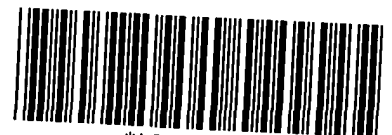


**R&Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT  
SPECIALTY MANAGING AGENCY LIMITED)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

FRIDAY



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<b>R&amp;Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)</b>
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**COMPANY INFORMATION**

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<b>Directors</b>	Kenneth Edward Randall (appointed 29 March 2018) Mark Andrew Langridge (appointed 29 March 2018)
<b>Company secretary</b>	R&Q Central Services Limited
<b>Registered number</b>	08576587
<b>Registered office</b>	71 Fenchurch Street London England EC3M 4BS
<b>Independent auditors</b>	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD

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<b>R&amp;Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)</b>
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<b>R&amp;Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)</b>
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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **Introduction**

The Company is limited by shares and incorporated in England and Wales under the Companies Act 2006. The Company is domiciled in the UK and its registered office is shown on page 11. During the year the Company was a wholly owned subsidiary of ProSight Specialty European Holdings Limited ("PSEHL") incorporated in Bermuda.

During the year the principal activity of the Company was that of a Lloyd's managing agency. The Company was the managing agent of Syndicate 1110 (the syndicate) from the 5 March 2015 to 30 October 2017. The Syndicate was put into run-off on 8 June 2017.

On 26 October 2017 ProSight Specialty Insurance ("ProSight") reached agreement with Randall and Quilter Investment Holdings Ltd. ("R&Q") to novate the management of Syndicate 1110 ("S1110") to Coverys Managing Agency Limited ("CMAL"), formerly known as R&Q Managing Agency Limited; with day to day claims handling on non-US business outsourced to R&Q Central Services Limited ("RQCS").

It was also agreed that R&Q would acquire ProSight Specialty Underwriters Limited ("PSUL") and ProSight Specialty Managing Agency Limited ("PSMAL"), for a consideration equal to the tangible net asset value of the two Companies, approximately £0.3m, to be satisfied in cash.

Following regulatory approval, R&Q acquired PSMAL on 29 March 2018 and the Company was renamed R&Q Munro MA Limited ("RQMAL").

### **Business review**

The Company was de-authorised following the novation of the management of Syndicate 1110 to CMAL in November 2017.

### **Principal risks and uncertainties**

The Company's principal risks related to its insurance and business activities as managing agent of Syndicate 1110, which gave rise to a variety of financial and non-financial risks. Ultimately, these shaped the risk management strategy of the Company and were integral to the capital and value management cycle of the organisation.

During the year the Company was responsible for managing the Syndicate in accordance with Lloyd's, Financial Conduct Authority ("FCA") and Prudential Regulation Authority ("PRA") regulations and in accordance with best practice. Failure to comply would have resulted in the Company's authority to manage the Syndicate being taken away by Lloyd's or the PRA.

Minimal risk and uncertainty remains following the novation of the management of Syndicate 1110 to CMAL.

### **Financial key performance indicators**

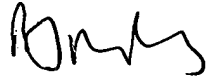
Turnover comprises managing agency fees charged to the Syndicate.

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Turnover	588,031	1,162,083
(Loss)/Profit before Tax	(953,605)	630,224
(Loss)/Profit after Tax	(953,605)	690,296
Equity Shareholders Funds	603,321	1,556,926

**R&Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

This report was approved by the board on 27 September 2018 and signed on its behalf.

 Secretary

.....  
R&Q Central Services Limited  
Secretary

in  
behalf  
of

<b>R&amp;Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)</b>
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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Directors present their report and the Financial Statements for the year ended 31 December 2017.

**Directors' responsibilities statement**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these Financial Statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Results and dividends**

The loss for the year, after taxation, amounted to £953,605 (2016 - profit £690,296).

The Directors do not recommend the payment of a dividend.

**Directors**

The Directors who served during the year were:

Bruce William Schnitzer (appointed 5 February 2016, resigned 29 March 2018)  
Marcus James Bale (appointed 26 November 2015, resigned 7 June 2017)  
Joseph John Beneducci (appointed 19 June 2013, resigned 29 March 2018)  
Michael Graham Furgueson (appointed 27 January 2016, resigned 6 September 2017)  
Mary Edith Lancaster Goddard (appointed 11 December 2014, resigned 7 June 2017)  
Peter John Goddard (appointed 19 June 2013, resigned 15 October 2017)  
Philip James Green (appointed 4 October 2016, resigned 7 June 2017)  
Mark James Hewett (appointed 19 June 2013, resigned 7 June 2017)  
Vivek Syal (appointed 1 June 2016, resigned 7 June 2017)

The numerous Director changes are as a result of the acquisition of the Company by R&Q.

**R&Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**Future developments**

Following the novation of the management of Syndicate 1110 and the deauthorisation of the Company, it is expected that the Company will be struck off in the foreseeable future.

**Disclosure of information to auditors**

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

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

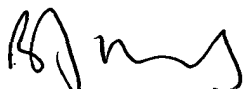
**Auditors**

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

**Small companies note**

In preparing this report, the Directors have taken advantage of the small Companies exemptions provided by section 415A of the Companies Act 2006.

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



.....  
Beverley Murphy  
For and on behalf of R&Q Central Services Limited  
Secretary

Date: 27 September 2018

<b>R&amp;Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)</b>
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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF R&Q MUNRO MA LIMITED  
(FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)**

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**Opinion**

We have audited the Financial Statements of R&Q Munro MA Limited (Formerly known as Prosight Specialty Managing Agency Limited) for the year ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Company's affairs as at 31 December 2017 and of its 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.

**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 Auditors' responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter**

We draw attention to Note 2.3 to the financial statements which explains that the directors intend to strike off the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 2.3. Our opinion is not modified in this respect of this matter.

**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 Auditors' 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.



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<b>R&amp;Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)</b>
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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF R&Q MUNRO MA LIMITED  
(FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED) (CONTINUED)**

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We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the 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.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the Small Companies exemptions in preparing the Directors' Report.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 3, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**R&Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF R&Q MUNRO MA LIMITED  
(FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED) (CONTINUED)**

**Auditors' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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



Ian Cowan (Senior Statutory Auditor)

for and on behalf of  
**PKF Littlejohn LLP**

Statutory Auditor

1 Westferry Circus  
Canary Wharf  
London

E14 4HD

Date: 28 September 2018

<p><b>R&amp;Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)</b></p>
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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
Turnover	4	588,031	1,162,083
<b>Gross profit</b>		<u>588,031</u>	<u>1,162,083</u>
Administrative expenses		(1,541,650)	(533,893)
Other operating income		-	2,034
<b>Operating (loss)/profit</b>		<u>(953,619)</u>	<u>630,224</u>
Interest receivable and similar income	7	14	-
<b>(Loss)/profit before tax</b>		<u>(953,605)</u>	<u>630,224</u>
Tax on (loss)/profit		-	60,072
<b>(Loss)/profit for the financial year</b>		<u><u>(953,605)</u></u>	<u><u>690,296</u></u>
 <b>Total comprehensive income for the year</b>		 <u><u>(953,605)</u></u>	 <u><u>690,296</u></u>

The notes on pages 12 to 19 form part of these Financial Statements.

**R&Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)**  
**REGISTERED NUMBER: 08576587**

**BALANCE SHEET  
AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	541,288	4,180
Cash at bank and in hand	10	65,841	1,803,605
		<u>607,129</u>	<u>1,807,785</u>
Creditors: amounts falling due within one year	11	(3,808)	(250,859)
<b>Net current assets</b>		<u>603,321</u>	<u>1,556,926</u>
<b>Total assets less current liabilities</b>		<u>603,321</u>	<u>1,556,926</u>
<b>Net assets</b>		<u><u>603,321</u></u>	<u><u>1,556,926</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	630,001	630,001
Profit and loss account		(26,680)	926,925
		<u>603,321</u>	<u>1,556,926</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2018.



.....  
**Kenneth Edward Randall**  
Director

The notes on pages 12 to 19 form part of these financial statements.

<b>R&amp;Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)</b>
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	630,001	926,925	1,556,926
<b>Comprehensive income for the year</b>			
Loss for the year	-	(953,605)	(953,605)
<b>Total comprehensive income for the year</b>	-	(953,605)	(953,605)
<b>At 31 December 2017</b>	<b>630,001</b>	<b>(26,680)</b>	<b>603,321</b>

The notes on pages 12 to 19 form part of these financial statements.

<b>R&amp;Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)</b>
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	630,001	236,629	866,630
<b>Comprehensive income for the year</b>			
Profit for the year	-	690,296	690,296
<b>Total comprehensive income for the year</b>	-	690,296	690,296
<b>At 31 December 2016</b>	<b>630,001</b>	<b>926,925</b>	<b>1,556,926</b>

The notes on pages 12 to 19 form part of these financial statements.

<b>R&amp;Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. General information**

The Company's principal activity during the accounting period was that of a Lloyd's managing agent and it had been the managing agent of Syndicate 1110 since 5 March 2015.

The Company was acquired by R&Q on 29 March 2018 and has been de-authorised. The management of Syndicate 1110 was novated to Coverys Managing Agency Limited on 26 October 2017.

The Company is a private Company limited by shares and is incorporated and domiciled in England. The address of its registered office is 71 Fenchurch Street, London, EC3M 4BS.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of ProSight Specialty European Holdings Limited as at 31 December 2017 and these financial statements may be obtained from Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**2. Accounting policies (continued)**

**2.3 Going concern**

The Directors have assessed the position of the Company and it is expected to be able to meet its own liabilities as they fall due. Notwithstanding this, the Directors intend to wind up the Company and therefore the Company is not a going concern. This has no effect on the amounts reported in the Financial Statements.

**2.4 Turnover**

Turnover represents managing agency fee income from Syndicate 1110.

**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.6 Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

**2.7 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

**2.8 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.



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<b>R&amp;Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)**

**2.9 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.10 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

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

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

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

**(b) Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**(i) Recoverability of debtors**

The Company makes an estimate of the recoverable value of trade and other debtors, including amounts owed by Group undertakings. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

<b>R&amp;Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Managing agency fees	588,031	1,162,083
	<u>588,031</u>	<u>1,162,083</u>

All turnover arose within the United Kingdom.

**5. Auditors' remuneration**

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	5,000	23,500
	<u>5,000</u>	<u>23,500</u>

PKF Littlejohn LLP were appointed auditors for the year end 31 December 2017. The fees for 2016 were paid to Ernst & Young LLP.

**6. Directors' remuneration**

The following amounts in respect of Directors' emoluments were recharged to the Company by R&Q Munro Services Company Limited.

	2017 £	2016 £
Directors' emoluments	-	58,891
Directors pension costs - defined contrib'n sch.	-	1,516
	<u>-</u>	<u>60,407</u>

The highest paid Director received remuneration of £NIL (2016 - £13,964).

<b>R&amp;Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**7. Interest receivable**

	2017 £	2016 £
Other interest receivable	14	-
	<u>14</u>	<u>-</u>

**8. Taxation**

	2017 £	2016 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	-	(60,072)
<b>Total current tax</b>	<u>-</u>	<u>(60,072)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2016 - *lower than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
(Loss)/Profit on ordinary activities before tax	<u>(953,605)</u>	<u>630,224</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	<u>(183,536)</u>	<u>126,045</u>
<b>Effects of:</b>		
Adjustments to tax charge in respect of prior periods	-	(60,072)
Tax losses and other deductions arising in the period carried forward	183,536	-
Non payment for losses surrendered as group relief	-	(126,045)
<b>Total tax charge for the year</b>	<u>-</u>	<u>(60,072)</u>

The Directors estimate that tax losses of approximately £954,000 (2016 - £Nil) are available to be carried forward to be set against future taxable profits of the Company. No deferred tax asset has been recognised in respect of these tax losses due to the uncertainty of future profits.

**R&Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**9. Debtors**

	2017 £	2016 £
Amounts owed by group undertakings	541,288	4,180
	<u>541,288</u>	<u>4,180</u>

On 29 March 2018 the Company agreed to subordinate the loan amounting to £540,000 to R&Q Munro Services Company Limited.

**10. Cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	65,841	1,803,605
	<u>65,841</u>	<u>1,803,605</u>

**11. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Amounts owed to group undertakings	-	163,624
Accruals and deferred income	3,808	88,032
Corporation tax	-	(797)
	<u>3,808</u>	<u>250,859</u>

**12. Share capital**

	2017 £	2016 £
Allotted, called up and fully paid		
630,001 Ordinary shares of £1 each	630,001	630,001
	<u>630,001</u>	<u>630,001</u>

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

<b>R&amp;Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**13. Reserves**

**Profit and loss account**

The profit and loss account represents accumulated profits and losses.

**14. Related party transactions**

The Company has taken advantage of the exemption in Section 33 of FRS 102 - Related Party Disclosures available to subsidiaries which are 100% controlled by Prosight Global Holdings Limited not to disclose transactions with other group Companies and investees of the group qualifying as related parties.

ProSight Speciality Underwriters Limited provided underwriting, administrative, accounting, human resource and information technology services to the Company. These services are provided on a non-profit making basis by way of intra-group cross charges and direct salary charges.

**15. Post balance sheet events**

R&Q acquired PSMAL on 29 March 2018 and the Company was renamed R&Q Munro MA Limited.

Following the novation of the management of Syndicate 1110 to Coverys Managing Agency Limited in October 2017 the Company was de-authorised on 9 February 2018.

**R&Q MUNRO MA LIMITED (FORMERLY KNOWN AS PROSIGHT SPECIALTY MANAGING AGENCY LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**16. Controlling party**

During the accounting period, the Company was a wholly owned subsidiary of ProSight Specialty European Holdings Limited (PSEHL), a Company registered in Bermuda. PSEHL owned 100% of the voting and economic rights of the Company.

The Company's ultimate parent was ProSight Global Holdings Limited, a Company incorporated in Bermuda.

Financial Statements for the parent Companies can be obtained from their Registered Addresses:

ProSight Specialty European Holdings Limited  
Clarendon House  
2 Church Street  
Hamilton  
HM11  
Bermuda

ProSight Global Holdings Limited  
Clarendon House  
2 Church Street  
Hamilton  
HM11  
Bermuda

R&Q acquired PSMAL on 29 March 2018 and the Company was renamed R&Q Munro MA Limited.

Following the acquisition, the Company's parent undertaking is Randall & Quilter Underwriting Management Holdings Limited, a Company registered in England and Wales.

Group Financial Statements are prepared by the ultimate parent undertaking, Randall & Quilter Investment Holdings Ltd., a Company registered in Bermuda, and can be obtained from 71 Fenchurch Street, London, EC3M 4BS.