

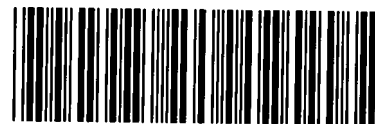
# **NEPHILA SYNDICATE SERVICES LIMITED**

## **Annual Report and Financial Statements**

For the year ended  
31 December 2018

Registered Number: 08337537

WEDNESDAY



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28/08/2019  
COMPANIES HOUSE

## **Nephila Syndicate Services Limited**

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**Nephila Syndicate Services Limited**

**Company Information**

**Directors**

S M Glassman  
L A K Taylor  
C G Garrod  
M G Frith  
C G R Collis

**Company Secretary**

N J R Bugler

**Registered Office**

Willkie Farr & Gallagher (UK) LLP  
City Point  
1 Ropemaker Street  
London  
EC2Y 9HAW

**Auditor**

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

## **Nephila Syndicate Services Limited**

### **Directors' report**

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2018.

### **Review of the business**

The Company provides active underwriter and support services to Syndicate 2357 as part of an annual secondment deed entered by the active underwriter, the Company as his employer, Syndicate 2357 and Asta Managing Agency Ltd. as Syndicate's 2357's third party managing agent. The Company is a wholly owned subsidiary of Nephila Syndicate Holdings Ltd. (the "Parent"), a Bermuda special purpose company owned by The Nephila Syndicate Holdings Purpose Trust, a Bermuda purpose trust whose trustee is Codan Trust Company Limited.

### **Results**

The profit for the year amounted to £15,594 (2017: £4,061). There was no dividend paid in 2018 (2017: Nil paid).

### **Directors**

The directors, who served throughout the period and up to the date of signing this report (except where stated), were as follows:

S M Glassman  
L A K Taylor  
C G Garrod  
M G Frith  
C G R Collis

### **Going Concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

**Nephila Syndicate Services Limited**

**Directors' report (continued)**

**Auditor**

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

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

The Company intends to reappoint Deloitte LLP as its auditors.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small company's exemption.

Approved by the Board and signed on its behalf by:



Steven Glassman

Director

29 March 19

## **Nephila Syndicate Services Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report to the members of Nephila Syndicate Services Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Nephila Syndicate Services (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 10.

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

#### **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 Financial Reporting Council's (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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### **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

## **Independent auditor's report to the members of Nephila Syndicate Services Limited (continued)**

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 respect of these matters.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 the directors 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.

### **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.

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

## **Report on other legal and regulatory requirements**

### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



**Independent auditor's report to the members of Nephila Syndicate Services Limited (continued)**

**Use of our 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.



Andrew Downes (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
29 March 2019

**NEPHILA SYNDICATE SERVICES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2018

	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
<b>TURNOVER</b>	147,500	111,000
<b>ADMINISTRATIVE EXPENSES</b>	(128,339)	(105,879)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	19,161	5,121
Tax on profit on ordinary operations	(3,567)	(1,060)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<u>15,594</u>	<u>4,061</u>

All results are from continuing operations

**Statement of comprehensive income**

Nephila Syndicate Service Limited had no recognised gains and losses this year or last year other than those included in the Profit and Loss Account. Therefore, the directors of the company have not presented a Statement of Comprehensive Income.

See accompanying notes to the financial statements

**NEPHILA SYNDICATE SERVICES LIMITED**  
**BALANCE SHEET**  
31 December 2018

	Note	2018 £	2017 £
<b>CURRENT ASSETS</b>			
Cash		81,611	54,228
Due from group undertakings		-	3,857
<b>TOTAL ASSETS</b>		<u>81,611</u>	<u>58,085</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	6	<u>48,233</u>	<u>40,301</u>
<b>TOTAL LIABILITIES</b>		<u>48,233</u>	<u>40,301</u>
<b>NET ASSETS</b>		<u>33,378</u>	<u>17,784</u>
<b>EQUITY</b>			
Called up share capital	7	2	2
Profit and loss account	8	<u>33,376</u>	<u>17,782</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>33,378</u>	<u>17,784</u>

See accompanying notes to the financial statements

The financial statements of Nephila Syndicate Services Ltd. were approved by the board of directors and authorised for issue on 29 March 2019. They were signed on its behalf by:



Steven Glassman  
Director  
29 March 2019

**NEPHILA SYNDICATE SERVICES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2018

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Balance at 1 January 2018		
Share Capital and Retained Earnings	17,784	13,723
<b>Profit for the period</b>	<u>15,594</u>	<u>4,061</u>
 <b>Balance at 31 December 2018</b>	 <u>33,378</u>	 <u>17,784</u>

**NEPHILA SYNDICATE SERVICES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS**

**1. STATEMENT OF ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

**Basis of accounting**

The Company meets the definition of a qualifying entity under FRS 102. Nephila Syndicate Services Limited is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private Company limited by shares and is registered in London, England. The address of the registered office is given on page 3.

The average monthly number of employees (including executive directors) was 6 (2017: 6).

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

The Company's information is included in the consolidated financial statements of the group, (Nephila Syndicate Holdings Ltd), the consolidated financial statements can be obtained upon request.

Exemptions have been taken in relation to company strategic report, share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

**Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Turnover**

Advisory fees are recognized as income over the period of the respective agreement.

**Expenses**

All expenses including salaries and benefits, PAYE & NIC, professional fees, travel and entertainment and communications are recognised on an accrual basis.

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where 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 have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

**NEPHILA SYNDICATE SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)**

**Taxation (continued)**

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, based on all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Cash flow statement**

No Cash Flow Statement is presented according to the small company exemption available under FRS 102.

**Strategic report**

The company is entitled to small company's exemption in relation to the strategic report for the financial year 31 December 2018.

**2. AUDITOR'S REMUNERATION**

Net fees payable to Deloitte LLP for the audit of the Company's financial statements were £8,050 (2017: £7,700), exclusive of VAT.

**3. DIRECTORS' REMUNERATION**

None of the directors received any remuneration from the Company in the year. All directors receive remuneration from Nephila Capital Ltd and due to the non-executive nature of their services it is not appropriate to apportion this in respect of the Company.

**4. EMPLOYEES AND STAFF COSTS**

The average monthly number of employees was:

<b>Staff Costs</b>	<b>2018</b>	<b>2017</b>
Sales	1	1
	<u>1</u>	<u>1</u>

Their aggregate remuneration comprised:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	100,333	70,000
Social security costs	9,693	5,536
	<u>110,026</u>	<u>75,536</u>

**NEPHILA SYNDICATE SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**5. TAXATION**

The tax charge comprises:

	2018 £	2017 £
UK corporation tax payable	3,640	1,060
Prior year adjustment	(73)	-
	<u>3,567</u>	<u>1,060</u>

The standard rate of Corporation Tax in the UK changed from 20% to 19% with effect from 1 April 2017. The Corporation Tax main rate will further reduce to 17% for the Financial Year beginning 1 April 2020.

**6. CREDITORS**

**Accounts payable and accrued expense** – this balance contains any accrued expenses, including those relating to consulting, professional, audit and any other services costs.

	2018 £	2017 £
Other creditors	15,765	18,038
Inter-company payable	28,828	21,203
Corporation tax payable	3,640	1,060
	<u>48,233</u>	<u>40,301</u>

**7. CALLED UP SHARE CAPITAL**

	2018 £	2017 £
Allotted, called up and unpaid Ordinary shares of £1 each	2	2

The company has allotted and issued two ordinary shares of capital.

**8. SHAREHOLDERS' FUNDS**

	2018 £	2017 £
At 1 January	17,784	13,723
Dividends declared/paid	-	-
Profit for the year	15,594	4,061
At 31 December	<u>33,378</u>	<u>17,784</u>

**NEPHILA SYNDICATE SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**9. RELATED PARTY TRANSACTIONS**

The Company is one of two companies, which are wholly-owned members of the group headed by Nephila Syndicate Holdings Ltd. The group also consists of Nephila 2357 Ltd., the sole underwriting member of Syndicate 2357. The Company is a wholly owned subsidiary of Nephila Syndicate Holdings Ltd., a Bermuda special purpose company owned by The Nephila Syndicate Holdings Purpose Trust, a Bermuda purpose trust whose trustee is Codan Trust Company Limited. The registered office of the parent undertaking, Nephila Syndicate Holdings Limited is, Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.

**10. POST BALANCE SHEET EVENTS**

There have been no material post balance sheet events.