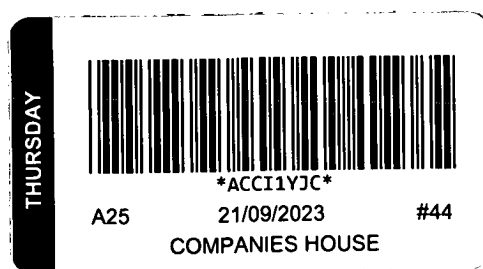


Nomina No 550 LLP

Annual Report and Financial Statements
31 December 2022



Registered Number: OC349002

Nomina No 550 LLP

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Nomina No 550 LLP

Partnership 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
15 Westferry Circus
Canary Wharf
London
E14 4HD

Registered Number

OC349002

Registered Office

5th Floor , 40 Gracechurch Street
London
EC3V 0BT

Nomina No 550 LLP

Members' Report

The Members present their Report together with the audited Financial Statements of the Partnership for the year ended 31 December 2022.

Principal activities

The principal activity of the Partnership is 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 2020, 2021 and 2022 year of account, as well as any 2019 and prior run-off years. The 2020 year closed at 31 December 2022 with a result of £30,306 (2019: £(81,011)). The 2021 and 2022 open underwriting accounts will normally close at 31 December 2023 and 2024.

The results for the year are set out on pages 8 and 9 of the Financial Statements.

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.

Members' interests

The net profit or 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.

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.

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' Responsibilities Statement

The Members are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law (as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the Members to prepare Financial Statements for each financial year. Under that law, the Members have prepared the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law (as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the Members must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP 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 accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 and enable them to ensure that the Financial Statements comply with 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. They are also responsible for: such internal control as they determine necessary to enable the preparation of Financial Statements, that are free from material misstatements, whether due to fraud or error; and safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the Designated Members on behalf of the Members.

Auditor

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

Each of the persons who is a Member at the date of approval of this report confirms that:

- so far as the Member is aware, there is no relevant audit information of which the auditor is unaware; and
- the Member has taken all the steps that he/she ought to have taken as a Member in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Members on 12 September 2023 and signed on their behalf by:



Mark Tottman, for and on behalf of
Nomina Designated Member No. 1 Limited
Designated Member

Nomina No 550 LLP

Independent Auditor's Report

Independent Auditor's Report to the Members of Nomina No 550 LLP

Opinion

We have audited the Financial Statements of Nomina No 550 LLP (the "Limited Liability Partnership") for the year ended 31 December 2022 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Members' Interests, the 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 and FRS 103 *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 Limited Liability Partnership's affairs as at 31 December 2022 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.

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 Limited Liability Partnership 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.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Members use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Limited Liability Partnership's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

Our responsibilities and the responsibilities of the Members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the Financial Statements and our auditor's report thereon. The Members are responsible for the other information contained within the Annual Report. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the Financial Statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Members' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Members' Report has been prepared in accordance with applicable legal requirements.

Nomina No 550 LLP

Independent Auditor's Report (continued)

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 by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Members

As explained more fully in the Members' Responsibilities Statement, 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 Limited Liability Partnership'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 Limited Liability Partnership 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 Limited Liability Partnership 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 the management and the application of our knowledge and experience of the sector in which the Limited Liability Partnership operates in. We determined the principal laws and regulations relevant to the Limited Liability Partnership in this regard to be those arising from the Companies Act 2006, Lloyds of London byelaws as they relate to limited liability vehicles and UK GAAP.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Limited Liability Partnership 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 Limited Liability Partnership 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.
- A 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 address 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.

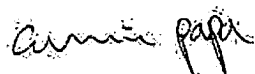
A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Nomina No 550 LLP

Independent Auditor's Report (continued)

Use of our report

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 by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. 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.



Carmine Papa (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
19 September 2023

15 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 2022

	Note	2022 £	2021 £
Premiums written			
Gross premium written	6,7	1,270,329	1,195,782
Outward reinsurance premiums		(865,234)	(311,928)
Net premiums written		<u>405,095</u>	<u>883,854</u>
Change in the provision for unearned premiums	8		
Gross provision		(3,146)	(110,110)
Reinsurers' share		(22,914)	60,826
Net change in the provision for unearned premiums		<u>(26,060)</u>	<u>(49,284)</u>
Earned premiums, net of reinsurance		379,035	834,570
Allocated investment return transferred from the non-technical account		(25,433)	(15,855)
Other technical income, net of reinsurance		-	-
Total technical income		<u>353,602</u>	<u>818,715</u>
Claims paid			
Gross amount		(492,841)	(351,752)
Reinsurers' share		277,309	41,303
Net claims paid		<u>(215,532)</u>	<u>(310,449)</u>
Change in the provision for claims			
Gross amount		(223,403)	(312,933)
Reinsurers' share		463,998	171,193
Change in the net provisions for claims	8	<u>240,595</u>	<u>(141,740)</u>
Claims incurred, net of reinsurance		25,063	(452,189)
Changes in other technical provisions, net of reinsurance		-	-
Net operating expenses	9	(316,400)	(340,968)
Other technical charges, net of reinsurance		-	-
Balance on the technical account for general business		<u>62,265</u>	<u>25,558</u>

The 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 2022

	Note	2022 £	2021 £
Balance on the technical account for general business		62,265	25,558
Investment income	10	48,940	78,608
Unrealised gains on investments	10	73,960	24,074
Investment expenses and charges	10	(51,968)	(86,975)
Unrealised losses on investments	10	(96,362)	(31,551)
Allocated investment return transferred to the general business technical account		25,433	15,855
Other income		-	-
Other charges		(24,866)	(2,833)
Profit/(loss) for the financial year before Members' remuneration and profit shares	11	37,402	22,736
Members' (remuneration)/contribution charged as an expense	12	(37,402)	(22,736)
Result for the financial year available for discretionary division among Members		-	-

Statement of Comprehensive Income

		2022 £	2021 £
Result for the financial year available for discretionary division among Members		-	-
Other comprehensive income:			
Currency translation differences		-	-
Other comprehensive income before Members' remuneration and profit shares		-	-
Members' (remuneration)/contribution	12	-	-
Other comprehensive income for the year available for discretionary division among Members		-	-
Total comprehensive income for the financial year available for discretionary division among Members		-	-

All items derive from continuing activities.

The Notes are an integral part of these Financial Statements.

Nomina No 550 LLP

Balance Sheet as at 31 December 2022

		31 December 2022			31 December 2021		
	Note	Syndicate participation £	Partnership £	Total £	Syndicate participation £	Partnership £	Total £
Assets							
Intangible assets	13	-	-	-	-	-	-
Investments							
Financial investments	14	744,844	-	744,844	568,506	-	568,506
Deposits with ceding undertakings		4,091	-	4,091	6,944	-	6,944
		748,935	-	748,935	575,450	-	575,450
Reinsurers' share of technical provisions							
Provision for unearned premiums	8	120,687	-	120,687	133,586	-	133,586
Claims outstanding	8	834,101	-	834,101	369,743	-	369,743
Other technical provisions		2,607	-	2,607	-	-	-
		957,395	-	957,395	503,329	-	503,329
Debtors							
Arising out of direct insurance operations:							
- Policyholders		-	-	-	-	-	-
- Intermediaries		576,539	-	576,539	476,635	-	476,635
Arising out of reinsurance operations		137,319	-	137,319	150,247	-	150,247
Other debtors	15	14,397	1	14,398	27,072	-	27,072
		728,255	1	728,256	653,954	-	653,954
Other assets							
Cash at bank and in hand		152,734	202	152,936	93,444	8,290	101,734
Other		141,869	-	141,869	121,555	-	121,555
		294,603	202	294,805	214,999	8,290	223,289
Prepayments and accrued income							
Accrued interest		-	-	-	-	-	-
Deferred acquisition costs	8	123,282	-	123,282	112,337	-	112,337
Other prepayments and accrued income		-	-	-	-	-	-
		123,282	-	123,282	112,337	-	112,337
Total assets		2,852,470	203	2,852,673	2,060,069	8,290	2,068,359

The Notes are an integral part of these Financial Statements.

Nomina No 550 LLP

Balance Sheet as at 31 December 2022

		31 December 2022			31 December 2021		
	Note	Syndicate participation £	Partnership £	Total £	Syndicate participation £	Partnership £	Total £
Liabilities and Members' interests							
Loans and other debts due to Members within one year							
Other	16	(10,929)	203	(10,726)	(145,232)	5,205	(140,027)
Technical provisions							
Provision for unearned premiums	8	613,576	-	613,576	568,935	-	568,935
Claims outstanding – gross amount	8	1,617,775	-	1,617,775	1,293,813	-	1,293,813
Other technical provisions		-	-	-	-	-	-
		2,231,351	-	2,231,351	1,862,748	-	1,862,748
Provisions for other risks and charges		-	-	-	-	-	-
Deposit received from reinsurers		-	-	-	-	-	-
Creditors							
Arising out of direct insurance operations		20,847	-	20,847	17,688	-	17,688
Arising out of reinsurance operations		549,810	-	549,810	275,571	-	275,571
Amounts owed to credit institutions		-	-	-	-	-	-
Other creditors including taxation and social security	17	59,840	-	59,840	47,790	3,085	50,875
		630,497	-	630,497	341,049	3,085	344,134
Accruals and deferred income		1,551	-	1,551	1,504	-	1,504
Total liabilities		2,863,399	-	2,863,399	2,205,301	3,085	2,208,386
Total liabilities and Members' interests		2,852,470	203	2,852,673	2,060,069	8,290	2,068,359

The Financial Statements were approved and authorised for issue by the Members of the Limited Liability Partnership on 12 September 2023 and signed on its behalf by:



Mark Tottman, for and on behalf of
Nomina Designated Member No. 1 Limited
Designated Member

Partnership registration number: OC349002

The Notes are an integral part of these Financial Statements.

Nomina No 550 LLP

Statement of Changes in Members' Interests for the year ended 31 December 2022

	Debt Loans and other debts due to Members less any amounts due from Members		
	Syndicate capacity £	Other £	Total £
At 1 January 2021	4,186	(223,470)	(219,284)
Allocated remuneration from profit/(loss)	-	22,736	22,736
Allocated remuneration from other comprehensive income	-	-	-
Funds introduced by / (repaid to) Members and former Members	-	56,521	56,521
Other movements	-	-	-
At 31 December 2021	4,186	(144,213)	(140,027)
At 1 January 2022	4,186	(144,213)	(140,027)
Allocated remuneration from profit/(loss)	-	37,402	37,402
Allocated remuneration from other comprehensive income	-	-	-
Funds introduced by / (repaid to) Members and former Members	-	91,899	91,899
Other movements	-	-	-
At 31 December 2022	4,186	(14,912)	(10,726)

Debt:

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 the heading 'Other'.

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

Within loans and other debts due to Members, there is no Members' capital classified as debt.

Equity:

Within equity, based on the Partnership agreement, there are no Members' Other Interests.

The Notes are an integral part of these Financial Statements.

Nomina No 550 LLP

Statement of Cash Flows for the year ended 31 December 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit/(loss) before Members' remuneration and profit shares	37,402	22,736
Deduction of (profit)/loss attributed to syndicate transactions	(53,292)	(40,536)
Distribution/(collection) of closed year result from syndicates	(81,011)	(30,433)
Profit/(loss) excluding syndicate transactions	(96,901)	(48,233)
Adjustments for:		
(Increase)/decrease in debtors	(1)	-
Increase/(decrease) in creditors	(3,085)	1
(Profit)/loss on disposal of intangible assets	-	-
Amortisation of syndicate capacity	-	-
Investment income	(3)	(11)
Realised/unrealised (gains)/losses on investments	-	-
Income tax paid	-	-
Net cash inflow/(outflow) from operating activities	(99,990)	(48,243)
Cash flows from investing activities		
Investment income	3	11
Purchase of syndicate capacity	-	-
Proceeds from sale of syndicate capacity	-	-
Purchase of investments	-	-
Proceeds from sale of investments	-	-
Net cash inflow/(outflow) from investing activities	3	11
Cash flows from financing activities with Members and former Members		
Contributions introduced by / (repaid to) Members and former Members	91,899	56,521
Net cash inflow/(outflow) from financing activities with Members and former Members	91,899	56,521
Net increase/(decrease) in cash and cash equivalents	(8,088)	8,289
Cash and cash equivalents at beginning of year	8,290	1
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of year	202	8,290
Cash and cash equivalents comprise:		
Cash at bank and in hand	202	8,290
Other financial investments	-	-
Cash and cash equivalents	202	8,290

The 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 Partnership funds, which includes transfers to and from the syndicates at Lloyd's.

Net Debt Reconciliation:

The Net Debt Reconciliation comprises only of the Partnership cash and cash equivalents, as the Partnership does not have any borrowings.

The cash and cash equivalents at the beginning of the year, the cash flows arising during the year, any exchange rate movements and the cash and cash equivalents at the end of the year are disclosed within the Cash Flow Statement above.

The Notes are an integral part of these Financial Statements.

Nomina No 550 LLP

Notes to the Financial Statements for the year ended 31 December 2022

1. General information

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

2. Statement of compliance

These Financial Statements have been prepared in accordance with United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts" and the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. The Financial Statements have also been prepared in accordance with the Statement of Recommended Practice on Accounting by Limited Liability Partnerships dated 26 January 2017 (effective for accounting periods beginning on or after 1 January 2016), and the Schedule 3 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations, relating to insurance.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost basis of accounting, as modified by the revaluation of certain financial instruments measured at fair value through profit or loss.

The preparation of Financial Statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 4.

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 the preparation of the Financial Statements.

Basis of accounting

The Financial Statements have been 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 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 incepted 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 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.

Nomina No 550 LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2022

3. Summary of significant accounting policies (continued)

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.

iv. Reinsurance premiums

Managing agents enter into reinsurance contracts on behalf of syndicates, in the normal course of business in order to limit the potential for losses arising from certain exposures. 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 as the exposure period recedes. 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.

The reinsurers share of provision for claims together with any other reinsurance assets are assessed for impairment at the balance sheet date, based on the likely amounts to be recovered. Any impairment loss is recognised as an expense in the Profit and Loss Account for the period.

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Notes to the Financial Statements (continued) for the year ended 31 December 2022

3. Summary of significant accounting policies (continued)

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.

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 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 an underwriting 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 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 members according to their membership of a year of account. Normally profits and losses are transferred between the syndicate and 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.

Nomina No 550 LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2022

3. Summary of significant accounting policies (continued)

xi. Financial assets and financial liabilities

Classification:

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

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

Recognition:

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

Initial measurement:

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

Subsequent measurement:

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

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

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

De-recognition of financial assets and liabilities:

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

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

Fair value measurement:

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

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

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

Impairment of financial instruments measured at amortised cost or cost:

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

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

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Notes to the Financial Statements (continued) for the year ended 31 December 2022

3. Summary of significant accounting policies (continued)

xi. Financial assets and financial liabilities (continued)

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

Offsetting:

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

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 fair 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.

xiii. Basis of currency translation

The presentational and functional currency of the Partnership is Pound Sterling, which is the currency of the primary economic environment in which it operates. Supported syndicates may have different functional currencies.

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.

Monetary assets and liabilities, which according to FRS 103 are deemed to include unearned premiums and deferred acquisition costs, are translated into Pound Sterling at the rates of exchange at the Balance Sheet date.

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

Differences arising on translation to the functional currency of the syndicates where the functional currency was not Pound Sterling are reported in Other Comprehensive Income. All other exchange differences are reported within the Profit and Loss Account, Non-Technical Account (or the Technical Account in respect of Life syndicates).

Reinsurance at partnership level

Where considered applicable, the Partnership may purchase additional reinsurance to that purchased through the syndicates. Any such reinsurance premiums and related reinsurance recoveries are treated in the same manner as described for syndicates in Note 3 (iv) and (v) above.

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.

Nomina No 550 LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2022

3. Summary of significant accounting policies (continued)

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 assets and amortised over a five year period beginning in the year following the purchase of the syndicate participation.

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

Cash and cash equivalents and Statement of Cash Flows

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

The 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 Partnership funds, which includes transfers to and from syndicates at Lloyd's.

Members' interests

The net profit/loss of the 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 the Members' yearly shares for the underwriting years of account. Allocation between the underwriting years of account are apportioned on a fair and equitable basis.

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

Related party transactions

The Partnership discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

4. Key accounting judgements and estimation uncertainties

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

The measurement of the provision for claims outstanding is the most significant judgement involving estimation uncertainty regarding amounts recognised in these Financial Statements in relation to underwriting by the syndicates and this is disclosed further in Note 5.

The management and control of each syndicate is carried out by the managing agent of that syndicate, and the Partnership looks to the managing agent to implement appropriate policies, procedures and internal controls to manage each syndicate.

The key accounting judgements and sources of estimation uncertainty set out below therefore relate to those made in respect of the Partnership only, and do not include estimates and judgements made in respect of the syndicates.

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Notes to the Financial Statements (continued) for the year ended 31 December 2022

4. Key accounting judgements and estimation uncertainties (continued)

Purchased syndicate capacity:

Estimating value in use:

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

Determining the useful life of purchased syndicate capacity:

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

Assessing indicators of impairment:

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

Recoverability of receivables:

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

5. Risk management

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

Risk background

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

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

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

The analysis below provides details of the financial risks the Partnership is exposed to from syndicate insurance activities and at a corporate partnership level, as required by FRS 103. Note 8 provides further analysis of sensitivities to reserving and underwriting risks.

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Notes to the Financial Statements (continued) for the year ended 31 December 2022

5. Risk management (continued)

Syndicate risks

i. Liquidity risk

The syndicates are exposed to daily calls on their available cash resources, principally from claims arising from its insurance business. Liquidity risk arises where cash may not be available to pay obligation when due, or to ensure compliance with the syndicate's obligations under the various trust deeds to which it is party.

The syndicates' aim to manage their liquidity position so that they can fund claims arising from significant catastrophic events, as modelled in their Lloyd's realistic disaster scenarios ("RDS").

Although there are usually no stated maturities for claims outstanding, syndicates have provided their expected maturity of future claims settlements as follows:

2022	No stated maturity £	0-1 year £	1-3 years £	3-5 years £	> 5 years £	Total £
Claims outstanding	(1)	610,961	350,214	467,511	189,090	1,617,775

2021	No stated maturity £	0-1 year £	1-3 years £	3-5 years £	> 5 years £	Total £
Claims outstanding	-	463,140	291,383	383,705	155,585	1,293,813

ii. Credit risk

Credit ratings to syndicate assets emerging directly from insurance activities which are neither past due nor impaired are as follows:

2022	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
Financial investments	264,953	212,929	174,662	47,596	44,704	744,844
Deposits with ceding undertakings	-	-	4,091	-	-	4,091
Reinsurers share of claims outstanding	16,014	60,072	736,023	-	21,992	834,101
Reinsurance debtors	-	-	18,006	-	-	18,006
Cash at bank and in hand	-	-	152,734	-	-	152,734
	280,967	273,001	1,085,516	47,596	66,696	1,753,776

2021	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
Financial investments	146,185	158,564	183,270	37,146	43,341	568,506
Deposits with ceding undertakings	-	-	6,944	-	-	6,944
Reinsurers share of claims outstanding	6,230	42,219	312,079	-	9,215	369,743
Reinsurance debtors	-	583	130,538	-	-	131,121
Cash at bank and in hand	-	-	93,444	-	-	93,444
	152,415	201,366	726,275	37,146	52,556	1,169,758

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Notes to the Financial Statements (continued) for the year ended 31 December 2022

5. Risk management (continued)

Syndicate risks (continued)

ii. Credit risk (continued)

Syndicate assets emerging directly from insurance activities, with reference to their due date or impaired are as follows:

2022	Neither past due nor impaired £	Past due but not impaired			Impaired £	Total £
		Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £		
Financial investments	744,844	-	-	-	-	744,844
Deposits with ceding undertakings	4,091	-	-	-	-	4,091
Reinsurers share of claims outstanding	834,101	-	-	-	-	834,101
Reinsurance debtors	18,006	98,761	1,395	2,007	-	120,169
Cash at bank and in hand	152,734	-	-	-	-	152,734
Insurance and other debtors	841,249	28,450	395	9,839	-	879,933
	2,595,025	127,211	1,790	11,846	-	2,735,872

2021	Neither past due nor impaired £	Past due but not impaired			Impaired £	Total £
		Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £		
Financial investments	568,506	-	-	-	-	568,506
Deposits with ceding undertakings	6,944	-	-	-	-	6,944
Reinsurers share of claims outstanding	369,743	-	-	-	-	369,743
Reinsurance debtors	131,121	4,072	4,676	10,256	-	150,125
Cash at bank and in hand	93,444	-	-	-	-	93,444
Insurance and other debtors	748,081	22,769	566	7,306	-	778,722
	1,917,839	26,841	5,242	17,562	-	1,967,484

iii. Interest rate and equity price risk

Interest rate risk and equity price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates and market prices, respectively.

iv. Currency risk

The syndicates' main exposure to foreign currency risk arises from insurance business originating overseas, primarily denominated in US dollars. Transactions denominated in US dollars form a significant part of the syndicates' operations. This risk is, in part, mitigated by the syndicates maintaining financial assets denominated in US dollars against its major exposures in that currency.

The table below provides details of syndicate assets and liabilities by currency:

2022	GBP £ converted	USD £ converted	EUR £ converted	CAD £ converted	Other £ converted	Total £ converted
Total assets	366,274	1,795,768	106,892	443,790	139,746	2,852,470
Total liabilities	(516,730)	(1,690,732)	(164,715)	(305,541)	(185,681)	(2,863,399)
Surplus/(deficiency) of assets	(150,456)	105,036	(57,823)	138,249	(45,935)	(10,929)

Nomina No 550 LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2022

5. Risk management (continued)

Syndicate risks (continued)

iv. Currency risk (continued)

2021	GBP £ converted	USD £ converted	EUR £ converted	CAD £ converted	Other £ converted	Total £ converted
Total assets	180,671	1,416,666	75,998	287,644	99,090	2,060,069
Total liabilities	(240,533)	(1,477,607)	(146,552)	(211,006)	(129,603)	(2,205,301)
Surplus/(deficiency) of assets	(59,862)	(60,941)	(70,554)	76,638	(30,513)	(145,232)

The impact of a 5% change in exchange rates between GBP and other currencies would be £6,976 on loans and other debts due to Members within one year (2021: £4,269).

Partnership risks

i. Investment, Credit and Liquidity risks

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

ii. Currency risks

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

iii. Regulatory risks

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

iv. Operational risks

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

Nomina No 550 LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2022

6. Class of business

2022	Gross premiums written £	Gross premiums earned £	Gross claims incurred £	Net operating expenses £	Reinsurance balance £	Total £
Direct insurance						
Accident and health	17,741	22,454	(14,392)	(8,622)	(1,345)	(1,905)
Motor – third party liability	-	-	-	-	-	-
Motor – other classes	-	-	-	-	-	-
Marine, aviation and transport	95,763	99,231	(70,589)	(28,701)	(695)	(754)
Fire and other damage to property	290,113	352,078	(263,833)	(60,944)	(58,837)	(31,536)
Third party liability	346,852	341,530	(118,733)	(100,526)	(34,612)	87,659
Credit and suretyship	39,339	33,667	(4,840)	(13,216)	(10,548)	5,063
Legal expenses	-	-	-	-	-	-
Assistance	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total direct	789,808	848,960	(472,387)	(212,009)	(106,037)	58,527
Reinsurance inward	480,521	418,223	(243,857)	(104,391)	(40,804)	29,171
Total	1,270,329	1,267,183	(716,244)	(316,400)	(146,841)	87,698

2021	Gross premiums written £	Gross premiums earned £	Gross claims incurred £	Net operating expenses £	Reinsurance balance £	Total £
Direct insurance						
Accident and health	21,256	27,509	(15,244)	(11,966)	(1,792)	(1,493)
Motor – third party liability	-	-	-	-	-	-
Motor – other classes	-	-	-	-	-	-
Marine, aviation and transport	71,595	73,830	(29,971)	(24,653)	(7,238)	11,968
Fire and other damage to property	380,880	336,339	(238,689)	(94,190)	4,083	7,543
Third party liability	300,486	294,653	(138,441)	(118,391)	(28,689)	9,132
Credit and suretyship	46,703	37,728	(26,326)	(8,979)	(778)	1,645
Legal expenses	-	-	-	-	-	-
Assistance	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total direct	820,920	770,059	(448,671)	(258,179)	(34,414)	28,795
Reinsurance inward	374,862	315,613	(216,014)	(82,789)	(4,192)	12,618
Total	1,195,782	1,085,672	(664,685)	(340,968)	(38,606)	41,413

7. Geographical analysis

	2022 £	2021 £
Direct gross premium written in:		
United Kingdom	789,808	820,920
Other EU Member States	-	-
Rest of the World	-	-
	789,808	820,920

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Notes to the Financial Statements (continued) for the year ended 31 December 2022

8. Technical provisions

Movement in claims outstanding	Gross £	Reinsurance £	2022 Net £	Gross £	Reinsurance £	2021 Net £
At 1 January	1,293,813	369,743	924,070	1,672,394	337,571	1,334,823
Movement in technical account	223,403	463,998	(240,595)	312,933	171,193	141,740
Other movements	100,559	360	100,199	(691,514)	(139,021)	(552,493)
At 31 December	1,617,775	834,101	783,674	1,293,813	369,743	924,070

Movement in unearned premiums	Gross £	Reinsurance £	2022 Net £	Gross £	Reinsurance £	2021 Net £
At 1 January	568,935	133,586	435,349	454,452	71,255	383,197
Movement in technical account	3,146	(22,914)	26,060	110,110	60,826	49,284
Other movements	41,495	10,015	31,480	4,373	1,505	2,868
At 31 December	613,576	120,687	492,889	568,935	133,586	435,349

Movement in deferred acquisition costs	2022 Net £	2021 Net £
At 1 January	112,337	111,073
Movement in deferred acquisition costs	(3,044)	13,767
Other movements	13,989	(12,503)
At 31 December	123,282	112,337

Included within other movements are foreign exchange movements and the effect of the 2019 and prior years' technical provisions being reinsured to close into the 2020 year of account (2021: 2018 and prior years' technical provisions being reinsured to close into the 2019 year of account), to the extent where the Partnership's syndicate participation portfolio has changed between those two years of account.

Assumptions, changes in assumptions and sensitivity

As described in Note 5 the majority of the risks to the Partnership's future cash flows arise from its participation in the results of Lloyd's syndicates and are mostly managed by the managing agents of the syndicates. The Partnership's role in managing these risks, in conjunction with the Partnership's members' agent, is limited to a selection of syndicate participations and monitoring the performance of the syndicates and their managing agents.

The amounts carried by the Partnership arising from insurance contracts are calculated by the managing agents of the syndicates and derived from accounting information provided by the managing agents and reported upon by the syndicate auditors.

The key assumptions underlying the amounts carried by the Partnership arising from insurance contracts are:

- the net premiums written calculated by the managing agent are an accurate assessment of the premiums payable as a result of the risks contractually committed to up to the Balance Sheet date;
- the net unearned premiums calculated by the managing agent are an accurate assessment of the net premiums written that reflect the exposure to risks arising after the Balance Sheet date, including appropriate allowance for anticipated losses in excess of the unearned premium;
- the claims reserves calculated by the managing agents are an accurate assessment of the ultimate liabilities in respect of claims relating to events up to the Balance Sheet date;
- the potential ultimate result of run-off year results has been accurately estimated by the managing agents; and
- the values of investments and other assets and liabilities are correctly stated at their realisable values at the Balance Sheet date.

There have been no changes to these assumptions in 2022.

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Notes to the Financial Statements (continued) for the year ended 31 December 2022

8. Technical provisions (continued)

Assumptions, changes in assumptions and sensitivity (continued)

The amounts carried by the Partnership 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 Partnership's profit/loss by £18,952 (2021: £41,729);
- a 5% increase/decrease in the managing agents' calculation of gross claims reserves will decrease/increase the Partnership's profit/loss by £80,889 (2021: £64,691);
- a 5% increase/decrease in the managing agents' calculation of net claims reserves will decrease/increase the Partnership's profit/loss by £39,184 (2021: £46,204).

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

The tables below show the historical gross and net claims development based on the Partnership's syndicate participations on all syndicate years during the year ended 31 December 2022. The table does not include the claims development on any syndicates which the Partnership no longer participates upon and is based on the latest participation shares during the year ended 31 December 2022.

Claims development - Gross

Underwriting pure year	After one year £000	After two years £000	After three years £000	After four years £000	After five years £000	After six years £000	After seven years £000	After eight years £000	After nine years £000	After ten years £000	Profit / (loss) on RITC received £000
2013	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-
2018	293	647	753	750	747						4
2019	219	710	773	734							43
2020	247	582	590								
2021	346	737									
2022	341										

Claims development - Net

Underwriting pure year	After one year £000	After two years £000	After three years £000	After four years £000	After five years £000	After six years £000	After seven years £000	After eight years £000	After nine years £000	After ten years £000	Profit / (loss) on RITC received £000
2013	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-
2018	223	468	520	509	509						11
2019	197	597	640	608							462
2020	217	462	505								
2021	226	477									
2022	216										

Nomina No 550 LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2022

9. Net operating expenses	2022	2021
	£	£
Acquisition costs	252,572	270,231
Change in deferred acquisition costs	3,044	(13,767)
Administrative expenses	60,784	84,504
Loss/(profit) on exchange	-	-
	<u>316,400</u>	<u>340,968</u>

10. Investment return	2022	2021
	£	£
Investment income	3,554	11,792
Dividend income	-	-
Interest on cash at bank	4,801	978
Other interest and similar income	-	-
Realised gains on investments	40,585	65,838
Investment income	<u>48,940</u>	<u>78,608</u>

Investment management expenses	(157)	(566)
Realised losses on investments	(51,811)	(86,409)
Investment expenses and charges	<u>(51,968)</u>	<u>(86,975)</u>

Unrealised gains and losses, net	(22,402)	(7,477)
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Total investment return	<u>(25,430)</u>	<u>(15,844)</u>
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Analysed as follows:

	Investments at fair value through profit or loss £	Investments available for sale £	2022 Total £	Investments at fair value through profit or loss £	Investments available for sale £	2021 Total £
Realised gains and losses	(11,226)	-	(11,226)	(20,571)	-	(20,571)
Unrealised gains and losses	(22,402)	-	(22,402)	(7,477)	-	(7,477)
Other relevant income	(6,204)	-	(6,204)	-	-	-
	<u>(39,832)</u>	<u>-</u>	<u>(39,832)</u>	<u>(28,048)</u>	<u>-</u>	<u>(28,048)</u>

Interest and similar income, net of expenses			14,402			12,204
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Total investment return			<u>(25,430)</u>			<u>(15,844)</u>
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Nomina No 550 LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2022

11. Profit/(loss) for the financial year before Members' remuneration and profit shares

	2022	2021
	£	£
The profit/(loss) for the financial year before Members' remuneration and profit shares is stated after charging/(crediting):		
Amortisation of syndicate capacity	-	-
Interest on bank loans and overdrafts	-	-
Interest on other interest	-	-

The 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 £142 (2021: £124).

12. Members' remuneration

The average number of Members during the year was 3.

	2022	2021
	£	£
Profit/(loss) (including remuneration) attributable to the Member with the largest entitlement	37,402	22,736

13. Intangible assets

	2022	2021
	£	£
Purchased syndicate capacity		
Cost		
At 1 January	-	-
Additions	-	-
Disposals	-	-
At 31 December	-	-
Amortisation		
At 1 January	-	-
Provided during the year	-	-
Disposals	-	-
At 31 December	-	-
Net book value		
At 31 December 2022 / 2021	-	-
At 31 December 2021 / 2020	-	-

Nomina No 550 LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2022

14. Financial investments

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

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

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

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

Financial investments Syndicate	Financial investments held at fair value through profit or loss				Held at amortised cost £	Total £
	Level 1 £	Level 2 £	Level 3 £	Total £		
2022						
Shares and other variable yield securities and units in unit trusts	71,254	-	16,057	87,311	-	87,311
Debt securities and other fixed income securities	2,207	655,316	-	657,523	-	657,523
Participation in investment pools	-	10	-	10	-	10
Loans and deposits with credit institutions	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
Financial assets classified as held for sale	-	-	-	-	-	-
Fair value	73,461	655,326	16,057	744,844	-	744,844
						Total £
Cost				778,310	-	778,310

Financial investments Syndicate	Financial investments held at fair value through profit or loss				Held at amortised cost £	Total £
	Level 1 £	Level 2 £	Level 3 £	Total £		
2021						
Shares and other variable yield securities and units in unit trusts	52,476	-	16,057	68,533	-	68,533
Debt securities and other fixed income securities	4,513	495,451	-	499,964	-	499,964
Participation in investment pools	-	9	-	9	-	9
Loans and deposits with credit institutions	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
Financial assets classified as held for sale	-	-	-	-	-	-
Fair value	56,989	495,460	16,057	568,506	-	568,506
						Total £
Cost				615,295	-	615,295

Financial investments - Partnership

In accordance with the Partnership deed, the Partnership does not hold any financial investments.

Nomina No 550 LLP

Notes to the Financial Statements (continued) for the year ended 31 December 2022

15. Other debtors

	2022			2021		
	Syndicate participation £	Partnership £	Total £	Syndicate participation £	Partnership £	Total £
Amounts due from group undertakings	-	-	-	-	-	-
Other	14,397	1	14,398	27,072	-	27,072
	<u>14,397</u>	<u>1</u>	<u>14,398</u>	<u>27,072</u>	<u>-</u>	<u>27,072</u>

16. Profit and loss account

The result for each underwriting year of account is generated over a three year period. These Financial Statements, which cover the period from 1 January 2022 to 31 December 2022, show movements in the first twelve months of the 2022 year of account, the second twelve months of the 2021 year of account and the final twelve months of the 2020 year of account.

Future cash flows will arise when profits/(losses) are distributed/(collected) by Lloyd's after each year of account has closed. Subject to certain conditions, Lloyd's can allow the partial early release of some profits or in the event of an expect loss require advance funding prior to the year of account closing.

The cumulative profit and loss account on all open underwriting years of account is shown in the Balance Sheet under 'Syndicate participation' as detailed in the table below:

	2022 £	2021 £
Underwriting year of account (cumulative):		
2019 after 36 months	-	(81,011)
2020 after 36 months / 24 months	30,306	(29,424)
2021 after 24 months / 12 months	(7,974)	(34,797)
2022 after 12 months	(33,261)	-
	<u>(10,929)</u>	<u>(145,232)</u>

17. Other creditors including taxation and social security

	2022			2021		
	Syndicate participation £	Partnership £	Total £	Syndicate participation £	Partnership £	Total £
Third party funds	-	-	-	-	3,084	3,084
Other creditors	59,840	-	59,840	47,790	1	47,791
Amount due to group undertakings	-	-	-	-	-	-
	<u>59,840</u>	<u>-</u>	<u>59,840</u>	<u>47,790</u>	<u>3,085</u>	<u>50,875</u>

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Notes to the Financial Statements (continued) for the year ended 31 December 2022

18. Financial liabilities

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

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

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

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

Financial liabilities Syndicate	Financial liabilities held at fair value through profit or loss				Held at amortised cost	Total
	Level 1	Level 2	Level 3	Total		
	£	£	£	£	£	£
2022						
Borrowings	-	-	-	-	-	-
Derivatives liabilities	-	-	-	-	-	-
Financial liabilities classified as held for sale	-	-	-	-	-	-
Fair value	-	-	-	-	-	-

Financial liabilities Syndicate	Financial liabilities held at fair value through profit or loss				Held at amortised cost	Total
	Level 1	Level 2	Level 3	Total		
	£	£	£	£	£	£
2021						
Borrowings	-	-	-	-	-	-
Derivatives liabilities	-	-	-	-	-	-
Financial liabilities classified as held for sale	-	-	-	-	-	-
Fair value	-	-	-	-	-	-

All other financial liabilities of the syndicate participation, including creditors arising out of direct insurance operations, creditors arising out of reinsurance operations and other creditors, are measured at amortised cost.

Financial liabilities – Partnership

All Partnership financial liabilities are measured at amortised cost.

19. Related party transactions

There are no related party transactions to be disclosed.

20. Ultimate controlling party

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