
LIMITED LIABILITY PARTNERSHIP

Allan Cameron LLP

Financial Statements

◆ For the year ended 31 December 2015 ◆

Registered Number: OC357716

COMPANIES HOUSE

TUESDAY



L5FGB902

LD2

13/09/2016

#63

Contents

	Page No
General information	2
Strategic report	3
Members' report	4
Independent auditor's report	6
Profit and loss account – Technical account	8
Profit and loss account – Non technical account	9
Balance sheet	10
Reconciliation of Members' interests	12
Cash flow statement	13
Notes to the Financial statements	14

Allan Cameron LLP

General Information

DESIGNATED MEMBERS

Argenta Continuity Limited
Argenta LLP Services Limited

MEMBERS' AGENT

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

AUDITORS

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

REGISTERED NUMBER

OC357716

REGISTERED OFFICE

Fountain House
130 Fenchurch Street
London, EC3M 5DJ

ACCOUNTANTS

Argenta Tax & Corporate Services Limited
Fountain House
130 Fenchurch Street
London
EC3M 5DJ

**Strategic Report
For the year ended 31 December 2015**

The Members present their Strategic report for the year ended 31 December 2015.

BUSINESS REVIEW

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

The Financial Statements incorporate the annual accounting results of the syndicates on which the Limited Liability Partnership participates for the 2013, 2014 years of account, as well as any 2012 and prior run-off years.

RESULTS

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

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Limited Liability Partnership is principally exposed to financial risk through its participation on Lloyd's Syndicates. It has delegated sole management and control of its underwriting through each Syndicate to the managing agent of that Syndicate and it looks to the managing agents to implement appropriate policies, procedures and internal controls to manage each Syndicate's exposures to insurance risk, credit risk, market risk, liquidity risk and operational risk. The Limited Liability Partnership is also directly exposed to these risks, but they are not considered material for the assessment of the assets, liabilities, financial position and profit or loss of the Limited Liability Partnership.

Hedge accounting is not used by the Limited Liability Partnership.

Approved by the Members on 14 June 2016 and signed on their behalf by:



D C BOWLES
ARGENTA LLP SERVICES LIMITED
Designated Member

Allan Cameron LLP

Members' Report For the year ended 31 December 2015

The Members present their report together with the financial statements for the year ended 31 December 2015.

STATEMENT OF MEMBERS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

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

ACTIVITIES

The principal activity of the Limited Liability Partnership in the year under review was that of a limited liability underwriting member of Lloyd's in run – off. The Limited Liability Partnership ceased underwriting at 31 December 2014. The Members do not consider the Limited Liability Partnership to be a going concern and the financial statements have been prepared on a break up basis.

DESIGNATED MEMBERS

The Designated Members during the period were as follows:

Argenta Continuity Limited
Argenta LLP Services Limited

MEMBERS' INTERESTS

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

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

Allan Cameron LLP

Members' Report (continued)
For the year ended 31 December 2015

AUDITORS

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

Approved by the Members on 14 June 2016 and signed on their behalf by:



D C BOWLES
ARGENTA LLP SERVICES LIMITED
Designated Member

Allan Cameron LLP

Independent Auditor's Report To the Members of Allan Cameron LLP For the year ended 31 December 2015

We have audited the financial statements of Allan Cameron LLP for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Members' Interests, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Limited Liability Partnership's Members, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Members and auditors

As described in the Statement of Members' Responsibilities the Limited Liability Partnership's Members are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards of Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 2006 and whether the information given in the Members' Report is consistent with the financial statements. We also report to you if, in our opinion, the Limited Liability Partnership has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Members' remuneration and transactions with the Limited Liability Partnership is not disclosed.

We read the Strategic Report and Members' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards of Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Limited Liability Partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

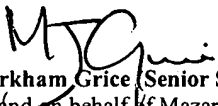
Allan Cameron LLP

Independent Auditor's Report To the Members of Allan Cameron LLP For the year ended 31 December 2015

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Limited Liability Partnership's affairs as at 31 December 2015 and of its profit/loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and Members' Report is consistent with the financial statements.


Markham Grice (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St. Katharine's Way
London E1W 1DD

17 June 2016

Allan Cameron LLP

Profit & Loss Account – Technical Account For the year ended 31 December 2015

	Note	2015 £	Restated 2014 £
Earned premiums, net of reinsurance			
Gross premiums written			
Continuing operations	1	67,436	576,194
Outward reinsurance premiums	1	(13,217)	(109,852)
Net premiums written		54,219	466,342
Change in the provision for Unearned premiums			
Gross provision	1	232,369	(3,352)
Reinsurers' share	1	(33,428)	(924)
Earned premiums, net of reinsurance		253,160	462,066
Allocated investment return transferred from the non-technical account		6,186	13,443
Other technical income, net of reinsurance		-	-
Claims incurred net of reinsurance			
Claims paid			
Gross amount	1	(256,847)	(279,071)
Reinsurers' share	1	56,647	62,793
Net claims paid		(200,200)	(216,278)
Change in provision for claims			
Gross amount	1	171,794	24,224
Reinsurers' share	1	(44,246)	(21,389)
Net change in provisions for claims		127,548	2,835
Claims incurred, net of reinsurance		(72,652)	(213,443)
Changes in other technical provisions, net of reinsurance		1,852	-
Net operating expenses	1, 2	(104,069)	(190,923)
Other technical charges, net of reinsurance		-	-
Balance on the technical account for general business		84,477	71,143

The accounting policies and notes on pages 14 to 35 form part of these financial statements.

Allan Cameron LLP

Profit & Loss Account – Non Technical Account For the year ended 31 December 2015

	Note	2015 £	Restated 2014 £
Balance on general business technical account		84,477	71,143
Investment income	3	6,205	13,446
Allocated investment return transferred to the technical account		(6,186)	(13,443)
Other income		-	189,762
Other charges		(24,858)	(22,115)
Profit/(loss) for the financial period before Members' remuneration and profit shares	4	59,638	238,793
Members' remuneration charged as an expense	5	-	-
Profit/(loss) for the financial period available for division among Members		59,638	238,793
Other comprehensive income		2,779	5,350
Total comprehensive income		62,417	244,143

All items derive from discontinued activities.

The accounting policies and notes on pages 14 to 35 form part of these financial statements.

Allan Cameron LLP

Balance sheet As at 31 December 2015

		31 December 2015			Restated 31 December 2014		
	Note	Syndicate Participation £	Partnership £	Total £	Syndicate Participation £	Partnership £	Total £
Assets							
Intangible assets	6	-	-	-	-	-	-
Investments							
Financial investments	7	621,658	-	621,658	775,581	-	775,581
Deposits with ceding undertakings		13	-	13	232	-	232
		621,671	-	621,671	775,813	-	775,813
Reinsurers' share of technical provisions							
Provision for unearned premiums	8	4,385	-	4,385	27,178	-	27,178
Claims outstanding	8	155,291	-	155,291	196,225	-	196,225
Other technical provisions		1,852	-	1,852	9,144	-	9,144
		161,528	-	161,528	232,547	-	232,547
Debtors							
Arising out of direct insurance operations		36,616	-	36,616	135,520	-	135,520
Arising out of reinsurance operations		81,076	-	81,076	93,992	-	93,992
Other debtors	7	55,458	-	55,458	54,639	-	54,639
		173,150	-	173,150	284,151	-	284,151
Other assets							
Cash at bank and in hand		31,078	7,570	38,648	38,370	7,954	46,324
Other		40,016	-	40,016	46,213	-	46,213
		71,094	7,570	78,664	84,583	7,954	92,537
Prepayments and accrued income							
Accrued interest		521	-	521	721	-	721
Deferred acquisitions costs	8	10,180	-	10,180	69,207	-	69,207
Other prepayments and accrued income		1,364	-	1,364	3,582	-	3,582
		12,065	-	12,065	73,510	-	73,510
Total assets		1,039,508	7,570	1,047,078	1,450,604	7,954	1,458,558

The accounting policies and notes on pages 14 to 35 form part of these financial statements.

Allan Cameron LLP

Balance sheet As at 31 December 2015

		31 December 2015			Restated 31 December 2014		
	Note	Syndicate Participation £	Partnership £	Total £	Syndicate Participation £	Partnership £	Total £
Liabilities and Members' interests							
Loans and other debts due to Members							
Syndicate profit and loss		114,846	-	114,846	109,408	-	109,408
Corporate profit and loss - syndicate capacity		-	16,962	16,962	-	16,962	16,962
Corporate profit and loss - other		-	(27,508)	(27,508)	-	(24,590)	(24,590)
		114,846	(10,546)	104,300	109,408	(7,628)	101,780
Technical provisions							
Provision for unearned premiums	8	33,927	-	33,927	265,008	-	265,008
Claims outstanding	8	757,753	-	757,753	905,608	-	905,608
Other technical provisions		-	-	-	-	-	-
Provisions for other risks and charges							
		-	-	-	-	-	-
Deposit received from reinsurers							
		92	-	92	149	-	149
Creditors							
Arising out of direct insurance operations		21,132	-	21,132	16,814	-	16,814
Arising out of reinsurance operations		45,424	-	45,424	80,278	-	80,278
Amounts owed to credit institutions		206	-	206	1,333	-	1,333
Other creditors including taxation and social security		64,819	-	64,819	65,065	-	65,065
		923,353	-	923,353	1,334,255	-	1,334,255
Accruals and deferred income							
		1,309	18,116	19,425	6,941	15,582	22,523
Total liabilities		1,039,508	7,570	1,047,078	1,450,604	7,954	1,458,558

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



D C BOWLES
ARGENTA LLP SERVICES LIMITED
14 June 2016

Registered Number: OC357716

The accounting policies and notes on pages 14 to 35 form part of these financial statements.

Allan Cameron LLP

Reconciliation of Members' Interests For the year ended 31 December 2015

	Syndicate profit and loss allocated to Members £	Liabilities		Total £
		Partnership profit and loss allocated to Members		
		Syndicate capacity £	Other £	
Members' interests at 1 January 2014	85,258	97,200	(20,093)	162,365
Allocated profits/(losses) 2012 year of account	47,207	-	-	47,207
Allocated profits/(losses) 2013 year of account	35,671	-	-	35,671
Allocated profits/(losses) 2014 year of account	(8,057)	189,762	(20,440)	161,265
Members' interests after profit/(loss) for the year	160,079	286,962	(40,533)	406,508
Reallocate distribution Introduced by Members	(50,671)	-	50,671	-
Repayment of debt (including Members' capital classified as a liability)	-	(270,000)	(34,728)	(304,728)
Other movements	-	-	-	-
Restated Members' interests at 31 December 2014	109,408	16,962	(24,590)	101,780
Allocated profits/(losses) 2013 year of account	47,194	-	-	47,194
Allocated profits/(losses) 2014 year of account	39,765	-	-	39,765
Allocated profits/(losses) 2015 year of account	-	-	(24,542)	(24,542)
Members' interests after profit/(loss) for the year	196,367	16,962	(49,132)	164,197
Reallocate distribution Introduced by Members	(81,521)	-	81,521	-
Repayment of debt (including Members' capital classified as a liability)	-	-	(59,897)	(59,897)
Other movements	-	-	-	-
Restated Members' interests at 31 December 2015	114,846	16,962	(27,508)	104,300

The accounting policies and notes on pages 14 to 35 form part of these financial statements.

Allan Cameron LLP

Cash Flow Statement For the year ended 31 December 2015

	2015 £	Restated 2014 £
Operating activities		
Profit/(loss) on ordinary activities before tax	62,417	244,143
(Profit)/loss attributable to syndicate transactions	(86,959)	(74,821)
Profit/(loss) excluding syndicate transactions	(24,542)	169,322
Adjustment for:		
(Increase)/decrease in debtors	-	-
Increase/(decrease) in creditors	2,534	(284)
(Profit)/loss on disposal of intangible assets	-	(189,762)
Amortisation of syndicate capacity	-	-
Realised/unrealised (gains)/losses on investments	-	-
Investment income	(19)	(3)
Net cash inflow/(outflow) from operating activities	(22,027)	(20,727)
Investing activities		
Investment income	19	3
Purchase of syndicate capacity	-	-
Proceeds from sale of syndicate capacity	-	282,735
Net cash inflow/(outflow) from investing activities	19	282,738
Financing activities		
Repayment of debt to Members	-	(254,057)
Capital introduced by Members	21,624	-
Net cash inflow/(outflow) from financing activities	21,624	(254,057)
Net cash increase/(decrease) in cash and cash equivalents	(384)	7,954
Effect of exchange rates on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	7,954	-
Cash and cash equivalents at the end of the year	7,570	7,954
Consisting of:		
Cash at bank and in hand	7,570	7,954
Cash equivalents	-	-
	7,570	7,954

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 on pages 14 to 35 form part of these financial statements.

**Notes to the Financial Statements
For the year ended 31 December 2015**

General information

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

The financial statements have been presented in Pounds Sterling ("Sterling") as this is the Limited Liability Partnership's functional currency, being the primary economic environment in which the Limited Liability Partnership operates.

Basis of preparation and transition to FRS 102

These financial statements have been prepared in accordance with:

- FRS 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* ("FRS 102");
- The requirements of the Statement of Recommended Practice *Accounting by Limited Liability Partnerships* ("LLP SORP"); and
- Applicable legislation, as set out in the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("SI 2008/410") as modified by the Large and Medium-sized Limited Liability Partnerships (Accounts) Regulations 2008 ("SI 2008/1913").

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

The financial statements for the year ended 31 December 2015 are the Limited Liability Partnership's first financial statements that comply with FRS 102; the Limited Liability Partnership's date of transition to FRS 102 is 1 January 2014. The impact on reported profit or loss and Members' interests on transition to FRS 102 is set out in the notes to these financial statements.

Recognition of insurance transactions

Preparing financial statements in accordance with SI 2008/410 requires the Limited Liability Partnership to recognise its proportion of all the transactions undertaken by the Lloyd's Syndicates in which it participates ("the Syndicates") in aggregation with the transactions undertaken by the Limited Liability Partnership at entity level ("the Partnership").

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

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

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

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

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

**Notes to the Financial Statements
For the year ended 31 December 2015**

Sources of data

The information used to compile the technical account and the "Syndicate" balance sheet is based on returns prepared for this purpose by the Managing Agents of the Syndicates ("the Returns"). These Returns have been subjected to audit by the Syndicate auditors and are based on the audited Syndicate returns to Lloyd's and the audited annual reports to Syndicate members.

The format of the Returns has been established by Lloyd's and Lloyd's has also been responsible for collating the data at a Syndicate level and analysing it into corporate member level results.

Accounting policies

i. Going concern

The members do not consider the Limited Liability Partnership to be a going concern and have prepared the financial statements on a break up basis.

ii. Premiums

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

iii. Claims incurred

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

iv. Provision for claims outstanding

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

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

**Notes to the Financial Statements
For the year ended 31 December 2015**

Accounting policies (continued)

v. Unexpired risk provision

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

vi. Reinsurance to close

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

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

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

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

Notes to the Financial Statements
For the year ended 31 December 2015

Accounting policies (continued)

vii. Financial instruments

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

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

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

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

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

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

At the end of each reporting year, the Limited Liability Partnership assesses whether there is objective evidence that any financial asset may be impaired. A provision for impairment is established when there is objective evidence that the Limited Liability Partnership will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in profit or loss.

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

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

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

viii. Net operating expenses

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

ix. Foreign currencies

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

**Notes to the Financial Statements
For the year ended 31 December 2015**

Accounting policies (continued)

x. Intangible assets

Intangible assets include purchased rights to participate on Syndicates. The purchase cost is capitalised and amortised on a straight line basis over the useful life of the rights which is five years.

xi. Members' participation rights

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

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

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

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

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

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

xii. Taxation

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

xiii. Critical accounting judgements and key sources of estimation uncertainty

In applying the Limited Liability Partnership's accounting policies, the Members are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Members' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis. 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 management and control of each Syndicate is carried out by the managing agent of that Syndicate, and the Limited Liability Partnership looks to the managing agent to implement appropriate policies, procedures and internal controls to manage each Syndicate. The critical accounting judgements and key sources of estimation uncertainty set out below therefore relate to those made by the Members in respect of the Partnership only, and do not include estimates and judgements made in respect of the Syndicates.

**Notes to the Financial Statements
For the year ended 31 December 2015**

Accounting policies (continued)

xiii Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical accounting judgements

The critical judgements that the Members have made in the process of applying the Limited Liability Partnership's accounting policies and that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

Assessing indicators of impairment

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

Key sources of estimation uncertainty

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

Estimating value in use

Where an indication of impairment 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 the Members to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

Recoverability of receivables

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

Determining the useful life of purchased syndicate capacity

The Members have assessed the useful life of syndicate capacity to be five years. This is on the basis that the Members consider this to be the life over which value is created from the investment made.

Allan Cameron LLP

Notes to the Financial Statements For the year ended 31 December 2015

1. Class of Business

2015	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	4,477	14,419	(4,707)	(6,429)	(1,385)	1,898
Motor – third party liability	1,133	2,357	(1,349)	(809)	26	225
Motor – other classes	4,720	23,952	(16,509)	(5,428)	(455)	1,560
Marine, aviation and transport	5,832	39,106	(2,283)	(15,892)	(5,900)	15,031
Fire and other damage to property	20,334	89,720	(22,323)	(30,369)	(14,192)	22,836
Third party liability	25,992	78,729	(38,661)	(25,987)	(949)	13,132
Credit and suretyship	614	4,404	(1,744)	(888)	(740)	1,032
Legal expenses	505	1,220	(346)	(594)	3	283
Assistance	-	-	-	-	-	-
Miscellaneous	756	4,029	(1,148)	(1,392)	(564)	925
	64,363	257,936	(89,070)	(87,788)	(24,156)	56,922
Reinsurance	3,073	41,869	4,017	(16,281)	(10,088)	19,517
Total	67,436	299,805	(85,053)	(104,069)	(34,244)	76,439

Restated 2014	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	24,734	25,034	(10,121)	(11,121)	(1,315)	2,477
Motor – third party liability	2,969	3,186	(2,387)	(1,110)	(22)	(333)
Motor – other classes	42,353	42,416	(29,455)	(14,743)	611	(1,171)
Marine, aviation and transport	78,308	78,472	(33,143)	(27,936)	(6,082)	11,311
Fire and other damage to property	153,341	148,107	(51,133)	(51,439)	(26,627)	18,908
Third party liability	118,961	116,435	(71,209)	(40,476)	(1,386)	3,364
Credit and suretyship	8,156	8,323	(6,112)	(2,098)	(451)	(338)
Legal expenses	1,623	1,711	(619)	(909)	(8)	175
Assistance	-	-	-	-	-	-
Miscellaneous	6,181	6,169	(1,647)	(2,632)	(1,009)	881
	436,626	429,853	(205,826)	(152,464)	(36,289)	35,274
Reinsurance	139,568	142,989	(49,021)	(38,459)	(33,083)	22,426
Total	576,194	572,842	(254,847)	(190,923)	(69,372)	57,700

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

Allan Cameron LLP

Notes to the Financial Statements For the year ended 31 December 2015

2. Net Operating Expenses	2015	Restated 2014
	£	£
Acquisition costs	27,856	154,037
Change in deferred acquisition costs	61,630	(3,617)
Administrative expenses	7,714	31,272
Reinsurance commissions and profit participations	(8,162)	(13,557)
Personal expenses	15,031	22,788
	<u>104,069</u>	<u>190,923</u>
3. Investment Income	2015	Restated 2014
	£	£
Financial instruments held at fair value through profit or loss:		
Interest and dividend income	11,564	13,213
Realised gains and losses	(528)	1,082
Unrealised gains and losses	(3,763)	616
Other	-	-
	<u>7,273</u>	<u>14,911</u>
Financial instruments held at amortised cost:		
Interest	19	3
Other	-	-
	<u>19</u>	<u>3</u>
Investment management expenses, including interest	(1,087)	(1,468)
	<u>(1,087)</u>	<u>(1,468)</u>
Total	<u>6,205</u>	<u>13,446</u>
4. Profit/(Loss) on Ordinary Activities before Taxation	2015	Restated 2014
	£	£
Operating profit/(loss) is stated after charging:		
Amortisation of syndicate capacity	-	-
(Profit)/loss on disposal of intangible fixed assets	-	(189,762)
(Profit)/loss on exchange	40	901

The Limited Liability Partnership has no employees.

The fees payable to the Limited Liability Partnership's auditors for audit services are included in the fees payable to the Members' Agent.

Allan Cameron LLP

Notes to the Financial Statements For the year ended 31 December 2015

5. Members' Remuneration

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

The average number of Members during the year was 3.

6. Intangible Assets	2015 £	Restated 2014 £
Purchased Syndicate Capacity		
Cost		
At 1 January 2015	-	216,055
Additions	-	-
Disposals	-	(216,055)
At 31 December 2015	-	-
Amortisation		
At 1 January 2015	-	123,082
Additions	-	-
Disposals	-	(123,082)
At 31 December 2015	-	-
Net Book Value		
At 31 December 2015	-	-
At 31 December 2014	-	92,973

7. Financial Instruments and Financial Risk Management

7.1 Financial Investments

Other financial investments—Syndicate participation

	2015 Market Value £	Restated 2014 Market Value £
Shares and other variable yield securities and units in unit trusts	3,136	14,299
Debt securities and other fixed income securities	525,552	657,895
Participation in investment pools	9,641	16,372
Loans with credit institutions	62	1,387
Derivative financial instruments	320	924
Other investments	-	4,647
Deposits with credit institutions	13,830	16,580
Other	69,117	63,477
	<u>621,658</u>	<u>775,581</u>

Notes to the Financial Statements
For the year ended 31 December 2015

7. Financial Instruments and Financial Risk Management (continued)

7.2 Classification of Financial Instruments

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

Other financial investments – Syndicate participation

			2015			Restated 2014
	At fair value through profit or loss £	At amortised cost £	Total £	At fair value through profit or loss £	At amortised cost £	Total £
Financial assets						
Investments	659,452	-	659,452	819,166	-	819,166
Deposits with ceding undertakings	-	13	13	-	232	232
Insurance debtors	-	36,616	36,616	-	135,520	135,520
Reinsurance debtors	-	81,076	81,076	-	93,992	93,992
Other debtors	-	55,458	55,458	-	54,639	54,639
Cash at bank and in hand	-	31,078	31,078	-	38,370	38,370
Other assets	-	-	-	-	-	-
	659,452	204,241	863,693	819,166	322,753	1,141,919
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative financial instruments	-	-	-	(206)	-	(206)
Insurance creditors	-	21,132	21,132	-	16,814	16,814
Reinsurance creditors	-	-	-	-	80,278	80,278
Amounts owed to credit institutions	-	-	-	-	1,333	1,333
Other creditors	-	-	-	-	-	-
	-	21,132	21,132	(206)	98,425	98,219

Other financial investments – Partnership

			2015			Restated 2014
	At fair value through profit or loss £	At amortised cost £	Total £	At fair value through profit or loss £	At amortised cost £	Total £
Financial assets						
Investments	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
Cash at bank and in hand	-	7,570	7,570	-	7,954	7,954
Other assets	-	-	-	-	-	-
	-	7,570	7,570	-	7,954	7,954
Financial liabilities						
Other creditors	-	-	-	-	-	-
	-	-	-	-	-	-

Notes to the Financial Statements
For the year ended 31 December 2015

7. Financial Instruments and Financial Risk Management (continued)

7.2 Classification of Financial Instruments (continued)

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

	2015		Restated 2014	
	Notional amount £	Fair value £	Notional amount £	Fair value £
Foreign exchange forward contracts	(11,491)	259	19,624	859
Interest rate future contracts	(17,275)	32	5,682	46
Foreign exchange options	-	-	-	-
Equity options	(34)	(1)	3,901	(7)
Foreign exchange contract for difference	1,321	29	7,367	12
Other	-	-	-	-
	(27,479)	319	36,574	910

7.3 Financial Instruments held at fair value through profit or loss

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

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

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

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

Notes to the Financial Statements
For the year ended 31 December 2015

7. Financial Instruments and Financial Risk Management (continued)

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

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

Other financial investments – Syndicate participation

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
2015						
Financial assets						
Shares and other variable yield securities and units in unit trusts	7,041	55,905	9,306	72,252	-	72,252
Debt securities and other fixed income securities	175,579	253,301	96,672	525,552	-	525,552
Participation in investment pools	2,398	2,994	4,249	9,641	-	9,641
Loans and deposits with credit institutions	38,148	8,751	4,774	51,673	-	51,673
Derivatives	40	-	280	320	-	320
Other investments	-	-	16	16	-	16
Financial assets classified as held for sale	-	-	-	-	-	-
	223,206	320,951	115,297	659,454	-	659,454
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative liabilities	(67)	-	(414)	(481)	-	(481)
Financial liabilities classified as held for sale	-	-	-	-	-	-
	(67)	-	(414)	(481)	-	(481)

**Notes to the Financial Statements
For the year ended 31 December 2015**

7. Financial Instruments and Financial Risk Management (continued)

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

Other financial investments – Syndicate participation (continued)

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
Restated - 2014						
Financial assets						
Shares and other variable yield securities and units in unit trusts	7,036	37,736	33,001	77,773	-	77,773
Debt securities and other fixed income securities	184,885	329,193	143,817	657,895	-	657,895
Participation in investment pools	7,721	2,225	6,426	16,372	-	16,372
Loans and deposits with credit institutions	50,820	9,184	6,181	66,185	-	66,185
Derivatives	99	-	825	924	-	-924
Other investments	-	-	16	16	-	16
Financial assets classified as held for sale	-	-	-	-	-	-
	250,561	378,338	190,266	819,165	-	819,165
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative liabilities	(49)	-	(157)	(206)	-	(206)
Financial liabilities classified as held for sale	-	-	-	-	-	-
	(49)	-	(157)	(206)	-	(206)

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

7.4 Financial Risk Management

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

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

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

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

Notes to the Financial Statements
For the year ended 31 December 2015

7. Financial Instruments and Financial Risk Management (continued)

7.4 Financial Risk Management (continued)

Credit risk

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

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

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

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

Syndicate participation	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
2015						
Shares and other variable yield securities and units in unit trusts	10,167	2,932	12,670	5,130	41,351	72,250
Debt securities and other fixed income securities	149,852	175,938	138,469	56,589	4,703	525,551
Participation in investment pools	2,378	1,515	443	38	5,266	9,640
Loans secured with credit institutions	-	47	15	-	-	62
Deposits with credit institutions	-	33	688	-	-	721
Overseas deposits	33,136	9,986	6,616	2,781	64	52,583
Derivative investments	26	-	3	10	281	320
Other investments	-	-	-	-	16	16
Deposits with ceding undertakings	-	-	-	-	13	13
Reinsurers share of claims outstanding	3,759	57,873	87,634	1,213	4,857	155,336
Reinsurance debtors	737	41,544	3,932	290	139	46,642
Cash at bank and in hand	13,590	867	12,029	4,592	-	31,078
Insurance debtors	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
	213,645	290,735	262,499	70,643	56,690	894,212

Allan Cameron LLP

Notes to the Financial Statements For the year ended 31 December 2015

7. Financial Instruments and Financial Risk Management (continued)

7.4 Financial Risk Management (continued)

Syndicate participation	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
Restated 2014						
Shares and other variable yield securities and units in unit trusts	17,286	5,184	9,026	5,716	40,561	77,773
Debt securities and other fixed income securities	244,775	206,725	155,023	48,172	3,201	657,896
Participation in investment pools	7,388	1,969	526	-	6,488	16,371
Loans secured with credit institutions	1,162	4,725	147	-	-	6,034
Deposits with credit institutions	-	-	1,524	-	37	1,561
Overseas deposits	32,784	15,260	8,460	1,608	3,105	61,217
Derivative investments	64	-	18	17	825	924
Other investments	-	-	-	-	16	16
Deposits with ceding undertakings	-	-	221	-	11	232
Reinsurers share of claims outstanding	5,963	67,955	113,657	1,436	5,983	194,994
Reinsurance debtors	598	41,278	7,920	329	231	50,356
Cash at bank and in hand	11,401	255	20,151	6,563	-	38,370
Insurance debtors	-	-	-	-	-	-
Other debtors	-	-	-	-	-	-
	321,421	343,351	316,673	63,841	60,458	1,105,744

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

Syndicate participation	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
2015						
Shares and other variable yield securities and units in unit trusts	72,251	-	-	-	-	72,251
Debt securities and other fixed income securities	525,552	-	-	-	-	525,552
Participation in investment pools	9,641	-	-	-	-	9,641
Loans secured with credit institutions	62	-	-	-	-	62
Deposits with credit institutions	721	-	-	-	-	721
Overseas deposits	52,583	-	-	-	-	52,583
Derivative investments	320	-	-	-	-	320
Other investments	16	-	-	-	-	16
Deposits with ceding undertakings	13	-	-	-	-	13
Reinsurers share of claims outstanding	155,336	182	-	-	(228)	155,290
Reinsurance debtors	46,643	16,512	1,248	214	325	64,942
Cash at bank and in hand	31,077	-	-	-	-	31,077
Insurance debtors	44,408	893	548	2,058	(142)	47,765
Other debtors	27,444	-	-	89	-	27,533
	966,067	17,587	1,796	2,361	(45)	987,766

Notes to the Financial Statements
For the year ended 31 December 2015

7. Financial Instruments and Financial Risk Management (continued)

7.4 Financial Risk Management (continued)

Syndicate participation	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
Restated 2014						
Shares and other variable yield securities and units in unit trusts	77,773	-	-	-	-	77,773
Debt securities and other fixed income securities	657,896	-	-	-	-	657,896
Participation in investment pools	16,371	-	-	-	-	16,371
Loans secured with credit institutions	6,035	-	-	-	-	6,035
Deposits with credit institutions	1,560	-	-	-	-	1,560
Overseas deposits	61,218	-	-	-	-	61,218
Derivative investments	924	-	-	-	-	924
Other investments	16	-	-	-	-	16
Deposits with ceding undertakings	232	-	-	-	-	232
Reinsurers share of claims outstanding	194,993	-	-	-	(202)	194,791
Reinsurance debtors	50,356	4,472	413	772	374	56,387
Cash at bank and in hand	38,370	-	-	-	-	38,370
Insurance debtors	146,912	7,805	1,943	628	(218)	157,070
Other debtors	21,847	-	-	85	-	21,932
	1,274,503	12,277	2,356	1,485	(46)	1,290,575

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

Liquidity risk

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

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

Syndicate participation	No stated maturity £	Less than 1 year £	1 to 3 years £	3 to 5 years £	Greater than 5 years £	Total £
2015						
Derivative financial instruments	-	456	52	-	-	508
Deposits received from reinsurers	-	92	-	-	-	92
Creditors	17,569	67,622	11,035	981	-	97,207
Other	267	-	-	-	-	267
	17,836	68,170	11,087	981	-	98,074

**Notes to the Financial Statements
For the year ended 31 December 2015**

7. Financial Instruments and Financial Risk Management (continued)

7.4 Financial Risk Management (continued)

Syndicate participation	No stated maturity £	Less than 1 year £	1 to 3 years £	3 to 5 years £	Greater than 5 years £	Total £
Restated - 2014						
Derivative financial instruments	-	309	18	-	-	327
Deposits received from reinsurers	-	149	-	-	-	149
Creditors	15,774	80,241	19,466	932	-	116,413
Other	463	-	-	-	-	463
	16,237	80,699	19,484	932	-	117,352

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

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates.

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

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

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

Syndicate participation	2015 £	Restated 2014 £
Impact of 50 basis point increase on profit or loss	(5,032)	(5,811)
Impact of 50 basis point decrease on profit or loss	4,805	5,183
Impact of 50 basis point increase on equity	(5,187)	(6,070)
Impact of 50 basis point decrease on equity	4,962	5,446

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

Equity price risk

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

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

Notes to the Financial Statements
For the year ended 31 December 2015

7. Financial Instruments and Financial Risk Management (continued)

7.4 Financial Risk Management (continued)

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

Syndicate participation	2015 £	Restated 2014 £
Impact on profit or loss of 5% increase in Stock Market Prices	1,162	1,593
Impact on profit or loss of 5% decrease in Stock Market Prices	(1,164)	(1,598)
Impact on equity of 5% increase in Stock Market Prices	1,162	1,593
Impact on equity of 5% decrease in Stock Market Prices	(1,164)	(1,598)

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

Currency risk

The Limited Liability Partnership holds both assets and liabilities denominated in currencies other than Sterling, its functional currency. It is therefore exposed to currency risk as the value of the foreign currency assets and liabilities will fluctuate in line with changes in foreign exchange rates.

At the Partnership level the Limited Liability Partnership manages currency risk by ensuring that exchange rate exposures are managed within approved policy parameters.

The table below considers financial assets and financial liabilities denominated in the currencies of the Limited Liability Partnership's principal foreign exchange exposures in aggregate.

Net assets and liabilities	2015		Restated 2014	
	Syndicate Participation £	Partnership £	Syndicate Participation £	Partnership £
Sterling	(62,741)	(10,546)	(64,538)	(7,628)
United States Dollar	109,014	-	95,679	-
Euro	9,359	-	9,250	-
Canadian Dollar	33,804	-	51,897	-
Australian Dollar	4,319	-	6,523	-
Japanese Yen	(1,155)	-	(1,007)	-
Other	(572)	-	(3,130)	-

Allan Cameron LLP

Notes to the Financial Statements For the year ended 31 December 2015

7. Financial Instruments and Financial Risk Management (continued)

7.4 Financial Risk Management (continued)

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

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

	Partnership Profit and loss			
	31 December 2015		Restated - 31 December 2014	
	Increase	Decrease	Increase	Decrease
	£	£	£	£
Effect of sterling exchange movement by 10%				
United States Dollar	-	-	-	-
Euro	-	-	-	-
Canadian Dollar	-	-	-	-
Australian Dollar	-	-	-	-
Japanese Yen	-	-	-	-
Other	-	-	-	-

7.5 Capital Management

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

8. Insurance Contracts

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

	2015			Restated 2014		
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	905,608	196,225	709,383	1,053,340	236,516	816,824
Movements in the year	(170,175)	(44,246)	(125,929)	(23,871)	(21,389)	(2,482)
Exchange differences	22,320	3,312	19,008	(123,861)	(18,902)	(104,959)
At 31 December	757,753	155,291	602,462	905,608	196,225	709,383

**Notes to the Financial Statements
For the year ended 31 December 2015**

8. Insurance Contracts (continued)

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

			2015			Restated 2014
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	265,008	27,178	237,830	255,319	37,508	217,811
Movements in the year	(232,369)	(33,428)	(198,941)	3,352	(924)	4,276
Exchange differences	1,288	10,635	(9,347)	6,337	(9,406)	15,743
At 31 December	33,927	4,385	29,542	265,008	27,178	237,830

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

	2015 £	Restated 2014 £
At 1 January	69,207	64,749
Movements in the year	(61,630)	3,617
Exchange differences	2,603	841
At 31 December	10,180	69,207

8.1 Risks arising from Insurance Contracts

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

9. Related Party Disclosure

Any related party loans and balances do not attract interest and are repayable on demand.

10. Ultimate Controlling Party

The ultimate controlling party of the Partnership is Mr A Cameron.

Allan Cameron LLP

Notes to the Financial Statements For the year ended 31 December 2015

11. Explanation of transition to FRS 102

This is the first financial year that the Limited Liability Partnership has presented its financial statements in accordance with FRS 102 *The Financial Reporting Framework Applicable in the UK and Republic of Ireland* ("FRS 102"). For financial years up to and including the year ended 31 December 2014, the Limited Liability Partnership prepared its financial statements in accordance with previously extant UK GAAP. The Limited Liability Partnership's date of transition to FRS 102 was therefore 1 January 2014.

This note sets out the changes to accounting policies and the transitional adjustments that are required to be made for first-time transition to FRS 102. The Limited Liability Partnership's opening equity position as at 1 January 2014 and its previously published financial statements for the year ended 31 December 2014 have been restated.

In carrying out the transition to FRS 102, the Limited Liability Partnership has not applied any of the optional exemptions as permitted by Section 35 *Transition* to this FRS.

Set out below are the transition tables to reconcile:

- Total Members' interest as at 1 January 2014;
- Total Members' interest as at 31 December 2014; and
- Profit/(loss) for the year ended 31 December 2014.

Reconciliation of Members' interests

	As at 31 December 2014 £	As at 1 January 2014 £
Members' interest as reported under old UK GAAP	103,229	160,170
Effect of change in foreign exchange accounting policy	(1,449)	2,195
Members' interest as reported under FRS 102	<u>101,780</u>	<u>162,365</u>

Reconciliation of Profit and Loss

	For the year ended 31 December 2014 £
Profit/(loss) as reported under old UK GAAP	247,787
Effect of change in foreign exchange accounting policy	(3,644)
Profit/(loss) as reported under FRS 102	<u>244,143</u>

Notes to the Financial Statements
For the year ended 31 December 2015

11. Explanation of transition to FRS 102 (continued)

Transitional adjustments applicable to the Syndicates

The effect of change in foreign exchange accounting policy has arisen from the following adjustments:

Adjustment 1 - Foreign exchange under SSAP 20

For accounting periods up to and including 31 December 2014, a number of Syndicates had adopted Statement of Standard Accounting Practice No 20 ('SSAP 20') Foreign currency translation as the basis on which they accounted for foreign currency translation. SSAP20 permitted 'branch' accounting with exchange movements being reported as adjustments to reserves. In accordance with FRS 103 all exchange differences have been reported in the non-technical account.

Adjustment 2 - Foreign exchange under FRS 23

For accounting periods up to and including 31 December 2014, a number of Syndicates had adopted FRS 23 The Effect of Changes in Foreign Exchange Rates as the basis on which they accounted for foreign currency translation. Some balances arising from foreign currency denominated insurance contracts were treated as non-monetary items, and so were not retranslated at closing rates. FRS 103 requires an entity to treat all assets and liabilities arising from an insurance contract as monetary items.

Adjustment 3 – Cash at bank and in hand

The transition to FRS 102 has impacted the amount reported as cash at bank and in hand. Under FRS 102 financial assets with a maturity of 90 days or less are included within the definition of cash equivalents. Such assets that were previously reported under financial investments are now reported as cash and cash equivalents.

There are no transitional adjustments applicable to the Partnership.