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**LIMITED LIABILITY PARTNERSHIP**

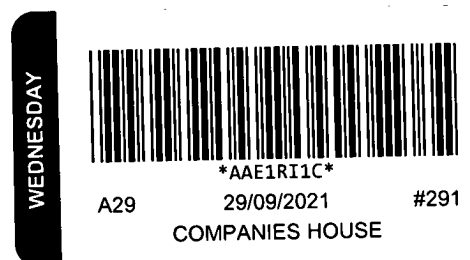
**KS Underwriting LLP**

**Annual Report**

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◆ **For the year ended 31 December 2020** ◆

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**Registered Number: OC348593**

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## **KS Underwriting LLP**

### **General Information**

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#### **DESIGNATED MEMBERS**

Argenta Continuity Limited  
Argenta LLP Services Limited

#### **MEMBERS' AGENT**

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

#### **AUDITORS**

PKF Littlejohn LLP  
15 Westferry Circus  
Canary Wharf  
London  
E14 4HD

#### **REGISTERED NUMBER**

OC348593

#### **REGISTERED OFFICE**

5th Floor, 70 Gracechurch Street  
London  
EC3V 0XL

# **KS Underwriting LLP**

## **Members' Report**

### **For the year ended 31 December 2020**

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The Members present their report together with the financial statements for the year ended 31 December 2020.

#### **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 limited liability underwriting Member of Lloyd's in run-off. The Limited Liability Partnership ceased underwriting at 31 December 2018. 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.

#### **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.

The financial statements incorporate the annual accounting results of the Syndicates on which the Limited Liability Partnership participates for the 2018 year of account, as well as any 2017 and prior run-off years.

#### **Results**

The result for the year is shown in the Statement of Comprehensive Income.

#### **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.

**KS Underwriting LLP**  
**Members' Report (continued)**  
**For the year ended 31 December 2020**

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**Principal Risks and uncertainties**

**Brexit**

The UK left the EU on 31 January 2020 and negotiations in respect of the EU-UK Trade and Cooperation Agreement ("the Agreement") concluded on 24 December 2020, with the Agreement becoming effective from 1 January 2021. The Agreement consists of a Free Trade Agreement, a close partnership on citizens' security and an overarching governance framework. From 1 January 2021, UK financial services firms no longer have passporting rights allowing them to sell their services into the EU from their UK base without the need for additional regulatory clearances. In preparation for this, on 25 November the English High Court sanctioned a Part VII transfer of all policies insuring EEA risks from the syndicates to Lloyd's Insurance Company, Brussels. The Directors are monitoring the implications of the Part VII transfer along with general market conditions to identify whether it is appropriate to make any changes to the current strategy of the Limited Liability Partnership.

**Coronavirus**

The COVID-19 pandemic continues to affect the UK and global economies adversely. At the time of signing this report there are indications from the government that social restrictions which have suppressed economic activity during 2020 and 2021 are likely to be lifted in the foreseeable future. The priority of the Members remains to comply with all regulatory requirements to the fullest extent possible. However with the LLP having ceased underwriting it is considered that it will not be adversely affected by any further impact on the market.

**Auditors**

PKF Littlejohn LLP have been appointed as auditors to the Limited Liability Partnership during the period.

**In the case of each of the Members at the time this report is approved, the following applies:**

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

Approved by the Members on 30 June 2021 and signed on their behalf by:



**D C BOWLES**  
**ARGENTA LLP SERVICES LIMITED**  
Designated Member

**KS Underwriting LLP**  
**Independent Auditor's Report**  
**To the Members of KS Underwriting LLP**  
**For the year ended 31 December 2020**

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**Opinion**

We have audited the financial statements of KS Underwriting LLP (the 'LLP') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Reconciliation of Members' 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 2020 and of its result 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 – financial statements prepared on a basis other than going concern**

We draw attention to the statement of the accounting policies which explains that the Members of the LLP intend to cease operations 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.

Our opinion is not modified in respect of this matter.

**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 information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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.

**KS Underwriting LLP**  
**Independent Auditor's Report (continued)**  
**To the Members of KS Underwriting LLP**  
**For the year ended 31 December 2020**

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**Responsibilities of Members**

As explained more fully in the Statement of Members' Responsibilities set out on page 5, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we have undertaken to detect irregularities, including fraud, are detailed below:

- We obtained an understanding of the LLP and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussion with management and the application of our knowledge and experience of the sector in which the LLP operates in. We determined the principal laws and regulations relevant to the LLP in this regard to be those arising from the Companies Act 2006, as applicable, and Lloyd's byelaws as they relate to the LLP.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the LLP with those laws and regulations. These procedures included, but were not limited to:
  - discussion with management of any known, or suspected instances, of non-compliance by the LLP with those laws and regulations;
  - discussion with management of any, or suspected, incidence of fraud;
  - review of the financial statements disclosure and testing to supporting documentation to assess compliance with applicable law and regulation;
  - review of the minutes of the member's meetings and other correspondence as we deemed appropriate;
  - review and testing of the system of controls established by management to ensure the accuracy of the Financial Statements.

We identified the risks of material misstatement of the financial statements due to fraud as being those arising from management override of controls. We have addressed this risk by performing audit procedures which included, but were not limited to, the testing of journals, reviewing material accounting estimates for evidence of bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business that came to our attention.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 auditor's report.

**KS Underwriting LLP**  
**Independent Auditor's Report (continued)**  
**To the Members of KS Underwriting LLP**  
**For the year ended 31 December 2020**

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**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.

*Thomas Seaman*

**Thomas Seaman (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**

Date: 30 June 2021

15 Westferry Circus  
Canary Wharf  
London  
E14 4HD



**KS Underwriting LLP**  
**Statement of Comprehensive Income – Technical Account**  
**For the year ended 31 December 2020**

	Note	2020 £	2019 £
<b>Premiums</b>			
Gross premiums written	1	15,741	439,602
Outward reinsurance premiums	1	<u>7,683</u>	<u>(72,303)</u>
<b>Net premiums written</b>		<u>23,424</u>	<u>367,299</u>
<b>Change in the provision for Unearned premiums</b>			
Gross provision	1	127,896	1,282,138
Reinsurers' share	1	<u>(13,672)</u>	<u>(327,062)</u>
<b>Earned premiums, net of reinsurance</b>		<u>137,648</u>	<u>1,322,375</u>
Allocated investment return transferred from the non-technical account		53,675	79,798
Other technical income, net of reinsurance		-	-
<b>Claims paid</b>			
Gross amount	1	(838,764)	(1,493,664)
Reinsurers' share	1	<u>219,358</u>	<u>447,481</u>
<b>Net claims paid</b>		<u>(619,406)</u>	<u>(1,046,183)</u>
<b>Change in provision for claims</b>			
Gross amount	1	779,796	772,509
Reinsurers' share	1	<u>(160,656)</u>	<u>(223,144)</u>
<b>Net change in provisions for claims</b>		<u>619,140</u>	<u>549,365</u>
<b>Claims incurred, net of reinsurance</b>		(266)	(496,818)
Changes in other technical provisions, net of reinsurance		-	-
Net operating expenses	1, 2	(52,884)	(444,307)
Other technical charges, net of reinsurance		<u>-</u>	<u>-</u>
<b>Balance on the technical account for general business</b>		<u>138,173</u>	<u>461,048</u>

The accounting policies and notes on pages 16 to 40 form part of these financial statements.

**KS Underwriting LLP**  
**Statement of Comprehensive Income – Non Technical Account**  
**For the year ended 31 December 2020**

	Note	2020 £	2019 £
<b>Balance on general business technical account</b>		138,173	461,048
Investment income	3	54,712	82,097
Allocated investment return transferred to the technical account		(53,675)	(79,798)
Other income		1,809	-
Other charges, including value adjustments		(54,004)	(95,531)
Profit for the financial period before Members' remuneration and profit shares	4	87,015	367,816
Members' remuneration charged as an expense	5	(87,015)	(367,816)
<b>Profit for the financial period available for discretionary division among Members</b>		-	-
<b>Other comprehensive expenditure:</b>			
Currency translation differences		-	-
Members' contribution charged as an expense		-	-
<b>Total comprehensive income</b>		-	-

All items derive from discontinued activities.

The accounting policies and notes on pages 16 to 40 form part of these financial statements.

**KS Underwriting LLP**  
**Statement of Financial Position**  
**As at 31 December 2020**

		31 December 2020			31 December 2019		
	Note	Syndicate Participation £	Partnership £	Total £	Syndicate Participation £	Partnership £	Total £
<b>Investments</b>							
Other financial investments	6	1,213,739	-	1,213,739	1,526,198	-	1,526,198
Deposits with ceding undertakings		1,186	-	1,186	1,277	-	1,277
		1,214,925	-	1,214,925	1,527,475	-	1,527,475
<b>Reinsurers' share of technical provisions</b>							
Provision for unearned premiums	7	-	-	-	13,379	-	13,379
Claims outstanding	7	537,404	-	537,404	726,849	-	726,849
Other technical provisions		-	-	-	-	-	-
		537,404	-	537,404	740,228	-	740,228
<b>Debtors</b>							
Amounts falling due within one year	6	399,452	-	399,452	729,938	-	729,938
Amounts falling due after one year	6	13,846	-	13,846	76,042	-	76,042
		413,298	-	413,298	805,980	-	805,980
<b>Other assets</b>							
Cash at bank and in hand		7,062	3	7,065	11,541	-	11,541
Other		228,291	-	228,291	355,392	-	355,392
		235,353	3	235,356	366,933	-	366,933
<b>Prepayments and accrued income</b>							
Accrued interest		-	-	-	-	-	-
Deferred acquisitions costs	7	-	-	-	42,101	-	42,101
Other prepayments and accrued income		368	-	368	533	-	533
		368	-	368	42,634	-	42,634
<b>Total assets</b>		2,401,348	3	2,401,351	3,483,250	-	3,483,250

The accounting policies and notes on pages 16 to 40 form part of these financial statements.

**KS Underwriting LLP**  
**Statement of Financial Position**  
**As at 31 December 2020**

	Note	31 December 2020			31 December 2019		
		Syndicate Participation £	Partnership £	Total £	Syndicate Participation £	Partnership £	Total £
<b>Liabilities and Members' interests</b>							
<b>Loans and other debts due to Members</b>							
Syndicate profit and loss		18,024	-	18,024	(179,252)	-	(179,252)
Corporate profit and loss - Syndicate capacity		-	-	-	-	-	-
Corporate profit and loss - other		-	(24,363)	(24,363)	-	(183,247)	(183,247)
		18,024	(24,363)	(6,339)	(179,252)	(183,247)	(362,499)
<b>Technical provisions</b>							
Provision for unearned premiums	7	-	-	-	126,355	-	126,355
Claims outstanding	7	1,949,379	-	1,949,379	2,835,040	-	2,835,040
Other technical provisions		-	-	-	-	-	-
<b>Provisions for other risks</b>		-	-	-	-	-	-
<b>Deposit received from reinsurers</b>		24,238	-	24,238	98,458	-	98,458
<b>Creditors</b>							
Amounts falling due within one year	6	396,840	-	396,840	576,846	157,980	734,826
Amounts falling due after one year	6	11,002	-	11,002	19,371	-	19,371
		2,381,459	-	2,381,459	3,656,070	157,980	3,814,050
<b>Accruals and deferred income</b>		1,865	24,366	26,231	6,432	25,267	31,699
<b>Total liabilities</b>		2,401,348	3	2,401,351	3,483,250	-	3,483,250

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**  
Date: 30 June 2021

Registered Number: OC348593

The accounting policies and notes on pages 16 to 40 form part of these financial statements.

**KS Underwriting LLP**  
**Reconciliation of Members' Interests**  
**For the year ended 31 December 2020**

	<b>Liabilities</b>			
	<b>Partnership profit and loss allocated to Members</b>			
	<b>Syndicate profit and loss allocated to Members £</b>	<b>Syndicate capacity £</b>	<b>Other £</b>	<b>Total £</b>
Members' interests at 1 January 2019	(502,986)	-	26,803	(476,183)
Allocated Profit 2017 year of account	295,048	-	-	295,048
Allocated Profit 2018 year of account	149,982	-	-	149,982
Allocated (Loss) 2019 year of account	-	-	(77,214)	(77,214)
Members' interests after (Loss) for the year	(57,956)	-	(50,411)	(108,367)
Reallocate distribution Introduced by Members	(121,296)	-	121,296	-
Repayment of debt (including Members' capital classified as a liability)	-	-	(254,132)	(254,132)
Other movements	-	-	-	-
Members' interests at 31 December 2019	(179,252)	-	(183,247)	(362,499)
Allocated Profit 2018 year of account	139,982	-	-	139,982
Allocated Profit 2019 year of account	-	-	-	-
Allocated Loss 2020 year of account	-	-	(52,967)	(52,967)
Members' interests after Profit for the year	(39,270)	-	(236,214)	(275,484)
Reallocate distribution Introduced by Members	57,294	-	(57,294)	-
Repayment of debt (including Members' capital classified as a liability)	-	-	269,145	269,145
Other movements	-	-	-	-
Members' interests at 31 December 2020	18,024	-	(24,363)	(6,339)

The accounting policies and notes on pages 16 to 40 form part of these financial statements.

**KS Underwriting LLP**  
**Statement of Cash Flows**  
**For the year ended 31 December 2020**

	2020 £	2019 £
<b>Operating activities</b>		
Profit on ordinary activities before tax	87,015	367,816
Loss attributable to Syndicate transactions	(139,982)	(445,030)
Loss excluding Syndicate transactions	(52,967)	(77,214)
Adjustment for:		
Decrease in debtors	-	-
(Decrease)/increase in creditors	(158,881)	155,678
Profit on disposal of intangible assets	-	-
Amortisation of Syndicate capacity	-	-
Realised/unrealised losses on investments	-	-
Investment income	(1,037)	(2,299)
Net cash (outflow)/inflow from operating activities	(212,885)	76,165
<b>Investing activities</b>		
Investment income	1,037	2,299
Purchase of Syndicate capacity	-	-
Proceeds from sale of Syndicate capacity	-	-
Net cash inflow from investing activities	1,037	2,299
<b>Financing activities</b>		
Repayment of debt to Members	-	(254,132)
Capital introduced by Members	269,145	-
Reallocation of distribution	(57,294)	121,296
Net cash inflow/(outflow) from financing activities	211,851	(132,836)
Net cash increase/(decrease) in cash and cash equivalents	3	(54,372)
Effect of exchange rates on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	54,372
Cash and cash equivalents at the end of the year	3	-
Consisting of:		
Cash at bank and in hand	3	-
Cash equivalents	-	-
	3	-

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

The accounting policies and notes on pages 16 to 40 form part of these financial statements.

**KS Underwriting LLP**  
**Analysis of Net Debt**  
**For the year ended 31 December 2020**

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	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	-	3	3
Debt due within one year	-	-	-
Debt due after one year	-	-	-
	<hr/>	<hr/>	<hr/>
	-	3	3

The accounting policies and notes on pages 16 to 40 form part of these Financial Statements.

# **KS Underwriting LLP**

## **Notes to the Financial Statements**

### **For the year ended 31 December 2020**

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#### **General information**

The Partnership is a Limited Liability Partnership incorporated in England, 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");
- FRS 103 *Insurance Contracts*;
- 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").

These financial statements have been prepared under the historical costs convention as modified for certain financial instruments held at fair value.

#### **Recognition of insurance transactions**

The Limited Liability Partnership recognises its proportion of all the transactions undertaken by the Lloyd's Syndicates in which it participates ("the Syndicates") in aggregation with the transactions undertaken by the Limited Liability Partnership at entity level ("the Partnership").

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

Amounts reported in the general business technical account relate to movements in the period in respect of all relevant years of account of the Syndicates on which the Limited Liability Partnership participates.

For each such Syndicate, the Limited Liability Partnership's proportion of the underwriting transactions, investment return and operating expenses has been reflected within the Limited Liability Partnership's Statement of Comprehensive Income. Similarly, its proportion of the Syndicate's assets and liabilities has been reflected in its Statement of Financial Position (under the column heading "Syndicate"). The Syndicate's assets are held subject to trust deeds for the benefit of the Limited Liability Partnership's insurance creditors.

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

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

#### **Sources of data**

The information used to compile the technical account and the "Syndicate" Statement of Financial Position is based on returns prepared for this purpose by the Managing Agents of the Syndicates ("the Returns"). These Returns have been subjected to audit by the Syndicate auditors and are consistent with the audited annual reports to Syndicate Members.

The format of the Returns is established by Lloyd's. Lloyd's collate this data at a Syndicate level analysing it into corporate Member level results which reflects the relevant data in respect of all the Syndicates in which the Limited Liability Partnership participates.



**KS Underwriting LLP**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

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**Accounting policies**

**i. Going concern**

As at 31 December 2020 the partnership had net members' capital of -£6,339 (2019: -£362,499). 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. Premiums**

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

**iii. Claims incurred**

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

**iv. Provision for claims outstanding**

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

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

**v. Unexpired risk provision**

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

**KS Underwriting LLP**  
**Notes to the Financial Statements**  
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**Accounting policies (continued)**

**vi. Reinsurance to close**

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

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

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

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

**vii. Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above. Overdrafts are reported separately in creditors.

**KS Underwriting LLP**  
**Notes to the Financial Statements**  
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**Accounting policies (continued)**

**viii. Financial instruments**

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

The Limited Liability Partnership holds both basic and non-basic financial instruments. The Limited Liability Partnership's financial instruments comprise of cash and cash equivalents, trade and other debtors, trade and other creditors and investments in a variety of basic and non-basic financial instruments, through both the Limited Liability Partnership and through the Syndicates.

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

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

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

All other financial instruments are measured at fair value through profit or loss.

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.

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

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

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

**ix. Derivative financial instruments**

The Limited Liability Partnership uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Limited Liability Partnership does not hold or issue derivative financial instruments for speculative purposes. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

**x. Derecognition of financial assets**

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

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

**KS Underwriting LLP**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

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**Accounting policies (continued)**

**x. Derecognition of financial assets (continued)**

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

**xi. Offsetting of financial instruments**

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

**xii. Net operating expenses**

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

**xiii. Deferred acquisition costs**

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

**xiv. Foreign currencies**

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

**xv. Insurance contracts – product classification**

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

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

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

**KS Underwriting LLP**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

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**Accounting policies (continued)**

**xvi. 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 and loans, 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.

**xvii. 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.

**xviii. 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 management and control of each Syndicate is carried out by the managing agent of that Syndicate, and the Limited Liability Partnership looks to the managing agent to implement appropriate policies, procedures and internal controls to manage each Syndicate. The critical accounting judgements and key sources of estimation uncertainty set out below therefore relate to those made by the Members in respect of the Partnership only, and do not include estimates and judgements made in respect of the Syndicates.

**KS Underwriting LLP**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

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**Accounting policies (continued)**

**xviii. Critical accounting judgements and key sources of estimation uncertainty (continued)**

**Critical accounting judgements**

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

*Impairment review*

The impairment of the Syndicate Assets is performed by the Syndicate themselves. The Members perform an impairment review when indications of impairment arise.

*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.

**KS Underwriting LLP**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

**1. Class of Business**

<b>2020</b>	<b>Gross Premiums Written £</b>	<b>Gross Premiums Earned £</b>	<b>Gross Claims Incurred £</b>	<b>Net Operating Expenses £</b>	<b>Reinsurance Balance £</b>	<b>Total £</b>
<b>Direct Insurance</b>						
Accident and health	1,122	10,239	(22,163)	(3,770)	10,317	(5,377)
Motor – third party liability	147	1,344	(2,337)	(495)	1,344	(144)
Motor – other classes	471	4,296	(15,920)	(1,582)	7,596	(5,610)
Marine, aviation and transport	2,245	20,484	(37,779)	(7,542)	18,355	(6,482)
Fire and other damage to property	6,040	55,115	(50,317)	(20,292)	30,493	14,999
Third party liability	1,338	12,211	99,140	(4,496)	(33,915)	72,940
Credit and suretyship	464	4,233	3,147	(1,558)	(388)	5,434
Legal expenses	110	1,005	(570)	(370)	332	397
Assistance	-	-	-	-	-	-
Miscellaneous	-	-	193	-	(69)	124
	11,937	108,927	(26,606)	(40,105)	34,065	76,281
<b>Reinsurance</b>	3,804	34,710	(32,362)	(12,779)	18,648	8,217
<b>Total</b>	<b>15,741</b>	<b>143,637</b>	<b>(58,968)</b>	<b>(52,884)</b>	<b>52,713</b>	<b>84,498</b>

<b>2019</b>	<b>Gross Premiums Written £</b>	<b>Gross Premiums Earned £</b>	<b>Gross Claims Incurred £</b>	<b>Net Operating Expenses £</b>	<b>Reinsurance Balance £</b>	<b>Total £</b>
<b>Direct Insurance</b>						
Accident and health	52,719	134,341	(87,617)	(46,805)	(2,853)	(2,934)
Motor – third party liability	14,946	24,897	(13,971)	(7,228)	(2,230)	1,468
Motor – other classes	62,545	106,598	(59,231)	(32,823)	(1,484)	13,060
Marine, aviation and transport	35,669	193,188	(57,709)	(58,861)	4,320	80,938
Fire and other damage to property	128,999	632,394	(279,219)	(127,431)	(70,955)	154,789
Third party liability	111,386	436,256	(245,852)	(137,756)	5,864	58,512
Credit and suretyship	22,003	85,548	(4,758)	(8,394)	(37,896)	34,500
Legal expenses	6,056	12,800	(6,419)	(5,839)	(787)	(245)
Assistance	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
	434,323	1,626,022	(754,776)	(425,137)	(106,021)	340,088
<b>Reinsurance</b>	5,279	95,718	33,621	(19,170)	(69,007)	41,162
<b>Total</b>	<b>439,602</b>	<b>1,721,740</b>	<b>(721,155)</b>	<b>(444,307)</b>	<b>(175,028)</b>	<b>381,250</b>

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

**KS Underwriting LLP**  
**Notes to the Financial Statements**  
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**2. Net Operating Expenses**

	2020 £	2019 £
Acquisition costs	5,468	144,833
Change in deferred acquisition costs	42,576	396,381
Administrative expenses	11,715	28,208
Reinsurance commissions and profit participations	(9,007)	(123,589)
Personal expenses	2,132	(1,526)
	<u>52,884</u>	<u>444,307</u>

**3. Investment Income**

	2020 £	2019 £
Financial instruments held at fair value through profit or loss:		
Interest and dividend income	32,933	49,171
Realised gains and losses	440	9,207
Unrealised gains and losses	21,332	23,380
Other	-	-
	<u>54,705</u>	<u>81,758</u>
Financial instruments held at amortised cost:		
Interest	1,037	2,299
Other	-	-
	<u>1,037</u>	<u>2,299</u>
Investment management expenses, including interest	(1,030)	(1,960)
	<u>(1,030)</u>	<u>(1,960)</u>
Total	<u>54,712</u>	<u>82,097</u>

**4. Profit/(Loss) on Ordinary Activities before Members' remuneration and profit shares**

	2020 £	2019 £
Operating Profit is stated after charging:		
Amortisation of Syndicate capacity	-	-
Profit on disposal of intangible fixed assets	-	-
Loss on exchange	3,339	17,715

The Limited Liability Partnership has no employees.

The auditors charge a fixed fee to Argenta Private Capital Limited of £230 for the provision of the statutory audit.



**KS Underwriting LLP**  
**Notes to the Financial Statements**  
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**5. 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 17.

**6. Financial Instruments and Financial Risk Management**

**6.1 Financial Investments**

**Other financial investments – Syndicate participation**

	<b>2020 Market Value £</b>	<b>2020 Cost price £</b>	<b>2019 Market Value £</b>	<b>2020 Cost price £</b>
Shares and other variable yield securities and units in unit trusts	214,993	211,921	325,877	321,558
Debt securities and other fixed income securities	985,840	966,694	1,186,469	1,164,622
Participation in investment pools	-	-	-	-
Loans with credit institutions	-	-	-	-
Derivative financial instruments	271	-	445	-
Other investments	-	-	-	-
Deposits with credit institutions	12,635	12,635	13,407	13,407
Other	-	-	-	-
	<b>1,213,739</b>	<b>1,191,250</b>	<b>1,526,198</b>	<b>1,499,587</b>

**KS Underwriting LLP**  
**Notes to the Financial Statements**  
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**6. Financial Instruments and Financial Risk Management (continued)**

**6.2 Debtors**

	<b>2020</b>			<b>2019</b>		
	<b>Syndicate Participation £</b>	<b>Corporate £</b>	<b>Total £</b>	<b>Syndicate Participation £</b>	<b>Corporate £</b>	<b>Total £</b>
<b>Amounts falling due within one year:</b>						
Arising out of direct insurance operations	116,232	-	116,232	273,635	-	273,635
Arising out of reinsurance operations	309,781	-	309,781	464,463	-	464,463
<b>Other Debtors:</b>						
Amounts due from group undertakings	-	-	-	-	-	-
Other	(26,561)	-	(26,561)	(8,160)	-	(8,160)
<b>Total Amounts falling due within one year</b>	<b>399,452</b>	<b>-</b>	<b>399,452</b>	<b>729,938</b>	<b>-</b>	<b>729,938</b>
<b>Amounts falling due after one year:</b>						
Arising out of direct insurance operations	209	-	209	15,987	-	15,987
Arising out of reinsurance operations	12,864	-	12,864	44,652	-	44,652
<b>Other Debtors:</b>						
Amounts due from group undertakings	-	-	-	-	-	-
Other	773	-	773	15,403	-	15,403
<b>Total Amounts falling due after one year</b>	<b>13,846</b>	<b>-</b>	<b>13,846</b>	<b>76,042</b>	<b>-</b>	<b>76,042</b>
	<b>413,298</b>	<b>-</b>	<b>413,298</b>	<b>805,980</b>	<b>-</b>	<b>805,980</b>

**6.3 Funds at Lloyd's**

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

	<b>2020</b>			<b>2019</b>		
	<b>Syndicate Participation £</b>	<b>Corporate £</b>	<b>Total £</b>	<b>Syndicate Participation £</b>	<b>Corporate £</b>	<b>Total £</b>
Cash	-	3	3	-	-	-
Investments	-	-	-	-	-	-
	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>

Funds at Lloyd's represents assets deposited with the Corporation of Lloyd's (Lloyd's) to support the Partnership's underwriting activities as described in the Accounting Policies. The Partnership 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 Partnership's liabilities in respect of its underwriting.

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**Notes to the Financial Statements**  
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**6. Financial Instruments and Financial Risk Management (continued)**

**6.4 Creditors**

	<b>2020</b>			<b>2019</b>		
	<b>Syndicate Participation £</b>	<b>Corporate £</b>	<b>Total £</b>	<b>Syndicate Participation £</b>	<b>Corporate £</b>	<b>Total £</b>
<b>Amounts falling due within one year:</b>						
Arising out of direct insurance operations	101,964	-	101,964	165,977	-	165,977
Arising out of reinsurance operations	300,949	-	300,949	393,003	-	393,003
Amounts owed to credit institutions	-	-	-	-	-	-
<b>Other creditors:</b>						
Corporation tax	-	-	-	-	-	-
Members loan accounts	-	-	-	-	-	-
Third party funds	-	-	-	-	-	-
Other creditors	(6,073)	-	(6,073)	17,866	157,980	175,846
Amount due to group undertakings	-	-	-	-	-	-
<b>Total Amounts falling due within one year</b>	<b>396,840</b>	<b>-</b>	<b>396,840</b>	<b>576,846</b>	<b>157,980</b>	<b>734,826</b>
<b>Amounts falling due after one year:</b>						
Arising out of direct insurance operations	834	-	834	3,880	-	3,880
Arising out of reinsurance operations	10,168	-	10,168	15,491	-	15,491
Amounts owed to credit institutions	-	-	-	-	-	-
<b>Other creditors:</b>						
Corporation tax	-	-	-	-	-	-
Members loan accounts	-	-	-	-	-	-
Third party funds	-	-	-	-	-	-
Other creditors	-	-	-	-	-	-
Amount due to group undertakings	-	-	-	-	-	-
<b>Total Amounts falling due after one year</b>	<b>11,002</b>	<b>-</b>	<b>11,002</b>	<b>19,371</b>	<b>-</b>	<b>19,371</b>
	<b>407,842</b>	<b>-</b>	<b>407,842</b>	<b>596,217</b>	<b>157,980</b>	<b>754,197</b>

**KS Underwriting LLP**  
**Notes to the Financial Statements**  
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**6. Financial Instruments and Financial Risk Management (continued)**

**6.5 Classification of Financial Instruments**

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

**Other financial investments – Syndicate participation**

	2020			2019		
	At fair value through profit or loss £	At amortised cost £	Total £	At fair value through profit or loss £	At amortised cost £	Total £
<b>Financial assets</b>						
Investments	1,213,739	-	1,213,739	1,526,198	-	1,526,198
Deposits with ceding undertakings	-	1,186	1,186	-	1,277	1,277
Insurance debtors	-	116,441	116,441	-	289,622	289,622
Reinsurance debtors	-	322,645	322,645	-	509,115	509,115
Other debtors	-	(25,788)	(25,788)	-	7,243	7,243
Cash at bank and in hand	-	7,062	7,062	-	11,541	11,541
Other assets	228,291	-	228,291	355,392	-	355,392
	<b>1,442,030</b>	<b>421,546</b>	<b>1,863,576</b>	<b>1,881,590</b>	<b>818,798</b>	<b>2,700,388</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	-
Derivative financial instruments	633	-	633	184	-	184
Insurance creditors	-	102,798	102,798	-	169,857	169,857
Reinsurance creditors	-	311,117	311,117	-	408,494	408,494
Amounts owed to credit institutions	-	-	-	-	-	-
Other creditors	-	-	-	-	-	-
	<b>633</b>	<b>413,915</b>	<b>414,548</b>	<b>184</b>	<b>578,351</b>	<b>578,535</b>

**Other financial investments – Partnership**

	2020			2019		
	At fair value through profit or loss £	At amortised cost £	Total £	At fair value through profit or loss £	At amortised cost £	Total £
<b>Financial assets</b>						
Investments	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
Cash at bank and in hand	-	3	3	-	-	-
Other assets	-	-	-	-	-	-
	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Other creditors	-	-	-	-	157,980	157,980
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>157,980</b>	<b>157,980</b>

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**6. Financial Instruments and Financial Risk Management (continued)**

**6.5 Classification of Financial Instruments (continued)**

The table below sets out details of the Limited Liability Partnership's derivative financial instruments.

	2020		2019	
	Notional amount £	Fair value £	Notional amount £	Fair value £
Foreign exchange forward contracts	(7,373)	271	(14,194)	376
Interest rate future contracts	-	-	-	-
Foreign exchange options	-	-	-	-
Equity options	-	-	-	-
Foreign exchange contract for difference	-	-	-	-
Other	-	-	-	69
	(7,373)	271	(14,194)	445

**6.6 Financial Instruments held at fair value through profit or loss**

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

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

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

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

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**6. Financial Instruments and Financial Risk Management (continued)**

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

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

**Other financial investments – Syndicate participation**

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
<b>2020</b>						
<b>Financial assets</b>						
Shares and other variable yield securities and units in unit trusts	-	214,993	-	214,993	-	214,993
Debt securities and other fixed income securities	151,771	834,069	-	985,840	-	985,840
Participation in investment pools	-	-	-	-	-	-
Loans and deposits with credit institutions	12,635	-	-	12,635	-	12,635
Overseas deposits	134,600	93,691	-	228,291	-	228,291
Derivatives	271	-	-	271	-	271
Other investments	-	-	-	-	-	-
Financial assets classified as held for sale	-	-	-	-	-	-
	<b>299,277</b>	<b>1,142,753</b>	<b>-</b>	<b>1,442,030</b>	<b>-</b>	<b>1,442,030</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	-
Derivative liabilities	633	-	-	633	-	633
Financial liabilities classified as held for sale	-	-	-	-	-	-
	<b>633</b>	<b>-</b>	<b>-</b>	<b>633</b>	<b>-</b>	<b>633</b>

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**6. Financial Instruments and Financial Risk Management (continued)**

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

**Other financial investments – Syndicate participation (continued)**

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
<b>2019</b>						
<b>Financial assets</b>						
Shares and other variable yield securities and units in unit trusts	-	325,877	-	325,877	-	325,877
Debt securities and other fixed income securities	170,697	1,015,772	-	1,186,469	-	1,186,469
Participation in investment pools	-	-	-	-	-	-
Loans and deposits with credit institutions	13,407	-	-	13,407	-	13,407
Overseas deposits	218,450	136,942	-	355,392	-	355,392
Derivatives	445	-	-	445	-	445
Other investments	-	-	-	-	-	-
Financial assets classified as held for sale	-	-	-	-	-	-
	402,999	1,478,591	-	1,881,590	-	1,881,590
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	-
Derivative liabilities	184	-	-	184	-	184
Financial liabilities classified as held for sale	-	-	-	-	-	-
	184	-	-	184	-	184

At the Partnership level the Limited Liability Partnership does not hold any financial investments. Consequently investment tables have not been presented for the Partnership.

**6.7 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
- Equity price risk; and
- Currency risk

The management and control of each Syndicate is carried out by the managing agent of that Syndicate, and the Limited Liability Partnership looks to the managing agent to implement appropriate policies, procedures and internal controls to manage each Syndicate, including those in respect of financial risk management. The following qualitative risk management disclosures made by the Members therefore relate to the Partnership only. The quantitative disclosures are made in respect of both the Partnership and the Syndicates.

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**6. Financial Instruments and Financial Risk Management (continued)**

**6.7 Financial Risk Management (continued)**

**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 reinsurance programme, investments, bank deposits and policyholder 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.

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

Syndicate participation	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
<b>2020</b>						
Shares and other variable yield securities and units in unit trusts	54,622	-	-	-	160,371	214,993
Debt securities and other fixed income securities	348,846	242,185	349,893	29,782	15,134	985,840
Participation in investment pools	-	-	-	-	-	-
Loans secured with credit institutions	-	-	-	-	-	-
Deposits with credit institutions	3,236	-	9,399	-	-	12,635
Overseas deposits	111,675	48,442	30,542	35,605	2,027	228,291
Derivative investments	-	-	-	271	-	271
Other investments	-	-	-	-	-	-
Deposits with ceding undertakings	-	-	-	-	1,186	1,186
Reinsurers share of claims outstanding	-	97,210	315,841	2	124,351	537,404
Reinsurance debtors	-	785	15,883	-	38,167	54,835
Cash at bank and in hand	-	-	4,845	1,786	431	7,062
Insurance debtors	-	-	-	-	-	-
Other	-	-	-	-	-	-
	518,379	388,622	726,403	67,446	341,667	2,042,517



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**6. Financial Instruments and Financial Risk Management (continued)**

**6.7 Financial Risk Management (continued)**

Syndicate participation	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
<b>2019</b>						
Shares and other variable yield securities and units in unit trusts	84,485	-	-	-	241,392	325,877
Debt securities and other fixed income securities	350,652	343,515	450,581	28,276	13,445	1,186,469
Participation in investment pools	-	-	-	-	-	-
Loans secured with credit institutions	-	-	-	-	-	-
Deposits with credit institutions	-	-	13,407	-	-	13,407
Overseas deposits	171,248	78,904	48,309	54,683	2,248	355,392
Derivative investments	-	-	-	445	-	445
Other investments	-	-	-	-	-	-
Deposits with ceding undertakings	-	-	-	-	1,277	1,277
Reinsurers share of claims outstanding	-	112,073	395,116	3	219,657	726,849
Reinsurance debtors	-	5,600	62,947	366	123,584	192,497
Cash at bank and in hand	(1)	-	7,656	3,886	-	11,541
Insurance debtors	-	-	-	-	-	-
Other	-	-	-	-	-	-
	606,384	540,092	978,016	87,659	601,603	2,813,754

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

Syndicate participation	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
<b>2020</b>						
Shares and other variable yield securities and units in unit trusts	214,993	-	-	-	-	214,993
Debt securities and other fixed income securities	985,840	-	-	-	-	985,840
Participation in investment pools	-	-	-	-	-	-
Loans secured with credit institutions	-	-	-	-	-	-
Deposits with credit institutions	12,635	-	-	-	-	12,635
Overseas deposits	228,291	-	-	-	-	228,291
Derivative investments	271	-	-	-	-	271
Other investments	-	-	-	-	-	-
Deposits with ceding undertakings	1,186	-	-	-	-	1,186
Reinsurers share of claims outstanding	537,404	-	-	-	-	537,404
Reinsurance debtors	39,202	11,563	2,696	1,374	-	54,835
Cash at bank and in hand	7,062	-	-	-	-	7,062
Insurance debtors	99,708	19	828	15,886	-	116,441
Other	236,172	-	-	-	-	236,172
	2,362,764	11,582	3,524	17,260	-	2,395,130

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**6. Financial Instruments and Financial Risk Management (continued)**

**6.7 Financial Risk Management (continued)**

Syndicate participation	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
<b>2019</b>						
Shares and other variable yield securities and units in unit trusts	325,877	-	-	-	-	325,877
Debt securities and other fixed income securities	1,186,469	-	-	-	-	1,186,469
Participation in investment pools	-	-	-	-	-	-
Loans secured with credit institutions	-	-	-	-	-	-
Deposits with credit institutions	13,407	-	-	-	-	13,407
Overseas deposits	355,392	-	-	-	-	355,392
Derivative investments	445	-	-	-	-	445
Other investments	-	-	-	-	-	-
Deposits with ceding undertakings	1,277	-	-	-	-	1,277
Reinsurers share of claims outstanding	726,849	-	-	-	-	726,849
Reinsurance debtors	178,495	8,757	4,951	294	-	192,497
Cash at bank and in hand	11,541	-	-	-	-	11,541
Insurance debtors	237,086	261	4,255	48,020	-	289,622
Other	367,074	-	-	-	-	367,074
	<b>3,403,912</b>	<b>9,018</b>	<b>9,206</b>	<b>48,314</b>	<b>-</b>	<b>3,470,450</b>

**Liquidity risk**

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

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

Syndicate participation	No stated maturity £	Less than 1 year £	1 to 3 years £	3 to 5 years £	Greater than 5 years £	Total £
<b>2020</b>						
Derivative financial instruments	-	633	-	-	-	633
Deposits received from reinsurers	-	24,238	-	-	-	24,238
Provisions for other risks and charges	-	-	-	-	-	-
Claims outstanding	-	666,926	673,814	304,852	303,787	1,949,379
Creditors	-	379,666	-	28,176	-	407,842
Other	-	-	-	-	-	-
	<b>-</b>	<b>1,071,463</b>	<b>673,814</b>	<b>333,028</b>	<b>303,787</b>	<b>2,382,092</b>

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**6. Financial Instruments and Financial Risk Management (continued)**

**6.7 Financial Risk Management (continued)**

Syndicate participation	No stated maturity £	Less than 1 year £	1 to 3 years £	3 to 5 years £	Greater than 5 years £	Total £
<b>2019</b>						
Derivative financial instruments	-	184	-	-	-	184
Deposits received from reinsurers	-	98,458	-	-	-	98,458
Provisions for other risks and charges	-	-	-	-	-	-
Claims outstanding	-	1,079,028	933,575	427,124	395,313	2,835,040
Creditors	-	548,099	19,377	28,741	-	596,217
Other	-	-	-	-	-	-
	-	1,725,769	952,952	455,865	395,313	3,529,899

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.

**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.

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

Syndicate participation	2020 £	2019 £
Impact of 50 basis point increase on profit or loss	(10,433)	(14,766)
Impact of 50 basis point decrease on profit or loss	10,433	14,577
Impact of 50 basis point increase on equity	(10,433)	(14,766)
Impact of 50 basis point decrease on equity	10,433	14,577

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

**Equity price risk**

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

The Limited Liability Partnership is exposed to equity price risk in respect of its equity investments.

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**6. Financial Instruments and Financial Risk Management (continued)**

**6.7 Financial Risk Management (continued)**

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

**Syndicate participation**

	2020 £	2019 £
Impact on profit or loss of 5% increase in Stock Market Prices	-	-
Impact on profit or loss of 5% decrease in Stock Market Prices	-	-
Impact on equity of 5% increase in Stock Market Prices	-	-
Impact on equity of 5% decrease in Stock Market Prices	-	-

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

**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**

	Syndicate Participation £	2020 Partnership £	Syndicate Participation £	2019 Partnership £
Sterling	(450,932)	(24,363)	(605,640)	(183,247)
United States Dollar	94,882	-	(43,795)	-
Euro	182,011	-	215,525	-
Canadian Dollar	95,933	-	97,416	-
Australian Dollar	73,480	-	122,527	-
Japanese Yen	-	-	-	-
Other	16,799	-	22,448	-

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**6. Financial Instruments and Financial Risk Management (continued)**

**6.7 Financial Risk Management (continued)**

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

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 2020		31 December 2019	
	Increase	Decrease	Increase	Decrease
	£	£	£	£
<b>Effect of Sterling exchange movement by 10%</b>				
United States Dollar	-	-	-	-
Euro	-	-	-	-
Canadian Dollar	-	-	-	-
Australian Dollar	-	-	-	-
Japanese Yen	-	-	-	-
Other	-	-	-	-

**6.8 Capital Management**

**Lloyd's capital setting process**

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

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

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

Over and above this, Lloyd's applies a capital uplift to the Member's capital requirement, the ECA. The purpose of this uplift, which is a Lloyd's not a Solvency II requirement, is to meet Lloyd's financial strength, licence and ratings objectives.

The total Members' interests represent the capital which allows the Limited Liability Partnership to participate on the Syndicates.

The Partnership has complied with all externally imposed capital requirements during the year.

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**7. Insurance Contracts**

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

	2020			2019		
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	2,835,040	726,849	2,108,191	3,951,074	1,032,004	2,919,070
Movements in the year	(779,796)	(160,656)	(619,140)	(772,509)	(223,144)	(549,365)
Other movements	(105,865)	(28,789)	(77,076)	(343,525)	(82,011)	(261,514)
At 31 December	1,949,379	537,404	1,411,975	2,835,040	726,849	2,108,191

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

	2020			2019		
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	126,355	13,379	112,976	1,412,235	341,948	1,070,287
Movements in the year	(127,896)	(13,672)	(114,224)	(1,282,138)	(327,062)	(955,076)
Other movements	1,541	293	1,248	(3,742)	(1,507)	(2,235)
At 31 December	-	-	-	126,355	13,379	112,976

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

	2020 £	2019 £
At 1 January	42,101	439,561
Movements in the year	(42,576)	(396,381)
Other movements	475	(1,079)
At 31 December	-	42,101

**7.1 Risks arising from Insurance Contracts**

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

The development of insurance liabilities provides a measure of the managing agent's ability to estimate the ultimate value of claims. The top half of each table below illustrates how the estimate of total claims outstanding for each accident year has changed at successive year ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the balance sheet.

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**7.1 Risks arising from Insurance Contracts (continued)**

Claims development - gross								
	At end of reporting year	One year later	Two years later	Three years later	Four years later	Five years later	Six years later	Seven years later
2012	915,435	1,470,021	1,514,478	1,506,146	1,505,519	1,490,252	1,474,884	1,450,888
2013	634,030	1,298,955	1,342,648	1,328,775	1,305,227	1,284,617	1,272,008	1,264,600
2014	675,847	1,316,876	1,355,818	1,358,431	1,339,962	1,293,518	1,281,533	
2015	567,523	1,282,260	1,314,698	1,323,618	1,281,366	1,251,548		
2016	725,456	1,623,360	1,712,475	1,674,575	1,621,049			
2017	1,275,651	2,103,906	2,203,403	2,192,285				
2018	916,287	1,700,433	1,870,421					
2019	-	-						
2020	-							
	Eight years later	Cumulative payments to date	Estimated balance to pay	Profit/(loss) on RITC received				
2011 & prior			118,410					
2012	1,441,232	1,395,125	46,107	(9,579)				
2013		1,208,400	56,200	(7,303)				
2014		1,148,340	133,193	(11,731)				
2015		1,104,632	146,916	(29,470)				
2016		1,366,465	254,584	(52,748)				
2017		1,669,000	523,285	(9,981)				
2018		1,199,737	670,684					
2019		-	-					
2020		-	-					
			<u>1,949,379</u>					
Claims development - net								
	At end of reporting year	One year later	Two years later	Three years later	Four years later	Five years later	Six years later	Seven years later
2012	656,727	1,149,661	1,176,294	1,166,853	1,162,130	1,148,793	1,138,614	1,121,963
2013	524,256	1,071,998	1,100,743	1,084,952	1,075,101	1,053,352	1,040,586	1,029,964
2014	518,537	1,081,126	1,116,376	1,094,925	1,079,800	1,046,139	1,035,035	
2015	494,901	1,097,309	1,127,435	1,141,570	1,106,310	1,078,812		
2016	582,117	1,323,287	1,389,640	1,370,802	1,321,025			
2017	841,872	1,520,098	1,573,862	1,567,171				
2018	642,223	1,220,143	1,330,991					
2019	-	-						
2020	-							

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**7.1 Risks arising from Insurance Contracts (continued)**

**Claims development - net**

	<b>Eight years later</b>	<b>Cumulative payments to date</b>	<b>Estimated balance to pay</b>	<b>Profit/(loss) on RITC received</b>
2011 & prior			71,560	
2012	1,113,047	1,076,820	36,227	(8,839)
2013		982,755	47,209	(10,517)
2014		954,637	80,398	(10,850)
2015		959,211	119,601	(27,150)
2016		1,124,180	196,845	(48,999)
2017		1,187,862	379,309	(5,554)
2018		850,165	480,826	
2019		-	-	
2020		-	-	
			<u>1,411,975</u>	

**Sensitivity analysis**

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

- a 5% increase/decrease in net earned premium (with all other underwriting elements assumed to change pro-rata with premium) will increase/decrease the Company's pre-tax profit/loss by £6,882 (2019: £66,119 );
- a 5% increase/decrease in the managing agents' calculation of gross claims reserves will decrease/increase the Company's pre-tax profit/loss by £97,469 (2019: £141,752 );
- a 5% increase/decrease in the managing agents' calculation of net claims reserves will decrease/increase the Company's pre-tax profit/loss by £70,599 (2019: £105,410 ).

The 5% movement has been selected to give an indication of the possible variations in the assumptions used.

**8. 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.

**9. Ultimate Controlling Party**

The ultimate controlling party of the Partnership is shared between Mr J W Dover and Mr T Parsons

**10. Post Balance Sheet Event**

There are no post balance sheet events to report.