



The Standard Club Corporate Name Ltd

Annual report and
financial statements

**24 July 2014 to
31 December 2015**

Registered company number 9146813

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COMPANY INFORMATION

Directors	J P Grose N D Jelley I J Keane
Company Secretary	Charles Taylor & Co. Limited
Registered Office	Standard House 12-13 Essex Street London WC2R 3AA
Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT
Registered Number	9146813

STRATEGIC REPORT

The directors have pleasure in presenting the audited financial statements of the club for the period ended 31 December 2015.

Principal activities

The principal activity of the company during the year was to act as a corporate member for Syndicate 1884.

The company is a subsidiary of The Standard Club Ltd ('the club'), a holding company incorporated in Bermuda. The day to day operations of the company have been delegated to the managers, Charles Taylor & Co. Ltd ('the managers'), in London.

Business review

The company was incorporated on 24 July 2014. In its first period of operation the company participated in the open year of Syndicate 1884 with the following capacity:

Year of Account	Syndicate	Capacity in £'000	% of Whole Syndicate
2015	1884	36,000	40

The loss on ordinary activities after taxation amounted to £3,125k. The result is attributable to an underwriting loss before tax of £3,784k.

Financial key performance indicators

It is the company's objective, when providing capacity to the syndicate, to achieve a profitable underwriting operation through the syndicate. In this respect, the key performance indicators (KPIs) used by the company to analyse achievements of its objectives are as follows:

	2015
Gross written premiums £k	13,055
Underwriting results £k	-3,784
Profit/(loss) for the financial period £k	-3,125
Claims cover ¹	-0.31
Combined ratio % ²	189%

1. Ratio of net assets to outstanding claims.

2. The ratio of total expenditure to total income, as set out in the technical account/general business section of the income and expenditure account. A ratio below 100% indicates an underwriting surplus

As a result of the nature of the company, as a Lloyd's corporate member, the majority of its activities are carried out by the syndicate. The company is not directly involved in the management of the syndicate's activities; such activities, including employment of syndicate staff, are the responsibility of the managing agent. The managing agent also has responsibility for the environmental activities of the syndicate, although by their nature insurers do not produce significant environmental emissions.

The company does not employ staff; accordingly, the directors of the company do not consider it appropriate to monitor and report any performance indicators in relation to staff or environmental matters.

Future development

The company continues to write insurance business in the Lloyd's insurance market as a corporate member with its participation as follows:

Year of Account	Syndicate	Capacity in £'000	% of Whole Syndicate
2016	1884	90,000	40

PRINCIPAL RISKS AND UNCERTAINTIES

Principal Risks

The company operates under the Lloyd's franchise. The principal risk to the business is the loss of its regulatory approvals which would prohibit it from carrying on its business. The risk is mitigated by, inter alia, ensuring that the internal controls, management and governance structures are sufficiently robust to manage the company.

The company is also required to ensure that it remains solvent in accordance with Lloyd's regulations and must ensure that it meets its solvency requirements on an on-going basis. The assets of the company are managed with the prime objective of ensuring that the company remains solvent.

As a corporate member of Lloyd's the majority of the risks to this company's future cash flows arise from its participation in the results of Syndicate 1884. As detailed below, these risks are mostly managed by the managing agent of the syndicate. This company's role in managing this risk is limited to selection of syndicate participations and monitoring performance of the syndicate.

Syndicate risks

The trading activities of a syndicate expose it to a variety of financial and non-financial risks. The managing agent is responsible for managing the syndicate's exposure to these risks and, where possible, introducing controls and procedures that mitigate the effects of the exposure to risk. For the purposes of setting capital requirements for the 2015 year of account, Lloyd's introduced the Lloyd's Capital Return ("LCR") which replaced the Individual Capital Assessment ("ICA"). The managing agent prepares an LCR for the syndicate, the purpose of this being to agree capital requirements with Lloyd's based on an agreed assessment of the risks impacting the syndicate's business, and the measures in place to manage and mitigate those risks from a quantitative and qualitative perspective. The risks described below are typically reflected in the LCR; and typically the majority of the total assessed value of the risks concerned is attributable to Insurance Risk.

The insurance risks faced by a syndicate include the occurrence of catastrophic events, downward pressure on the pricing of risks, reductions in business volumes and the risk of inadequate reserving. Reinsurance risks arise from the risk that a reinsurer fails to meet their share of a claim. The management of the syndicate's funds is exposed to risks of investment, liquidity, currency and interest rates leading to financial loss.

The syndicate is also exposed to regulatory and operational risks including its ability to continue to trade. However, supervision by Lloyd's and the Prudential Regulatory Authority provide additional controls over the syndicate's management of risks.

The company manages the risks faced by the syndicates it participates in by monitoring the performance of the syndicates. This process commences in advance of committing to support the syndicate for the following year, with a review of the business plan prepared for the syndicate by the managing agent. In addition, quarterly reports and annual accounts together with any other information made available by the managing agent are monitored and, if necessary, challenged.

Investment and currency risks

The company did not face exposure to any investment or liquidity risk as it does not hold custody of any investments or deposits in its own right.

Regulatory risks

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

Operational risks

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

By order of the board,
Charles Taylor & Co Limited
Company Secretary
15 April 2016

Registered no: 9146813

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the period ended 31 December 2015. The company's registration number is 9146813.

Directors

The directors who served during the period and up to the date of signing this report were:

J P Grose

N D Jelley

I J Keane

CORPORATE GOVERNANCE

Remuneration

The directors are employed by the managers and do not receive directors' fees.

Insurance and Indemnity

The Standard Club Ltd (the club) maintains liability insurance for directors and officers with a cover limit of £30m, which is renewed on an annual basis. The company's directors are covered by the club's liability insurance as a subsidiary entered under its policy.

Conflicts of interest

Procedures are in place to ensure that potential conflicts of interest between the company and the directors and the directors and clients of the company, are identified and managed.

No directors reported any interests in contracts or arrangements with the company during the year.

There are no existing or proposed service agreements between the company and any of its directors.

Business and ethical values and treating customers fairly

The company acts as a corporate member at Lloyd's participating in the open year of the Syndicate 1884 and, as such, has no customers.

Prevention of financial crime and whistleblowing

The managers have procedures to prevent the company being unwittingly involved in money laundering or in inappropriate payments. They also have in place whistleblowing procedures to ensure that members of the staff can raise matters of concern confidentially so that they may be appropriately investigated.

Sanctions compliance

The company is committed to ensuring that it complies with all applicable legislation relating to international sanctions. The company's managers have implemented internal procedures and an automated screening process to ensure compliance.

Health and safety

The company has a strong health and safety culture. To ensure that the management of the company is carried out in a way that protects the health and safety of all those who work for its managers, appropriate policies have been adopted.

Business continuity

The managers have full business continuity contingency plans, which they periodically test, to ensure that the company can continue to operate in the event of a serious incident, such as, a terrorist event.

Business records and documentation are stored electronically, are regularly backed-up and are accessible remotely. Various aspects of business continuity testing were carried out by the managers during the year which confirmed that the business was able to continue functioning, including all key processes. Further tests will be carried out in the forthcoming year.

Environmental policy

The day-to-day business of the company is carried out by the managers, who are committed to minimising the impact on the environment of their business operations and to achieving best practice in areas in which they do have an environmental impact.

The managers have taken steps to reduce their carbon footprint, and strive to minimise their energy consumption through their energy management policy and by encouraging staff to use energy thoughtfully.

Where possible, the managers use energy-efficient business appliances and computers, thereby giving rise to energy savings and a reduction in emissions.

Standard House, which accommodates the managers of the company, incorporates a number of design and other initiatives to reduce to office's environmental impact and carbon footprint, and is compliant with the Energy Saving Opportunity Scheme in the UK.

Equality of opportunity and gender diversity policy

The company's managers have formal policies which aim to attract and retain a diverse and flexible workforce.

Results

The results for the year are set out on page 11.

Business review

A discussion of the activities of the company and a review of its business is provided in the Strategic Report at pages 3 to 4.

Dividends

The directors do not propose a dividend payment and no dividends have been paid during the period.

Donations

The company has not made any charitable or political donations.

Statement of disclosure of information to auditors

Each person who is a Director at the date of this report confirms that:

- As far as each Director is aware, there is no information relevant to the audit of the company's financial statements for the year ended 31 December 2015 of which the auditors are unaware; and
- each Director has taken all the steps that they ought to have taken as a Director in order to make him / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic report and Business Review, Directors' Report 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 prepared the company's financial statements in accordance with United Kingdom accounting standards including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), Financial Reporting Standard 103 - "Insurance Contracts" ("FRS 103"), both issued by the Financial Reporting Council and in compliance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("SI2008/410") relating to insurance companies and other requirements of the Companies Act 2006.

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 the profit and 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 to 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.

By order of the board,
Charles Taylor & Co Limited
Company Secretary
15 April 2016

Registered no: 9146813

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF STANDARD CLUB CORPORATE NAME LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, The Standard Club Corporate Name Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the 17 month period (the "period") 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2015;
- the Statement of Income and Retained Earnings for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Philip Watson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
15 April 2016

FINANCIAL STATEMENTS

STATEMENT OF INCOME AND RETAINED EARNINGS

for the period 24 July 2014 to 31 December 2015

	Notes	2015 £'000
Technical account - general business		
Written premiums, net of reinsurance		
Gross premiums written	3	13,055
Outward reinsurance premiums		(976)
Net written premiums		12,079
Change in provision for unearned premiums		
Gross amount		(8,798)
Reinsurers' share	2	2
Change in net provision for unearned premiums		(8,796)
Earned premiums, net of reinsurance		3,283
Claims incurred, net of reinsurance		
Claims paid:		
Gross amount		297
Reinsurers' share		-
Net claims paid		297
Change in provision for claims:		
Gross amount		2,448
Reinsurers' share		(121)
Change in net provisions for claims		2,327
Claims incurred, net of reinsurance		2,624
Net operating expenses	4	4,443
Balance on technical account - general business		(3,784)
Non-technical account		
Balance on the technical account for general business		(3,784)
Exchange gains/(losses)		57
Other income and expenditure		(179)
Profit on ordinary activities before tax		(3,906)
Tax credit/(charge) on ordinary activities	6	781
Profit on ordinary activities after tax		(3,125)
Retained earnings at the beginning of the period		
Profit for the financial period		(3,125)
Members' agent's fees		(28)
Retained earnings at the end of the period		(3,153)

The income, expenditure and results for the year are wholly derived from continuing activities.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	Notes	2015 £'000
Assets		
Investments		
Other financial investments	7	173
Reinsurers' share of technical provisions		
Claims outstanding	11	125
Provision for unearned premiums		2
		127
Debtors		
Debtors arising out of direct insurance operations	8	7,838
Debtors arising out of reinsurance operations		-
Deferred tax asset	9	757
Other debtors		24
		8,619
Other assets		
Cash at bank and in hand		944
Overseas deposits		14
		958
Prepayments and accrued income		
Deferred acquisition costs		1,982
Other prepayments and accrued income		172
		2,154
Total Assets		12,031

STATEMENT OF FINANCIAL POSITION (cont'd)

as at 31 December 2015

	Notes	2015 £'000
Equity And Liabilities		
Capital and reserves		
Called up share capital	10	1
Profit and loss account		(3,153)
Equity shareholder's deficit		(3,152)
Technical provisions		
Claims outstanding	11	2,531
Provision for unearned premiums		9,084
		11,615
Creditors		
Creditors arising out of direct insurance operations		328
Creditors arising out of reinsurance operations		-
Other creditors including taxation	12	2,945
		3,273
Accruals and deferred income		295
Total Equity and Liabilities		12,031

The financial statements were approved by the board of directors on 15 April 2016 and were signed on its behalf by:

N D Jelley
Director

Registered company no: 9146813

NOTES TO THE FINANCIAL STATEMENTS

1. Constitution

The Standard Club Corporate Name Limited ("the company") transacts insurance business in the Lloyd's market through its participation in Lloyd's syndicates. The company is a private company limited by shares and is incorporated in England. The address of its registered office is Standard House, 12-13 Essex Street, London WC2R 3AA. The registered company number 9146813.

2. Accounting policies

(a) Basis of preparation

These financial statements have been prepared in compliance with applicable accounting standards in the United Kingdom including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), Financial Reporting Standard 103, "Insurance Contracts" (FRS 103) and the Companies Act 2006.

The financial statements are prepared under the historical cost convention, as modified for the revaluation of investment properties and financial assets and liabilities (including derivative instruments) at fair value through income or expenditure.

The financial statements are prepared on a going concern basis. The directors consider it appropriate to adopt the going-concern basis of accounting in the preparation of these financial statements and are not aware of any material uncertainties to the company's ability to continue to do so for at least 12 months from the date of these financial statements.

(b) Early adoption of FRS 102 and FRS 103

The requirements of FRS 102 and FRS 103 have been early adopted by the company due to the accounting period beginning on 24 July 2014.

(c) Exemptions for qualifying entities under FRS 102

The company has taken advantage of the following exemptions:

- from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.
- from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

(d) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following are the Syndicate's key sources of estimation uncertainty:

- Insurance contract technical provisions

For insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported (IBNR), at the reporting date. It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the statement of financial position.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as the Chain Ladder and the Bornhuetter-Ferguson methods.

The main assumption underlying these techniques is that past claims development experience can be used to project future claims development and hence ultimate claims costs. The provision for claims outstanding is assessed on an individual case basis and is based on the estimated ultimate cost of all claims notified but not settled by the balance sheet date, together with the provision for related claims handling costs. The

provision also includes the estimated cost of claims incurred but not reported (IBNR) at the balance sheet date based on statistical methods.

These methods generally involve projecting from past experience of the development of claims over time to form a view of the likely ultimate claims to be experienced for more recent underwriting, having regard to variations in the business accepted and the underlying terms and conditions. For the most recent years, where a high degree of volatility arises from projections, estimates may be based in part on output from rating and other models of the business accepted and assessments of underwriting conditions. The amount of salvage and subrogation recoveries is separately identified and, where material, reported as an asset.

Similar judgements, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgement is also required in determining whether the pattern of insurance service provided by a contract requires amortisation of unearned premium on a basis other than time apportionment.

- Estimates of future premiums

For certain insurance contracts, premium is initially recognised based on estimates of ultimate premiums. These estimates are judgemental and could result in misstatements of revenue recorded in the financial statements.

The main assumption underlying these estimates is that past premium development can be used to project future premium development.

- Fair value of financial assets and derivatives determined using valuation techniques

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of discounted cash flow models and/ or mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values. The judgements include considerations of liquidity risk, credit risk, and model input s such as estimated future cash flows based on management's best estimates and discount rates.

For discounted cash flow analysis, estimated future cash flows and discount rates are based on current market information and rates applicable to financial instruments with similar yields, credit quality and maturity characteristics. Estimated future cash flows are influenced by factors such as economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity, and financial conditions or counterparties. Discount rates are influenced by risk-free interest rates and credit risk.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(e) Annual basis of accounting

The transfer to or from the profit and loss account is determined using an annual basis of accounting.

(f) Premiums

Gross premiums written represent premiums notified as due to the syndicate by brokers up to the balance sheet date in respect of contracts incepting in the financial year together with adjustments to premiums written in previous accounting periods and estimates for pipeline premiums. Gross written premiums are stated before deduction of commissions but exclusive of taxes, duties levied on premiums and other deductions.

(g) Unearned premiums

Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the balance sheet date, calculated on a time apportionment basis.

(h) Acquisition costs

Acquisition costs represent brokerage and expenses incurred in respect of insurance contracts written and incepting during the financial period. They are allocated in accordance with the earnings pattern of the premium on the underlying business. Deferred acquisition costs represent the proportion of acquisition costs incurred in respect of unearned premiums at the balance sheet date.

(i) Claims incurred

Claims incurred comprise all claims passed by the board, advances made on account of claims and related expenses paid in the year, and changes in provisions for outstanding claims, including provisions for claims incurred but not reported and related expenses.

(j) Reinsurance recoveries

Reinsurance recoveries are accounted for in the same period as the incurred claims for the related business.

Outstanding claims in the balance sheet are shown gross and the reinsurance recoveries are shown as an asset.

(k) Claims provisions and related reinsurance recoveries

The provision for claims outstanding comprises amounts set aside for claims advised and IBNR. The IBNR amount is based on estimates calculated using statistical techniques which are reviewed by external consulting actuaries. The techniques generally use projections, based on past experience of the development of claims over time, to form a view on the likely ultimate claims to be experienced. In addition factors such as knowledge of specific events and terms and conditions of policies are taken into account. For more recent underwriting, consideration is given to the variations in the business portfolio accepted and the underlying terms and conditions. Where a high degree of volatility arises from projections, estimates may be based in part from rating and other models of the business accepted and assessments of underwriting conditions. Thus, the critical assumptions used when estimating claims provisions are that past experience is a reasonable predictor of likely future claims development and that the rating and other models used to analyse current business are a fair reflection of the likely level of ultimate claims to be incurred.

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

Every effort is made to ensure that all claims incurred are adequately provided for but adjustments may be necessary in later periods as a result of subsequent information and events. Any adjustments to original provisions are made in the financial period in which the need for a change in provision becomes apparent.

(l) Reinsurance premiums

Outward reinsurance premiums are accounted for in the same accounting period as the related direct insurance or inwards reinsurance business except in relation to excess of loss contracts, where the initial premium is charged over the period of cover.

(m) Unexpired risk provision

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

(n) Investment return

Investment return comprises all investment income, realised investment gains and losses, and movements in unrealised gains and losses, net of investment expenses, charges and interest. Dividends are recorded on the date on which the shares are quoted ex-dividend and include the imputed tax credits. Interest and expenses are accounted for on an accruals basis. Realised gains and losses on investments carried at market value are calculated as the difference between net sales proceeds and purchase price. Movements in unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and their purchase price or, if they have been previously valued, their valuation at the last balance sheet date, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period. The investment return is reported in the non-technical account.

(o) Financial instruments

The company has chosen to apply the recognition and measurement provisions of IAS 39 (as adopted for use in the EU) and the disclosure requirements of FRS 102 in respect of financial instruments.

– Financial assets at fair value through income

The company classifies its investments as financial assets at fair value through income. As a result, gains and losses are taken to the income and expenditure account, which reflects the management of the portfolio on a fair value basis. Fair values of investments traded in active markets are measured at bid price. Where there is no active market, fair value is measured by reference to other factors.

– Derivative financial investments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The club does not engage in hedge accounting and changes in the fair value of all derivative investments are recognised immediately in the income and expenditure account.

– Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable settlement values. Amounts due from members and reinsurers are included in this category and are measured at cost less any provision for impairment in value.

(p) Foreign currencies

The company's financial statements are presented in pound sterling which is the company's functional currency.

Syndicates usually maintain separate funds in Sterling, United States dollars, Canadian dollars, Euros and may also maintain separate funds other currencies depending on the circumstances of the Syndicate. All income and expenditure in such separately maintained funds are translated at average rates of exchange for the period. Underwriting transactions in other foreign currencies are included in the accounts at historical rates. All differences on the translation of foreign currency amounts in the syndicate are dealt with in the technical account.

Syndicate monetary assets and liabilities which are expressed in separately maintained funds are translated at rates of exchange ruling at the balance sheet date. This creates a foreign exchange gain or loss between the net assets translated at closing rates and the profit for the period which is derived by reference to average rates. The foreign exchange gain or loss is credited or charged to the technical account. Non-monetary assets and liabilities denominated in foreign currencies are recorded in sterling at the rate prevailing at the time of initial recognition, or at closing rate, depending upon the accounting policy adopted by each Syndicate in which the company participates.

Other exchange differences arising are dealt with in the non-technical account.

(q) General administration expenses

General administration expenses, including managers' remuneration, are included on an accruals basis.

(r) Taxation

Taxation provided is that which became chargeable during the year.

Provision is made for deferred tax liabilities, using the liability method, on all material timing differences, including revaluation gains and losses on investments recognised in the income and expenditure account.

Deferred tax is calculated at the rates at which it is expected that the tax will arise. Deferred tax is recognised in the income and expenditure account for the period, except to the extent that it is attributable to a gain or loss that is recognised directly in the statement of total recognised gains and losses. Deferred tax balances are not discounted.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. Assets are regarded as recoverable when it is regarded as more likely than not that there will be suitable net taxable income from which the future reversal of the underlying timing differences can be deducted.

3. Segmental analysis for period ended 31 December 2015

	Gross Written Premiums £'000	Gross Premiums Earned £'000	Gross Claims Incurred £'000	Gross Operating Expenses £'000	Reinsurance Balance £'000	Total £'000
Direct Insurance:						
Marine, aviation and transport	8,771	2,947	(1,886)	(2,984)	(594)	(2,517)
Fire and other damage to property	952	312	(259)	(328)	(60)	(335)
Third party liability	48	11	(5)	(16)	(3)	(13)
Total direct	9,771	3,270	(2,150)	(3,328)	(657)	(2,865)
Reinsurance	3,284	987	(660)	(1,086)	(196)	(955)
Total	13,055	4,257	(2,810)	(4,414)	(853)	(3,820)

Commissions on direct insurance gross premiums written during the period were £2,186,800.

The reinsurance balance is the aggregate total of all those items included in the technical account that relate to reinsurance outward transactions, including items recorded as reinsurance commissions, profit participation and reinsurers' share of paid claims. The reinsurance balance includes reinsurance commission receivable.

All premiums were concluded in the UK.

The geographical analysis of premiums in the period by destination (or by situs of risk) is as follows:

	2015 £'000
UK	304
Canada	184
United States of America	495
EU member states	148
Other	1,428
Worldwide	10,496
	13,055

4. Net Operating expenses

	Period ended 31 December 2015 £'000
Acquisition costs	2,925
Change in deferred acquisition costs	(1,917)
Administrative expenses	3,381
Foreign exchange loss	32
Auditors' remuneration for audit services	22
	4,443

Net operating expenses in the technical account relate to the company's share of the syndicate's expenses. The auditors' remuneration above is for the audit services of the syndicate by its auditors, Ernst & Young LLP.

The fees for the company's own audit by Pricewaterhouse Coopers LLP of £9k is included in "Other income and expenditure" in the non-technical account.

5. Employees and Directors

The company had no employees and incurred no staff costs during the period.

None of the directors received any emoluments for their service to the company during the period. All the directors are employees of and remunerated by the club's managers, Charles Taylor & Co. Ltd.

6. Tax on ordinary activities

	Period ended 31 December 2015 £'000
Analysis of charge in period	
Current tax on income for the period	(24)
Overseas tax	-
Total current tax	(24)
Deferred tax (note 10)	
Timing differences in respect of underwriting and trading results	(757)
Tax expenses on profit on ordinary activities	(781)

Factors affecting tax charge for the period

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (20%). The differences are explained below:

	Period ended 31 December 2015 £'000
Current tax reconciliation	
Profit on ordinary activities before tax	-
Current tax at 20%	-
Effects of:	
Change in untaxed Syndicate results	757
Current tax for the period	757
Adjustments to tax charge in respect of previous periods	
Total current tax credit	757

7. Other financial investments

At 31 December 2015 (£000)	Carrying value	Purchase value	Unit value
Deposits with credit institutions	173	173	173

The amount of change, during the period, in the fair value of financial investments, held at fair value through the income statement, attributable to changes in credit risk was nil.

There was no material change in fair value for financial investments held at fair value attributable to own credit risk in the reported period.

There have been no day-one profits recognised in respect of financial instruments designated at fair value through the income statement.

The following table shows financial investments recorded at fair value analysed between three levels in the fair value hierarchy:

At 31 December 2015 (£000)	Level 1	Level 2	Level 3	Total
Deposits with credit institutions	173	-	-	173

Included in level 1 category are financial assets that are measured by reference to published quotes in active markets. A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange dealer, broker, industry syndicate, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Included in level 2 category are financial assets measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions.

Included in level 3 category, are financial assets measured using a valuation technique (model) based assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

8. Debtors arising out of direct insurance operations

	Period ended 31 December 2015 £'000
Due from intermediaries within one year	7,838
Due from intermediaries after one year	-
Total due from direct insurance operations	7,838

9. Deferred tax asset

	Period ended 31 December 2015 £'000
Opening deferred tax asset	-
Movement in period	757
Closing deferred tax asset	757
	Profit and loss (charge)/credit 2015 £'000
At 31 December	
Timing differences on:	
- untaxed profits on Syndicate results	757
- trading losses	
Total deferred tax assets	757

10. Share capital

	Period ended 31 December 2015 £'000
Issued and Fully Paid	
1 Ordinary Share of £1.00 each (denotes value of £1)	1.0

11. Claims outstanding

	Period ended 31 December 2015 £'000
Gross	
Claims reported	1,051
Loss adjustment expenses	37
Claims incurred but not reported	1,443
Total gross insurance liabilities	2,531
Recoverable from reinsurers	
Claims reported	15
Claims incurred but not reported	110
Total reinsurers' share of insurance liabilities	125
Net	
Claims reported	1,036
Loss adjustment expenses	37
Claims incurred but not reported	1,333
Total net insurance liabilities	2,406

12. Other creditors including taxation

	Period ended 31 December 2015 £'000
Trade creditors	363
Intercompany	2,582
Total other creditors	2,945

13. Funds at Lloyd's

Every member is required to hold capital at Lloyd's which is held in trust and known as Funds at Lloyd's (FAL). As at 31 December 2015, the value of assets supporting FAL for the 2015 year of account is £43.3m. These funds are intended primarily to cover circumstances where syndicate assets prove insufficient to meet participating members' underwriting liabilities.

The level of FAL that Lloyd's requires a member to maintain is determined based on PRA requirements and resource criteria. FAL has regard to a number of factors including the nature and amount of risk to be underwritten by the member and assessment of the reserving risk in respect of business that has been underwritten. Since FAL is not under the management of the managing agent, no amount has been shown in these financial statements by way of such capital resources. However, the managing agent is able to make a call on the members' FAL to meet liquidity requirements or to settle losses.

14. Related party transactions

The company has taken advantage of the exemption within FRS 102 not to disclose transactions with wholly owned group entities on the grounds that 100% of the company's voting shares are controlled within the group and consolidated financial statements are publically available.

There are no other related party transactions to be disclosed.

15. Parent undertaking

The directors regard The Standard Club Ltd, a company registered in Bermuda, as the immediate and ultimate parent undertaking and ultimate controlling party. Copies of the consolidated financial statements of The Standard Club Ltd can be obtained from the registered office: Swan Building, 26 Victoria Street, Hamilton HM 12, Bermuda.

16. Risk management

(a) Risk management framework

Risk appetite, management tolerances and risk assessment:

The managing agent of the Syndicate is responsible for the risk management framework which is intended to keep the Syndicate within its overall risk appetite. Risk appetite is expressed in terms of:

- The probability and impact of losses to the Syndicate's FAL and to projected profitability,
- The potential for events that could have an adverse impact on the levels of service provided to policyholders or otherwise damage the Syndicate's reputation,
- The potential for regulatory or legal sanction.

Monitoring and management of Syndicate risk against its risk appetite is implemented through more granular tolerances covering all of the risks identified through the risk management framework. Risks are classified into categories, which are described in more detail below. The risk assessment process integrates the risk profile of the Syndicate and the risk controls in place. Tools used to assess and monitor risk include financial modelling, stress testing and Syndicate-tailored scenarios – for example, with respect to specific marine-related loss events.

Governance framework:

The risk management framework includes clear governance processes and is designed to ensure proportionate and effective controls are operating to manage risk within each category. The central component of the risk management framework is the role played by the managing agent's governance committees, which monitor changes in the Syndicate's risk profile across underwriting, reserving, finance and operations. This is performed on both a qualitative basis and through monitoring of a range of risk indicators against management tolerances in order to identify where mitigating actions are required. An escalation process is in place which ensures emerging risks or issues are brought to the attention of senior management and the board. A key role of the managing agent's risk function is to ensure that the risk management process is operating effectively and leads to consideration and implementation of actions to manage risk and capital. Policies in respect of each area of risk have been put in place which set out the risk management approach.

(b) Capital management objectives, policies and approach

Regulatory capital requirements at Lloyd's:

The Society of Lloyd's (Lloyd's) is a regulated undertaking and subject to the supervision of the Prudential Regulatory Authority (PRA) under the Financial Services and Markets Act 2000. Within this supervisory framework, Lloyd's applies capital requirements at member level and centrally to ensure that Lloyd's complies with Solvency II capital requirements which became effective from 1 January 2016. Solvency II requires insurers to maintain capital sufficient to cover a 1-in-200 year loss, reflecting uncertainty that could arise over a one-year time horizon (known as the Solvency Capital Requirement or "SCR"). Lloyd's has

received approval from the PRA to calculate this value using its own internal capital model, based on inputs received from managing agents respect of the syndicates they manage.

Lloyd's capital setting process:

The Lloyd's capital setting process calculates capital requirements at syndicate level. Lloyd's requires each managing agent to calculate the SCR for its managed syndicates for the prospective underwriting year based on each syndicate's business forecast. This amount must be sufficient to cover a 1-in-200 year loss, reflecting the full uncertainty in the ultimate run-off of underwriting liabilities (SCR 'to ultimate'). An SCR at the same confidence level but reflecting uncertainty over a one-year time horizon (one-year SCR) is also calculated for Lloyd's to use in calculating its own regulatory 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. The SCR 'to ultimate' is the basis for the Lloyd's capital requirement for each syndicate. Lloyd's applies an additional capital uplift known as the Economic Capital Assessment (ECA) to each syndicate's SCR. The purpose of this uplift is to meet Lloyd's financial strength, licence and credit-rating objectives. The capital uplift applied for 2015 and 2016 is 35% of the SCR 'to ultimate'.

Provision of capital by members:

Regulatory capital requirements for Lloyd's apply at an overall market level and at a member level. The company is severally liable for its share of syndicate liabilities and is required to provide capital that reflects this share.

The company provides capital to meet its ECA by assets held in trust by Lloyd's specifically for that member (FAL) as the member's share of the members' balances on each Syndicate on which it participates.

(c) Insurance risk

The company's risks arise principally from its underwriting activities as a corporate member at Lloyd's. Insurance risk includes a range of risks relating to pricing, premium volume, exposure to catastrophes, lack of diversification, reserve and reinsurance risk, as highlighted in the table below:

Risk	Examples of risk management approach
Pricing of policies is insufficient given the risks accepted.	Technical and actuarial pricing and rate monitoring techniques to identify levels of price adequacy and trends. Underwriters who are experienced and skilled in the classes for which they have authority to underwrite. Development of an appropriate underwriting strategy and application of underwriting guidelines which include requirements to refer risks that deviate from technical pricing benchmarks or target risk characteristics. Consideration of trends emerging from reserving analyses. Regular peer review process which considers the quality of underwriting decisions.
Premium volumes are less than planned.	Analysis of the sources of income by class and distribution channel against expectations. Development of class level business plans which support premium forecasts. Monitoring of the levels and success of marketing activity.
Excessive accumulations of risk from a single source (for example from natural catastrophes).	Geographical exposure monitoring process which identifies accumulations of risk and quantifies the extent to which any accumulations are exposed to natural hazards such as windstorm, flood or earthquake. Exposure monitoring process which seeks to identify potential additional accumulation from sources such as non-static cargo exposures or cyber risk. Bespoke scenario analysis to understand the value of gross losses if an event were to occur. Such scenarios are monitored as the portfolio of risks

Risk	Examples of risk management approach
	<p>written by the Syndicate changes, in order to ensure that the potential loss from severe catastrophic events does not exceed the Syndicate's risk appetite.</p> <p>Implementation of internal limits on exposure to bespoke CTMA scenarios, Lloyd's RDS, 'clash' events Maximum line size limits on individual policies and per risk.</p> <p>Ensuring sufficient reinsurance protection is in place to mitigate the impact of severe events.</p>
<p>Exposure is insufficiently diversified, increasing the degree of variability in underwriting results.</p>	<p>Development and implementation of a business plan which is diversified across a large portfolio of insurance contracts, geographical areas and multiple classes of business and product types.</p> <p>Seeking to manage the overall variability of underwriting results through careful selection, implementation of underwriting strategy guidelines, maximum line sizes and the use of reinsurance.</p>
<p>Claims arising from prior year business cost more to settle than the amounts estimated in the Syndicate's reserves.</p>	<p>Comparison of actual claims compared with expected claim development patterns.</p> <p>Monitoring of the sources and types of incurred claims to identify unanticipated trends.</p> <p>Performance of regular actuarial reviews.</p>
<p>Reinsurance protections fail to protect the Syndicate in the manner expected</p>	<p>Assessment of reinsurance coverage terms compared with gross exposures.</p> <p>Analysis of the extent to which the reinsurance programme is exposed given the underlying gross exposure.</p> <p>Monitoring of remaining cover given the level of incurred claims.</p> <p>Placement of reinsurance is diversified such that it is not dependent on a single reinsurer.</p>

The table below sets out the concentration of outstanding claim liabilities by type of contract:

At 31 December 2015 (£000)	Gross Liabilities	Reinsurance of Liabilities	Net Liabilities
Direct insurance:			
Marine, aviation and transport	(1,682)	66	(1,616)
Fire and other damage to property	(211)	19	(192)
Third-party liability	(6)	1	(5)
	(1,899)	86	(1,813)
Reinsurance	(632)	39	(593)
	(2,531)	125	(2,406)

The table below shows the Gross insurance contract outstanding claims provision at 31 December 2015:

2015 underwriting year of account	£000
Estimate of cumulative claims incurred	
At end of underwriting year	(2,840)
Current estimate of cumulative claims incurred	(2,840)
Cumulative claims paid	
At end of underwriting year	309
Cumulative payments to date	309
Gross outstanding claims provision at 31 December 2015 at original exchange rates	(2,531)
Foreign exchange adjustment	-
Total gross outstanding claims provision per the statement of financial position	(2,531)
% surplus/(deficiency) of initial gross reserve	-

The table below shows the Net insurance contract outstanding claims provision at 31 December 2015:

2015 underwriting year of account	£000
Estimate of cumulative claims incurred	
At end of underwriting year	(2,715)
Current estimate of cumulative claims incurred	(2,715)
Cumulative claims paid	
At end of underwriting year	309
Cumulative payments to date.	309
Net outstanding claims provision at 31 December 2015 at original exchange rates	(2,406)
Foreign exchange adjustment	-
Total net outstanding claims provision per the statement of financial position	(2,406)
% surplus/(deficiency) of initial gross reserve	-

Key sensitivities:

Estimated gross loss ratios – Estimated gross loss ratios are derived from the Syndicate Business Forecast which considers market benchmarks as well as assessments of changes in rate adequacy for each class of business. As the Syndicate has only been trading since April 2015 there is little experience to support or confirm the assumptions and therefore there is uncertainty in the assumed profitability of the company.

Effectiveness of the reinsurance programme in protecting the underwriting result – Net underwriting profit is estimated after consideration of the mitigating effect of reinsurance on gross losses, including assumptions as to the number and size of losses that may exceed the attachment point on the programme, and the effective reinsurance recovery rate that will result.

The impact of the above uncertainties is illustrated by reference to the impact of a change in the estimated attritional loss ratio (i.e. relating to those claims that are smaller than the attachment point of the reinsurance programme) in the table below:

At 31 December 2015 (£000)	Gross Loss	Net Loss	Changes in Members Balance
5% increase in forecast attritional loss ratio	(213)	(213)	(213)
5% decrease in forecast attritional loss ratio	213	213	213

(d) Financial risk

The company is exposed to a range of financial risks in the normal course of business, including counterparty credit risk, liquidity risk, and market risk, as set out below:

Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

Credit risk is actively monitored and managed. This includes the risk of counterparty default on amounts due under reinsurance contracts, unpaid premiums on inwards insurance policies or premiums held by brokers. The managing agents monitor the syndicates' level of overdue debt by counterparty, and review the credit worthiness of the syndicates' reinsurers based on an analysis of the financial condition of each reinsurer. This analysis uses a range of information including financial reports, published credit rating opinions and information provided by reinsurance brokers. All reinsurers must meet minimum security thresholds. Concentration risk is managed through the application of credit limits expressed in terms of each reinsurer's share of the overall reinsurance programme. Credit risk is actively monitored through the managing agents' key governance committees.

The tables below show the exposure to credit risk (including an analysis of financial assets exposed to credit risk) for the components of the statement of financial position:

At 31 December 2015 (£000)	Neither Past Due nor Impaired	Past Due	Impaired	Total
Deposits with credit institutions	173	-	-	173
Overseas deposits as investments	14	-	-	14
Reinsurers' share of claims outstanding	125	-	-	125
Insurance debtors	6,598	1,240	-	7,838
Cash at bank and in hand	944	-	-	944
	7,854	1,240	-	9,094

At 31 December 2015, there were no impaired reinsurance assets.

The table below provides information regarding the credit risk exposure of the company at 31 December 2015 by the credit ratings of the counterparties. AAA is the highest possible rating. Insurance debtors, other than amounts due from reinsurers, have been excluded from the table below as these are not rated.

At 31 December 2015 (£000)	Credit Ratings				Total
	AAA	AA	A	BBB	
Deposits with credit institutions	-	89	84	-	173
Overseas deposits as investments	10	2	1	1	14
Reinsurers' share of claims outstanding	-	12	113	-	125
Cash at bank and in hand	-	4	940	-	944
	10	107	1,138	1	1,256

The largest reinsurer counterparty represents 19% of the overall reinsurance programme.

Liquidity risk

Liquidity risk includes the risk that the company is unable to meet its obligations to policyholders as they fall due, especially following a major loss. The managing agents monitor the syndicates' liquidity position, regularly perform liquidity stress testing and have put in place a "shock loss" credit facility to manage liquidity risk in the event of large losses.

The table below summarises the maturity profile of the company's financial and insurance liabilities based on remaining contractual obligations and outstanding claim liabilities based on the estimated timing of claim payments.

At 31 December 2015 (£000)	Carrying Amount	Up to a Year	2 - 5 Years	5 - 10 Years	Over 10 Years	Total
Outstanding claim liabilities	2,531	850	1,538	128	15	2,531
Other creditors	363	363	-	-	-	363
	2,894	1,213	1,538	128	15	2,894

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is actively monitored and managed in terms of currency risk, interest rate risk and asset value risk. For assets backing outstanding claims provisions, market risk is, where possible, managed by matching the duration and currency profile of assets to the technical provisions they are backing.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company seeks to mitigate the risk by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency.

The table below summarises the exposure of the financial assets and liabilities to foreign currency exchange risk at the reporting date, as follows:

At 31 December 2015 (£000)	GBP*	USD	CAD	EUR	Total
Total assets	1,804	12,225	509	2,268	12,031
Total liabilities	(3,729)	(14,232)	(414)	(2,222)	(15,183)
Currency exchange balances	(953)	1,448	(65)	-	-
Net assets	(2,878)	(559)	30	46	(3,152)

*includes all the other non-major currencies converted to sterling.

The non-sterling denominated net assets of the company may contribute to a reported loss (depending on the mix relative to the liabilities), should sterling strengthen against these currencies. Conversely, they may contribute to reported gains should sterling weaken.

Sensitivity to changes in foreign exchange rates:

The table below shows the impact on profit of a percentage change in the relative strength of sterling against the value of the settlement currencies simultaneously as at the reporting date.

	2015 £000
Impact on profit and members' balance	
Sterling weakens	
10% against other currencies	(110)
20% against other currencies	(220)
Sterling strengthens	
10% against other currencies	110
20% against other currencies	220

Interest rate risk

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

The company has no significant concentration of interest rate risk. Insurance liabilities are not discounted and therefore are not exposed to interest rate risk.

Asset value risk

Asset value risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company's non-insurance or reinsurance financial assets are primarily held in cash or short term time deposits with credit institutions, so asset value risk is minimal.