

**Company Registration Number: 7764565**

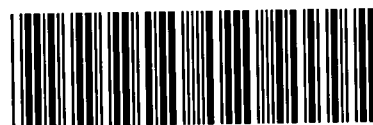
**8808 Capital Limited**

**Annual Report  
31 December 2020**

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**8808 Capital Limited  
Company Information**

**Directors**

Mr C A Siegel

**Members' Agent**

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

**Company Secretary**

Argenta Secretariat Limited

**Registered Office**

5th Floor, 70 Gracechurch Street  
London  
EC3V 0XL

**Auditors**

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

# 8808 Capital Limited

## Strategic Report

The Directors submit their Strategic Report for the Company for the year ended 31 December 2020.

### Business Review

The Company continues to write insurance business in the Lloyd's insurance market as a Lloyd's Corporate Capital Member.

The Financial Statements incorporate the annual accounting results of the Syndicates on which the Company participates for the 2018, 2019 and 2020 years of account, as well as any 2017 and prior run-off years. The 2018 year closed at 31 December 2020 with a result of £(23,017) (2017 - £(53,053)). The 2019 and 2020 open underwriting accounts will normally close at 31 December 2021 and 2022 respectively.

### Results and Dividends

The results for the year are set out on pages 9 to 10 of the Financial Statements. Dividends totalling £Nil were paid in the year (2019 - £Nil).

### Financial Risk Management Objectives and Policies

The Company 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 Company 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 Company.

Hedge accounting is not used by the Company.

### Key Performance Indicators

	2020	2019
Capacity (youngest underwriting year)	£ 1,567,865	£ 1,421,475
Gross premium written as a % of capacity	106.7%	110.8%
Underwriting profit of latest closed year: as a % of capacity	-1.6%	-5.5%
Run-off years of account movement	£ -	£ (1)
Combined ratio	105.5%	99.1%

The combined ratio is the ratio of net claims incurred, commissions and expenses to net premiums earned.

### Principal Risks and Uncertainties

#### Brexit

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

#### Coronavirus

The COVID-19 pandemic continues to affect the UK and global economies adversely. At the time of signing this report there are indications from the government that social restrictions which have suppressed economic activity during 2020 and 2021 are likely to be lifted in the foreseeable future. If this does happen the directors expect to see the UK and global economies return to growth in due course, but it is not possible to predict how quickly and to what degree this may happen. The priority of the directors is to remain to comply with all regulatory requirements to the fullest extent possible.

## 8808 Capital Limited Strategic Report (continued)

### Section 172(1) Statement

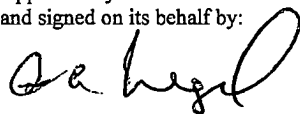
The Directors have considered the matters set out in Section 172(1)(a) to (f) when performing their duties and comments as follows:

- a) The Company continues to operate in the Lloyd's insurance market. The majority of its activities are carried out by the syndicates on which it participates. The Company is not involved directly in the management of the syndicates' activities, as these are the responsibility of the Managing Agents.
- b) Other than the Directors the Company has no employees. The Directors do not receive any remuneration from the Company.
- c) The Company's only suppliers are those who provide services for the administration of the Company. The Directors ensure supplier invoices are paid on time in line with any agreed terms.
- d) The Company's operations do not by their very nature produce significant environmental emissions.
- e) The Company continues to operate in the Lloyd's insurance market. The majority of its activities are carried out by the syndicates on which it participates. The Company is not involved directly in the management of the syndicates' activities, as these are the responsibility of the Managing Agents.
- f) The Directors work very closely with the Members of the Company to discuss all significant decisions including the level of participation on the syndicates.

More information on this can be found at [www.argentagroup.com/Section172](http://www.argentagroup.com/Section172).

Approved by the Board on  
and signed on its behalf by:

9 September 2021



C A SIEGEL  
Director

## **8808 Capital Limited**

### **Report of the Directors**

The Directors submit their Report together with the audited Financial Statements of the Company for the year ended 31 December 2020.

#### **Principal Activities**

The principal activity of the Company is that of trading as a Lloyd's Corporate Capital Member. The Company continues to underwrite for the 2021 year of account.

#### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Strategic Report, Report of the Directors' and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Accounting Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law the Directors 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 Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors 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 UK Accounting Standards have been followed, subject to any material departures 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 Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Directors**

The Directors who served at any time during the year and to the date of this report were as follows:

Mr C A Siegel

**8808 Capital Limited**  
**Report of the Directors (continued)**

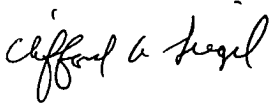
**Auditors**

PKF Littlejohn LLP have been appointed as auditors to the Company during the year, Mazars LLP have resigned as the Company's auditors.

**In the case of each of the persons who are Directors at the time this report is approved, the following applies:**

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

Approved by the Board on 9 September 2021  
and signed on its behalf by:



C A SIEGEL

Director

# 8808 Capital Limited

## Independent Auditor's Report

### Independent auditor's report to the members of 8808 Capital Limited

#### Opinion

We have audited the Financial Statements of 8808 Capital Limited (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Financial Statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss 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.

#### 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 company 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 director's 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the Financial Statements and our auditor's report thereon. 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.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **8808 Capital Limited Independent Auditor's Report (continued)**

### **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 Strategic Report and the Report of the Directors for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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
- certain disclosures of Directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' responsibilities set out on page 5, the Directors 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 they 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 Directors are responsible for assessing the company'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 Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## 8808 Capital Limited Independent Auditor's Report (continued)

### 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 company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussion with management and the application of our knowledge and experience of the sector in which the company operates in. We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006, Lloyd's byelaws as they relate to the company and UK taxation legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company 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 company with those laws and regulations;
  - discussion with management of any, or suspected, incidence of fraud;
  - review of the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
  - review of the minutes of the board of directors and other correspondence as we deemed appropriate; and
  - review and testing of the system of controls established by management to ensure the accuracy of the financial statements.
- We identified the risks of material misstatement of the financial statements due to fraud as being those arising from management override of controls. We have addressed this risk by performing audit procedures which included, but were not limited to, the testing of journals, reviewing material accounting estimates for evidence of bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business that came to our attention.

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

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

### Use of the audit report

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

*TCE Seaman*

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

15 Westferry Circus  
Canary Wharf  
London  
E14 4HD

Date: 11/11/2021

**8808 Capital Limited**  
**Statement of Comprehensive Income**  
**Technical Account – general business**  
**For the year ended 31 December 2020**

	Note	2020 £	2019 £
<b>Premiums</b>			
Gross premiums written	1	1,673,673	1,574,507
Outward reinsurance premiums	1	(494,558)	(437,970)
<b>Net premiums written</b>		<u>1,179,115</u>	<u>1,136,537</u>
<b>Change in the provision for unearned premiums</b>			
Gross provision	1	(53,407)	(55,985)
Reinsurers' share	1	24,511	31,964
<b>Earned premiums, net of reinsurance</b>		<u>1,150,219</u>	<u>1,112,516</u>
<b>Allocated investment return transferred from the non-technical account</b>		39,658	45,087
Other technical income, net of reinsurance		-	44
<b>Claims paid</b>			
Gross amount	1	(937,176)	(732,343)
Reinsurers' share	1	259,548	215,422
<b>Net claims paid</b>		<u>(677,628)</u>	<u>(516,921)</u>
<b>Change in provision for claims</b>			
Gross amount	1	(183,513)	(269,704)
Reinsurers' share	1	85,157	115,080
<b>Change in net provision for claims</b>		<u>(98,356)</u>	<u>(154,624)</u>
<b>Claims incurred, net of reinsurance</b>		(775,984)	(671,545)
Changes in other technical provisions, net of reinsurance		(446)	(1,434)
Net operating expenses	1,2	(437,831)	(430,726)
Other technical charges, net of reinsurance	1	-	-
<b>Balance on the technical account for general business</b>		<u>(24,384)</u>	<u>53,942</u>

The accounting policies and notes on pages 16 to 43 form part of these Financial Statements.

**8808 Capital Limited**  
**Statement of Comprehensive Income**  
**Non Technical Account**  
**For the year ended 31 December 2020**

	Note	2020 £	2019 £
<b>Balance on technical account for general business</b>		(24,384)	53,942
Investment income	3	40,844	47,554
Allocated investment return transferred to the general business technical account		(39,658)	(45,087)
Other income		7,010	67
Other charges, including value adjustments		(36,387)	(78,598)
<b>Loss on ordinary activities before taxation</b>	4	<u>(52,575)</u>	<u>(22,122)</u>
Tax on loss on ordinary activities	5	16,212	2,511
<b>Loss for the financial year</b>		<u>(36,363)</u>	<u>(19,611)</u>
<b>Other comprehensive expenditure:</b>			
Currency translation differences		2,123	5,721
Tax on other comprehensive income		(403)	(992)
<b>Total comprehensive expenditure</b>	10	<u>(34,643)</u>	<u>(14,882)</u>

All amounts relate to continuing operations.

The accounting policies and notes on pages 16 to 43 form part of these Financial Statements.

**8808 Capital Limited**  
**Statement of Financial Position**  
**As at 31 December 2020**

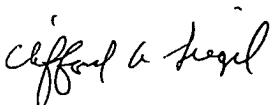
		31 December 2020			31 December 2019		
	Note	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
<b>Assets</b>							
<b>Intangible assets</b>	6	-	376	376	-	12,815	12,815
<b>Investments</b>							
Other financial investments	7	1,360,930	-	1,360,930	1,075,218	-	1,075,218
Deposits with ceding undertakings		174	-	174	129	-	129
		1,361,104	-	1,361,104	1,075,347	-	1,075,347
<b>Reinsurers' share of technical provisions</b>							
Provision for unearned premiums	8	179,645	-	179,645	160,846	-	160,846
Claims outstanding	8	815,771	-	815,771	641,558	-	641,558
Other technical provisions		-	-	-	447	-	447
		995,416	-	995,416	802,851	-	802,851
<b>Debtors</b>							
Amounts falling due within one year	7	785,355	67,098	852,453	626,804	50,746	677,550
Amounts falling due after one year	7	85,526	-	85,526	115,949	21,873	137,822
		870,881	67,098	937,979	742,753	72,619	815,372
<b>Other assets</b>							
Cash at bank and in hand		90,541	109,604	200,145	82,037	159,870	241,907
Other		165,021	-	165,021	125,099	-	125,099
		255,562	109,604	365,166	207,136	159,870	367,006
<b>Prepayments and accrued income</b>							
Accrued interest		2,923	-	2,923	2,549	-	2,549
Deferred acquisitions costs	8	189,041	-	189,041	187,217	-	187,217
Other prepayments and accrued income		4,377	-	4,377	3,546	-	3,546
		196,341	-	196,341	193,312	-	193,312
<b>Total assets</b>		<b>3,679,304</b>	<b>177,078</b>	<b>3,856,382</b>	<b>3,021,399</b>	<b>245,304</b>	<b>3,266,703</b>

The accounting policies and notes on pages 16 to 43 form part of these Financial Statements.

**8808 Capital Limited**  
**Statement of Financial Position**  
**As at 31 December 2020**

		31 December 2020			31 December 2019		
Note	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £	
<b>Liabilities and shareholders' funds</b>							
<b>Capital and reserves</b>							
	Called up share capital	9	-	100	100	-	100
	Capital redemption		-	-	-	-	-
	Capital contribution		-	-	-	-	-
	Share premium account		-	-	-	-	-
	Profit and loss account	10	(154,346)	(160,296)	(314,642)	(192,035)	(87,964)
	<b>Shareholders' funds – attributable to equity interests</b>		<b>(154,346)</b>	<b>(160,196)</b>	<b>(314,542)</b>	<b>(192,035)</b>	<b>(87,864)</b>
<b>Technical provisions</b>							
	Provision for unearned premiums	8	736,830	-	736,830	701,356	-
	Claims outstanding	8	2,524,160	-	2,524,160	2,038,675	-
	Other technical provisions		-	-	-	1,096	-
<b>Provisions for other risks</b>							
	Deferred taxation	11	-	-	-	-	-
	Other		-	-	-	-	-
	<b>Deposit received from reinsurers</b>		<b>27,765</b>	<b>-</b>	<b>27,765</b>	<b>42,486</b>	<b>-</b>
<b>Creditors</b>							
	Amounts falling due within one year	7	404,867	323,550	728,417	324,107	323,551
	Amounts falling due after one year	7	93,638	-	93,638	60,800	-
			<b>498,505</b>	<b>323,550</b>	<b>822,055</b>	<b>384,907</b>	<b>323,551</b>
	<b>Accruals and deferred income</b>		<b>46,390</b>	<b>13,724</b>	<b>60,114</b>	<b>44,914</b>	<b>9,617</b>
	<b>Total liabilities</b>		<b>3,679,304</b>	<b>177,078</b>	<b>3,856,382</b>	<b>3,021,399</b>	<b>245,304</b>
							<b>3,266,703</b>

Approved and authorised for issue by the Board of Directors on 9 September 2021 and signed on its behalf by:



C A SIEGEL  
 Director

Company registration number: 7764565

The accounting policies and notes on pages 16 to 43 form part of these Financial Statements.

**8808 Capital Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2020**

	Called up share capital £	Capital redemption reserve £	Share premium account £	Profit and loss account £	Capital contribution reserve £	Total £
<b>Opening balance</b>	100	-	-	(265,117)	-	(265,017)
Loss for the year	-	-	-	(19,611)	-	(19,611)
Other comprehensive income	-	-	-	4,729	-	4,729
<b>Total comprehensive expenditure</b>	-	-	-	(14,882)	-	(14,882)
Proceeds from the issue of shares	-	-	-	-	-	-
Movement in reserves	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
<b>As at 31 December 2019</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>(279,999)</b>	<b>-</b>	<b>(279,899)</b>
Loss for the year	-	-	-	(36,363)	-	(36,363)
Other comprehensive income	-	-	-	1,720	-	1,720
<b>Total comprehensive expenditure</b>	-	-	-	(34,643)	-	(34,643)
Proceeds from the issue of shares	-	-	-	-	-	-
Movement in reserves	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
<b>As at 31 December 2020</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>(314,642)</b>	<b>-</b>	<b>(314,542)</b>

Called up share capital represents the nominal value of shares that have been issued.

Capital redemption reserve records the nominal value of shares repurchased by the Company.

The share premium account records the amount above the nominal value received for shares issued, less transaction costs.

The profit and loss account represents cumulative profits and losses of the Company.

Capital contribution reserve relates to contributions to the equity capital of the Company.

The accounting policies and notes on pages 16 to 43 form part of these Financial Statements.

**8808 Capital Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2020**

	2020 £	2019 £
<b>Operating activities</b>		
Loss on ordinary activities before tax	(52,575)	(22,122)
Profit attributable to Syndicate transactions	(35,566)	(35,397)
	<hr/>	<hr/>
Loss - excluding Syndicate transactions	(88,141)	(57,519)
Adjusted for:		
Decrease/(increase) in debtors	21,894	(9,339)
Increase in creditors	4,106	611
Loss on disposal of intangible assets	(110)	(67)
Amortisation of Syndicate capacity	12,439	57,750
Realised/unrealised gains on investments	-	-
Investment income	(1,186)	(2,467)
Corporation and overseas taxes paid	(564)	(569)
	<hr/>	<hr/>
Net cash outflow from operating activities	(51,562)	(11,600)
<b>Investing activities</b>		
Investment income	1,186	2,467
Purchase of Syndicate capacity	-	-
Proceeds from sale of Syndicate capacity	110	67
Purchase of financial investments	-	-
Proceeds from sale of financial investments	-	-
	<hr/>	<hr/>
Net cash inflow from investing activities	1,296	2,534
<b>Financing activities</b>		
Issue of shares	-	-
Share issue expenses	-	-
Capital contribution/redemption	-	-
Equity dividends paid	-	-
	<hr/>	<hr/>
Net cash inflow from financing activities	-	-
Net cash decrease in cash and cash equivalents	(50,266)	(9,066)
Effect of exchange rates on cash and cash equivalents	-	-
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year	159,870	168,936
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	109,604	159,870
	<hr/>	<hr/>
Consisting of:		
Cash at bank and in hand	109,604	159,870
Cash equivalents	-	-
	<hr/>	<hr/>
	109,604	159,870

The Company has no control over the disposition of assets and liabilities at Lloyd's. Consequently, the cash flow statement is prepared reflecting only the movement in corporate funds, which includes transfers to and from the Syndicates at Lloyd's.

The accounting policies and notes on pages 16 to 43 form part of these Financial Statements.

**8808 Capital Limited**  
**Analysis of Net Debt**  
**For the year ended 31 December 2020**

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	159,870	(50,266)	109,604
Debt due within one year	-	-	-
Debt due after one year	-	-	-
	<u>159,870</u>	<u>(50,266)</u>	<u>109,604</u>

The accounting policies and notes on pages 16 to 43 form part of these Financial Statements.

# **8808 Capital Limited**

## **Notes to the Financial Statements**

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

#### **Basis of preparation of Financial Statements**

##### **General information**

The Company is a private company limited by shares and incorporated in England, United Kingdom.

The Financial Statements have been presented in Pounds Sterling ("Sterling") as this is the Company's functional currency, being the primary economic environment in which the Company operates.

##### **Basis of preparation**

These Financial Statements have been prepared in accordance with FRS 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland*, FRS103 *Insurance Contracts* 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"). These Financial Statements have been prepared under the historical costs convention as modified for certain financial instruments held at fair value.

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

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

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 and loss from providing insurance coverage during that period and any adjustments to the profit or loss of providing insurance cover during earlier accounting periods.

For each such Syndicate, the Company's proportion of the underwriting transactions, investment return and operating expenses has been reflected within the Company'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 Participation"). The Syndicate's assets are held subject to trust deeds for the benefit of the Company's insurance creditors.

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

The Company 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 Company.

##### **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 consistent with the audited annual reports to Syndicate members.

The format of the Returns is established by Lloyd's. Lloyd's collates this data at a Syndicate level analysing it into corporate member level results which reflects the relevant data in respect of all the Syndicates in which the Company participates.

**8808 Capital Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

**Accounting policies**

**i Going concern**

As at 31 December 2020 the Company had net liabilities of £314,542 (2019: £279,899). The Directors consider the Company to be a going concern and have prepared the Financial Statements on that basis. The Company is continuing to underwrite at Lloyd's for the 2021 year of account.

**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 vii below). Outward reinsurance premiums may include "reinsurance to close" premiums payable (see vii below). Premiums written by a Syndicate may also include the reinsurance of other Syndicates on which the Company 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 Company'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 regards 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 Directors consider the provision for gross claims and related reinsurance recoveries, as based on the Returns to be fairly stated. However, ultimate liability will vary as a result of subsequent information and events, and this may result in significant adjustments to the amounts provided. Adjustments to amounts of claims provisions established in prior years are reflected in the Financial Statements for the period in which the adjustments are made.

**v Unexpired risk provision**

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

**vi Deferred acquisition costs**

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

**8808 Capital Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

**Accounting policies (continued)**

**vii 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 Company participates on successive years of account of the same Syndicate and there is a reinsurance to close between those years, the Company has offset its share of the reinsurance to close received against its share of the reinsurance to close paid.

If the Company 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 Company has assumed a greater proportion of the business of the Syndicate. If the Company 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 Company'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 Company's outstanding gross liabilities in respect of the business so reinsured.

**viii Financial instruments**

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

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

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

**8808 Capital Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

**Accounting policies (continued)**

**viii Financial instruments (continued)**

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

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

All other financial instruments are measured at fair value through profit or loss, except for investments in equity instruments that are not publicly traded, and whose fair value cannot otherwise be measured reliably, which are measured at cost less impairment.

At the end of each reporting year, the Company 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 Company 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 the profit and loss.

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

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

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

**ix Derivative financial instruments**

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

**x Cash and cash equivalents**

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

**xi Derecognition of financial assets**

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

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

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

**8808 Capital Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

**Accounting policies (continued)**

**xii Offsetting of financial instruments**

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

**xii Net operating expenses**

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

**xiv Foreign currencies**

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

**xv 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.

**xvi Insurance contracts – product classification**

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

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

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

**xvii Taxation**

The Company is taxed on its share of the underwriting results declared by Syndicates and these are deemed to accrue evenly over the calendar year in which they are declared. The Syndicate results included in these Financial Statements (excluding any losses on open years of account) are only declared for tax purposes in the calendar year following closure of the year of account. HM Revenue & Customs agrees the taxable results of Syndicates at a Syndicate level on the basis of computations submitted by the Managing Agent. At the date of approval of these Financial Statements, the Syndicate taxable results of this year have not been agreed. Any adjustments that may be necessary to the tax provision as a result of HM Revenue & Customs agreement of Syndicate taxable results will be reflected in the Financial Statements of subsequent periods.

**xviii Deferred taxation**

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future give rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the Financial Statements that arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the Financial Statements.

**8808 Capital Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

**Accounting policies (continued)**

**xviii Deferred taxation (continued)**

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**xix Critical accounting judgements and key sources of estimated uncertainty**

In applying the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis.

The management and control of each Syndicate is carried out by the managing agent of that Syndicate, and the Company 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 Directors in respect of the Corporate only, and do not include estimates and judgements made in respect of the Syndicates.

**Critical accounting judgements**

The critical judgements that the Directors have made in the process of applying the Company'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 Directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

**Key sources of estimation uncertainty**

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

*Impairment review*

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

*Recoverability of receivables*

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the Directors 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 Directors have assessed the useful life of syndicate capacity to be five years. This is on the basis that the Directors consider this to be the life over which value is created from the investment made.

**8808 Capital Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

**1. Class of Business**

2020	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
<b>Direct Insurance</b>						
Accident and health	50,811	52,450	(40,420)	(18,138)	(1,098)	(7,206)
Motor – third party liability	17,799	15,157	(11,968)	(3,340)	(725)	(876)
Motor – other classes	23,255	40,558	(28,913)	(12,491)	(1,139)	(1,985)
Marine, aviation and transport	171,840	163,244	(102,044)	(48,749)	(6,273)	6,178
Fire and other damage to property	494,301	475,666	(324,410)	(136,456)	(39,206)	(24,406)
Third party liability	382,024	352,961	(221,376)	(99,163)	(17,939)	14,483
Credit and suretyship	47,679	47,405	(108,413)	(13,606)	29,529	(45,085)
Legal expenses	3,232	3,102	(1,489)	(931)	(515)	167
Assistance	-	-	-	-	-	-
Miscellaneous	22	537	(322)	(175)	3	43
	1,190,963	1,151,080	(839,355)	(333,049)	(37,363)	(58,687)
<b>Reinsurance</b>	482,710	469,186	(281,334)	(104,782)	(87,979)	(4,909)
<b>Total</b>	<b>1,673,673</b>	<b>1,620,266</b>	<b>(1,120,689)</b>	<b>(437,831)</b>	<b>(125,342)</b>	<b>(63,596)</b>
<b>2019</b>						
	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
<b>Direct Insurance</b>						
Accident and health	43,887	48,109	(28,375)	(21,163)	(2,720)	(4,149)
Motor – third party liability	12,341	8,225	(5,237)	(2,617)	(142)	229
Motor – other classes	64,616	65,073	(39,142)	(21,520)	(1,687)	2,724
Marine, aviation and transport	134,917	137,178	(73,913)	(45,453)	(8,882)	8,930
Fire and other damage to property	477,892	449,401	(245,175)	(124,647)	(61,367)	18,212
Third party liability	385,023	364,915	(253,494)	(115,950)	1,568	(2,961)
Credit and suretyship	45,806	45,223	(25,636)	(13,107)	(3,780)	2,700
Legal expenses	3,321	2,907	(1,173)	(1,521)	(131)	82
Assistance	-	-	-	-	-	-
Miscellaneous	1,021	1,070	(859)	(383)	(2)	(174)
	1,168,824	1,122,101	(673,004)	(346,361)	(77,143)	25,593
<b>Reinsurance</b>	405,683	396,421	(329,043)	(84,365)	1,639	(15,348)
<b>Total</b>	<b>1,574,507</b>	<b>1,518,522</b>	<b>(1,002,047)</b>	<b>(430,726)</b>	<b>(75,504)</b>	<b>10,245</b>

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

**8808 Capital Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

**2. Net Operating Expenses**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Acquisition costs	422,158	410,340
Change in deferred acquisition costs	(5,903)	(10,124)
Administrative expenses	76,725	80,923
Reinsurance commissions and profit participations	(84,950)	(72,874)
Personal expenses	29,801	22,461
	<u>437,831</u>	<u>430,726</u>

**3. Investment Income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Financial instruments held at fair value through profit or loss:		
Interest and dividend income	30,852	27,131
Realised gains and losses	(155)	5,692
Unrealised gains and losses	10,287	13,702
Other	-	-
	<u>40,984</u>	<u>46,525</u>
Financial instruments held at amortised cost:		
Interest	1,186	2,467
Other	-	-
	<u>1,186</u>	<u>2,467</u>
Investment management expenses, including interest	(1,326)	(1,438)
	<u>(1,326)</u>	<u>(1,438)</u>
	<u>40,844</u>	<u>47,554</u>

**4. Loss on Ordinary Activities before Taxation**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating loss is stated after charging:		
Directors' remuneration	-	-
Amortisation of Syndicate capacity	12,439	57,750
Profit on disposal of intangible fixed assets	(110)	(67)
(Profit)/loss on exchange	(3,328)	5,375

The Company has no employees and no staff costs are met by the Company.

The Directors are considered to be the key management personnel of the Company.

The auditors charge a fixed fee to Argenta Private Capital Limited of £260 for the provision of the statutory audit.

**8808 Capital Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

5. Taxation	2020	2019
	£	£
<b>a. Analysis of Charge in Year included in profit or loss</b>		
Current tax:		
UK corporation tax on loss of the year	-	1
Adjustment in respect of previous period	(1)	-
	<u>(1)</u>	<u>1</u>
Double taxation relief	-	-
	<u>-</u>	<u>-</u>
Foreign tax	565	568
	<u>565</u>	<u>568</u>
Total current tax	<u>564</u>	<u>569</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(11,669)	(3,080)
Change in tax rate	(5,107)	-
Total deferred tax	<u>(16,776)</u>	<u>(3,080)</u>
Tax on loss on ordinary activities	<u>(16,212)</u>	<u>(2,511)</u>
<b>b. Analysis of Charge in Year included in other comprehensive income</b>		
<b>Deferred tax</b>		
Origination and reversal of timing differences	403	992
Effect of change in tax rate on opening liability or asset	-	-
Total deferred tax	<u>403</u>	<u>992</u>
<b>c. Factors affecting tax charge for period</b>		
The tax assessed for the period is different to the standard rate of corporation tax in the UK (19%). The differences are explained below:		
Loss on ordinary activities before tax	<u>(52,575)</u>	<u>(22,122)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 – 19.00%)	(9,989)	(4,203)
Effects of:		
Change in deferred tax rate	(5,108)	(523)
Deferred tax asset unrecognised	-	-
Foreign tax	565	460
Expenses and income not deductible for tax purposes	-	-
Other corporation computation adjustments for Lloyds corporate members	(1,679)	2,747
Prior period adjustments	(1)	-
Other adjustments	<u>-</u>	<u>-</u>
Total tax credit for the period on ordinary activities	<u>(16,212)</u>	<u>(2,511)</u>

The results of the Company's participation on the 2018, 2019 and 2020 years of account and any calendar year movement on 2017 and prior run-offs, will not be assessed to tax until the year ended 31 December 2021, 2022 and 2023 respectively being the year after the calendar year result of each run-off year or the normal date of closure of each year of account.

The corporation tax rate for the year ended 31 December 2020 was 19%. The Corporation Tax rate of 19% was enacted with effect from 1 April 2017 and the Finance Act 2016 legislated the UK Corporation Tax rate to decrease to 17% from 1 April 2020. However, on the 17th March 2020, using the Provisional Collection of Taxes Act 1968, the UK Government cancelled the proposed drop in Corporation Tax rate to 17%.

**8808 Capital Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

<b>6.</b>	<b>Intangible Assets</b>	<b>Total</b>
		<b>£</b>
	<b>Purchased Syndicate Capacity</b>	
	<b>Cost</b>	
	At 1 January 2020	354,735
	Additions	-
	Disposals	(10)
		<hr/>
	At 31 December 2020	354,725
	<b>Amortisation</b>	
	At 1 January 2020	341,920
	Charge	12,439
	Disposals	(10)
		<hr/>
	At 31 December 2020	354,349
	<b>Net Book Value</b>	
	At 31 December 2020	<hr/> 376
	At 31 December 2019	<hr/> 12,815

**7. Financial Instruments and Financial Risk Management**

**7.1 Financial Investments**

**Other financial investments – Syndicate participation**

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Market</b>	<b>Cost price</b>	<b>Market</b>	<b>Cost price</b>
	<b>Value</b>		<b>Value</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Shares and other variable yield securities and units in unit trusts	188,263	185,156	164,751	157,261
Debt securities and other fixed income securities	1,125,562	1,110,283	877,961	875,862
Participation in investment pools	5,406	5,227	9,421	9,288
Loans with credit institutions	356	1,215	184	183
Derivative financial instruments	3,624	-	1,196	12
Other investments	13,661	11,487	3,784	3,209
Deposits with credit institutions	1,987	1,987	4,106	4,106
Other	22,071	21,936	13,815	13,789
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	1,360,930	1,337,291	1,075,218	1,063,710
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**Other financial investments – Corporate**

Shares and other variable yield securities and units in unit trusts	-	-
Debt securities and other fixed income securities	-	-
Other investments	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

**8808 Capital Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

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

**7.2 Debtors**

	2020			2019		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
<b>Amounts falling due within one year:</b>						
Arising out of direct insurance operations	387,555	-	387,555	357,806	-	357,806
Arising out of reinsurance operations	333,973	-	333,973	236,239	-	236,239
<b>Other Debtors:</b>						
Amounts due from group undertakings	-	-	-	-	-	-
Other	63,827	67,098	130,925	32,759	50,746	83,505
Total Amounts falling due within one year	785,355	67,098	852,453	626,804	50,746	677,550
<b>Amounts falling due after one year:</b>						
Arising out of direct insurance operations	6,403	-	6,403	6,919	-	6,919
Arising out of reinsurance operations	66,628	-	66,628	94,721	-	94,721
<b>Other Debtors:</b>						
Amounts due from group undertakings	-	-	-	-	-	-
Other	12,495	-	12,495	14,309	21,873	36,182
Total Amounts falling due after one year	85,526	-	85,526	115,949	21,873	137,822
	870,881	67,098	937,979	742,753	72,619	815,372

**7.3 Funds at Lloyd's**

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

	2020			2019		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Cash	-	100,336	100,336	-	150,537	150,537
Investments	-	-	-	-	-	-
	-	100,336	100,336	-	150,537	150,537

Funds at Lloyd's represents assets deposited with the Corporation of Lloyd's (Lloyd's) to support the Company's underwriting activities as described in the Accounting Policies. The Company has entered into a Lloyd's Deposit Trust Deed which gives Lloyd's the right to apply these monies in settlement of any claims arising from the participation on the Syndicates. These monies can only be released from the provision of this Deed with Lloyd's express permission and only in circumstances where the amounts are either replaced by an equivalent asset, or after the expiration of the Company's liabilities in respect of its underwriting.

**8808 Capital Limited**  
**Notes to the Financial Statements**  
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**7. Financial Instruments and Financial Risk Management (continued)**

**7.4 Creditors**

	2020			2019		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
<b>Amounts falling due within one year:</b>						
Arising out of direct insurance operations	67,181	-	67,181	51,223	-	51,223
Arising out of reinsurance operations	285,469	-	285,469	227,997	-	227,997
Amounts owed to credit institutions	-	-	-	-	-	-
<b>Other creditors:</b>						
Corporation tax	-	-	-	-	-	-
Directors' loan accounts	-	323,550	323,550	-	323,550	323,550
Third party funds	-	-	-	-	-	-
Other creditors	52,217	-	52,217	44,887	1	44,888
Amount due to group undertakings	-	-	-	-	-	-
<b>Total Amounts falling due within one year</b>	<b>404,867</b>	<b>323,550</b>	<b>728,417</b>	<b>324,107</b>	<b>323,551</b>	<b>647,658</b>
<b>Amounts falling due after one year:</b>						
Arising out of direct insurance operations	400	-	400	502	-	502
Arising out of reinsurance operations	54,274	-	54,274	46,620	-	46,620
Amounts owed to credit institutions	-	-	-	-	-	-
<b>Other creditors:</b>						
Corporation tax	-	-	-	-	-	-
Directors' loan accounts	-	-	-	-	-	-
Third party funds	-	-	-	-	-	-
Other creditors	38,964	-	38,964	13,678	-	13,678
Amount due to group undertakings	-	-	-	-	-	-
<b>Total Amounts falling due after one year</b>	<b>93,638</b>	<b>-</b>	<b>93,638</b>	<b>60,800</b>	<b>-</b>	<b>60,800</b>
	<b>498,505</b>	<b>323,550</b>	<b>822,055</b>	<b>384,907</b>	<b>323,551</b>	<b>708,458</b>

**8808 Capital Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

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

**7.5 Classification of Financial Instruments**

The tables below set out the Company's financial instruments by classification.

**Other financial investments – Syndicate participation**

	2020			2019		
	At fair value through profit or loss £	At amortised cost £	Total £	At fair value through profit or loss £	At amortised cost £	Total £
<b>Financial assets</b>						
Investments	1,360,930	-	1,360,930	1,074,450	768	1,075,218
Deposits with ceding undertakings	-	174	174	-	129	129
Insurance debtors	-	393,958	393,958	-	364,725	364,725
Reinsurance debtors	-	400,601	400,601	-	330,960	330,960
Other debtors	-	76,322	76,322	-	47,068	47,068
Cash at bank and in hand	-	90,541	90,541	-	82,037	82,037
Other assets	165,021	-	165,021	125,099	-	125,099
	<b>1,525,951</b>	<b>961,596</b>	<b>2,487,547</b>	<b>1,199,549</b>	<b>825,687</b>	<b>2,025,236</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	-
Derivative financial instruments	572	-	572	404	-	404
Insurance creditors	-	67,581	67,581	-	51,725	51,725
Reinsurance creditors	-	339,743	339,743	-	274,617	274,617
Amounts owed to credit institutions	-	-	-	-	-	-
Other creditors	-	91,181	91,181	-	-	-
	<b>572</b>	<b>498,505</b>	<b>499,077</b>	<b>404</b>	<b>326,342</b>	<b>326,746</b>

**Other financial investments – Corporate**

	2020			2019		
	At fair value through profit or loss £	At amortised cost £	Total £	At fair value through profit or loss £	At amortised cost £	Total £
<b>Financial assets</b>						
Investments	-	-	-	-	-	-
Other debtors	-	67,098	67,098	-	72,619	72,619
Cash at bank and in hand	-	109,604	109,604	-	159,870	159,870
Other assets	-	-	-	-	-	-
	<b>-</b>	<b>176,702</b>	<b>176,702</b>	<b>-</b>	<b>232,489</b>	<b>232,489</b>
<b>Financial liabilities</b>						
Other creditors	-	323,550	323,550	-	323,551	323,551
	<b>-</b>	<b>323,550</b>	<b>323,550</b>	<b>-</b>	<b>323,551</b>	<b>323,551</b>

**8808 Capital Limited**  
**Notes to the Financial Statements**  
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**7. Financial Instruments and Financial Risk Management (continued)**

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

The table below sets out details of the Company's derivative financial instruments.

	2020		2019	
	Notional amount £	Fair value £	Notional amount £	Fair value £
Foreign exchange forward contracts	122,511	3,623	102,216	1,184
Interest rate future contracts	1,850	1	7,154	13
Foreign exchange options	-	-	-	-
Equity options	-	-	-	-
Foreign exchange contract for difference	-	-	-	-
Other	-	-	12,597	(1)
	<u>124,361</u>	<u>3,624</u>	<u>121,967</u>	<u>1,196</u>

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

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

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

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

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

**8808 Capital Limited**  
**Notes to the Financial Statements**  
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**7. Financial Instruments and Financial Risk Management (continued)**

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

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

**Other financial investments – Syndicate participation**

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
<b>2020</b>						
<b>Financial assets</b>						
Shares and other variable yield securities and units in unit trusts	31,380	127,140	29,743	188,263	-	188,263
Debt securities and other fixed income securities	285,152	840,410	-	1,125,562	-	1,125,562
Participation in investment pools	197	4,714	495	5,406	-	5,406
Loans and deposits with credit institutions	12,726	2,922	356	16,004	-	16,004
Overseas deposits	61,539	122,120	3,433	187,092	-	187,092
Derivatives	1,057	2,567	-	3,624	-	3,624
Other investments	-	-	-	-	-	-
Financial assets classified as held for sale	-	-	-	-	-	-
	<b>392,051</b>	<b>1,099,873</b>	<b>34,027</b>	<b>1,525,951</b>	<b>-</b>	<b>1,525,951</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	-
Derivative liabilities	572	-	-	572	-	572
Financial liabilities classified as held for sale	-	-	-	-	-	-
	<b>572</b>	<b>-</b>	<b>-</b>	<b>572</b>	<b>-</b>	<b>572</b>

**8808 Capital Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

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

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

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

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
<b>2019</b>						
<b>Financial assets</b>						
Shares and other variable yield securities and units in unit trusts	55,889	98,988	9,874	164,751	-	164,751
Debt securities and other fixed income securities	212,825	665,136	-	877,961	-	877,961
Participation in investment pools	1,616	6,468	1,337	9,421	-	9,421
Loans and deposits with credit institutions	5,468	1,688	150	7,306	768	8,074
Overseas deposits	48,954	87,164	2,791	138,909	-	138,909
Derivatives	190	1,006	-	1,196	-	1,196
Other investments	-	5	-	5	-	5
Financial assets classified as held for sale	-	-	-	-	-	-
	<b>324,942</b>	<b>860,455</b>	<b>14,152</b>	<b>1,199,549</b>	<b>768</b>	<b>1,200,317</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	-
Derivative liabilities	404	-	-	404	-	404
Financial liabilities classified as held for sale	-	-	-	-	-	-
	<b>404</b>	<b>-</b>	<b>-</b>	<b>404</b>	<b>-</b>	<b>404</b>

**Other financial investments – Corporate**

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
<b>2020</b>						
<b>Financial assets</b>						
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**8808 Capital Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

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

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

**Other financial investments – Corporate (continued)**

	Level (a) £	Level (b) £	Level (c) £	Fair value total £	Held at amortised cost £	Total £
<b>2019</b>						
<b>Financial assets</b>						
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
	-	-	-	-	-	-

**7.7 Financial Risk Management**

The Company is a financial institution and therefore provides the following disclosures in respect of the financial instruments it holds.

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

- Credit risk
- Liquidity risk
- Interest rate risk
- Equity price risk; and
- Currency risk

The management and control of each Syndicate is carried out by the managing agent of that Syndicate, and the Company 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 Directors therefore relate to the Corporate only. The quantitative disclosures are made in respect of both the Corporate and the Syndicates.

**8808 Capital Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2020**

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

**7.7 Financial Risk Management (continued)**

**Credit risk**

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

The Company manages credit risk at the Corporate level by ensuring that investments and cash and cash equivalent deposits are placed only with highly rated credit institutions. At the Corporate level the Company did not hold any collateral as security against its receivables, or have any other credit enhancements at the reporting dates.

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

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

Syndicate participation	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
<b>2020</b>						
Shares and other variable yield securities and units in unit trusts	33,105	9,578	62,181	6,457	76,942	188,263
Debt securities and other fixed income securities	266,407	363,574	389,461	97,132	8,988	1,125,562
Participation in investment pools	2,784	1,309	348	470	495	5,406
Loans secured with credit institutions	-	-	13,661	-	356	14,017
Deposits with credit institutions	507	-	1,480	-	-	1,987
Overseas deposits	92,393	38,658	27,288	22,154	6,599	187,092
Derivative investments	-	-	-	62	3,562	3,624
Other investments	-	-	-	-	-	-
Deposits with ceding undertakings	-	-	-	-	174	174
Reinsurers share of claims outstanding	35,507	172,109	524,399	17,090	66,666	815,771
Cash at bank and in hand	26,845	1,537	60,261	1,662	236	90,541
Insurance debtors	-	-	-	-	-	-
Other	-	-	-	-	-	-
	457,548	586,765	1,079,079	145,027	164,018	2,432,437

**8808 Capital Limited**  
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**7. Financial Instruments and Financial Risk Management (continued)**

**7.7 Financial Risk Management (continued)**

Syndicate participation	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
<b>2019</b>						
Shares and other variable yield securities and units in unit trusts	35,688	7,732	49,537	5,673	66,121	164,751
Debt securities and other fixed income securities	195,547	305,759	268,757	89,780	18,118	877,961
Participation in investment pools	2,682	2,517	2,666	214	1,342	9,421
Loans secured with credit institutions	2,482	-	1,336	-	150	3,968
Deposits with credit institutions	-	-	3,181	-	925	4,106
Overseas deposits	68,193	27,370	10,436	16,751	16,159	138,909
Derivative investments	6	-	-	179	1,011	1,196
Other investments	-	-	-	-	5	5
Deposits with ceding undertakings	-	-	-	-	129	129
Reinsurers share of claims outstanding	36,606	106,565	449,409	1,102	47,876	641,558
Cash at bank and in hand	34,651	832	34,444	6,109	6,001	82,037
Insurance debtors	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<b>375,855</b>	<b>450,775</b>	<b>819,766</b>	<b>119,808</b>	<b>157,837</b>	<b>1,924,041</b>

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

Syndicate participation	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
<b>2020</b>						
Shares and other variable yield securities and units in unit trusts	188,263	-	-	-	-	188,263
Debt securities and other fixed income securities	1,125,562	-	-	-	-	1,125,562
Participation in investment pools	5,406	-	-	-	-	5,406
Loans secured with credit institutions	14,017	-	-	-	-	14,017
Deposits with credit institutions	1,987	-	-	-	-	1,987
Overseas deposits	187,092	-	-	-	-	187,092
Derivative investments	3,624	-	-	-	-	3,624
Other investments	-	-	-	-	-	-
Deposits with ceding undertakings	174	-	-	-	-	174
Reinsurers share of claims outstanding	815,844	-	-	-	(73)	815,771
Reinsurance debtors	58,815	23,586	1,549	773	(18)	84,705
Cash at bank and in hand	90,541	-	-	-	-	90,541
Insurance debtors	346,788	26,436	12,767	8,042	(75)	393,958
Other	746,929	2,598	263	67	-	749,857
	<b>3,585,042</b>	<b>52,620</b>	<b>14,579</b>	<b>8,882</b>	<b>(166)</b>	<b>3,660,957</b>

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

**7.7 Financial Risk Management (continued)**

Syndicate participation	Neither due nor impaired £	Less than 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
<b>2019</b>						
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	-
Debt securities and other fixed income securities	164,751	-	-	-	-	164,751
Participation in investment pools	877,961	-	-	-	-	877,961
Loans secured with credit institutions	9,421	-	-	-	-	9,421
Deposits with credit institutions	3,968	-	-	-	-	3,968
Overseas deposits	4,106	-	-	-	-	4,106
Derivative investments	138,909	-	-	-	-	138,909
Other investments	1,196	-	-	-	-	1,196
Deposits with ceding undertakings	5	-	-	-	-	5
Reinsurers share of claims outstanding	129	-	-	-	-	129
Reinsurance debtors	641,610	-	-	-	(52)	641,558
Cash at bank and in hand	49,948	13,718	1,047	550	(1)	65,262
Insurance debtors	82,037	-	-	-	-	82,037
Other debtors	323,520	27,666	6,574	7,047	(82)	364,725
	<b>2,297,561</b>	<b>41,384</b>	<b>7,621</b>	<b>7,597</b>	<b>(135)</b>	<b>2,354,028</b>

At the Corporate level the Company is not exposed to significant credit risk. Consequently a sensitivity analysis for credit risk has not been presented for the Corporate.

**Liquidity risk**

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

At the Corporate level the Company manages liquidity by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of assets and liabilities.

The following tables detail the Company'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 Company can be required to pay.

Syndicate participation	No stated maturity £	Less than 1 year £	1 to 3 years £	3 to 5 years £	Greater than 5 years £	Total £
<b>2020</b>						
Derivative financial instruments	-	572	-	-	-	572
Deposits received from reinsurers	-	17,109	8,200	1,630	826	27,765
Provisions for other risks and charges	-	-	-	-	-	-
Claims outstanding	-	915,660	826,444	441,366	340,690	2,524,160
Creditors	13,658	402,577	64,330	4,634	31	485,230
Other	-	-	-	-	-	-
	<b>13,658</b>	<b>1,335,918</b>	<b>898,974</b>	<b>447,630</b>	<b>341,547</b>	<b>3,037,727</b>

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

**7.7 Financial Risk Management (continued)**

Syndicate participation	No stated maturity £	Less than 1 year £	1 to 3 years £	3 to 5 years £	Greater than 5 years £	Total £
<b>2019</b>						
Derivative financial instruments	-	404	-	-	-	404
Deposits received from reinsurers	-	28,513	10,743	2,130	1,100	42,486
Provisions for other risks and charges	-	-	-	-	-	-
Claims outstanding	-	735,452	698,613	337,232	267,378	2,038,675
Creditors	1,209	324,457	60,232	5,360	-	391,258
Other	-	-	-	-	-	-
	1,209	1,088,826	769,588	344,722	268,478	2,472,823

At the Corporate level the Company is not exposed to significant liquidity risk. Consequently a maturity profile has not been presented for the Corporate.

**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 Company is exposed to the risk of interest rate fluctuations in respect of cash and cash equivalents and other interest bearing securities.

At the Corporate level the Company 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 Company.

Syndicate participation	2020 £	2019 £
Impact of 50 basis point increase on profit or loss	(12,290)	(10,709)
Impact of 50 basis point decrease on profit or loss	10,106	9,769
Impact of 50 basis point increase on equity	(12,290)	(10,709)
Impact of 50 basis point decrease on equity	10,106	9,769

At the Corporate level the Company 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 Corporate.

**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 Company is exposed to equity price risk in respect of its equity investments.

At the Corporate level the Company manages equity price risk by maintaining an appropriate mix between equity and debt financial instruments, and by spreading the risk on equity investments across a portfolio of investments.

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

**7.7 Financial Risk Management (continued)**

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

<b>Syndicate participation</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Impact on profit or loss of 5% increase in Stock Market Prices	1,565	1,263
Impact on profit or loss of 5% decrease in Stock Market Prices	(1,565)	(1,265)
Impact on equity of 5% increase in Stock Market Prices	1,565	1,263
Impact on equity of 5% decrease in Stock Market Prices	(1,565)	(1,265)

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

**Currency risk**

The Company 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 Corporate level the Company 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 Company's principal foreign exchange exposures in aggregate.

**Net assets and liabilities**

	<b>2020</b>		<b>2019</b>	
	<b>Syndicate</b>	<b>Corporate</b>	<b>Syndicate</b>	<b>Corporate</b>
	<b>Participation</b>	<b>£</b>	<b>Participation</b>	<b>Corporate</b>
	<b>£</b>		<b>£</b>	<b>£</b>
Sterling	(209,084)	(260,422)	(366,446)	(243,943)
United States Dollar	(147,596)	99,850	13,302	143,264
Euro	55,714	-	82,524	-
Canadian Dollar	117,471	-	64,035	-
Australian Dollar	19,814	-	29,463	-
Japanese Yen	(2,740)	-	(5,317)	-
Other	2,958	-	7,551	-

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

**7.7 Financial Risk Management (continued)**

The Company 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 Corporate in these Financial Statements.

The Company's assets are primarily Funds at Lloyd's to support its underwriting. These are held in various currencies but are all either listed investments or cash. As such, any exchange movement would be accounted for in the profit and loss.

	Corporate Profit and loss			
	31 December 2020		31 December 2019	
	Increase	Decrease	Increase	Decrease
	£	£	£	£
<b>Effect of Sterling exchange movement by 10%</b>				
United States Dollar	9,077	(11,094)	13,024	(15,918)
Euro	-	-	-	-
Canadian Dollar	-	-	-	-
Australian Dollar	-	-	-	-
Japanese Yen	-	-	-	-
Other	-	-	-	-

**7.8 Capital Management**

**Lloyd's capital setting process**

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

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

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

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

The Funds at Lloyd's represent the capital which allows the Company to participate on the Syndicates. Refer to Note 7.3 for further information.

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**8. Insurance Contracts**

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

	2020			2019		
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	2,038,675	641,558	1,397,117	1,803,198	533,103	1,270,095
Movements in the year	183,513	85,157	98,356	269,704	115,080	154,624
Other movements	301,972	89,056	212,916	(34,227)	(6,625)	(27,602)
At 31 December	<u>2,524,160</u>	<u>815,771</u>	<u>1,708,389</u>	<u>2,038,675</u>	<u>641,558</u>	<u>1,397,117</u>

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

	2020			2019		
	Gross provision £	Reinsurance asset £	Net £	Gross provision £	Reinsurance asset £	Net £
At 1 January	701,356	160,846	540,510	663,543	133,775	529,768
Movements in the year	53,407	24,511	28,896	55,985	31,964	24,021
Other movements	(17,933)	(5,712)	(12,221)	(18,172)	(4,893)	(13,279)
At 31 December	<u>736,830</u>	<u>179,645</u>	<u>557,185</u>	<u>701,356</u>	<u>160,846</u>	<u>540,510</u>

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

	2020 £	2019 £
At 1 January	187,217	178,460
Movements in the year	5,903	10,124
Other movements	(4,079)	(1,367)
At 31 December	<u>189,041</u>	<u>187,217</u>

The other movements category includes exchange differences and the movements attributable to RITC.

**8.1 Risks arising from Insurance Contracts**

The Company 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 risk arising from insurance contracts, are not presented in these Financial Statements.

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

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**8. Insurance Contracts (continued)**

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

**Claims development - gross**

	<b>At end of reporting year</b>	<b>One year later</b>	<b>Two years later</b>	<b>Three years later</b>	<b>Four years later</b>	<b>Five years later</b>	<b>Six years later</b>	<b>Seven years later</b>
2012	413,198	624,284	619,500	599,880	596,311	588,839	582,358	578,149
2013	317,197	562,244	555,422	542,043	531,557	520,338	514,746	511,030
2014	313,220	550,838	568,019	554,488	565,838	556,793	555,776	
2015	297,337	577,153	586,611	584,334	579,084	573,885		
2016	357,801	721,357	742,048	743,163	736,344			
2017	694,046	1,057,648	1,105,212	1,090,042				
2018	587,637	1,016,274	1,077,644					
2019	501,927	987,665						
2020	562,094							
	<b>Eight years later</b>	<b>Cumulative payments to date</b>	<b>Estimated balance to pay</b>	<b>Profit/(loss) on RITC received</b>				
2011 & prior			169,670					
2012	575,301	537,864	37,437	(55,295)				
2013		470,888	40,142	(45,788)				
2014		485,473	70,303	(62,321)				
2015		463,701	110,184	(36,547)				
2016		571,251	165,093	(21,156)				
2017		793,923	296,119	(22,221)				
2018		574,587	503,057					
2019		310,755	676,910					
2020		106,849	455,245					
			<u>2,524,160</u>					

**Claims development - net**

	<b>At end of reporting year</b>	<b>One year later</b>	<b>Two years later</b>	<b>Three years later</b>	<b>Four years later</b>	<b>Five years later</b>	<b>Six years later</b>	<b>Seven years later</b>
2012	319,426	508,619	505,288	484,498	481,521	477,681	472,697	467,387
2013	264,483	483,148	473,213	463,979	455,894	446,160	441,556	437,765
2014	260,497	474,336	487,561	469,634	469,985	462,846	462,502	
2015	275,694	492,052	498,953	496,831	486,385	481,612		
2016	283,619	573,210	588,754	585,942	579,339			
2017	432,151	730,737	766,828	763,544				
2018	399,815	707,858	746,623					
2019	333,287	690,233						
2020	376,920							

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**8. Insurance Contracts (continued)**

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

**Claims development – net (continued)**

	Eight years later	Cumulative payments to date	Estimated balance to pay	Profit/(loss) on RITC received
2011 & prior			97,840	
2012	466,988	435,206	31,782	(56,828)
2013		402,791	34,974	(54,510)
2014		411,456	51,046	(48,965)
2015		401,333	80,279	(39,088)
2016		465,274	114,065	(45,655)
2017		559,925	203,619	(22,363)
2018		414,309	332,314	
2019		235,987	454,246	
2020		68,696	308,224	
			<u>1,708,389</u>	

**Sensitivity analysis**

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

- a 5% increase/decrease in net earned premium (with all other underwriting elements assumed to change pro-rata with premium) will increase/decrease the Company's pre-tax profit/loss by £57,511 (2019: £55,626 );
- a 5% increase/decrease in the managing agents' calculation of gross claims reserves will decrease/increase the Company's pre-tax profit/loss by £126,208 (2019: £101,934 );
- a 5% increase/decrease in the managing agents' calculation of net claims reserves will decrease/increase the Company's pre-tax profit/loss by £85,419 (2019: £69,856 ).

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

**9. Called-up Share Capital**

Issued and fully paid	Number of shares			At 31 December
	At 1 January	Issued during the year	Redeemed during the year	
Par value per share				
100 Ordinary £1 shares	100	-	-	100
Total	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>

The Ordinary £1 shares each hold one voting right. There are no restrictions on the distribution of dividends and the repayments of capital.

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**10. Profit and Loss Account**

	2020			2019		
	Syndicate Participation £	Corporate £	Total £	Syndicate Participation £	Corporate £	Total £
Retained loss brought forward	(192,035)	(87,964)	(279,999)	(233,153)	(31,964)	(265,117)
Reallocate distribution	53,050	(53,050)	-	(17,774)	17,774	-
Loss for the financial year	(15,361)	(19,282)	(34,643)	58,892	(73,774)	(14,882)
Equity dividends	-	-	-	-	-	-
Retained loss carried forward	(154,346)	(160,296)	(314,642)	(192,035)	(87,964)	(279,999)

**11. Deferred Tax**

	2020				Total £
	Syndicate Results £	Tax losses £	Claims Equalisation Reserve £	Other £	
At 1 January	(32,911)	(11,790)	-	(1,683)	(46,384)
Movement in year – profit and loss	3,182	(19,033)	-	(925)	(16,776)
Movement in the year - OCI	403	-	-	-	403
At 31 December	(29,326)	(30,823)	-	(2,608)	(62,757)

	2019				Total £
	Syndicate Results £	Tax losses £	Claims Equalisation Reserve £	Other £	
At 1 January	(39,842)	(2,801)	-	(1,653)	(44,296)
Movement in the year	6,931	(8,989)	-	(30)	(2,088)
At 31 December	(32,911)	(11,790)	-	(1,683)	(46,384)

The unused tax losses carried forward at the Statement of Financial Position date are £162,228. Unused tax losses are expected to be recoverable against the future profits of the Company and have no expiry date.

The deferred tax balance consists of timing differences relating to the taxation of underwriting results. Deferred tax assets are shown within other debtors (Note 7.2).

The deferred tax expected to unwind within one year is £Nil. The deferred tax expected to unwind over one year is £62,757.

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**12. Related Party Disclosure**

During the year the Directors made loans to and from the Company. At the Balance Sheet date the amount due (to)/from the Company was £323,550 (2019: £323,550).

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

**13. Ultimate Controlling Party**

The Company is controlled by Mr C A Siegel who holds 100% of the issued £100 ordinary share capital.

**14. Post Balance Sheet Event Note**

There are no post balance sheet events to be disclosed.