjustments are accounted for as arising.

#### ii Unearned premiums

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

#### iii Deferred acquisition costs

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

#### iv Reinsurance premiums

Reinsurance premium costs are allocated by the Managing Agent of each Syndicate to reflect the protection arranged in respect of the business written and earned.

#### v Claims

Provision is made for the estimated cost of claims outstanding at the end of the year, including those incurred but not reported at that date, and for the related cost of settlement. Claims incurred comprise amounts paid or provided in respect of claims occurring during the current year, together with the amount by which settlement or reassessment of claims from previous years differs from the provision at the beginning of the year.

The claims provision determined by the managing agent will have been based on information that was currently available at the time. However, the ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided and will be reflected in the financial statements for the period in which the adjustment is made.

#### vi Closed years of account

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

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

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

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

# ORANGE CAPITAL LIMITED

## ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

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**vii Run-off years of account**

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

**viii Investments and allocated investment income**

In accordance with Lloyd's current accounting practice, investments are stated at market value, including accrued interest at the financial reporting date. Investment income is included in the General Business Technical Account reflecting that earned on the investment portfolio managed by the Syndicates. The allocated investment income therefore comprises income received and investment profits and losses arising in the calendar year including appreciation/depreciation and accrued interest consequent upon the revaluation of investments at 31 December. All gains and losses on investments are treated as realised at the financial reporting date.

**ix Financial assets and financial liabilities**

The syndicates investments comprise of debt and equity investments, derivatives, cash and cash equivalents and loans and receivables.

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

Recognition

Financial assets and liabilities are recognised when the syndicate becomes party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the syndicate after deducting all of its liabilities.

Initial measurement

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

Subsequent measurement

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

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

Other debt instruments are measured at fair value through the income statement.

Derecognition of financial assets and liabilities

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

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

# ORANGE CAPITAL LIMITED

## ACCOUNTING POLICIES (continued)

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse in time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the syndicates estimate the fair value by using a valuation technique.

### Impairment of financial instruments measured at amortised cost or cost

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

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

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

### **x Basis of currency translation**

Syndicates maintain separate funds in Sterling, United States and Canadian dollars, and may also do so in certain other currencies. All transactions where separate currencies are maintained are translated into Sterling at the rates of exchange ruling at the financial reporting date. Transactions during the period in other overseas currencies are expressed in Sterling at the rates ruling at the transaction date.

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

Any non-monetary items are translated into the functional currency using the rate of exchange prevailing at the time of the transaction. FRS 103 states that insurance assets and liabilities (unearned premiums and deferred acquisition costs) are required to be treated as monetary items. These assets and liabilities have been translated at period end to the functional currency at the closing rate.

### **xi Debtors/creditors arising from insurance/reinsurance operations**

The amounts shown in the Statement of Financial Position include the totals of all the Syndicates outstanding debit and credit transactions. No account has been taken of any offsets which may be applicable in calculating the net amounts due between the Syndicates and each of their counterparty insureds, reinsurers or intermediaries as appropriate.

### **xii Distribution of profits and collection of losses**

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

# ORANGE CAPITAL LIMITED

## ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 2.2 Reinsurance at corporate level

Where considered applicable by the Directors, the group may purchase additional reinsurance to that purchased through the syndicates. Any such reinsurance premiums and related reinsurance recoveries are treated in the same manner as described for syndicates in Note 2.1 (iv) and (v).

### 2.3 Taxation

*The Company is taxed on its results including its share of underwriting results declared by the syndicates. These are deemed to accrue evenly over the calendar year in which they are declared. The syndicate results included in these financial statements are only declared for tax purposes in the calendar year following the normal closure of the year of account. No provision is made for corporation tax in relation to open years of account. However, full provision is made for deferred tax on underwriting results not subject to current corporation tax.*

HM Revenue & Customs agrees the taxable results of the syndicates at a syndicate level on the basis of computations submitted by the managing agent. At the date of the approval of these financial statements the syndicate taxable results of years of account closed at this and at previous year ends may not have fully agreed with HM Revenue & Customs. Any adjustments that may be necessary to the tax provisions established by the Company, as a result of HM Revenue & Customs agreement of syndicate results, will be reflected in the financial statements of subsequent periods.

### 2.4 Deferred Taxation

Deferred tax is provided in full on timing differences which result in an obligation at the financial reporting date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities have not been discounted.

### 2.5 Goodwill

In accordance with FRS 102, goodwill arising on the acquisition of subsidiary undertakings is capitalised as an intangible asset and amortised against profit over its useful life of 5 years.

### 2.6 Intangible assets

Costs incurred by the group in the Corporation of Lloyd's auctions in order to acquire rights to participate on Syndicates' underwriting years are included within intangible assets and amortised over a 5 year period beginning with the respective year of Syndicate participation. The intangible assets are reviewed for impairment where there are indicators for impairment and any impairment is charged to the income statement for the period.

### 2.7 Investments

Investments held directly by the group, by trustees of the Premium Trust Fund, or as the Lloyd's Deposit, are stated at fair value.

### 2.8 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks, other short-term liquid investments with original maturities of three months or less and cash in hand.

# ORANGE CAPITAL LIMITED

## ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 3 Estimation uncertainties

In applying the group's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. These judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The measurement of the provision for claims outstanding is the most significant judgement involving estimation uncertainty regarding amounts recognised in these financial statements in relation to underwriting by the syndicates and this is disclosed further in Note 4.

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

#### Key accounting judgements

The key accounting judgements and sources of estimation uncertainty set out below therefore relate to those made in respect of the group only, and do not include estimates and judgements made in respect of the Syndicates.

#### i Purchased syndicate capacity

Estimating value in use:

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

Determining the useful life of purchased syndicate capacity:

The assessed useful life of syndicate capacity is 5 years. This is on the basis that this is the life over which the original value of the capacity is used up.

#### ii Assessing indicators of impairment

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

#### iii Recoverability of debtors

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

# ORANGE CAPITAL LIMITED

## ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 4 Risk management

This section summarises the financial and insurance risks the group is exposed to either directly at its own corporate level or indirectly via its participation in the Lloyd's syndicates.

#### Departure from the European Union

The UK's departure from the EU and the future relationship being negotiated during the transition period will have an impact on various risk factors, including currency risks. Lloyd's have now set up an office in Brussels through which the syndicates are able to operate very much on the same terms as previously. The group will monitor these developments and identify whether it needs to modify its participation in the Lloyd's market.

#### Risk background

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

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

The group manages the risks faced by the syndicates on which it participates by monitoring the performance of the syndicates it supports. This commences in advance of committing to support a syndicate for the following year, with a review of the business plan prepared for each syndicate by its managing agent. In addition, quarterly reports and annual accounts together with any other information made available by the managing agent are monitored and if necessary enquired into. If the group considers that the risks being run by the syndicate are excessive it will seek confirmation from the managing agent that adequate management of the risk is in place and, if considered appropriate, will withdraw from the next underwriting year. The group relies on advice provided by the members' agent which acts for it, who are specialists in assessing the performance and risk profiles of syndicates. The group also mitigates its risks by participating across several syndicates.

The Directors do not consider the group to be a financial institution under FRS 102, on the basis that the group itself does not undertake the business of effecting or carrying out insurance contracts. Therefore there is no requirement to discuss financial risks arising from syndicate investment activities. The analysis below provides details of the financial risks the group is exposed to from syndicate insurance activities as required by FRS 103.

#### Syndicate risks

##### i Liquidity risk

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

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

# ORANGE CAPITAL LIMITED

## ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

### ii Credit risk

Credit ratings to syndicate assets emerging directly from insurance activities, excluding cash at bank and financial investments, which are neither past due nor impaired are as follows:

#### 2019

	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
Deposits with ceding undertakings	-	-	-	-	141	141
Reinsurers share of claims outstanding	55,311	129,400	545,863	1,844	57,205	789,623
Reinsurance debtors	439	11,984	33,292	1,478	14,729	61,922
Insurance debtors	-	-	-	-	319,796	319,796
	<b>55,750</b>	<b>141,384</b>	<b>579,155</b>	<b>3,322</b>	<b>391,871</b>	<b>1,171,482</b>

#### 2018

	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
Deposits with ceding undertakings	-	-	-	-	144	144
Reinsurers share of claims outstanding	65,448	120,796	520,312	1,210	53,938	761,704
Reinsurance debtors	974	3,747	18,217	1	4,392	27,331
Insurance debtors	-	-	-	-	296,603	296,603
	<b>66,422</b>	<b>124,543</b>	<b>538,529</b>	<b>1,211</b>	<b>355,077</b>	<b>1,085,782</b>

Syndicate assets emerging directly from insurance activities, excluding cash at bank and financial investments, past their due date or impaired are as follows:

#### 2019

	Less than 3 months £	Between 3 and 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
Deposits with ceding undertakings	-	-	-	-	-	-
Reinsurers share of claims outstanding	-	-	-	-	(159)	(159)
Reinsurance debtors	14,065	2,211	933	398	(4)	17,603
Insurance debtors	14,517	4,808	4,225	6,613	(257)	29,906
	<b>28,582</b>	<b>7,019</b>	<b>5,158</b>	<b>7,011</b>	<b>(420)</b>	<b>47,350</b>

#### 2018

	Less than 3 months £	Between 3 and 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
Deposits with ceding undertakings	-	-	-	-	-	-
Reinsurers share of claims outstanding	-	-	-	-	(157)	(157)
Reinsurance debtors	14,802	6,727	1,019	(15)	(11)	22,522
Insurance debtors	10,010	2,983	3,540	7,010	(293)	23,250
	<b>24,812</b>	<b>9,710</b>	<b>4,559</b>	<b>6,995</b>	<b>(461)</b>	<b>45,615</b>

### iii Interest rate and equity price risk

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

# ORANGE CAPITAL LIMITED

## ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

### iv Currency risk

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

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

2019	GBP £	USD £ converted	EUR £ converted	CAD £ converted	Other £ converted	Total £ converted
Total assets	609,040	2,236,409	202,540	313,906	95,780	3,457,675
Total liabilities	(806,200)	(2,311,204)	(191,745)	(244,063)	(86,087)	(3,639,299)
Surplus/(deficiency) of assets	(197,160)	(74,795)	10,795	69,843	9,693	(181,624)

2018	GBP £	USD £ converted	EUR £ converted	CAD £ converted	Other £ converted	Total £ converted
Total assets	650,009	1,995,525	306,222	329,021	118,848	3,399,625
Total liabilities	(875,660)	(2,114,188)	(290,041)	(225,655)	(103,896)	(3,609,440)
Surplus/(deficiency) of assets	(225,651)	(118,663)	16,181	103,366	14,952	(209,815)

### Group risks

#### i Investment, credit, liquidity and currency risks

The significant risks faced by the Group are with regard to the investment of the available funds within its own custody. The elements of these risks are investment risk, credit risk, liquidity risk, currency risk and interest rate risk. The main liquidity risk would arise if a syndicate had inadequate liquid resources for a large claim and sought funds from the Group to meet the claim. In order to minimise investment, credit and liquidity risk the Group's funds are invested in readily realisable short term deposits. The syndicates can distribute their results in Pound Sterling, US Dollars or a combination of the two. The Group is exposed to movements in the US Dollar between the financial reporting date and the distribution of the underwriting profits and losses, which is usually in the May following the closure of the year of account. The Group does not use derivative instruments to manage risk and, as such, no hedge accounting is applied.

#### ii Regulatory risks

The Group is subject to continuing approval by Lloyd's to be a member of a Lloyd's syndicate. The risk of this approval being removed is mitigated by monitoring and fully complying with all requirements in relation to membership of Lloyd's. The capital requirements to support the proposed amount of syndicate capacity for future years are subject to the requirements of Lloyd's. A variety of factors are taken into account by Lloyd's in setting these requirements including market conditions and syndicate performance and although the process is intended to be fair and reasonable, the requirements can fluctuate from one year to the next, which may constrain the volume of underwriting the Group is able to support.

#### iii Operational risks

As there are relatively few transactions actually undertaken by the Group there are only limited systems and operational requirements of the Group and therefore operational risks are not considered to be significant. Close involvement of all Directors in the Group's key decision making and the fact that the majority of the Group's operations are conducted by syndicates, provides control over any remaining operational risks.

# ORANGE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5 Class of business	Gross written premiums	Gross premiums earned	Gross claims incurred	Operating expenses	Reinsurance balance
	£	£	£	£	£
<b>2019</b>					
<b>Direct</b>					
Accident and health	66,446	71,088	(42,200)	(31,953)	(4,199)
Motor - third party liability	4,502	4,794	(2,661)	(1,478)	(136)
Motor - other classes	111,200	110,466	(66,132)	(35,022)	(3,107)
Marine, aviation and transport	141,802	138,382	(58,879)	(45,716)	(15,082)
Fire and other damage to property	518,569	485,565	(253,104)	(136,808)	(62,479)
Third party liability	339,915	335,545	(212,783)	(112,508)	6,393
Credit and suretyship	48,407	47,292	(22,262)	(14,731)	(4,271)
Other	5,487	5,321	(170)	(2,371)	(222)
<b>Total direct</b>	<b>1,236,328</b>	<b>1,198,453</b>	<b>(658,191)</b>	<b>(380,587)</b>	<b>(83,103)</b>
<b>Reinsurance business</b>					
Reinsurance balance	408,080	384,414	(369,353)	(71,418)	15,535
<b>Total</b>	<b>1,644,408</b>	<b>1,582,867</b>	<b>(1,027,544)</b>	<b>(452,005)</b>	<b>(67,568)</b>
<b>2018</b>					
<b>Direct</b>					
Accident and health	74,817	79,184	(42,041)	(35,745)	(1,292)
Motor - third party liability	5,444	5,754	(2,872)	(1,923)	(676)
Motor - other classes	107,803	122,991	(43,813)	(39,148)	(32,996)
Marine, aviation and transport	127,650	124,606	(55,357)	(48,997)	(9,843)
Fire and other damage to property	437,117	406,726	(242,681)	(127,997)	(49,299)
Third party liability	330,391	322,034	(186,011)	(124,199)	2,609
Credit and suretyship	42,266	38,200	(17,096)	(13,296)	(2,267)
Other	4,655	5,124	(1,103)	(2,912)	8
<b>Total direct</b>	<b>1,130,143</b>	<b>1,104,619</b>	<b>(590,974)</b>	<b>(394,217)</b>	<b>(93,756)</b>
<b>Reinsurance business</b>					
Reinsurance balance	338,052	341,016	(256,952)	(67,456)	(10,918)
<b>Total</b>	<b>1,468,195</b>	<b>1,445,635</b>	<b>(847,926)</b>	<b>(461,673)</b>	<b>(104,674)</b>

Any open year loss provisions, stop loss premiums and stop loss recoveries have been allocated across the classes of business by reference to the gross premiums written.

# ORANGE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

6 Geographical analysis	2019 £	2018 £
Direct gross premiums written in:		
United Kingdom	1,236,328	1,121,489
Other EU member states	-	2,218
The rest of the world	-	6,436
<b>Total</b>	<b>1,236,328</b>	<b>1,130,143</b>

## 7 Technical provisions

### Movement in claims outstanding

	Gross £	Reinsurance £	2019 Net £	Gross £	Reinsurance £	2018 Net £
At 1 January	(2,534,443)	382,774	(2,151,669)	(2,520,541)	340,444	(2,180,097)
Movement in technical account	(159,660)	90,978	(68,682)	(32,408)	26,551	(5,857)
Other movements	187,879	(121,901)	65,978	18,506	15,779	34,285
<b>At 31 December</b>	<b>(2,506,224)</b>	<b>351,851</b>	<b>(2,154,373)</b>	<b>(2,534,443)</b>	<b>382,774</b>	<b>(2,151,669)</b>

### Movement in unearned premiums

	Gross £	Reinsurance £	2019 Net £	Gross £	Reinsurance £	2018 Net £
At 1 January	(643,975)	123,589	(520,386)	(598,250)	99,055	(499,195)
Movement in technical account	(61,541)	26,963	(34,578)	(22,560)	18,810	(3,750)
Other movements	24,223	(4,433)	19,790	(23,165)	5,724	(17,441)
<b>At 31 December</b>	<b>(681,293)</b>	<b>146,119</b>	<b>(535,174)</b>	<b>(643,975)</b>	<b>123,589</b>	<b>(520,386)</b>

### Movement in deferred acquisition costs

	2019 Net £	2018 Net £
At 1 January	182,722	170,511
Movement in deferred acquisition costs	8,694	6,318
Other movements	(6,791)	5,893
<b>At 31 December</b>	<b>184,625</b>	<b>182,722</b>

Included within other movements are foreign exchange movements in restating the opening balances and the effect of prior years' technical provisions being reinsured to close, to the extent where the Group's syndicate participation portfolio has changed between years of account.

# ORANGE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

### 7 Technical provisions (continued)

#### Assumptions, changes in assumptions and sensitivity

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

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

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

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

There have been no changes to these assumptions in 2019.

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

- i A 5% increase/decrease in net earned premium (with claims incurred assumed to change pro-rata with premium) will increase/decrease the Group's pre-tax profit/loss by £24,388 (2018: £24,652).
- ii A 5% increase/decrease in the managing agents' calculation of gross claims reserves will decrease/increase the Group's pre-tax profit/loss by £125,311 (2018: £126,722).
- iii A 5% increase/decrease in the managing agents' calculation of net claims reserves will decrease/increase the Group's pre-tax profit/loss by £107,719 (2018: £107,583).

Claims development - Gross	At the end of underwriting year	After 12 months	After 24 months	After 36 months	Profit/loss on RITC received
	£	£	£	£	£
Underwriting pure year					
2019	579,892	-	-	-	-
2018	604,231	1,030,707	-	-	-
2017	783,119	1,116,817	1,158,866	-	-
2016	413,835	797,867	794,168	784,884	-
2015 and prior years	2,130,896	3,445,762	3,429,788	13,509,753	-

# ORANGE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

### 7 Technical provisions (continued)

Claims development - Net	At the end of underwriting year	After 12 months	After 24 months	After 36 months	Profit/loss on RITC received
	£	£	£	£	£
Underwriting pure year					
2019	391,286	-	-	-	-
2018	413,037	715,205	-	-	-
2017	492,220	761,018	795,041	-	-
2016	330,726	635,060	637,811	630,902	-
2015 and prior years	1,796,829	2,960,381	2,932,560	11,307,486	-

### 8 Investment return

The following return on investments relate to investments held at fair value.

	2019 £	2018 £
Investment income	32,294	28,606
Dividend income	1,025	2,030
Interest on cash at bank	10,908	3,475
Other interest and similar income	888	1,355
<b>Investment income</b>	<b>45,115</b>	<b>35,466</b>
Realised gain on investments	13,299	3,598
Unrealised gain on investments	61,388	36,433
Realised loss on investments	(4,805)	(8,405)
Unrealised loss on investments	(46,335)	(47,122)
<b>Total investment income</b>	<b>23,547</b>	<b>(15,496)</b>
Investment expenses and charges	(1,821)	(1,749)
<b>Total investment return</b>	<b>66,841</b>	<b>18,221</b>

### 9 Net operating expenses

	2019 £	2018 £
Acquisition costs	343,443	325,253
Administrative expenses	116,001	122,541
(Profit)/Loss on exchange	(7,439)	13,879
<b>Total</b>	<b>452,005</b>	<b>461,673</b>

# ORANGE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

10 Other income	2019 £	2018 £
Profit on sale of syndicate participation rights	-	-
Other	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

11 Profit on ordinary activities before taxation	2019 £	2018 £
This is stated after charging:		
Auditor's remuneration - audit	1,125	1,125
Wages and salaries	10,758	10,786
Amortisation of syndicate capacity	2,225	14,288

The average number of persons, including directors, employed during the year was 1 (2018: 1).

12 Group and Company Tangible assets	Motor vehicles & equipment £	Freehold Property £	Total £
<b>Cost</b>			
At 1 January 2019	-	-	-
Additions	-	-	-
Disposals	-	-	-
<b>At 31 December 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciation</b>			
At 1 January 2019	-	-	-
Charge for the period	-	-	-
Impairment losses	-	-	-
Disposals	-	-	-
<b>At 31 December 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>			
At 31 December 2019	-	-	-
<b>At 31 December 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>

# ORANGE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Group intangible assets		Syndicate Participation		2019
		Rights	Goodwill	Total
		£	£	£
<b>Cost</b>				
At 1 January 2019		489,058	-	489,058
Additions		-	-	-
Disposals		-	-	-
At 31 December 2019		<b>489,058</b>	<b>-</b>	<b>489,058</b>
<b>Amortisation</b>				
At 1 January 2019		483,577	-	483,577
Charge for the period		2,225	-	2,225
Impairment losses		-	-	-
Disposals		-	-	-
At 31 December 2019		<b>485,802</b>	<b>-</b>	<b>485,802</b>
<b>Net book value</b>				
At 31 December 2019		<b>3,256</b>	<b>-</b>	<b>3,256</b>
At 31 December 2018		5,481	-	5,481

14 Investments: Financial investments			Syndicate	Corporate	2019
		£	£	£	Total
<i>At market value</i>					£
Shares and other variable yield securities	- level 1	75,984			
	- level 2	77,914			
	- level 3	<u>8,583</u>	162,481	-	<b>162,481</b>
Debt securities and other fixed income securities	- level 1	207,955			
	- level 2	959,745			
	- level 3	<u>-</u>	1,167,700	-	<b>1,167,700</b>
Participation in investment pools	- level 1	1,319			
	- level 2	9,179			
	- level 3	<u>3,473</u>	13,971	-	<b>13,971</b>
Loans guaranteed by mortgage	- level 1	-			
	- level 2	-			
	- level 3	<u>-</u>	-	-	-
Other	- level 1	4,104			
	- level 2	11,038			
	- level 3	<u>577</u>	15,719	-	<b>15,719</b>
Total			<b>1,359,871</b>	<b>-</b>	<b>1,359,871</b>

# ORANGE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

### 14 Investments: Financial investments (continued)

			Syndicate	Corporate	2018
			£	£	Total
<i>At market value</i>					£
Shares and other variable yield securities	- level 1	77,605			
	- level 2	87,874			
	- level 3	7,688	173,167	-	173,167
Debt securities and other fixed income securities	- level 1	256,439			
	- level 2	931,686			
	- level 3	-	1,188,125	-	1,188,125
Participation in investment pools	- level 1	28,328			
	- level 2	8,016			
	- level 3	9,087	45,431	-	45,431
Loans guaranteed by mortgage	- level 1	11			
	- level 2	14			
	- level 3	1	26	-	26
Other	- level 1	4,402			
	- level 2	5,587			
	- level 3	422	10,411	-	10,411
<b>Total</b>			<b>1,417,160</b>	<b>-</b>	<b>1,417,160</b>

The corporate investments held include £Nil (2018: £Nil) at market value in respect of Lloyd's deposits that are held in accordance with the constraints detailed in note 24.

The Group uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets

Level 2: prices based on recent transactions in identical assets

Level 3: prices determined using a valuation technique

None of the above investments are valued at amortised cost.

			2019	2018
			Total	Total
			£	£
<i>At cost</i>				
Shares and other variable yield securities	154,172	-	154,172	169,382
Debt securities and other fixed income securities	1,168,372	-	1,168,372	1,196,853
Participation in investment pools	13,767	-	13,767	41,794
Loans guaranteed by mortgage	-	-	-	27
Other	13,945	-	13,945	10,029
<b>Total</b>	<b>1,350,256</b>	<b>-</b>	<b>1,350,256</b>	<b>1,418,085</b>

# ORANGE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

### 14 Investments: Financial investments (continued)

The company element of financial investments at market value is £Nil (2018: £Nil). The company has the following unlisted investments:

	Unlisted Investments
Cost	£
At 1 January 2019	37,670
Additions	-
Disposals	-
Other movements	-
At 31 December 2019	37,670
Impairment	
At 1 January 2019	-
Impairment in the period	-
Disposals	-
At 31 December 2019	-
Net book value	
At 31 December 2019	37,670
At 31 December 2018	37,670

The Unlisted Investments is a 100% subsidiary and represents the company's share in Amber Underwriting LLP. The subsidiary is an insurance underwriter through Lloyd's of London and its registered office is 3 Castlegate, Grantham, Lincolnshire NG31 6SF.

# ORANGE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

### 15 Group debtors arising out of direct insurance and reinsurance operations

	Syndicate £	Corporate £	2019 Total £	2018 Total £
The following amounts are due after one year:				
Direct insurance operations	8,744	-	8,744	12,954
Reinsurance operations	6,622	-	6,622	6,166
<b>Total</b>	<b>15,366</b>	<b>-</b>	<b>15,366</b>	<b>19,120</b>

### 16 Group other debtors

	Syndicate £	Corporate £	2019 Total £	as restated 2018 Total £
Deferred tax	-	-	-	-
Early profit releases	-	-	-	-
Other	307,927	-	307,927	338,528
<b>Total</b>	<b>307,927</b>	<b>-</b>	<b>307,927</b>	<b>338,528</b>

Corporate other debtors includes £Nil (2018: £Nil) due to the group after more than one year.

Syndicate other debtors includes £75,191 (2018: £90,100) due to the group after more than one year.

Company other debtors total £46,117 (2018: £Nil)

### 17 Cash at bank

	Syndicate £	Corporate £	2019 Total £	2018 Total £
Lloyd's deposit	65,324	304,182	369,506	319,274
Cash at bank and in hand	169,615	207,820	377,435	416,232
<b>Total</b>	<b>234,939</b>	<b>512,002</b>	<b>746,941</b>	<b>735,506</b>

Any Lloyd's deposit is held in accordance with the constraints detailed in note 24.

Company cash at bank totals £281,879 (2018: £301,532).

# ORANGE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

### 18 Group and company share capital

	2019 £	2018 £
<i>Allotted, issued and fully paid</i>		
50 Ordinary A shares of £1.00	50	50
30 Ordinary B shares of £1.00	30	30
20 Ordinary C shares of £1.00	20	20

### 19 Group statement of movements on reserves

	Revaluation reserve £	Share premium account £	Profit and loss account £
At 1 January 2019	-	-	(113,957)
Profit during the period	-	-	49,484
Dividends	-	-	-
At 31 December 2019	-	-	(64,473)

### 20 Taxation

	2019 £	2018 £
<i>Analysis of charge in period</i>		
<i>Current tax</i>		
UK Corporation Tax on profits of the period	12,907	9,768
Adjustments in respect of prior years	3,486	-
Foreign tax	1,974	3,403
Total current tax	18,367	13,171
<i>Analysis of charge in period</i>		
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Changes in tax rates	-	-
Other items	(21,221)	19,859
Total deferred tax	(21,221)	19,859
Tax on profit on ordinary activities	(2,854)	33,030

# ORANGE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

### 20 Taxation (continued)

	2019 £	2018 £
<b>Factors affecting tax charge for the period</b>		
The tax assessed for the period is different than the standard rate of Corporation Tax in the UK of 19.00%. The differences are explained below:		
Profit on ordinary activities before taxation	47,226	21,361
Profit on ordinary activities before taxation multiplied by the standard rate of Corporation Tax in the UK of 19.00% (2018: 19.00%).	8,973	4,059
<b>Effects of:</b>		
(Income)/Expenses not (taxable)/deductible	(187)	496
Timing differences arising from the taxation of the underwriting results	(14,108)	37,635
Timing differences arising from the taxation of syndicate participation movements	-	-
Tax losses carried forward/(Utilisation of tax losses)	-	(7,892)
Adjustments to tax charge in respect of prior periods	3,486	-
Foreign tax paid	(1,018)	(1,268)
Total tax charge for the year	(2,854)	33,030

### **Factors that may affect future tax charges**

The group has trading losses of £Nil (2018: £Nil) available for carry forward against future trading profits.

	2019 £	2018 £
<b>Provision for deferred tax</b>		
At 1 January	21,221	1,333
(Credit)/Charge to the profit and loss account	(21,221)	19,859
Released or utilised in the period	-	29
At 31 December	-	21,221

Full provision has been made for all timing differences apart from the recovery of taxation losses against future trading profits, which cannot be prudently anticipated at this time.

The deferred tax asset not provided for in respect of Corporation Tax losses, and deferred tax losses not yet assessable to Corporation Tax, amounted to £29,327 (2018: £Nil).

# ORANGE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

### 21 Other creditors

	Syndicate £	Corporate £	2019 £	as restated 2018 £
Other creditors	54,362	35,416	89,778	191,564
Corporation tax	-	13,121	13,121	9,768
Shareholders' loan account	-	320,800	320,800	323,121
<b>Total</b>	<b>54,362</b>	<b>369,337</b>	<b>423,699</b>	<b>524,453</b>

Company other creditors total £400,473 (2018: £417,358).

### 22 Analysis of changes in net debt

	At 1 Jan 2019 £	Cash flow £	Acquisitions £	Other non - cash changes £	Exchange movement £	At 31 Dec 2019 £
<b>Cash and cash equivalents</b>						
Cash	496,373	33,970	-	-	(18,341)	512,002
Overdrafts	-	-	-	-	-	-
Cash equivalents	-	-	-	-	-	-
	496,373	33,970	-	-	(18,341)	512,002
<b>Borrowings</b>						
Debt due within one year	-	-	-	-	-	-
Debt due after one year	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Total</b>	<b>496,373</b>	<b>33,970</b>	<b>-</b>	<b>-</b>	<b>(18,341)</b>	<b>512,002</b>

### 23 Reconciliation of profit before tax to net cash inflow from operating activities

	2019 £	2018 £
Profit before tax	47,226	21,361
Finance income	(9,243)	(2,227)
Prior year result distributable in year	100,688	178,804
Decrease in creditors	(113,549)	(73,546)
Increase in debtors	(3,624)	(6,018)
Amortisation and impairment of syndicate participation rights	2,225	14,288
Exchange losses/(gains)	18,341	(23,435)
<b>Net cash inflow from operating activities</b>	<b>42,064</b>	<b>109,227</b>

Note that the current year technical profit of £90,578, which has not been distributed in the period, is included within the decrease in creditors line above.

# ORANGE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

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### 24 Funds at Lloyd's

Cash balances of £304,182 (2018: £249,931) detailed in note 17 and investments of £Nil (2018: £Nil) detailed in note 14 are held within the group's Lloyd's deposit. These balances exclude any amounts held via the syndicates.

The Lloyd's deposit represents funds 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 legal agreement with Lloyd's which gives the Corporation the right to apply these funds in settlement of any claims arising from the company's participation on Lloyd's Syndicates. These funds 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.*

*In addition to these amounts, the shareholders of the group have also made available to Lloyd's assets amounting to approximately £Nil (2018: £Nil) that are also used by the group to support its Lloyd's underwriting. These funds are also available to Lloyd's to meet the personal underwriting liabilities of the shareholders for underwriting years prior to the commencement of trading by the group.*

The group's Lloyd's underwriting is also supported by a guarantee of £800,000 (2018: £800,000) from Standard Chartered.

### 25 Related party transactions

Group related party transactions:

During the year to 31 December 2019, £2,321 (2018: £12,787) of funding was withdrawn by the directors of the group. At the balance sheet date £320,800 (2018: £323,121) was due to the directors.

Company related party transactions:

During the year to 31 December 2019, funding of £2,323 (2018: £8,135) was withdrawn by the directors of the parent company. At the balance sheet date £344,849 (2018: £347,171) was due to the directors.

### 26 Ultimate controlling party

The ultimate controlling party is Miss M K Hall.

### 27 Restated comparatives

The comparatives have been restated to reflect a change in presentation of cash calls. The cash calls totalling £6,018 were previously posted to other debtors but are now net-off against other creditors in order to reflect the net amount due from the syndicate.

# ORANGE CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2019

### 28 Minority interests

	2019 £	2018 £
At 1 January	4,652	9,210
Share of subsidiary's profit for the year	596	(4,558)
Transfer to shareholders' loan account	(5,248)	-
At 31 December	-	4,652

### 29 Post Balance Sheet Events

Following the year end, the COVID-19 pandemic has caused significant uncertainty around the world and

As the group does not employ any staff and the members agent and the Lloyd's market were well prepared to work remotely, the group is continuing to be run with minimal disruption.

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

- The group continues to have significant funds to support its underwriting for the foreseeable future through Funds at Lloyd's made available by either the Group or its members.
- While the impact on the Lloyd's insurance market is currently uncertain, Lloyd's have stated that they are "confident in Lloyd's ability to meet the challenges before it, and in doing so demonstrate the market's unrivalled ability to support people, businesses and countries around the world in response to the far-reaching impacts of COVID-19."

# ORANGE CAPITAL LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 Movement £	2018 Movement £
<b>Split of technical profit/(loss) between underwriting years</b>		
2019 YOA	(85,579)	(144,703)
2018 YOA	67,092	71,687
2017 YOA	109,065	106,967
2015 YOA and prior run-off years	-	11,164
Balance on technical account for general business	90,578	45,115
<b>Investment and other income</b>		
Interest on Lloyd's funds	5,252	2,044
Interest on other funds	3,991	183
Other income total	9,243	2,227
<b>Profit before expenses</b>	<b>99,821</b>	<b>47,342</b>
<b>Expenses</b>		
Accountancy	6,560	6,394
Amortisation of capacity	2,225	14,288
Audit fees	1,350	1,350
Fee for provision of FAL	12,000	12,000
Lloyd's fees	5,400	4,306
Member's Agency fees	(4,333)	-
Sundry expenses	294	292
Wages and salaries	10,758	10,786
Exchange gains and losses	18,341	(23,435)
Total	52,595	25,981
<b>Profit before taxation</b>	<b>47,226</b>	<b>21,361</b>