

Company registration number: 7787006

Geogil Limited

**Report and financial statements
31 December 2016**

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Geogil Limited

Company information

Directors

Mrs C M-M Bertram
Mr J A Mackay
APCL Corporate Director No. 1 Limited
APCL Corporate Director No. 2 Limited

Company Secretary

Argenta Secretariat Limited

Registered Office

5th Floor, 70 Gracechurch Street
London
EC3V 0XL

Auditors

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

Accountants

Argenta Tax & Corporate Services Limited
5th Floor, 70 Gracechurch Street
London EC3V 0XL

Geogil Limited

Strategic Report

The Directors submit their Strategic Report for the Group for the year ended 31 December 2016.

Business Review

The Group continues to write insurance business in the Lloyd's insurance market as a Lloyd's corporate capital member.

The financial statements incorporate the annual accounting results of the Syndicates on which the Group participates for the 2014, 2015 and 2016 years of account, as well as any 2013 and prior run-off years. The 2014 year closed at 31 December 2016 with a result of £218,636 (2013 - £212,029). The 2015 and 2016 open underwriting accounts will normally close at 31 December 2017 and 2018 respectively.

Results and Dividends

The results for the year are set out on pages 6 to 7 of the financial statements. Dividends totalling £Nil were paid in the year (2015 - £Nil).

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 agents to implement appropriate policies, procedures and internal controls to manage each Syndicate's exposures to insurance risk, credit risk, market risk, liquidity risk and operational risk. The Group is also directly exposed to these risks, but they are not considered material for the assessment of the assets, liabilities, financial position and profit or loss of the Group.

Hedge accounting is not used by the Group.

Key Performance Indicators

	2016	2015
Capacity (youngest underwriting year)	£ 1,640,357	£ 1,609,954
Gross premium written as a % of capacity	99.6%	93.1%
Underwriting profit of latest closed year:		
as a % of capacity	13.2%	13.1%
Run-off years of account movement	£ -	£ -
Combined ratio	97.4%	88.7%

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

Approved by the Board on 25/09/2017
and signed on its behalf by:



MR J A MACKAY

Director

Geogil Limited

Report of the Directors

The Directors submit their Report together with the audited financial statements of the Group for the year ended 31 December 2016.

Principal Activities

The principal activity of the Group is that of trading as a Lloyd's corporate capital member through its participation as a member of a Limited Liability Partnership. The Group continues to underwrite for the 2017 year of account through its wholly owned subsidiary.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic and 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 period. 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 are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The Directors who served at any time during the year were as follows:

Mrs C M-M Bertram (Appointed 11 November 2016)
Mr J A Mackay (Appointed 7 March 2016)
APCL Corporate Director No. 1 Limited
APCL Corporate Director No. 2 Limited
Mr D P Reames (Resigned 24 February 2016)

Auditors

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

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

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

Approved by the Board on 25/09 / 2017
and signed on its behalf by:



MR J A MACKAY

Director

Geogil Limited

Independent Auditor's report

Independent auditor's report to the members of Geogil Limited

We have audited the financial statements of Geogil Limited for the year ended 31 December 2016 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheet, the Group and Company Statement of Changes in Equity, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of the Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Company's affairs as at 31 December 2016 and of the Group's profit/(loss) for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and 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.

Geogil Limited

Independent Auditor's report (continued)

Matters on which we are required to report by exception

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



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

26 September 2017

Geogil Limited

Group profit and loss account Technical account – general business For the year ended 31 December 2016

	Note	2016 £	2015 £
Premiums written			
Gross premiums written	1	1,634,337	1,498,985
Outward reinsurance premiums	1	(319,615)	(279,905)
Net premiums written		1,314,722	1,219,080
Change in the provision for unearned premiums			
Gross provision	1	(9,778)	(47,129)
Reinsurers' share	1	8,249	7,399
Earned premiums, net of reinsurance		1,313,193	1,179,350
Allocated investment return transferred from the non-technical account		35,089	16,764
Other technical income, net of reinsurance		89	48
Claims paid			
Gross amount	1	(739,593)	(678,016)
Reinsurers' share	1	97,678	156,809
Net claims paid		(641,915)	(521,207)
Change in provision for claims			
Gross amount	1	(167,636)	30,274
Reinsurers' share	1	75,974	(58,674)
Change in net provision for claims		(91,662)	(28,400)
Claims incurred, net of reinsurance		(733,577)	(549,607)
Changes in other technical provisions, net of reinsurance		(2,195)	3,863
Net operating expenses	1, 2	(545,433)	(495,883)
Other technical charges, net of reinsurance		-	-
Balance on the technical account for general business		67,166	154,535

The accounting policies and notes on pages 14 to 40 form part of these Financial Statements.

Geogil Limited

Group profit and loss account

Non - technical account

For the year ended 31 December 2016

	Note	2016 £	2015 £
Balance on technical account for general business		67,166	154,535
Investment income	3	35,368	16,787
Allocated investment return transferred to the general business technical account		(35,089)	(16,764)
Other income		41,290	29,922
Other charges		(89,994)	(127,733)
Profit/(loss) on ordinary activities before taxation	4	18,741	56,747
Tax on profit/(loss) on ordinary activities	5	(65,568)	(15,948)
Profit/(loss) for the financial year		(46,827)	40,799
Other comprehensive income		14,321	5,092
Total comprehensive income	10	(32,506)	45,891
Total comprehensive income for the year attributable to:			
Owners of parent company		(32,506)	13,384
Non-controlling interest		-	32,507
		(32,506)	45,891

All amounts relate to continuing operations.

The accounting policies and notes on pages 14 to 40 form part of these Financial Statements.

Geogil Limited

Group balance sheet As at 31 December 2016

		31 December 2016			31 December 2015		
	Note	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Assets							
Intangible assets	6	-	99,264	99,264	-	196,135	196,135
Investments							
Financial investments	7	1,857,406	-	1,857,406	1,709,246	-	1,709,246
Deposits with ceding undertakings		179	-	179	151	-	151
		1,857,585	-	1,857,585	1,709,397	-	1,709,397
Reinsurers' share of technical provisions							
Provision for unearned premiums	8	123,937	-	123,937	99,180	-	99,180
Claims outstanding	8	512,520	-	512,520	373,151	-	373,151
Other technical provisions		1,666	-	1,666	3,863	-	3,863
		638,123	-	638,123	476,194	-	476,194
Debtors							
Arising out of direct insurance operations		395,419	-	395,419	343,323	-	343,323
Arising out of reinsurance operations		577,772	-	577,772	521,188	-	521,188
Other debtors	7	225,293	-	225,293	213,302	-	213,302
		1,198,484	-	1,198,484	1,077,813	-	1,077,813
Other assets							
Cash at bank and in hand		101,551	729,877	831,428	71,927	145,040	216,967
Other		158,360	-	158,360	125,003	-	125,003
		259,911	729,877	989,788	196,930	145,040	341,970
Prepayments and accrued income							
Accrued interest		2,466	-	2,466	2,780	-	2,780
Deferred acquisitions costs	8	215,814	-	215,814	183,582	-	183,582
Other prepayments and accrued income		6,617	-	6,617	6,393	-	6,393
		224,897	-	224,897	192,755	-	192,755
Total assets		4,179,000	829,141	5,008,141	3,653,089	341,175	3,994,264

The accounting policies and notes on pages 14 to 40 form part of these Financial Statements.

Geogil Limited

Group balance sheet As at 31 December 2016

		31 December 2016			31 December 2015		
	Note	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Liabilities and shareholders' funds							
Capital and reserves							
Called up share capital	9	-	100	100	-	100	100
Capital redemption		-	-	-	-	-	-
Share premium account		-	-	-	-	-	-
Profit and loss account	10	205,546	(308,348)	(102,802)	280,066	(350,362)	(70,296)
Capital contribution		-	-	-	-	-	-
		205,546	(308,248)	(102,702)	280,066	(350,262)	(70,196)
Equity attributable to owners of the parent company		205,546	(308,248)	(102,702)	280,066	(350,262)	(70,196)
Non-controlling interests		-	-	-	-	-	-
		205,546	(308,248)	(102,702)	280,066	(350,262)	(70,196)
Goodwill		-	-	-	-	-	-
Technical provisions							
Provision for unearned premiums	8	822,311	-	822,311	714,283	-	714,283
Claims outstanding	8	2,541,321	-	2,541,321	2,182,169	-	2,182,169
Other technical provisions		-	-	-	-	-	-
Provisions for other risks and charges							
Deferred taxation	11	-	135,760	135,760	-	136,744	136,744
Other		-	-	-	-	-	-
Deposit received from reinsurers		7,723	-	7,723	3,389	-	3,389
Creditors							
Arising out of direct insurance operations		54,792	-	54,792	57,217	-	57,217
Arising out of reinsurance operations		274,071	-	274,071	228,022	-	228,022
Amounts owed to credit institutions		-	-	-	1,317	-	1,317
Other creditors including taxation and social security	7	241,563	969,815	1,211,378	185,614	501,396	687,010
		3,941,781	1,105,575	5,047,356	3,372,011	638,140	4,010,151
Accruals and deferred income		31,673	31,814	63,487	1,012	53,297	54,309
Total liabilities		4,179,000	829,141	5,008,141	3,653,089	341,175	3,994,264

The accounting policies and notes on pages 14 to 40 form part of these Financial Statements.

Geogil Limited

Company balance sheet As at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Investments	7	424,541	424,541
		<u>424,541</u>	<u>424,541</u>
Current assets			
Other debtors	7	10,513	-
Prepayments and accrued income		140,949	219,128
Cash at bank and in hand		729,877	145,040
		<u>881,339</u>	<u>364,168</u>
Provision for deferred taxation		(64,315)	(52,691)
Current liabilities			
Creditors	7	(935,879)	(482,929)
Accruals and deferred income		(4,320)	(4,200)
		<u>(1,004,514)</u>	<u>(539,820)</u>
Net assets		<u>301,366</u>	<u>248,889</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss reserve	10	301,266	248,789
		<u>301,366</u>	<u>248,889</u>
Total shareholders' funds		<u>301,366</u>	<u>248,889</u>

Approved and authorised for issue by the Board of Directors on 25/09/ 2017

and signed on its behalf by:



MR J A MACKAY
Director

Company registration number: 7787006

The accounting policies and notes on pages 14 to 40 form part of these Financial Statements.

Geogil Limited

Group statement of changes in equity For the year ended 31 December 2016

	Called up share capital £	Capital redemption reserve £	Share premium account £	Profit and loss account £	Capital contribution reserve £	Shareholders' equity £	Former Members' account £	Total Equity £
Opening balance	100	-	-	65,521	-	65,621	(181,708)	(116,087)
Profit/(loss) for the year	-	-	-	8,292	-	8,292	32,507	40,799
Other comprehensive income	-	-	-	5,092	-	5,092	-	5,092
Total comprehensive income	-	-	-	13,384	-	13,384	32,507	45,891
Proceeds from the issue of shares	-	-	-	-	-	-	-	-
Movement in reserves	-	-	-	-	-	-	-	-
Distribution to minority interest	-	-	-	(149,201)	-	(149,201)	149,201	-
Dividends paid	-	-	-	-	-	-	-	-
As at 31 December 2015	100	-	-	(70,296)	-	(70,196)	-	(70,196)
Profit/(loss) for the year	-	-	-	(46,827)	-	(46,827)	-	(46,827)
Other comprehensive income	-	-	-	14,321	-	14,321	-	14,321
Total comprehensive income	-	-	-	(32,506)	-	(32,506)	-	(32,506)
Proceeds from the issue of shares	-	-	-	-	-	-	-	-
Movement in reserves	-	-	-	-	-	-	-	-
Distribution to minority interest	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
As at 31 December 2016	100	-	-	(102,802)	-	(102,702)	-	(102,702)

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

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

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

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

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

The Former Members' account relates to syndicate open year results which have not been assigned to the group on acquisition.

The accounting policies and notes on pages 14 to 40 form part of these Financial Statements.

Geogil Limited

Company statement of changes in equity For the year ended 31 December 2016

	Called up share capital £	Capital redemption reserve £	Share premium account £	Profit and loss account £	Capital contribution reserve £	Total £
Opening balance	100	-	-	(13,207)	-	(13,107)
Profit/(loss) for the year	-	-	-	261,996	-	261,996
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	261,996	-	261,996
Proceeds from the issue of shares	-	-	-	-	-	-
Movement in reserves	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
As at 31 December 2015	100	-	-	248,789	-	248,889
Profit/(loss) for the year	-	-	-	52,477	-	52,477
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	52,477	-	52,477
Proceeds from the issue of shares	-	-	-	-	-	-
Movement in reserves	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
As at 31 December 2016	100	-	-	301,266	-	301,366

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

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

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

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

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

The accounting policies and notes on pages 14 to 40 form part of these Financial Statements.

Geogil Limited

Group cash flow statement For the year ended 31 December 2016

	2016 £	2015 £
Operating activities		
Profit/(loss) on ordinary activities before tax	18,741	61,839
(Profit)/loss attributable to syndicate transactions	88,841	12,089
Profit/(loss) - excluding syndicate transactions	107,582	73,928
Adjusted for:		
(Increase)/decrease in debtors	-	-
Increase/(decrease) in creditors	418,182	(25,497)
(Profit)/loss on disposal of intangible assets	-	-
Amortisation of syndicate capacity	86,561	86,559
Amortisation of goodwill	16,811	16,811
Realised/unrealised (gains)/losses on investments	-	-
Investment income	(279)	(23)
Corporation and overseas taxes (paid)/refunded	(37,798)	(6,761)
Net cash inflow/(outflow) from operating activities	591,059	145,017
Investing activities		
Investment income	279	23
Purchase of syndicate capacity	(6,501)	-
Proceeds from sale of syndicate capacity	-	-
Purchase of financial investments	-	-
Proceeds from sale of financial investments	-	-
Purchase of subsidiary undertakings	-	-
Net cash (outflow)/inflow from investing activities	(6,222)	23
Financing activities		
Issue of shares	-	-
Share issue expenses	-	-
Capital contribution/(redemption)	-	-
Equity dividends paid	-	-
Net cash (outflow)/inflow from financing activities	-	-
Net cash increase/(decrease) in cash and cash equivalents	584,837	145,040
Effect of exchange rates on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	145,040	-
Cash and cash equivalents at the end of the year	729,877	145,040
Consisting of:		
Cash at bank and in hand	729,877	145,040
Cash equivalents	-	-
	729,877	145,040

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

The accounting policies and notes on pages 14 to 40 form part of these Financial Statements.

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

Basis of preparation of financial statements

General information

The Company is a limited company incorporated in the United Kingdom.

The financial statements have been presented in Pounds Sterling ("Sterling") as this is the Group's functional currency, being the primary economic environment in which the Group operates.

Basis of preparation

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

Basis of consolidation

The Group financial statements consolidate the financial statements of Geogil Limited and its subsidiary undertaking drawn up to 31 December each year. No profit and loss account is presented for Geogil Limited as permitted by section 408 of the Companies Act 2006.

Subsidiaries are consolidated from the date of their acquisition or incorporation, being the date that the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial operating policies of the investee so as to obtain benefit from its activities.

Bertram Underwriting Partners LLP has been included in the Group financial statements using the purchase method of account. Accordingly, the Group profit and loss account and statement of cash flows include the results and cash flows of Bertram Underwriting Partners LLP.

In the parent company financial statements investments in the subsidiary is accounted for at cost less impairment.

Recognition of insurance transactions

Preparing financial statements in accordance with SI 2008/410 requires the Group to recognise its proportion of all the transactions undertaken by the Lloyd's Syndicates in which it participates ("the Syndicates") in aggregation with the transactions undertaken by the Group at entity level ("the Corporate").

The financial statements are prepared using the annual basis of accounting. Under the annual basis of accounting, a result is determined at the end of each accounting period reflecting the profit and loss from providing insurance coverage during that period and any adjustments to the profit or loss of providing insurance cover during earlier accounting periods.

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

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

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

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

Basis of preparation of financial statements (continued)

Sources of data

The information used to compile the technical account and the "Syndicate" balance sheet is based on returns prepared for this purpose by the Managing Agents of the Syndicates ("the Returns"). These Returns have been subjected to audit by the Syndicate auditors and are based on the audited Syndicate returns to Lloyd's and the audited annual reports to Syndicate members.

The format of the Returns has been established by Lloyd's and Lloyd's has also been responsible for collating the data at a Syndicate level and analysing it into corporate member level results.

Accounting policies

i Going concern

As at 31 December 2016 the Company had net liabilities of £102,702 (2015: £70,196). The directors consider the Company to be a going concern and have prepared the financial statements on that basis. The Company is continuing to underwrite at Lloyd's for the 2017 year of account.

ii Premiums

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

iii Claims incurred

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

iv Provision for claims outstanding

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

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

v Unexpired risk provision

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

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

Accounting policies (continued)

vi Reinsurance to close

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

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

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

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

vii Financial instruments

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

The Group holds both basic and non-basic financial instruments. The Group's financial instruments comprise of cash and cash equivalents, trade and other receivables, trade and other payables and investments in a variety of basic and non-basic financial instruments, through both the Corporate and through the Syndicates.

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

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

Accounting policies (continued)

vii Financial instruments (continued)

Basic financial instruments (except for non-puttable ordinary and non-convertible preference shares) are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment in the case of financial assets. Amounts that are receivable/payable within one year are measured at the undiscounted amount of the cash expected to be received/settled.

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

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

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

Investment income is initially recorded in the non-technical account. All investment income arising on Syndicate participations is allocated to the technical account.

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

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

viii Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes. Derivates are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

ix Derecognition of financial assets

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

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

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

x Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if there is a currently enforceable legal right to offset the recognised amounts; and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Geoil Limited

Notes to the Financial Statements For the year ended 31 December 2016

Accounting policies (continued)

xi Net operating expenses

Operating expenses are recognised when incurred. They include the Group's share of Syndicate operating expenses, the remuneration payable to Managing Agents (and the Group's Members' Agent/licensed adviser) and the direct costs of membership of Lloyd's.

xii Foreign currencies

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

xiii Intangible assets

Syndicate capacity - includes purchased rights to participate on Syndicates. The purchase cost is capitalised and amortised on a straight line basis over the useful life of the rights which is five years.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful life which is five years.

xiv Insurance contracts – product classification

Insurance contracts are those contracts when the Company (the insurer/reinsurer) has accepted significant insurance risk from another party (the policyholder/reinsured) by agreeing to compensate the policyholder if a specified uncertain future event (the re/insured event) adversely affects the policyholder. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Any separable embedded derivatives within an insurance contract are separated and accounted for in accordance with sections 11 and 12 of FRS102 unless the embedded derivative is itself an insurance contract (i.e. the derivative is not separated if the policyholder benefits from the derivative only when the insured event occurs).

xv Investment in subsidiary

Investments in subsidiaries, joint ventures and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries, joint ventures and associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

xvi Taxation

The Group is taxed on its share of the underwriting results declared by Syndicates and these are deemed to accrue evenly over the calendar year in which they are declared. The Syndicate results included in these financial statements (excluding any losses on open years of account) are only declared for tax purposes in the calendar year following closure of the year of account. HM Revenue & Customs agrees the taxable results of Syndicates at a Syndicate level on the basis of computations submitted by the Managing Agent. At the date of approval of these financial statements, the Syndicate taxable results of this year have not been agreed. Any adjustments that may be necessary to the tax provision as a result of HM Revenue & Customs agreement of Syndicate taxable results will be reflected in the financial statements of subsequent periods.

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

Accounting policies (continued)

xvii Deferred taxation

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements.

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

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

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

xviii Critical accounting judgements and key sources of estimated uncertainty

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. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the 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 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. The critical accounting judgements and key sources of estimation uncertainty set out below therefore relate to those made by the Directors in respect of the Corporate only, and do not include estimates and judgements made in respect of the Syndicates.

Critical accounting judgements

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

Assessing indicators of impairment

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

Key sources of estimation uncertainty

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

Estimating value in use

Where an indication of impairment 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 the Directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

Recoverability of receivables

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

Determining the useful life of purchased syndicate capacity

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

Geoil Limited

Notes to the Financial Statements For the year ended 31 December 2016

1. Class of Business

2016	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	67,119	66,839	(33,560)	(31,212)	(1,397)	670
Motor – third party liability	10,357	11,624	(6,794)	(4,036)	(298)	496
Motor – other classes	113,144	109,213	(108,957)	(35,258)	26,038	(8,964)
Marine, aviation and transport	157,501	166,843	(95,110)	(66,667)	(6,817)	(1,751)
Fire and other damage to property	407,299	408,236	(200,952)	(136,696)	(54,118)	16,470
Third party liability	365,170	343,177	(210,677)	(121,723)	(12,271)	(1,494)
Credit and suretyship	21,003	20,990	(12,234)	(6,102)	(2,220)	434
Legal expenses	2,669	2,751	(1,541)	(1,444)	8	(226)
Assistance	-	-	-	-	-	-
Miscellaneous	9,087	9,826	(4,300)	(3,707)	(570)	1,249
	1,153,349	1,139,499	(674,125)	(406,845)	(51,645)	6,884
Reinsurance	480,988	485,060	(233,104)	(138,588)	(86,069)	27,299
Total	1,634,337	1,624,559	(907,229)	(545,433)	(137,714)	34,183

2015	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	60,270	58,027	(24,331)	(26,843)	(3,160)	3,693
Motor – third party liability	11,993	10,399	(7,511)	(3,754)	647	(219)
Motor – other classes	104,327	96,182	(66,741)	(29,872)	(1,772)	(2,203)
Marine, aviation and transport	165,218	158,261	(64,872)	(63,895)	(15,652)	13,842
Fire and other damage to property	369,540	363,021	(140,196)	(125,940)	(60,913)	35,972
Third party liability	312,071	300,840	(176,188)	(106,092)	(2,343)	16,217
Credit and suretyship	21,559	21,681	(12,097)	(5,535)	(2,865)	1,184
Legal expenses	3,000	3,798	(1,486)	(1,903)	(42)	367
Assistance	-	-	-	-	-	-
Miscellaneous	9,916	9,448	(4,218)	(3,539)	(711)	980
	1,057,894	1,021,657	(497,640)	(367,373)	(86,811)	69,833
Reinsurance	441,091	430,199	(150,102)	(128,510)	(87,560)	64,027
Total	1,498,985	1,451,856	(647,742)	(495,883)	(174,371)	133,860

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

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

2. Net Operating Expenses

	2016 £	2015 £
Acquisition costs	448,296	420,299
Change in deferred acquisition costs	(2,060)	(15,754)
Administrative expenses	85,163	73,106
Reinsurance commissions and profit participations	(44,173)	(39,688)
Personal expenses	58,207	57,920
	<u>545,433</u>	<u>495,883</u>

3. Investment Income

	2016 £	2015 £
Financial instruments held at fair value through profit or loss:		
Interest and dividend income	34,743	32,714
Realised gains and losses	(622)	(5,834)
Unrealised gains and losses	3,895	(7,824)
Other	-	-
	<u>38,016</u>	<u>19,056</u>
Financial instruments held at amortised cost:		
Interest	279	23
Other	-	-
	<u>279</u>	<u>23</u>
Investment management expenses, including interest	(2,927)	(2,292)
	<u>(2,927)</u>	<u>(2,292)</u>
	<u>35,368</u>	<u>16,787</u>

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

	2016 £	2015 £
Operating profit/(loss) is stated after charging:		
Directors' remuneration	-	-
Auditor's remuneration - Company	1,250	1,250
Amortisation of syndicate capacity	86,561	86,559
Amortisation of goodwill	16,811	16,811
(Profit)/loss on disposal of intangible fixed assets	-	-
(Profit)/loss on exchange	(90,105)	(9,996)

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

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

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

5. Taxation - Group	2016 £	2015 £
Analysis of charge in year		
Current tax:		
UK corporation tax on profit/(loss) of the year	43,598	14,845
Adjustment in respect of previous period	(14,844)	-
	<u>28,754</u>	<u>14,845</u>
Foreign tax	37,798	6,760
	<u>66,552</u>	<u>21,605</u>
Total current tax	66,552	21,605
Deferred tax:		
Origination and reversal of timing differences	(17,805)	(6,122)
Change in tax rate	16,821	465
	<u>65,568</u>	<u>15,948</u>
Total tax	65,568	15,948
Factors affecting tax charge for period		
The tax assessed for the period is different to the standard rate of corporation tax in the UK of 20.00% (2015 - 20.00%). The differences are explained below:		
Profit/(loss) on ordinary activities before tax	<u>18,741</u>	<u>61,839</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.00%)	3,748	12,368
Effects of:		
Change in deferred tax rate	16,821	465
Deferred tax asset previously unrecognised	-	-
Foreign tax	30,238	5,408
Expenses not deductible for tax purposes	-	-
Other corporation computation adjustments	19,987	6,606
Marginal rates of taxation and prior period adjustment	<u>(5,226)</u>	<u>(8,899)</u>
Total tax charge/(credit) for the period	<u>65,568</u>	<u>15,948</u>

The results of the Group's participation on the 2014, 2015 and 2016 years of account and any calendar year movement on 2013 and prior run-offs, will not be assessed to tax until the year ended 31 December 2017, 2018 and 2019 respectively being the year after the calendar year result of each run-off year or the normal date of closure of each year of account.

The current UK corporation tax rate is 20%. The rate will be reduced to 19% from 1 April 2017 and to 17% from 1 April 2020. The effect of these reductions are reflected in the recognized deferred tax liability/(asset).

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

6. Intangible Assets

	2016			2015		
	Syndicate Capacity £	Goodwill £	Total £	Syndicate Capacity £	Goodwill £	Total £
Cost						
At 1 January	432,798	84,053	516,851	432,798	84,053	516,851
Additions	6,501	-	6,501	-	-	-
Disposals	-	-	-	-	-	-
At 31 December	439,299	84,053	523,352	432,798	84,053	516,851
Amortisation						
At 1 January	253,474	67,242	320,716	166,915	50,431	217,346
Additions	86,561	16,811	103,372	86,559	16,811	103,370
Disposals	-	-	-	-	-	-
At 31 December	340,035	84,053	424,088	253,474	67,242	320,716
Net Book Value						
At 31 December	99,264	-	99,264	179,324	16,811	196,135

7. Financial Instruments and Financial Risk Management

7.1 Financial Investments

	2016 Market Value £	2015 Market Value £
Other financial investments – Group - Syndicate participation		
Shares and other variable yield securities and units in unit trusts	302,057	18,333
Debt securities and other fixed income securities	1,469,011	1,432,664
Participation in investment pools	39,900	23,228
Loans with credit institutions	375	314
Derivative financial instruments	5,060	1,354
Other investments	4,850	-
Deposits with credit institutions	13,657	19,637
Other	22,496	213,716
	<u>1,857,406</u>	<u>1,709,246</u>
Other financial investments – Group - Corporate		
Shares and other variable yield securities and units in unit trusts	-	-
Debt securities and other fixed income securities	-	-
Other investments	-	-
	<u>-</u>	<u>-</u>

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

7. Financial Instruments and Financial Risk Management (continued)

7.1 Financial Investments (continued)

	2016 Market Value £	2015 Market Value £
Other financial investments – Parent		
Shares and other variable yield securities and units in unit trusts	-	-
Debt securities and other fixed income securities	-	-
Other investments	-	-
Subsidiary undertakings	424,541	424,541
	<u>424,541</u>	<u>424,541</u>

Subsidiary undertaking

Name	Country of incorporation	Percentage share
Bertram Underwriting Partners LLP	England & Wales	100%

7.2 Other Debtors

	Syndicate Participation £	Corporate £	2016 Total £	Syndicate Participation £	Corporate £	2015 Total £
Group						
Other	225,293	-	225,293	213,302	-	213,302
	<u>225,293</u>	<u>-</u>	<u>225,293</u>	<u>213,302</u>	<u>-</u>	<u>213,302</u>

	2016	2015
Parent		
Amounts due from group undertakings	10,513	-
Other	-	-
	<u>10,513</u>	<u>-</u>

7.3 Funds at Lloyd's

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

Group	Syndicate Participation £	Corporate £	2016 Total £	Syndicate Participation £	Corporate £	2015 Total £
Cash	-	729,701	729,701	-	-	-
Investments	-	-	-	-	-	-
	<u>-</u>	<u>729,701</u>	<u>729,701</u>	<u>-</u>	<u>-</u>	<u>-</u>

Geoil Limited

Notes to the Financial Statements For the year ended 31 December 2016

7. Financial Instruments and Financial Risk Management (continued)

7.3 Funds at Lloyd's (continued)

	2016 £	2015 £
Parent		
Cash	729,701	-
Investments	-	-
	<hr/>	<hr/>
	729,701	-

Funds at Lloyd's represents assets deposited with the Corporation of Lloyd's (Lloyd's) to support the Group's underwriting activities as described in the Accounting Policies. The entity has entered into a Lloyd's Deposit Trust Deed which gives Lloyd's the right to apply these monies in settlement of any claims arising from the participation on the Syndicates. These monies can only be released from the provision of this Deed with Lloyd's express permission and only in circumstances where the amounts are either replaced by an equivalent asset, or after the expiration of the Group's liabilities in respect of its underwriting.

7.4 Other Creditors including Taxation and Social Security

	Syndicate Participation £	Corporate £	2016 Total £	Syndicate Participation £	Corporate £	2015 Total £
Group						
Corporation tax	-	43,598	43,598	-	14,844	14,844
Directors' loan accounts	-	497,476	497,476	-	62,011	62,011
Third party funds	-	424,541	424,541	-	424,541	424,541
Other creditors	241,563	4,200	245,763	185,614	-	185,614
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	241,563	969,815	1,211,378	185,614	501,396	687,010

	2016 £	2015 £
Parent		
Corporation tax	43,598	14,844
Directors' loan accounts	463,540	28,073
Other creditors	428,741	424,541
Amount due to group undertakings	-	15,471
	<hr/>	<hr/>
	935,879	482,929

Geoil Limited

Notes to the Financial Statements For the year ended 31 December 2016

7. Financial Instruments and Financial Risk Management (continued)

7.5 Classification of Financial Instruments

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

Other financial investments – Group - Syndicate participation

	2016			2015		
	At fair value through profit or loss £	At amortised cost £	Total £	At fair value through profit or loss £	At amortised cost £	Total £
Financial assets						
Investments	1,857,406	-	1,857,406	1,829,463	-	1,829,463
Deposits with ceding undertakings	-	179	179	-	151	151
Insurance debtors	-	395,419	395,419	-	343,323	343,323
Reinsurance debtors	-	577,772	577,772	-	521,188	521,188
Other debtors	-	225,293	225,293	-	213,302	213,302
Cash at bank and in hand	-	101,551	101,551	-	71,927	71,927
Other assets	158,360	-	158,360	-	-	-
	2,015,766	1,300,214	3,315,980	1,829,463	1,149,891	2,979,354
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative financial instruments	1,717	-	1,717	-	-	-
Insurance creditors	-	54,792	54,792	-	57,217	57,217
Reinsurance creditors	-	274,071	274,071	-	228,022	228,022
Amounts owed to credit institutions	-	-	-	-	1,317	1,317
Other creditors	-	-	-	185,614	-	185,614
	1,717	328,863	330,580	185,614	286,556	472,170

Other financial investments – Group – Corporate

	2016			2015		
	At fair value through profit or loss £	At amortised cost £	Total £	At fair value through profit or loss £	At amortised cost £	Total £
Financial assets						
Investments	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
Cash at bank and in hand	-	729,877	729,877	-	145,040	145,040
Other assets	-	-	-	-	-	-
	-	729,877	729,877	-	145,040	145,040
Financial liabilities						
Other creditors	-	969,815	969,815	-	501,396	501,396
	-	969,815	969,815	-	501,396	501,396

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

7. Financial Instruments and Financial Risk Management (continued)

7.5 Classification of Financial Instruments (continued)

Other financial investments – Parent

	2016			2015		
	At fair value through profit or loss £	At amortised cost £	Total £	At fair value through profit or loss £	At amortised cost £	Total £
Financial assets						
Investments	-	424,541	424,541	-	424,541	424,541
Other debtors	-	10,513	10,513	-	-	-
Cash at bank and in hand	-	729,877	729,877	-	145,040	145,040
Other assets	-	-	-	-	-	-
	-	1,164,931	1,164,931	-	569,581	569,581
Financial liabilities						
Other creditors	-	935,879	935,879	-	482,929	482,929
	-	935,879	935,879	-	482,929	482,929

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

	2016		2015	
	Notional amount £	Fair value £	Notional amount £	Fair value £
Foreign exchange forward contracts	156,214	4,769	21,584	1,167
Interest rate future contracts	63,719	265	523	52
Foreign exchange options	-	-	-	-
Equity options	-	-	2,060	46
Foreign exchange contract for difference	40,440	(505)	3,958	87
Other	3,044	531	-	-
	263,417	5,060	28,125	1,352

7.6 Financial Instruments held at fair value through profit or loss

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

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

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

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

Geogil Limited

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

7. Financial Instruments and Financial Risk Management (continued)

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

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

Other financial investments – Group -Syndicate participation

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2016						
Financial assets						
Shares and other variable yield securities and units in unit trusts	68,620	233,371	66	302,057	-	302,057
Debt securities and other fixed income securities	313,705	1,155,306	-	1,469,011	-	1,469,011
Participation in investment pools	15,567	13,901	10,432	39,900	-	39,900
Loans and deposits with credit institutions	13,642	4,835	405	18,882	-	18,882
Overseas deposits	65,488	111,800	3,552	180,840	-	180,840
Derivatives	1,522	3,538	-	5,060	-	5,060
Other investments	-	-	16	16	-	16
Financial assets classified as held for sale	-	-	-	-	-	-
	478,544	1,522,751	14,471	2,015,766	-	2,015,766
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative liabilities	1,130	587	-	1,717	-	1,717
Financial liabilities classified as held for sale	-	-	-	-	-	-
	1,130	587	-	1,717	-	1,717

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

7. Financial Instruments and Financial Risk Management (continued)

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

Other financial investments – Group - Syndicate participation (continued)

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2015						
Financial assets						
Shares and other variable yield securities and units in unit trusts	30,811	166,333	34,903	232,047	-	232,047
Debt securities and other fixed income securities	499,398	510,826	422,439	1,432,663	-	1,432,663
Participation in investment pools	5,982	8,424	8,822	23,228	-	23,228
Loans and deposits with credit institutions	102,483	24,864	12,796	140,143	-	140,143
Overseas deposits	68,870	69,683	2,890	141,443	-	141,443
Derivatives	72	-	1,282	1,354	-	1,354
Other investments	-	-	27	27	-	27
Financial assets classified as held for sale	-	-	-	-	-	-
	707,616	780,130	483,159	1,970,905	-	1,970,905
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative liabilities	130	-	1,885	2,015	-	2,015
Financial liabilities classified as held for sale	-	-	-	-	-	-
	130	-	1,885	2,015	-	2,015

Other financial investments – Group – Corporate

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2016						
Financial assets						
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
	-	-	-	-	-	-

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

7. Financial Instruments and Financial Risk Management (continued)

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

Other financial investments – Group - Corporate (continued)

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2015						
Financial assets						
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
	-	-	-	-	-	-

Other financial investments – Parent

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2016						
Financial assets						
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Other investments	-	-	-	-	424,541	424,541
	-	-	-	-	424,541	424,541

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2015						
Financial assets						
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Other investments	-	-	-	-	424,541	424,541
	-	-	-	-	424,541	424,541

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management

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

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

- Credit risk;
- Liquidity risk;
- Interest rate risk;
- Equity price risk; and
- Foreign exchange risk

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

Credit risk

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

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

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

The tables below show the credit quality of financial assets that are neither past due nor impaired.

Syndicate participation	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
2016						
Shares and other variable yield securities and units in unit trusts	75,545	15,209	43,262	21,828	146,213	302,057
Debt securities and other fixed income securities	366,756	476,928	462,633	141,779	20,915	1,469,011
Participation in investment pools	12,280	13,941	3,701	386	9,592	39,900
Loans secured with credit institutions	313	4,507	-	-	405	5,225
Deposits with credit institutions	-	762	3,637	-	9,258	13,657
Overseas deposits	88,194	44,414	11,044	17,310	19,878	180,840
Derivative investments	-	283	1,063	175	3,539	5,060
Other investments	-	-	-	-	16	16
Deposits with ceding undertakings	-	-	-	-	179	179
Reinsurers share of claims outstanding	12,258	133,999	337,758	7,955	20,550	512,520
Reinsurance debtors	5,704	11,839	12,341	1,436	1,955	33,275
Cash at bank and in hand	187	17,448	58,278	25,612	26	101,551
Insurance debtors	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
	561,237	719,330	933,717	216,481	232,526	2,663,291

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

Group – Syndicate participation

	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
2015						
Shares and other variable yield securities and units in unit trusts	62,807	14,461	35,445	19,112	100,221	232,046
Debt securities and other fixed income securities	375,948	463,116	418,800	160,165	14,636	1,432,665
Participation in investment pools	7,677	3,419	1,069	131	10,933	23,229
Loans secured with credit institutions	192	76	45	-	-	313
Deposits with credit institutions	-	272	1,788	-	-	2,060
Overseas deposits	83,020	29,801	20,022	8,296	193	141,332
Derivative investments	33	-	10	24	1,288	1,355
Other investments	-	-	-	-	27	27
Deposits with ceding undertakings	-	-	-	-	151	151
Reinsurers share of claims outstanding	11,066	123,552	220,819	3,329	13,212	371,978
Reinsurance debtors	1,735	298,593	40,124	516	337	341,305
Cash at bank and in hand	28,772	2,139	31,148	9,868	-	71,927
Insurance debtors	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
	571,250	935,429	769,270	201,441	140,998	2,618,388

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

	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
2016						
Shares and other variable yield securities and units in unit trusts	302,057	-	-	-	-	302,057
Debt securities and other fixed income securities	1,469,011	-	-	-	-	1,469,011
Participation in investment pools	39,900	-	-	-	-	39,900
Loans secured with credit institutions	5,225	-	-	-	-	5,225
Deposits with credit institutions	13,657	-	-	-	-	13,657
Overseas deposits	180,840	-	-	-	-	180,840
Derivative investments	5,060	-	-	-	-	5,060
Other investments	16	-	-	-	-	16
Deposits with ceding undertakings	179	-	-	-	-	179
Reinsurers share of claims outstanding	512,520	-	-	-	-	512,520
Reinsurance debtors	24,629	6,762	220	967	697	33,275
Cash at bank and in hand	101,551	-	-	-	-	101,551
Insurance debtors	352,336	21,855	6,768	14,757	(297)	395,419
Other debtors	1,083,292	858	89	240	-	1,084,479
	4,090,273	29,475	7,077	15,964	400	4,143,189

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Notes to the Financial Statements For the year ended 31 December 2016

7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

Group - Syndicate participation

	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
2015						
Shares and other variable yield securities and units in unit trusts	232,047	-	-	-	-	232,047
Debt securities and other fixed income securities	1,432,664	-	-	-	-	1,432,664
Participation in investment pools	23,228	-	-	-	-	23,228
Loans secured with credit institutions	314	-	-	-	-	314
Deposits with credit institutions	2,060	-	-	-	-	2,060
Overseas deposits	141,332	-	-	-	-	141,332
Derivative investments	1,354	-	-	-	-	1,354
Other investments	27	-	-	-	-	27
Deposits with ceding undertakings	151	-	-	-	-	151
Reinsurers share of claims outstanding	371,978	1,644	3	1	(475)	373,151
Reinsurance debtors	341,305	59,248	1,489	713	469	403,224
Cash at bank and in hand	71,927	-	-	-	-	71,927
Insurance debtors	382,560	22,234	5,189	5,968	(297)	415,654
Other debtors	114,870	-	-	155	-	115,025
	3,115,817	83,126	6,681	6,837	(303)	3,212,158

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

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Notes to the Financial Statements For the year ended 31 December 2016

7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

Liquidity risk

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

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

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

Group - Syndicate participation

	No stated maturity £	Less than 1 year £	1 to 3 years £	3 to 5 years £	Greater than 5 years £	Total £
2016						
Derivative financial instruments	-	1,717	-	-	-	1,717
Deposits received from reinsurers	-	5,086	2,413	219	5	7,723
Provision for other risks and charges	-	-	-	-	-	-
Claims outstanding	-	818,494	964,662	391,735	366,430	2,541,321
Creditors	46,617	305,065	92,210	9,318	1,468	454,678
Other	-	-	-	-	-	-
	46,617	1,130,362	1,059,285	401,272	367,903	3,005,439
2015						
Derivative financial instruments	-	2,078	67	-	-	2,145
Deposits received from reinsurers	-	3,389	-	-	-	3,389
Provision for other risks and charges	-	-	-	-	-	-
Claims outstanding	-	672,025	781,678	366,508	354,921	2,175,132
Creditors	32,648	252,338	77,807	2,793	-	365,586
Other	1,068	-	-	-	-	1,068
	33,716	929,830	859,552	369,301	354,921	2,547,320

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

Interest rate risk

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

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

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

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

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

Interest rate risk (continued)

Group - Syndicate participation

	2016 £	2015 £
Impact of 50 basis point increase on profit or loss	(17,558)	(10,585)
Impact of 50 basis point decrease on profit or loss	17,093	10,001
Impact of 50 basis point increase on equity	(17,558)	(10,901)
Impact of 50 basis point decrease on equity	17,093	10,322

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

Equity price risk

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

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

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

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

Group - Syndicate participation

	2016 £	2015 £
Impact on profit or loss of 5% increase in Stock Market Prices	3,523	1,587
Impact on profit or loss of 5% decrease in Stock Market Prices	(3,519)	(1,596)
Impact on equity of 5% increase in Stock Market Prices	3,523	1,587
Impact on equity of 5% decrease in Stock Market Prices	(3,519)	(1,596)

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

Currency risk

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

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

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

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Notes to the Financial Statements For the year ended 31 December 2016

7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

Currency risk (continued)

Net assets and liabilities – Group

	2016		2015	
	Syndicate Participation £	Corporate £	Syndicate Participation £	Corporate £
Sterling	(457,797)	(677,781)	(168,652)	(673,185)
United States Dollar	283,907	270,269	279,036	126,788
Euro	89,408	-	23,620	-
Canadian Dollar	244,670	-	101,065	-
Australian Dollar	39,345	-	8,349	-
Japanese Yen	(4,044)	-	(3,020)	-
Other	4,127	-	(5,811)	-

Net assets and liabilities – Parent

	2016 £	2015 £
Sterling	31,097	122,101
United States Dollar	270,269	126,788
Euro	-	-
Canadian Dollar	-	-
Australian Dollar	-	-
Japanese Yen	-	-
Other	-	-

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

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

	Group - Corporate Profit and loss			
	31 December 2016		31 December 2015	
Effect of sterling exchange movement by 10%	Increase £	Decrease £	Increase £	Decrease £
United States Dollar	24,570	(30,030)	11,526	(14,088)
Euro	-	-	-	-
Canadian Dollar	-	-	-	-
Australian Dollar	-	-	-	-
Japanese Yen	-	-	-	-
Other	-	-	-	-
Total	24,570	(30,030)	11,526	(14,088)

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Notes to the Financial Statements For the year ended 31 December 2016

7. Financial Instruments and Financial Risk Management (continued)

7.7 Financial Risk Management (continued)

Currency risk (continued)

	Parent - Profit and loss			
	31 December 2016		31 December 2015	
	Increase	Decrease	Increase	Decrease
	£	£	£	£
Effect of sterling exchange movement by 10%				
United States Dollar	24,570	(30,030)	11,526	(14,088)
Euro	-	-	-	-
Canadian Dollar	-	-	-	-
Australian Dollar	-	-	-	-
Japanese Yen	-	-	-	-
Other	-	-	-	-
Total	24,570	(30,030)	11,526	(14,088)

7.8 Capital Management

Lloyd's capital setting process

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

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

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

Over and above this, Lloyd's applies a capital uplift to the member's capital requirement, the ECA. The purpose of this uplift, which is a Lloyd's not a Solvency II requirement, is to meet Lloyd's financial strength, licence and ratings objectives. The capital uplift applied for 2016 was 35% of the member's SCR "to ultimate".

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

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

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Notes to the Financial Statements For the year ended 31 December 2016

8. Insurance Contracts

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

	2016			2015		
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	2,182,169	373,151	1,809,018	2,221,791	428,813	1,792,978
Movements in the year	150,818	75,974	74,844	(44,297)	(58,674)	14,377
Exchange differences	208,334	63,395	144,939	4,675	3,012	1,663
At 31 December	2,541,321	512,520	2,028,801	2,182,169	373,151	1,809,018

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

	2016			2015		
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	714,283	99,180	615,103	652,662	69,120	583,542
Movements in the year	9,778	8,249	1,529	47,129	7,399	39,730
Exchange differences	98,250	16,508	81,742	14,492	22,661	(8,169)
At 31 December	822,311	123,937	698,374	714,283	99,180	615,103

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

	2016 £	2015 £
At 1 January	183,582	170,382
Movements in the year	2,060	15,754
Exchange differences	30,172	(2,554)
At 31 December	215,814	183,582

8.1 Risks arising from Insurance Contracts

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

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

9. Called-up Share Capital

Issued and fully paid

	At 1 January	Issued during the year	Redeemed during the year	At 31 December
Par value per share				
Ordinary £1 shares	100	-	-	100
Total	100	-	-	100

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

10. Profit and Loss Account

Group

	Syndicate Participation £	Corporate £	2016 Total £	Syndicate Participation £	Corporate £	2015 Total £
Retained profit/(loss) brought forward	280,066	(350,362)	(70,296)	292,155	(408,342)	(116,187)
Reallocate distribution	(214,115)	214,115	-	(189,535)	189,535	-
Profit/(loss) for the financial year	139,595	(172,101)	(32,506)	177,446	(131,555)	45,891
Distribution to minority interest	-	-	-	-	-	-
Equity dividend	-	-	-	-	-	-
Retained profit/(loss) carried forward	205,546	(308,348)	(102,802)	280,066	(350,362)	(70,296)

Parent

	2016 £	2015 £
Retained profit/(loss) brought forward	248,789	(13,207)
Profit/(loss) for the financial year	52,477	261,996
Retained profit/(loss) carried forward	301,266	248,789

Geogil Limited

Notes to the Financial Statements For the year ended 31 December 2016

11. Deferred Tax

Group					2016
	Syndicate Results £	Tax losses £	Claims Equalisation Reserve £	Other £	Total £
At 1 January	55,548	-	-	81,196	136,744
Movement in the year	(15,948)	-	35,840	(20,876)	(984)
At 31 December	39,600	-	35,840	60,320	135,760

Group					2015
	Syndicate Results £	Tax losses £	Claims Equalisation Reserve £	Other £	Total £
At 1 January	59,212	(864)	-	-	58,348
Movement in the year	(3,664)	864	-	81,196	78,396
At 31 December	55,548	-	-	81,196	136,744

The unused tax losses carried forward at the Balance Sheet date are £Nil. Unused tax losses are expected to be recoverable against the future profits of the Group and have no expiry date.

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

12. Related Party Disclosure

During the year the Directors made loans to and from the Company. At the Balance Sheet date the amount due (to)/from the Company was £497,476 (2015: £62,011).

During the year, the company made loans to/(from) Betram Underwriting Partners LLP of £25,984. At the balance sheet date the amount due to/(from) the company was £10,513 (2015: £(15,471)).

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

13. Ultimate Controlling Party

The Company is controlled by Mrs C M-M Bertram who holds 100% of the issued £100 ordinary share capital.