
LIMITED LIABILITY PARTNERSHIP

Seven Underwriting LLP

Annual Report

◆ **For the year ended 31 December 2018** ◆



Registered Number: OC322512

Seven Underwriting LLP

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Seven Underwriting LLP

General Information

DESIGNATED MEMBERS

Argenta Continuity Limited
Argenta LLP Services Limited

MEMBERS' AGENT

(Regulated by the Financial Conduct Authority)
Argenta Private Capital Limited

AUDITORS

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

REGISTERED NUMBER

OC322512

REGISTERED OFFICE

5th Floor, 70 Gracechurch Street
London
EC3V 0XL

Seven Underwriting LLP

Strategic Report For the year ended 31 December 2018

The Members present their Strategic report for the year ended 31 December 2018.

Business Review

The Limited Liability Partnership ("the LLP") has ceased to write insurance business in the Lloyd's insurance market as a limited liability underwriting member of Lloyd's.

Results

The result for the year is shown in the profit and loss account.

Financial Risk Management Objectives and Policies

The Limited Liability Partnership is principally exposed to financial risk through its participation on Lloyd's Syndicates. However as the LLP has ceased to write insurance business there is no risk from the Syndicates. The Limited Liability Partnership is also directly exposed to credit risk, Market risk and Liquidity risk, but they are not considered material for the assessment of the assets, liabilities, financial position and profit or loss of the Limited Liability Partnership.

Hedge accounting is not used by the Limited Liability Partnership.

Approved by the Members on 21 June 2019 and signed on their behalf by:



D C BOWLES
ARGENTA LLP SERVICES LIMITED
Designated Member

Seven Underwriting LLP

Members' Report For the year ended 31 December 2018

The Members present their report together with the financial statements for the year ended 31 December 2018.

Statement of Members' Responsibilities

Legislation applicable to Limited Liability Partnerships requires the Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period.

In preparing those financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departure 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 Partnership will continue in business.

The Members are responsible for ensuring that proper and up to date books of account are maintained in accordance with generally accepted accounting principles, and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Limited Liability Partnership Regulations. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Activities

The principal activity of the Limited Liability Partnership in the year under review was that of a ceased limited liability underwriting member of Lloyd's. The Limited Liability Partnership ceased underwriting at 31 December 2013. The Members do not consider the Limited Liability Partnership to be a going concern and the financial statements have been prepared on a break up basis.

Designated Members

The Designated Members during the period were as follows:

Argenta Continuity Limited
Argenta LLP Services Limited

Members' Interests

The net profit of the Limited Liability Partnership for the financial year is allocated to each Member in accordance with their respective profit shares for the relevant year(s) of account.

The net loss of the Limited Liability Partnership for the financial year is allocated to each Member in accordance with their respective yearly shares for the relevant year(s) of account.

Brexit

Brexit has now entered the final stage with the United Kingdom and they were due to leave on 29 March 2019 but parliament is debating the EU Withdraw Bill including the possibility of delaying the exit date to later in 2019. The Members have assessed the risk to the Partnership and concluded that there is minimal risk as the Partnership has ceased underwriting and there is no currency exposure.

Auditors

Mazars LLP have signified their willingness to act and continue to be appointed as the auditors to the Limited Liability Partnership.

Approved by the Members on 21 June 2019 and signed on their behalf by:



D C BOWLES
ARGENTA LLP SERVICES LIMITED
Designated Member

Seven Underwriting LLP

Independent Auditor's Report

To the Members of Seven Underwriting LLP

For the year ended 31 December 2018

Opinion

We have audited the financial statements of Seven Underwriting LLP (the 'LLP') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Reconciliation of Member's Interests, Statement of Cash Flows and notes to the financial statements, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2018 and of its Profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – basis of preparation

We draw attention to page 5 to the financial statements which explains that the Members 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. Our opinion is not modified in respect of this matter.

The impact of uncertainties due to the United Kingdom exiting the European Union on our audit

The Members' view on the impact of Brexit is disclosed on page 4.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Partnership's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Partnership as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Partnership's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Partnership and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

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

- the Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Members are responsible for the other information. The other information comprises the information included in the whole financial statements, other than the financial statements themselves and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 we are required to report that fact.

Seven Underwriting LLP

Independent Auditor's Report (continued) To the Members of Seven Underwriting LLP For the year ended 31 December 2018

We have nothing to report in this regard.

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 or the Members' Report

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of Members

As explained more fully in the Statement of Members' Responsibilities set out on page 4, the Members 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 Members 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 Members are responsible for assessing the LLP'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 Members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the Audit Report

This report is made solely to the LLP's Members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's Members as a body for our audit work, for this report, or for the opinions we have formed.



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

21 June 2019

Seven Underwriting LLP

Statement of Comprehensive Income For the year ended 31 December 2018

	Note	2018 £	2017 £
Interest receivable	1	1	76
Other expenses		(1)	(49)
Profit for the financial period before Members' remuneration and profit shares	2	-	27
Members' remuneration charged as an expense	3	-	-
Profit for the financial period available for discretionary division among Members		-	27

All items derive from discontinued activities.

There is no other comprehensive income or expenditure.

The accounting policies and notes on pages 11 to 16 form part of these financial statements.

Seven Underwriting LLP

Statement of Financial Position As at 31 December 2018

		31 December 2018	31 December 2017
	Note	Total £	Total £
Assets			
Debtors	4	-	-
Cash at bank and in hand		-	-
Total assets		-	-
Liabilities and Members' interests			
Loans and other debts due to Members			
Profit and loss - syndicate capacity		16,306	16,306
Profit and loss - corporate		(16,306)	(16,306)
Members' capital classified as a liability		-	-
Creditors	4	-	-
Total liabilities and Members' interests		-	-

The financial statements were approved by the Members of the Limited Liability Partnership and signed on its behalf by:



D C BOWLES
ARGENTA LLP SERVICES LIMITED
21 June 2019

Registered Number: OC322512

The accounting policies and notes on pages 11 to 16 form part of these financial statements.

Seven Underwriting LLP

Reconciliation of Members' Interests For the year ended 31 December 2018

	Liabilities		
	Partnership profit and loss allocated to Members		
	Syndicate capacity £	Other £	£
Members' interests at 1 January 2017	16,306	(16,306)	-
Introduced by Members	-	-	-
Repayment of debt (including Members' capital classified as a liability)	-	(27)	(27)
Profit/(loss) for the year available for discretionary division	-	27	27
Members' interests at 31 December 2017	16,306	(16,306)	-
Introduced by Members	-	-	-
Repayment of debt (including Members' capital classified as a liability)	-	-	-
Profit/(loss) for the year available for discretionary division	-	-	-
Members' interests at 31 December 2018	16,306	(16,306)	-

The accounting policies and notes on pages 11 to 16 form part of these financial statements.

Seven Underwriting LLP

Statement of Cash Flows For the year ended 31 December 2018

	2018 £	2017 £
Operating activities		
Profit on ordinary activities before tax	-	27
Profit attributable to Syndicate transactions	-	-
Profit excluding Syndicate transactions	-	27
Adjustment for:		
Decrease in debtors	-	-
Decrease in creditors	-	-
Interest received	(1)	(76)
Net cash (outflow) from operating activities	(1)	(49)
Investing activities		
Interest received	1	76
Net cash inflow from investing activities	1	76
Financing activities		
Repayment of debt to Members	-	(27)
Capital introduced by Members	-	-
Net cash inflow/(outflow) from financing activities	-	(27)
Net cash increase in cash and cash equivalents	-	-
Effect of exchange rates on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	-	-
Consisting of:		
Cash at bank and in hand	-	-
Cash equivalents	-	-
	-	-

The accounting policies and notes on pages 11 to 16 form part of these financial statements.

Seven Underwriting LLP

Notes to the Financial Statements For the year ended 31 December 2018

General information

The Partnership is a Limited Liability Partnership incorporated in the United Kingdom.

The financial statements have been presented in Pounds Sterling ("Sterling") as this is the Limited Liability Partnership's functional currency, being the primary economic environment in which the Limited Liability Partnership 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* ("FRS 102");
- The requirements of the Statement of Recommended Practice *Accounting by Limited Liability Partnerships* ("LLP SORP"); 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") as modified by the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 ("SI 2008/1913").

Accounting policies

i. Going concern

The members do not consider the Limited Liability Partnership (LLP) to be a going concern as the LLP has sold or returned all the capacity and will not be underwriting on any new years of account going forward. Accordingly the financial statements have been prepared on a break up basis.

ii. Financial instruments

The Limited Liability Partnership has chosen to apply the provisions of Section 11 *Basic Financial Instruments*.

The Limited Liability Partnership holds basic financial instruments. The Limited Liability Partnership's financial instruments comprise of cash and cash equivalents, trade and other debtors and trade and other creditors.

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

Basic financial instruments 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.

At the end of each reporting year, the Limited Liability Partnership 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 Limited Liability Partnership 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 profit or loss.

Interest income is recognised as it accrues using the effective interest method in the statement of comprehensive income.

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

iii. 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 reporting 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.

Seven Underwriting LLP

Notes to the Financial Statements For the year ended 31 December 2018

Accounting policies (continued)

iv. Members' participation rights and remuneration

Members' participation rights are the rights of a Member against the Limited Liability Partnership that arise under the Members' Agreement.

Members' participation rights in the earnings or assets of the Limited Liability Partnership are analysed between those that are, from the Limited Liability Partnership's perspective, either a financial liability or equity, in accordance with Section 22 *Liabilities and Equity*. A Member's participation right results in a liability where there is a contractual obligation on the part of the Limited Liability Partnership to deliver cash, or other financial assets, to the Member.

Amounts subscribed or otherwise contributed by Members, for instance Members' capital, are classified as equity where the Limited Liability Partnership has an unconditional right to avoid delivering cash or other assets to the Member (i.e. the right to any payment or repayment is discretionary on the part of the Limited Liability Partnership). If the Limited Liability Partnership does not have such an unconditional right, such amounts are classified as liabilities.

The net profit of the Limited Liability Partnership for the financial year is allocated to each Member in accordance with their respective profit shares for the relevant year(s) of account.

The net loss of the Limited Liability Partnership for the financial year is allocated to each Member in accordance with their respective yearly shares for the relevant year(s) of account.

Loans and other debts due to Members rank *pari passu* with other unsecured creditors on the winding up of a partnership.

The key management personnel of the Limited Liability Partnership are considered to be the Members. The Members are not employees of the Limited Liability Partnership, and consequently the total remuneration of the Members' consists of the allocated profit/(loss) for the year.

v. Taxation

Income tax payable on the Limited Liability Partnership's profits is solely the personal liability of the Members and consequently is not dealt with in these financial statements.

vi. Critical accounting judgements and key sources of estimation uncertainty

In applying the Limited Liability Partnership's accounting policies, the Members are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Members' 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.

The critical judgements that the Members have made in the process of applying the Limited Liability Partnership'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 Members 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 source of estimation uncertainty that has a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is the recoverability of receivables.

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

Seven Underwriting LLP

Notes to the Financial Statements For the year ended 31 December 2018

1. Interest received

	2018 £	2017 £
Financial instruments held at amortised cost:		
Bank interest	1	76
Other	-	-
	<u>1</u>	<u>76</u>

2. Profit on Ordinary Activities before Taxation

	2018 £	2017 £
Operating Profit is stated after charging:		
Profit on exchange	-	8

The Limited Liability Partnership has no employees.

The auditors charge a fixed fee to Argenta Private Capital Limited of £166 for the provision of the statutory audit, they also provide non-audit services through an outsourcing arrangement of approximately £515.

3. Members' Remuneration

The key management personnel of the Limited Liability Partnership are considered to be the Members. The Members are not employees of the Limited Liability Partnership, and consequently the total remuneration of the Members' consists of the allocated profit/(loss) for the year.

The average number of Members during the year was 4.

4. Financial Instruments and Financial Risk Management

4.1 Debtors

	2018 Total £	2017 Total £
Debtors:		
Amounts due from group undertakings	-	-
Other	-	-
Total debtors	<u>-</u>	<u>-</u>

4.2 Creditors

	2018 Total £	2017 Total £
Creditors:		
Corporation tax	-	-
Members loan accounts	-	-
Third party funds	-	-
Other creditors	-	-
Amount due to group undertakings	-	-
Total creditors	<u>-</u>	<u>-</u>

Seven Underwriting LLP

Notes to the Financial Statements For the year ended 31 December 2018

4. Financial Instruments and Financial Risk Management (continued)

4.3 Classification of Financial Instruments

The tables below set out the Limited Liability Partnership's financial instruments by classification.

Other financial investments

	2018		2017	
	At fair value through profit or loss £	At amortised cost £	Total £	Total £
Financial assets				
Debtors	-	-	-	-
Cash at bank and in hand	-	-	-	-
	-	-	-	-
Financial liabilities				
Creditors	-	-	-	-
	-	-	-	-

4.4 Financial Risk Management

The Limited Liability Partnership is a financial institution and therefore provides the following disclosures in respect of the financial instruments it holds. The Limited Liability Partnership holds only cash and cash equivalents in respect of financial instruments.

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

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

Credit risk

Credit risk is the risk that a counterparty to the Limited Liability Partnership's financial instruments will cause a loss to the Limited Liability Partnership through failure to perform its obligations. The key areas of exposure to credit risk for the Limited Liability Partnership result through its bank deposits and receivables.

The Limited Liability Partnership manages credit risk at the Limited Liability Partnership level by ensuring that investments and cash and cash equivalent deposits are placed only with highly rated credit institutions.

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

Liquidity risk

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

At the Partnership level the Limited Liability Partnership is not exposed to significant liquidity risk. Consequently a maturity profile has not been presented for the Partnership.

Seven Underwriting LLP

Notes to the Financial Statements For the year ended 31 December 2018

4. Financial Instruments and Financial Risk Management (continued)

4.4 Financial Risk Management (continued)

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 Limited Liability Partnership is exposed to the risk of interest rate fluctuations in respect of cash and cash equivalents and other interest bearing securities.

At the Partnership level the Limited Liability Partnership manages interest rate risk by maintaining an appropriate mix between fixed and floating rate financial instruments.

Currency risk

The Limited Liability Partnership 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 Partnership level the Limited Liability Partnership 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 Limited Liability Partnership's principal foreign exchange exposures in aggregate.

Net assets and liabilities

	2018 £	2017 £
Sterling	-	-
United States Dollar	-	-
Euro	-	-
Canadian Dollar	-	-
Australian Dollar	-	-
Japanese Yen	-	-
Other	-	-

The Limited Liability Partnership's assets are held in various currencies but are all cash. As such, any exchange movement would be accounted for in the profit and loss.

	Partnership Profit and loss			
	31 December 2018		31 December 2017	
	Increase £	Decrease £	Increase £	Decrease £
Effect of sterling exchange movement by 10%				
United States Dollar	-	-	-	-
Euro	-	-	-	-
Canadian Dollar	-	-	-	-
Australian Dollar	-	-	-	-
Japanese Yen	-	-	-	-
Other	-	-	-	-

4.5 Capital Management

The total Members' interests represent the capital which allows the Limited Liability Partnership to operate.

Seven Underwriting LLP

Notes to the Financial Statements For the year ended 31 December 2018

5. Related Party Disclosure

There are no related party transactions other than those disclosed in the members interest statements. Related party loans and balances do not attract interest and are repayable on demand.

6. Ultimate Controlling Party

The ultimate controlling party of the Partnership is Talisman Underwriting plc.