
LIMITED LIABILITY PARTNERSHIP

Nomina No 550 LLP

Financial Statements

◆ For the year ended 31 December 2014 ◆

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Registered Number: OC349002

Nomina No 550 LLP

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Nomina No 550 LLP

General Information

Designated Members

Nomina Designated Member No 1 Limited
Nomina Designated Member No 2 Limited

Members' Agent

(Regulated by the Financial Conduct Authority)
Hampden Agencies Ltd

Auditors

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

Registered Number

OC349002

Registered Office

85 Gracechurch Street
London
EC3V 0AA

Nomina No 550 LLP

Members' Report

The Members present their report together with the Financial Statements for the year ended 31 December 2014

Statement of Members' responsibilities

Legislation applicable to Limited Liability Partnerships requires the Members to prepare Financial Statements for each financial year that 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 year

In preparing those Financial Statements, the Members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material 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 keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclosure with reasonable accuracy at any time the financial position of the Partnership. This will enable the Members 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 Partnership in the year under review was that of a limited liability underwriting member of Lloyd's

Results

The Financial Statements incorporate the annual accounting results of the syndicates on which the Partnership participates for the 2012, 2013 and 2014 year of account, as well as any 2011 and prior run-off years. The 2012 year closed at 31 December 2014 with a result of £49,517 (2011 £14,473). The 2013 and 2014 open underwriting accounts will normally close at 31 December 2015 and 2016

The result for the year is shown in the Profit and Loss Account

Future developments

The Limited Liability Partnership continues to write insurance business in the Lloyd's insurance market as a limited liability underwriting member of Lloyd's

Designated Members

The Designated Members during the period were as follows

Nomina Designated Member No 1 Limited
Nomina Designated Member No 2 Limited

Nomina No 550 LLP

Members' Report (continued)

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

During the year, Members may receive drawings representing payments on account of profits which may be allocated to them. The amount of such drawings may be reclaimed from Members until such time as profits have been allocated to them.

Profits are determined, allocated and divided between Members in accordance with the partnership agreement. The partnership agreement requires the net profit of the LLP to be allocated once it has been ascertained.

Auditors

PKF Littlejohn LLP has signified its willingness to continue in office as auditors.

Approved by the Members on 31 July 2015 and signed on their behalf by



Hampden Legal Plc
for and on behalf of

Nomina Designated Member No. 1 Limited
Designated Member

Nomina No 550 LLP

Independent Auditors' Report to the Members of Nomina No 550 LLP

We have audited the Financial Statements of Nomina No 550 LLP for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Limited Liability Partnership'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 Limited Liability Partnership'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 Limited Liability Partnership and the Limited Liability Partnership's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and Auditor

As explained more fully in the Statement of Members' responsibilities on page 3, the Members are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

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

Opinion on Financial Statements

In our opinion the Financial Statements

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 December 2014 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to Limited Liability Partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Carmine Papa (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
31 July 2015

1 Westferry Circus
Canary Wharf
London
E14 4HD

Nomina No 550 LLP

Profit and Loss Account Technical Account – General Business For the year ended 31 December 2014

	Note	2014 £	2013 £
Premiums written			
Gross premium written	1	758,444	847,140
Outward reinsurance premiums		(227,979)	(310,031)
Net premiums written		<u>530,465</u>	<u>537,109</u>
Change in the provision for unearned premiums			
Gross provision		11,784	(33,350)
Reinsurers' share		(26,254)	18,882
Earned premiums, net of reinsurance		<u>515,995</u>	<u>522,641</u>
Allocated investment return transferred from the non-technical account		14,678	3,549
Other technical income, net of reinsurance		-	-
Claims paid			
Gross amount		(303,969)	(408,368)
Reinsurers' share		59,067	151,740
Net claims paid		<u>(244,902)</u>	<u>(256,628)</u>
Change in the provision for claims			
Gross amount		(74,189)	(12,198)
Reinsurers' share		67,167	8,429
Change in the net provisions for claims		<u>(7,022)</u>	<u>(3,769)</u>
Claims incurred, net of reinsurance		<u>(251,924)</u>	<u>(260,397)</u>
Changes in other technical provisions, net of reinsurance		-	-
Net operating expenses	2	(211,637)	(200,372)
Other technical charges, net of reinsurance		-	-
Balance on the technical account for general business		<u>67,112</u>	<u>65,421</u>

The accounting policies and notes are an integral part of these Financial Statements

Nomina No 550 LLP

Profit and Loss Account

Non-Technical Account

For the year ended 31 December 2014

	Note	2014 £	2013 £
Balance on the technical account for general business		67,112	65,421
Investment income	3	25,557	21,851
Unrealised gains on investments		511	531
Investment expenses and charges	4	(8,088)	(13,458)
Unrealised losses on investments		(3,295)	(5,368)
Allocated investment return transferred to the general business technical account		(14,678)	(3,549)
Other income		-	-
Other charges		(8,794)	(34,990)
Profit/(loss) for the financial year before Members' remuneration and profit shares	5	58,325	30,438
Members' (remuneration)/contribution charged as an expense	6	(58,325)	(30,438)
Result for the financial year available for discretionary division among Members		-	-

The Limited Liability Partnership has no recognised gains or losses other than the profit or loss for the year

All items derive from continuing activities

The accounting policies and notes are an integral part of these Financial Statements

Nomina No 550 LLP

Balance Sheet as at 31 December 2014

	Note	31 December 2014			31 December 2013		
		Syndicate participation £	Partnership £	Total £	Syndicate participation £	Partnership £	Total £
Assets							
Intangible assets	7	-	-	-	-	-	-
Investments							
Financial investments	8	567,889	-	567,889	578,654	-	578,654
Deposits with ceding undertakings		-	-	-	-	-	-
		567,889	-	567,889	578,654	-	578,654
Reinsurers' share of technical provisions							
Provision for unearned premiums		84,225	-	84,225	110,485	-	110,485
Claims outstanding		311,851	-	311,851	575,216	-	575,216
Other technical provisions		-	-	-	-	-	-
		396,076	-	396,076	685,701	-	685,701
Debtors							
Arising out of direct insurance operations		196,127	-	196,127	184,341	-	184,341
Arising out of reinsurance operations		9,827	-	9,827	28,006	-	28,006
Other debtors		12,494	-	12,494	57,214	-	57,214
		218,448	-	218,448	269,561	-	269,561
Other assets							
Cash at bank and in hand		19,059	3,932	22,991	18,788	1,981	20,769
Other		138,135	-	138,135	170,350	-	170,350
		157,194	3,932	161,126	189,138	1,981	191,119
Prepayments and accrued income							
Accrued interest		-	-	-	-	-	-
Deferred acquisition costs		67,522	-	67,522	60,948	-	60,948
Other prepayments and accrued income		1,662	-	1,662	339	-	339
		69,184	-	69,184	61,287	-	61,287
Total assets		1,408,791	3,932	1,412,723	1,784,341	1,981	1,786,322

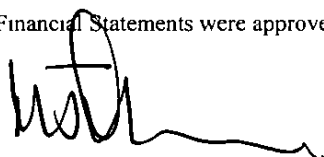
The accounting policies and notes are an integral part of these Financial Statements

Nomina No 550 LLP

Balance Sheet as at 31 December 2014

		31 December 2014			31 December 2013		
	Note	Syndicate participation £	Partnership £	Total £	Syndicate participation £	Partnership £	Total £
Liabilities and Members' interests							
Loans and other debts due to Members within one year							
Other	9	38,776	(5,083)	33,693	(18,873)	(7,034)	(25,907)
Technical provisions							
Provision for unearned premiums		328,644	-	328,644	340,438	-	340,438
Claims outstanding – gross amount		857,493	-	857,493	1,106,205	-	1,106,205
Other technical provisions		-	-	-	-	-	-
Provisions for other risks and charges		-	-	-	-	-	-
Deposit received from reinsurers		-	-	-	-	-	-
Creditors							
Arising out of direct insurance operations		7,400	-	7,400	26,094	-	26,094
Arising out of reinsurance operations		164,363	-	164,363	264,942	-	264,942
Amounts owed to credit institutions		-	-	-	-	-	-
Other creditors including taxation and social security		11,771	3,084	14,855	65,519	3,084	68,603
		1,369,671	3,084	1,372,755	1,803,198	3,084	1,806,282
Accruals and deferred income		344	5,931	6,275	16	5,931	5,947
Total liabilities		1,408,791	3,932	1,412,723	1,784,341	1,981	1,786,322

The Financial Statements were approved by the Members of the Limited Liability Partnership and signed on its behalf by



Mark Tottman, for and on behalf of
Nomina Designated Member No 1 Limited
Designated Member
31 July 2015

Registered Number OC349002

The accounting policies and notes are an integral part of these Financial Statements

Nomina No 550 LLP

Cash Flow Statement For the year ended 31 December 2014

	Note	2014 £	2013 £
Operating activities			
Net cash inflow/(outflow) from operating activities	10(a)	676	(4,389)
Returns on investments and servicing of finance			
Interest received		-	-
Interest paid		-	-
Capital expenditure			
Purchase of syndicate capacity		-	-
Proceeds from sale of syndicate capacity		-	-
Transactions with Members and former Members			
Contributions by/(payments to) Members		1,275	1,841
Net cash inflow/(outflow) for the year	10(b)	1,951	(2,548)
 Cash flows were invested as follows			
Increase/(decrease) in cash holdings		1,951	(2,548)
Purchase of financial investments		-	-
Sale of financial investments		-	-
Net investment of cash flows	10(b)	1,951	(2,548)

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

The accounting policies and notes are an integral part of these Financial Statements.

Nomina No 550 LLP

Statement of Accounting Policies

Basis of preparation

The Financial Statements are prepared under the historical cost basis of accounting, modified to include the revaluation of investments and comply with applicable Accounting Standards

The Limited Liability Partnership participates in insurance business as an underwriting member of various syndicates at Lloyd's

The Financial Statements have been prepared in accordance with Section 396 of the Companies Act 2006, Schedule 3 of SI 2008 (No 410), the large and medium sized companies and groups (accounts and report) regulations 2008, and the recommendations of the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers in December 2005, as amended in December 2006. The Financial Statements have also been prepared in accordance with the Statement of Recommended Practice on Accounting by Limited Liability Partnerships dated March 2010

Accounting information in respect of the syndicate participations has been provided by the syndicate managing agents and has been reported upon by the syndicate auditors

Going concern

The Partnership participates as an underwriting member of Lloyd's. Its underwriting is supported by Funds at Lloyd's either made available by the Partnership directly or by its Members. The Members are of the opinion that the Partnership has adequate resources to meet its underwriting and other operational obligations for the foreseeable future. Accordingly, the going concern concept has been adopted in preparation of the Financial Statements

Basis of accounting

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

Assets and liabilities arising as a result of the underwriting activities are mainly controlled by the syndicates' managing agents. Accordingly, these assets and liabilities have been shown separately in the Balance Sheet as 'Syndicate Participation'. Other assets and liabilities are shown as 'Partnership'. The syndicate assets are held subject to trust deeds for the benefit of the syndicates' insurance creditors

The information included in these Financial Statements in respect of the syndicates has been supplied by managing agents based upon the various accounting policies they have adopted. The following describes the policies they have adopted

General business

i. Premiums

Premiums written comprise the total premiums receivable in respect of business inception during the year together with any differences between booked premiums for prior years and those previously accrued, and include estimates of premiums due but not yet receivable or notified to the syndicates on which the Limited Liability Partnership participates, less an allowance for cancellations. All premiums are shown gross of commission payable to intermediaries and exclude taxes and duties levied on them

ii. Unearned premiums

Written premium is earned according to the risk profile of the policy. Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the Balance Sheet date, calculated on a time apportionment basis having regard, where appropriate, to the incidence of risk. The specific basis adopted by each syndicate is determined by the relevant managing agent

iii. Deferred acquisition costs

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

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Statement of Accounting Policies (continued)

iv. Reinsurance premiums

Reinsurance premium costs are allocated by the managing agent of each syndicate to reflect the protection arranged in respect of the business written and earned

v. Claims incurred and reinsurers' share

Claims incurred comprise claims and settlement expenses (both internal and external) occurring in the year and changes in the provisions for outstanding claims, including provisions for claims incurred but not reported and settlement expenses, together with any other adjustments to claims from previous years. Where applicable, deductions are made for salvage and other recoveries.

The provision for claims outstanding comprises amounts set aside for claims notified and claims incurred but not yet reported ('IBNR'). The amount included in respect of IBNR is based on statistical techniques of estimation applied by each syndicate's in-house reserving team and reviewed by external consulting actuaries. These techniques generally involve projecting from past experience the development of claims over time to form a view of the likely ultimate claims to be experienced for more recent underwriting, having regard to variations in the business accepted and the underlying terms and conditions. The provision for claims also includes amounts in respect of internal and external claims handling costs. For the most recent years, where a high degree of volatility arises from projections, estimates may be based in part on output from rating and other models of the business accepted and assessments of underwriting conditions.

The reinsurers' share of provisions for claims is based on calculated amounts of outstanding claims and projections for IBNR, net of estimated irrecoverable amounts, having regard to each syndicate's reinsurance programme in place for the class of business, the claims experience for the year and the current security rating of the reinsurance companies involved. Each syndicate uses a number of statistical techniques to assist in making these estimates.

Accordingly the two most critical assumptions made by each syndicate's managing agent as regards 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 including pricing models for recent business are reasonable indicators of the likely level of ultimate claims to be incurred.

The level of uncertainty with regard to the estimations within these provisions generally decreases with time since the underlying contracts were exposed to new risks. In addition, the nature of short tail claims, such as property where claims are typically notified and settled within a short period of time, will normally have less uncertainty after a few years than long tail risks, such as some liability business where it may be several years before claims are fully advised and settled. In addition to these factors, if there are disputes regarding coverage under policies or changes in the relevant law regarding a claim this may increase the uncertainty in the estimation of the outcomes.

The assessment of these provisions is usually the most subjective aspect of an insurer's accounts and may result in greater uncertainty within an insurer's accounts than within those of many other businesses. The provisions for gross claims and related reinsurance recoveries have been assessed on the basis of the information currently available to the directors of each syndicate's managing agent. 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 the amounts of claims provisions established in prior years are reflected in the Financial Statements for the period in which the adjustments are made. The provisions are not discounted for the investment earnings that may be expected to arise in the future on the funds retained to meet the future liabilities. The methods used, and the estimates made, are reviewed regularly.

vi. Unexpired risks provision

Provisions for unexpired risks are made where the costs of outstanding claims, related expenses and deferred acquisition costs are expected to exceed the unearned premium provision carried forward at the Balance Sheet date. The provision for unexpired risks is calculated separately by reference to classes of business which are managed together, after taking into account relevant investment return. The provision is made on a syndicate by syndicate basis by the relevant managing agent.

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Statement of Accounting Policies (continued)

vii Closed years of account

At the end of the third year, the underwriting account is normally closed by reinsurance into the following year of account. The amount of the reinsurance to close premium payable is determined by the managing agent, generally by estimating the cost of claims notified but not settled at 31 December, together with the estimated cost of claims incurred but not reported at that date, and an estimate of future claims handling costs. Any subsequent variation in the ultimate liabilities of the closed year of account is borne by the year of account into which it is reinsured.

The payment of a reinsurance to close premium does not eliminate the liability of the closed year for outstanding claims. If the reinsuring syndicate was unable to meet its obligations, and the other elements of Lloyd's chain of security were to fail, then the closed underwriting account would have to settle outstanding claims.

The Members consider that the likelihood of such a failure of the reinsurance to close is extremely remote, and consequently the reinsurance to close has been deemed to settle the liabilities outstanding at the closure of an underwriting account. The Limited Liability Partnership has included its share of the reinsurance to close premiums payable as technical provisions at the end of the current period, and no further provision is made for any potential variation in the ultimate liability of that year of account.

viii Run-off years of account

Where a year of account is not closed at the end of the third year (a "run-off" year of account) a provision is made for the estimated cost of all known and unknown outstanding liabilities of that year. The provision is determined initially by the managing agent on a similar basis to the reinsurance to close. However, any subsequent variation in the ultimate liabilities for that year remains with the underwriting member participating therein. As a result any run-off year will continue to report movements in its results after the third year until such time as it secures a reinsurance to close.

ix. Net operating expenses (including acquisition costs)

Net operating costs include acquisition costs, profit and loss on exchange and other amounts incurred by the syndicates on which the Limited Liability Partnership participates.

Acquisition costs, comprising commission and other costs related to the acquisition of new insurance contracts, are deferred to the extent that they are attributable to premiums unearned at the Balance Sheet date.

x. Distribution of profits and collection of losses

Lloyd's operates a detailed set of regulations regarding solvency and the distribution of profits and payment of losses between syndicates and their underwriting members. Lloyd's continues to require membership of syndicates to be on a year of account basis and profits and losses belong to underwriting members according to their membership of a year of account. Normally profits and losses are transferred between the syndicate and underwriting members after results for a year of account are finalised after 36 months. This period may be extended if a year of account goes into run-off. The syndicate may make earlier on account distributions or cash calls according to the cash flow of a particular year of account and subject to Lloyd's requirements.

xi. Investments

Investments are stated at current value, including accrued interest at the Balance Sheet date.

xii. Investment return

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

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

Investment return is initially recorded in the non-technical account. A transfer is made from the non-technical account to the general business technical account to reflect the investment return on funds supporting the underwriting business.

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Statement of Accounting Policies (continued)

xiii. Basis of currency translation

Syndicates maintain separate funds in Sterling, US dollars, Canadian dollars and Euros

Income and expenditure in US dollars, Canadian dollars and Euros is translated at the average rate of exchange for the year. Underwriting transactions denominated in other foreign currencies are included at the rate of exchange ruling at the date the transaction is processed.

Assets and liabilities are translated into Sterling at the rates of exchange at the Balance Sheet date.

Differences arising on translation of foreign currency amounts in syndicates are included in the non-technical account.

xiv Debtors/creditors arising from insurance/reinsurance operations

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

Members' interests

The net profit/loss 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.

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

Members' remuneration

Under the partnership agreement the net profit of the LLP is allocated to each Member in accordance with their respective profit share for relevant underwriting years of account on a fair and equitable basis.

Under the agreement the net profits are divided between Members when determined. Accordingly the net profits have been treated as an expense in the Profit and Loss Account. To the extent they remain unpaid at the year end they are shown as liabilities in the Balance Sheet.

Taxation

Income tax payable on the Partnership's profits is solely the personal liability of the Members and consequently is not dealt with in these Financial Statements.

Intangible assets

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

Cash flow statement

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

Nomina No 550 LLP

Notes to the Financial Statements For the year ended 31 December 2014

1. Class of business

2014	Gross premiums written £	Gross premiums earned £	Gross claims incurred £	Net operating expenses £	Reinsurance balance £	Total £
Direct insurance						
Accident and health	51,401	55,222	(22,620)	(19,198)	(7,842)	5,562
Motor – third party liability	257	265	1,036	(29)	(576)	696
Motor – other classes	(2,737)	(2,697)	574	459	446	(1,218)
Marine, aviation and transport	65,008	64,891	(49,308)	(16,877)	(5,752)	(7,046)
Fire and other damage to property	213,607	215,315	(60,934)	(58,137)	(48,053)	48,191
Third party liability	215,254	224,169	(141,628)	(62,150)	(24,708)	(4,317)
Credit and suretyship	10,376	5,929	(3,983)	(2,161)	(1,669)	(1,884)
Legal expenses	-	-	-	-	-	-
Assistance	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total direct	553,166	563,094	(276,863)	(158,093)	(88,154)	39,984
Reinsurance	205,278	207,134	(101,295)	(53,544)	(39,845)	12,450
Total	758,444	770,228	(378,158)	(211,637)	(127,999)	52,434

2013	Gross premiums written £	Gross premiums earned £	Gross claims incurred £	Net operating expenses £	Reinsurance balance £	Total £
Direct insurance						
Accident and health	57,286	51,383	(39,243)	(18,853)	(6,252)	(12,965)
Motor – third party liability	(251)	(98)	(1,075)	(16)	(372)	(1,561)
Motor – other classes	15,296	19,193	(6,442)	(4,852)	(14,471)	(6,572)
Marine, aviation and transport	59,136	61,806	(40,136)	(11,058)	(7,728)	2,884
Fire and other damage to property	235,724	237,149	(98,307)	(55,934)	(61,348)	21,560
Third party liability	255,611	237,492	(164,034)	(69,138)	11,985	16,305
Credit and suretyship	1,362	2,378	(670)	(671)	(3,002)	(1,965)
Legal expenses	-	-	-	-	-	-
Assistance	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total direct	624,164	609,303	(349,907)	(160,522)	(81,188)	17,686
Reinsurance	222,976	204,487	(70,659)	(39,850)	(49,792)	44,186
Total	847,140	813,790	(420,566)	(200,372)	(130,980)	61,872

All insurance business is underwritten in the UK in the Lloyd's insurance market, which has been treated as one geographical segment for the purpose of SSAP 25 Segmental Reporting

Nomina No 550 LLP

Notes to the Financial Statements (continued) For the year ended 31 December 2014

2. Net operating expenses	2014	2013
	£	£
Acquisition costs	219,676	238,882
Change in deferred acquisition costs	1,297	(15,796)
Administrative expenses	33,207	44,202
Reinsurance commissions and profit participations	(52,631)	(76,014)
Personal expenses	10,088	9,098
	211,637	200,372
3. Investment income	2014	2013
	£	£
Income from investments	16,562	17,772
Gains on the realisation of investments	8,988	4,072
Bank deposit interest	7	7
	25,557	21,851
4. Investment expenses and charges	2014	2013
	£	£
Investment management expenses, including interest	387	607
Losses on the realisation of investments	7,701	12,851
	8,088	13,458
5. Profit/(loss) for the financial year before Members' remuneration and profit shares	2014	2013
	£	£
The profit/(loss) on ordinary activities is stated after charging/(crediting)		
Amortisation of syndicate capacity	-	-
(Profit)/loss on disposal of syndicate capacity	-	-
(Profit)/loss on exchange	1,682	30,323
Interest on bank loans and overdrafts	-	-
Other interest	-	-

The Limited Liability Partnership has no employees

The auditors, PKF Littlejohn LLP, charge a fixed fee to Nomina Plc for the provision of the audit of the LLP. This fee is included within the service fee charged to the Partnership by Nomina Plc and equates to approximately £72 (2013: £80).

Nomina No 550 LLP

Notes to the Financial Statements (continued) For the year ended 31 December 2014

6. Members' remuneration

The average number of Members during the year was 3

	2014 £	2013 £
Profit/(loss) (including remuneration) attributable to the Member with the largest entitlement	58,325	30,438

7. Intangible assets

Purchased syndicate capacity

Cost

At 1 January 2014

Additions

Disposals

At 31 December 2014

Amortisation

At 1 January 2014

Provided during the year

Disposals

At 31 December 2014

Net book value

At 31 December 2014

At 31 December 2013

8. Investments

Other financial investments – Syndicate

	2014 Market value £	2014 Cost £	2013 Market value £	2013 Cost £
Shares and other variable yield securities and units in unit trusts	51,020	51,020	63,949	63,949
Debt securities and other fixed income securities	516,010	513,622	513,288	514,814
Participation in investment pools	859	364	1,417	1,070
Loans secured by mortgages	-	-	-	-
Other loans	-	-	-	-
Deposits with credit institutions	-	-	-	-
Other	-	-	-	-
	567,889	565,006	578,654	579,833
Listed investments included within the above	567,889	565,006	578,654	579,833

Nomina No 550 LLP

Notes to the Financial Statements (continued) For the year ended 31 December 2014

9 Loans and other debts due to Members

	Syndicate capacity £	Other £	Total £
Members' interests at 1 January 2014	4,186	(30,093)	(25,907)
Allocated remuneration	-	58,325	58,325
Other movements	-	1,275	1,275
Members' interests at 31 December 2014	4,186	29,507	33,693

The profit/loss on disposal of syndicate capacity together with the amortisation charge is shown under the heading 'Syndicate capacity'. The direct underwriting return and all other movements are shown under 'Other'.

Loans and other debts due to Members rank equally with debts due to ordinary creditors on winding up.

10. (a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities

	2014 £	2013 £
Profit/(loss) on ordinary activities before tax	58,325	30,438
(Profit)/loss attributable to syndicate transactions	(72,122)	(40,096)
Profit/(loss) – excluding syndicate transactions	(13,797)	(9,658)
(Increase)/decrease in debtors	(1)	1,977
Increase/(decrease) in creditors	14,474	3,292
(Profit)/loss on disposal of syndicate capacity	-	-
Amortisation of syndicate capacity	-	-
Impairment of syndicate capacity	-	-
Realised/unrealised (gains)/losses on investments	-	-
Net cash inflow/(outflow) from operating activities	676	(4,389)

(b) Movement in cash, portfolio investments and financing

	At 1 January 2014 £	Cash flow £	Changes to market value £	At 31 December 2014 £
Cash	1,981	1,951	-	3,932
Other financial investments	-	-	-	-
	1,981	1,951	-	3,932

Nomina No 550 LLP

Notes to the Financial Statements (continued) For the year ended 31 December 2014

11 Related party disclosure

There are no related party transactions to be disclosed

12 Ultimate controlling party

The ultimate controlling party of the Partnership is Argo Underwriting Agency Limited