

Company registration number: 10311381

**Nameco (No. 1300) Limited**

**Annual Report and Financial Statements**  
**31 December 2016**

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# **Nameco (No. 1300) Limited**

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# **Nameco (No. 1300) Limited**

## **Company Information**

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### **Directors**

Jeremy Richard Holt Evans (appointed 4 August 2016)  
Nomina Plc (appointed 4 August 2016)  
Dominic James Haviland Slade (appointed 1 January 2017)

### **Company Secretary**

Hampden Legal Plc

### **Registered Office**

5th Floor, 40 Gracechurch Street  
London  
EC3V 0BT

### **Auditors**

PKF Littlejohn LLP  
*Statutory Auditor*  
1 Westferry Circus  
Canary Wharf  
London  
E14 4HD

# **Nameco (No. 1300) Limited**

## **Report of the Directors**

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The Directors present their first Report together with the audited Financial Statements of the Company for the period from the date of incorporation to 31 December 2016. The Company was incorporated on 04 August 2016.

### **Principal activities**

The principal activity of the Company is that of a Lloyd's corporate capital member, commencing underwriting with effect from 1 January 2017.

### **Results and dividends**

The results for the period are set out on page 7 of the Financial Statements. No dividends were paid in the period.

### **Directors**

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

Jeremy Richard Holt Evans (appointed 4 August 2016)  
Nomina Plc (appointed 4 August 2016)

### **Directors' Responsibilities Statement**

The Directors are responsible for preparing the Report of the Directors, the Strategic Report and the Financial Statements in accordance with applicable laws 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 Accounting Standards and applicable law (UK and Generally Accepted Accounting Practice). 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 those 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 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.

**Nameco (No. 1300) Limited**  
**Report of the Directors (continued)**

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**Auditor**

During the period PKF Littlejohn LLP were appointed as auditor to the Company.

- i. PKF Littlejohn LLP has signified its willingness to continue in office as auditor.
- ii. Disclosure of information to the Auditor:

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

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board of Directors on 9 August 2017 and signed on its behalf by.



Hampden Legal Plc  
Secretary

# **Nameco (No. 1300) Limited**

## **Strategic Report**

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The Directors present their first Strategic Report for the period from the date of incorporation to 31 December 2016.

### **Business review and future developments**

The Company did not trade in its capacity as a corporate capital member during the period. The 2017 year of account will be the first year of account on which the Company will participate on syndicates. The 2017 open underwriting account will normally close at 31 December 2019.

### **Key performance indicators**

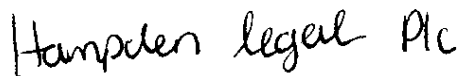
The Directors will be monitoring the performance of the Company by reference to key performance indicators such as the Company's purchased syndicate capacity, gross written premium as a percentage of capacity, the underwriting profit of the latest closed year as a percentage of capacity and the run-off years of account movement.

During the current period ended 31 December 2015, the Company's cost of purchased capacity amounted to £181,720 (Note 8)

### **Impact of Brexit vote**

Following the referendum vote for the United Kingdom to leave the EU, Lloyd's has been working together with market members to prepare for changes that are likely to arise as a result of leaving the EU. Lloyd's have noted that, although only around 11% of the market's gross written premiums arise from the EU excluding the UK, they are making preparations to maintain access to the insurance market in the EU. At this time the details of future trading with the EU in general and the impact on the Lloyd's market cannot be known, although these uncertainties, together with related economic factors including exchange rates and investment values, may have an impact on results for several years. The Directors are monitoring the Lloyd's market's preparations along with general market conditions to identify if it is appropriate to make any changes to the current strategy of the Company.

Approved by the Board of Directors on 9 August 2017 and signed on its behalf by:



Hampden Legal Plc  
Secretary

# **Nameco (No. 1300) Limited**

## **Independent Auditor's Report**

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### **Independent Auditor's report to the Members of Nameco (No. 1300) Limited**

We have audited the Financial Statements of Nameco (No. 1300) Limited for the period ended 31 December 2016 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Shareholders' Equity, the Statement of Cash Flows 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".

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.

### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements, sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on Financial Statements**

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its result for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

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

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

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.



**Carmine Papa (Senior statutory auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory auditor**  
9 August 2017

1 Westferry Circus  
Canary Wharf  
London  
E14 4HD

**Nameco (No. 1300) Limited**  
**Profit and Loss Account**  
**Non - Technical Account**  
**for the period ended 31 December 2016**

	Note	2016 £
Investment income	5	138
Unrealised gains on investments	5	-
Investment expenses and charges	5	-
Unrealised losses on investments	5	-
Other income		-
Other charges		(10,270)
<b>Profit/(loss) before taxation</b>	6	(10,132)
Tax on profit/(loss)	7	25
<b>Profit/(loss) for the financial period</b>		(10,107)

**Statement of Comprehensive Income**

	2016 £
<b>Profit/(loss) for the financial period</b>	(10,107)
Other comprehensive income:	
Currency translation differences	-
Tax on other comprehensive income	-
<b>Other comprehensive income for the period, net of tax</b>	-
<b>Total comprehensive income for the financial period</b>	(10,107)

All amounts relate to continuing operations.

The Notes are an integral part of these Financial Statements.



# Nameco (No. 1300) Limited

## Balance Sheet as at 31 December 2016

31 December 2016				
	Note	Syndicate participation £	Corporate £	Total £
<b>Assets</b>				
<b>Intangible assets</b>	8	-	181,720	181,720
<b>Investments</b>				
Financial investments	9	-	-	-
		-	-	-
<b>Debtors</b>				
Other debtors	10	-	653,253	653,253
		-	653,253	653,253
<b>Other assets</b>				
Cash at bank and in hand		-	160	160
Other		-	-	-
		-	160	160
<b>Prepayments and accrued income</b>				
Accrued interest		-	-	-
Other prepayments and accrued income		-	-	-
		-	-	-
<b>Total assets</b>		-	835,133	835,133

The Notes are an integral part of these Financial Statements.

# Nameco (No. 1300) Limited

## Balance Sheet as at 31 December 2016

31 December 2016				
	Note	Syndicate participation £	Corporate £	Total £
<b>Liabilities and shareholders' funds</b>				
<b>Capital and reserves</b>				
Called up share capital	11	-	100	100
Share premium account		-	-	-
Profit and loss account		-	(10,107)	(10,107)
<b>Shareholders' funds</b>		-	(10,007)	(10,007)
<b>Provisions for other risks and charges</b>				
Deferred taxation	12	-	-	-
Other		-	-	-
		-	-	-
<b>Creditors</b>				
Other creditors including taxation and social security	13	-	845,140	845,140
		-	845,140	845,140
<b>Accruals and deferred income</b>		-	-	-
<b>Total liabilities</b>		-	845,140	845,140
<b>Total liabilities and shareholders' funds</b>		-	835,133	835,133

The Financial Statements were approved and authorized for issue by the Board of Directors on 9 August 2017 and signed on its behalf by:



Jeremy Richard Holt Evans  
Director

Company registration number: 10311381

The Notes are an integral part of these Financial Statements.

# Nameco (No. 1300) Limited

## Statement of Changes in Shareholders' Equity for the period ended 31 December 2016

	Note	Called up share capital £	Share premium account £	Profit and loss account £	Total £
On date of incorporation		-	-	-	-
<b>Total comprehensive income for the period:</b>					
Profit/(loss) for the financial period		-	-	(10,107)	(10,107)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	(10,107)	(10,107)
<b>Transactions with owners:</b>					
Dividends paid		-	-	-	-
Proceeds from issue of shares	11	100	-	-	100
Total transactions with owners		100	-	-	100
<b>At 31 December 2016</b>		<b>100</b>	<b>-</b>	<b>(10,107)</b>	<b>(10,007)</b>

The Notes are an integral part of these Financial Statements.

# Nameco (No. 1300) Limited

## Statement of Cash Flows for the period ended 31 December 2016

	2016 £
<b>Cash flows from operating activities</b>	
Profit/(loss) before tax	(10,132)
Adjustments for:	
(Increase)/decrease in debtors	(653,228)
Increase/(decrease) in creditors	845,140
(Profit)/loss on disposal of intangible assets	-
Amortisation of syndicate capacity	-
Investment income	(138)
Realised/unrealised (gains)/losses on investments	-
Income tax paid	-
<b>Net cash inflow/(outflow) from operating activities</b>	<u>181,642</u>
<b>Cash flows from investing activities</b>	
Investment income	138
Purchase of syndicate capacity	(181,720)
Proceeds from sale of syndicate capacity	-
Purchase of investments	-
Proceeds from sale of investments	-
<b>Net cash inflow/(outflow) from investing activities</b>	<u>(181,582)</u>
<b>Cash flows from financing activities</b>	
Equity dividends paid	-
Issue of shares	100
<b>Net cash inflow/(outflow) from financing activities</b>	<u>100</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>160</u>
Cash and cash equivalents at beginning of period	-
Effect of exchange rate changes on cash and cash equivalents	-
<b>Cash and cash equivalents at end of period</b>	<u>160</u>
<b>Cash and cash equivalents comprise:</b>	
Cash at bank and in hand	160
Other financial investments	-
<b>Cash and cash equivalents</b>	<u>160</u>

The Notes are an integral part of these Financial Statements.

# **Nameco (No. 1300) Limited**

## **Notes to the Financial Statements for the period ended 31 December 2016**

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### **1. General information**

The Company is a private company limited by shares that was incorporated in England and whose registered office is 40 Gracechurch Street, London, EC3V 0BT. The Company participates in insurance business as an underwriting member of various syndicates at Lloyd's.

The Company will commence underwriting with effect from 1 January 2017.

### **2. Accounting policies**

#### **Basis of preparation**

These Financial Statements have been prepared in accordance with United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts", the Companies Act 2006 and Schedule 3 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations, relating to insurance.

#### **Going concern**

This is the first accounting period of the Company since its incorporation. The Company participates as an underwriting member of Lloyd's. Its underwriting is supported by Funds at Lloyd's, either made available by the Company directly or by its members. The Company will commence underwriting with effect from 1 January 2017 and the Directors are of the opinion that the Company has adequate resources to meet its underwriting and other operational obligations for the foreseeable future. Accordingly, the going concern concept has been adopted in the preparation of the Financial Statements.

#### **Basis of accounting**

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

The following accounting policies have been adopted:

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

The presentation and functional currency of the Company is Pound Sterling, which is the currency of the primary economic environment in which it operates.

Income and expenditure in foreign currencies is translated to Pound Sterling at the average rate of exchange for the period.

Monetary assets and liabilities in foreign currencies are translated into Pound Sterling at the rates of exchange at the Balance Sheet date.

Any non-monetary items are translated into the functional currency using the rate of exchange prevailing at the time of the transaction.

Differences arising on translation to the functional currency are reported within the Profit and Loss Account.

#### **Investment return**

Investment return comprises all investment income, realised investment gains and losses, movements in unrealised gains and losses, net of investment expenses and charges.

Realised and unrealised gains and losses are measured by reference to the original cost of the investment if purchased in the year, or if held at the beginning of the year by reference to the fair value at that date.

#### **Taxation**

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

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

# **Nameco (No. 1300) Limited**

## **Notes to the Financial Statements (continued) for the period ended 31 December 2016**

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### **2. Accounting policies (continued)**

#### **Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the Balance Sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise, based on current tax rates and law.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax assets and liabilities have not been discounted.

#### **Intangible assets**

Costs incurred by the Company in the Corporation of Lloyd's auctions in order to acquire rights to participate on syndicates' underwriting years are included within intangible assets and amortised over a five year period beginning in the year following the purchase of the syndicate participation.

The intangible assets are reviewed for impairment where there are indicators for impairment, and any impairment is charged to the Profit and Loss Account for the period.

#### **Financial assets and financial liabilities**

##### **Classification:**

The accounting classification of financial assets and liabilities determines their basis of measurement and how changes in those values are presented in the Profit and Loss Account and Other Comprehensive Income. These classifications are made at initial recognition and subsequent classification is only permitted in restricted circumstances.

The syndicates' investments comprise of debt and equity investments, derivatives, cash and cash equivalents and loans and receivables. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the syndicate after deducting all of its liabilities.

##### **Recognition:**

Financial assets and liabilities are recognised when the syndicate becomes party to the contractual provisions of the instrument. In respect of the purchases and sales of financial assets, they are recognised on the trade date.

##### **Initial measurement:**

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

##### **Subsequent measurement:**

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

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

Other debt instruments are measured at fair value through profit or loss.

##### **De-recognition of financial assets and liabilities:**

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

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

# **Nameco (No. 1300) Limited**

## **Notes to the Financial Statements (continued) for the period ended 31 December 2016**

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### **2. Accounting policies (continued)**

#### **Financial assets and financial liabilities (continued)**

Fair value measurement:

The best evidence of fair value is a quoted price for an identical asset or liability in an active market that the entity can access at the measurement date.

When quoted prices are unavailable, observable inputs developed using market data for the asset or liability, either directly or indirectly, are used to determine the fair value.

If the market for the asset is not active and there are no observable inputs, then the syndicate estimates the fair value by using unobservable inputs, i.e. where market data is unavailable

Impairment of financial instruments measured at amortised cost or cost:

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

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

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

Offsetting:

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

#### **Cash and cash equivalents and Statement of Cash Flows**

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

#### **Share capital**

Ordinary share capital is classified as equity. The difference between fair value of the consideration received and the nominal value of the share capital being issued, is taken to the share premium account. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of taxes, from the proceeds.

#### **Dividend distributions to shareholders**

Dividend distributions to the Company's shareholders are recognised in the Financial Statements in the period in which the dividends are approved by the shareholders. These amounts are recognised in the Statement of Changes in Shareholders' Equity

#### **Comparatives**

This is the first accounting period of the Company and hence no comparatives are presented herein

### **3. Key accounting judgements and estimation uncertainties**

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

# **Nameco (No. 1300) Limited**

## **Notes to the Financial Statements (continued) for the period ended 31 December 2016**

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### **3. Key accounting judgements and estimation uncertainties (continued)**

The key accounting judgements and sources of estimation uncertainty for the Company are set out below

#### **Purchased syndicate capacity:**

Estimating value in use:

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

Determining the useful life of purchased syndicate capacity:

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

#### **Assessing indicators of impairment:**

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

#### **Recoverability of receivables:**

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

### **4. Risk management**

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

#### **Risk background**

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

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

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

#### **Impact of Brexit vote.**

The Brexit vote will have an impact on various risk factors, including currency risks. The Lloyd's market is in the process of developing a strategy for dealing with Brexit and the Company will monitor these developments and identify whether it needs to modify its participation in the Lloyd's market.



# **Nameco (No. 1300) Limited**

## **Notes to the Financial Statements (continued) for the period ended 31 December 2016**

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### **4. Risk management (continued)**

#### **Syndicate risks**

The Company was not exposed to any syndicate risks during the current period as this is the Company's first accounting period since incorporation and the Company will commence underwriting with effect from 1 January 2017.

#### **Company risks**

##### **i. Investment, Credit and Liquidity risks**

The significant risks faced by the Company are with regard to the investment of the available funds within its own custody. The elements of these risks are investment risk, credit risk, interest rate risk and currency risk. The main liquidity risk would arise if a syndicate had inadequate liquid resources for a large claim and sought funds from the Company to meet the claim. In order to minimise investment, credit and liquidity risk the Company's funds are invested in readily realisable short term deposits. The Company does not use derivative instruments to manage risk and, as such, no hedge accounting is applied.

##### **ii. Currency risks**

The syndicates can distribute their results in Pound Sterling, US dollars or a combination of the two. The Company is exposed to movements in the US dollar between the Balance Sheet date and the distribution of the underwriting profits and losses, which is usually in the May following the closure of a year of account.

In addition, the Company is also subject to currency fluctuations in respect of any financial investments and Funds at Lloyd's shown in the Corporate column of the Balance Sheet and as set out in Notes 9 and 10 respectively.

##### **iii. Regulatory risks**

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

##### **iv. Operational risks**

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

# Nameco (No. 1300) Limited

## Notes to the Financial Statements (continued) for the period ended 31 December 2016

5. Investment return	2016 £
Investment income	-
Dividend income	-
Interest on cash at bank	138
Other interest and similar income	-
Realised gains on investments	-
<b>Investment income</b>	<b>138</b>
Investment management expenses	-
Realised losses on investments	-
<b>Investment expenses and charges</b>	<b>-</b>
Unrealised gains and losses, net	-
<b>Total investment return</b>	<b>138</b>

With the exception of interest on cash at bank, all other investment return is generated from financial investments held at fair value through profit or loss.

### 6. Profit/(loss) before taxation

The Company has not employed any staff during the current period.

The auditors, PKF Littlejohn LLP, charge a fixed fee to Nomina Plc for the provision of the audit of the Company, which equates to approximately £72. This fee has been borne by Nomina Plc and therefore not included in the Profit and Loss Account of this Company.

7. Taxation	2016 £
<b>Analysis of tax charge/(credit) in the period</b>	
Current tax:	
UK corporation tax on profit/(loss) of the period	-
Deferred tax:	
Origination and reversal of timing differences	(25)
Tax on profit/(loss)	(25)
<b>Factors affecting tax charge for period</b>	
The tax assessed for the year is different to the standard rate of corporation tax in the UK of 20.00%. The differences are explained below:	
Profit/(loss) before tax	(10,132)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 20.00%	(2,026)
Effects of:	
Permanent differenced	2,000
Other corporation tax computation adjustments	1
Tax charge/(credit) for the period	(25)

# Nameco (No. 1300) Limited

## Notes to the Financial Statements (continued) for the period ended 31 December 2016

<b>8. Intangible assets</b>	<b>2016</b>
<b>Purchased syndicate capacity</b>	<b>£</b>
<b>Cost</b>	
On incorporation	-
Additions	181,720
Disposals	-
At 31 December 2016	<u>181,720</u>
<b>Amortisation</b>	
On incorporation	-
Provided during the period	-
Disposals	-
At 31 December 2016	<u>-</u>
<b>Net book value</b>	
At 31 December 2016	<u>181,720</u>

## 9. Financial investments

The Company early adopted as of the date of incorporation the amendments of FRS 102 made in March 2016 and effective for accounting periods beginning on or after 1 January 2017, but which could be early adopted as of 1 January 2016.

The Company categorises its fair value measurement using the following three fair value hierarchy levels based on the reliability of inputs used in determining fair values as follows.

Level 1: The unadjusted quoted price in an active market for identical assets that an entity can access at the measurement date.

Level 2: Inputs other than quoted prices included in Level 1 that are observable (i.e. developed using market data) for the asset, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset.

### Financial investments - Corporate

	Financial investments held at fair value through profit or loss				Held at amortised cost	Total
	Level 1 £	Level 2 £	Level 3 £	Total £		
<b>2016</b>						
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
<b>Fair value</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
						<b>Total</b>
<b>Cost</b>				<u>-</u>	<u>-</u>	<u>-</u>

Included within the Corporate figures above are financial investments denominated in non-Sterling currency. The impact of a 5% change in exchange rates between GBP and other currencies would be £nil on shareholders' funds.

# Nameco (No. 1300) Limited

## Notes to the Financial Statements (continued) for the period ended 31 December 2016

### 10. Other debtors

	Syndicate participation £	Corporate £	2016 Total £
Amounts due from group undertakings	-	-	-
Proprietors' loan accounts	-	-	-
Funds at Lloyd's	-	653,228	653,228
Deferred tax asset (Note 12)	-	25	25
Other	-	-	-
	-	653,253	653,253

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

Where FAL is comprised of financial investments, to meet Lloyd's requirements these investments will usually be the equivalent of Level 1 as defined in Note 9. FAL are held mainly either in Sterling or US dollar denominations and therefore are potentially exposed to the currency risk of fluctuation between the Sterling and US dollar exchange rate. The maximum exposure to a 5% movement in the Sterling and USD exchange rate will be £32,661.

### 11. Share capital

	Issued	2016 Value £
Ordinary £1 shares	100	100

During the period the Company issued 100 Ordinary £1 shares.

### 12. Deferred taxation assets/(liabilities)

	2016 £
Opening balance	-
Profit and loss account (charge)/credit	25
Other comprehensive income (charge)/credit	-
Closing balance	25

The deferred tax balance consists of timing differences relating to the taxation of underwriting results. Deferred tax assets are shown within Other debtors (Note 10).

### 13. Other creditors including taxation and social security

	Syndicate participation £	Corporate £	2015 Total £
Corporation tax	-	-	-
Proprietors' loan accounts	-	845,140	845,140
Third party funds	-	-	-
Other creditors	-	-	-
Amount due to group undertakings	-	-	-
	-	845,140	845,140

# **Nameco (No. 1300) Limited**

## **Notes to the Financial Statements (continued) for the period ended 31 December 2016**

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### **14. Financial liabilities**

All financial liabilities are measured at amortised cost.

### **15. Related party transactions**

There are no related party transactions to disclose

### **16. Ultimate controlling party**

The Company is controlled by D J H Slade