

# **Helios Underwriting plc**

Interim Report and Financial Statements  
For the six months ended 30 June 2016

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Six months ended 30 June 2016

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# Chairman's statement

Six months ended 30 June 2016

The Board is pleased to announce the results for the six months to 30th June 2016. The highlights are as follows:

- The operating profits have increased to £605,000 (30 June 2015 - £73,000)
- Contributions from the older underwriting years have benefitted from the weakening of sterling immediately before the half year end, from the additional capacity acquired on the "off risk" underwriting where Helios retains 100% of the benefit. The loss activity continues to be muted and the loss from the 2016 underwriting year of £188,000 for the first half is as expected as expenses are incurred before the underlying profits from the underwriting are recognized.
- Operating and reinsurance costs are in line with expectations and we continue to benefit from the fees and profit commissions payable by the quota share reinsurers
- Earnings per share have increased to 6.38p per share 2015 (30 June 2015 - 2.89p)
- The Adjusted Net Asset Value per share (Humphrey's Valuation) has increased to £2.00 per share (30 June 2015 - £1.83 per share)

A fund raising up to approximately £5m (net) by way of a placing of new ordinary shares in the Company is also being announced separately.

During the first half of 2016 we continued to build the portfolio of capacity through the acquisition of two further Limited Liability Vehicles ("LLVs"). These acquisitions have made significant contributions to the capacity retained by Helios for both 2014 and 2015 underwriting years. The table shows the current position of the capacity fund retained by Helios.

	Helios Capacity Fund as at 30th June 2016		
Underwriting Year of Account	2014 £m	2015 £m	2016 £m
Total Capacity	34.4	31.3	32.7
Helios Retained Capacity	19.5	15.2	9.8
Proportion of capacity retained.	57%	48%	30%

Our strategy of building the portfolio of syndicate capacity continues to rely on the flow of vehicles for sale at reasonable prices. We continue to remain selective on the vehicles acquired and several vehicles have been sold recently at prices which were unattractive to us.

As such, the Company is proposing to undertake a placing to provide readily available funds to acquire further LLV's when attractive opportunities arise.

We continue to reduce our exposure by 70% on the open underwriting year 2016 through quota share reinsurance. The quota share reinsurers fund their share of the capital requirements and pay Helios a fee and a profit commission. Stop loss reinsurance is bought to limit the Group's exposure in the event of large underwriting losses.

The Adjusted Net Asset Value per share (Humphreys valuation) has increased to £2.00 per share. The Lloyds' capacity auctions are scheduled for mid November in 2016 and it is expected that there will continue to be strong demand for the top syndicates that make up a significant proportion of the Helios Capacity Fund.

The syndicates that Helios supports have announced overall increases in the business to be underwritten for 2017 which is expected to increase the Helios Capacity Fund by over £2 million.

The Board currently expects that the syndicate results for the 2014 and 2015 underwriting years will exceed current mid-point forecasts published by the managing agents which should make a meaningful contribution to the Helios full year result.

# Financial results summary

Six months ended 30 June 2016

## 6 months to June 2016

Underwriting Year	Helios retained capacity at 30 June 2016 £m	Portfolio mid point forecasts	Total profit currently estimated	% earned in the 2016 half year calendar	Helios profits
2014	19.5	11.3%	2,205	29%	638
2015	15.2	7.2%	1,090	55%	601
2016	9.8	N/A			(188)
					1,051
Pre-acquisition					(117)
Fees from reinsurers					331
Stop loss costs					(121)
Operating costs					(637)
Other income					98
Operating profit					605

## Restated 6 months to June 2015

Underwriting Year	Helios retained capacity at 30 June 2015 £m	Portfolio mid point forecasts	Total profit currently estimated	% earned in the 2015 half year calendar	Helios profits
2013	19.0	11.0%	2,092	18.0%	375
2014	12.5	7.5%	934	57.0%	529
2015	8.6	N/A			(82)
					822
Pre-acquisition					(26)
Fees from reinsurers					244
Stop loss costs					(400)
Operating costs					(610)
Other income					42
Operating profit					73

## Year to 31 December 2015

Underwriting Year	Helios retained capacity at 31 December 2015 £m	Portfolio mid point forecasts	Total profit currently estimated	% earned in the 2015 calendar year	Helios profits
2013	20.6	14.2%	2,925	41.0%	1,198
2014	14.3	8.9%	1,273	41.0%	854
2015	10.6	N/A			12
					2,064
Pre-acquisition					(190)
Fees from reinsurers					385
Stop loss costs					(407)
Operating costs					(1,334)
Other income					91
Operating profit					609

## Financial results summary *continued*

Six months ended 30 June 2016

### Summary Balance Sheet

The summary Group balance sheet excludes items relating to syndicate participations. See Note 15 for further information.

	6 Months to June 2016	6 Months to June 2015	Year to 31 December 2015
Intangible assets	10,907	7,942	8,511
Funds at Lloyd's	4,954	1,773	3,894
Other cash	2,975	3,702	2,973
Other assets	1,304	1,258	1,231
<b>Total assets</b>	<b>20,140</b>	<b>14,675</b>	<b>16,609</b>
Deferred tax	3,002	2,546	3,172
Other liabilities	4,722	2,274	3,162
<b>Total liabilities</b>	<b>7,724</b>	<b>4,820</b>	<b>6,334</b>
<b>Total equity</b>	<b>12,416</b>	<b>9,855</b>	<b>10,275</b>

### Summary Group Cash Flow

The summary group cash flow sheet excludes items relating to syndicate participations. See Note 15 for further information.

	6 months to 30 June 2016	6 months to 30 June 2015	Year to 31 December 2015
Opening Balance (free cash)	2,972	2,704	2,704
<b>Income</b>			
Acquired on acquisition	577	942	977
Distribution of profits (net of tax retentions)	3,378	2,329	2,510
Transfers from Funds at Lloyds'	2,258	870	1,167
Investment income	13	3	26
Other income	-	(4)	151
Sale of investments	15	225	260
Transfers from PTF accounts (early release)	-	-	221
<b>Expenditure</b>			
Operating costs (inc Hampden / Nomina fees)	(250)	(237)	(774)
Reinsurance Cost	(237)	(275)	(275)
Payments to QS reinsurers	-	-	-
Acquisition of LLV's	(4,885)	(2,316)	(2,316)
Transfers to Funds at Lloyds'	(861)	(220)	(1,351)
Tax	(5)	1	(7)
Dividends paid	-	(320)	(320)
<b>Closing balance</b>	<b>2,975</b>	<b>3,702</b>	<b>2,973</b>

# Condensed consolidated statement of comprehensive income

Six months ended 30 June 2016

	Note	6 months ended 30 June 2016 Unaudited £'000	Restated 6 months ended 30 June 2015 Unaudited £'000	12 months ended 31 December 2015 Audited £'000
Gross premium written	4	17,585	11,942	21,511
Reinsurance premium ceded		(4,710)	(3,369)	(5,582)
Net premium written	4	12,875	8,573	15,929
Change in unearned gross premium provision		(4,343)	(2,369)	(162)
Change in unearned reinsurance premium provision		1,650	918	93
		(2,693)	(1,451)	(69)
<b>Net earned premium</b>	3,4	10,182	7,122	15,860
Net investment income	6	528	215	255
Other income		330	244	392
<b>Revenue</b>		11,040	7,581	16,507
Gross claims paid		(5,769)	(4,843)	(9,349)
Reinsurers' share of gross claims paid		745	790	1,650
Claims paid, net of reinsurance		(5,024)	(4,053)	(7,699)
Change in provision for gross claims		(183)	403	615
Reinsurers' share of change in provision for gross claims		(2,040)	(819)	(431)
Net change in provision for claims		(2,223)	(416)	184
<b>Net insurance claims and loss adjustment expenses</b>	4	(7,247)	(4,469)	(7,515)
Expenses incurred in insurance activities		(2,808)	(2,703)	(7,571)
Other operating expenses		(380)	(336)	(812)
<b>Operating expenses</b>		(3,188)	(3,039)	(8,383)
<b>Operating profit before goodwill and impairment</b>	4	605	73	609
Goodwill on bargain purchase	12	-	196	244
Impairment of goodwill	12	-	(45)	(136)
Impairment of syndicate capacity		39	-	(63)
<b>Profit before tax</b>		644	224	654
Income tax charge	7	26	26	135
<b>Profit for the period</b>		670	250	789
Other comprehensive income for the period, net of tax		216	-	121
<b>Total other comprehensive income for the period</b>		216	-	121
<b>Profit for the period attributable to owners of the Parent</b>		886	250	910
<b>Total comprehensive income for the period attributable to owners of the Parent</b>		886	250	910
<b>Earnings per share attributable to owners of the Parent</b>				
Basic and diluted	8	6.38p	2.89p	8.38p

The profit attributable to owners of the Parent and earnings per share set out above are in respect of continuing operations.

The notes are an integral part of these Financial Statements.

# Condensed consolidated statement of financial position

Six months ended 30 June 2016

	Note	6 months ended 30 June 2016 Unaudited £'000	Restated 6 months ended 30 June 2015 Unaudited £'000	12 months ended 31 December 2015 Audited £'000
<b>Assets</b>				
Intangible assets		10,907	7,942	8,511
Reinsurance assets:				
– reinsurers' share of claims outstanding	5	7,689	4,851	5,657
– reinsurers' share of unearned premium	5	3,527	2,278	1,501
Other receivables, including insurance and reinsurance receivables		28,579	19,040	20,427
Prepayments and accrued income		4,618	3,114	3,070
Financial assets at fair value through profit or loss		38,004	25,388	31,797
Cash and cash equivalents		5,668	5,127	3,634
<b>Total assets</b>		<b>98,992</b>	<b>67,740</b>	<b>74,597</b>
<b>Liabilities</b>				
Insurance liabilities:				
– claims outstanding	5	43,060	28,258	32,985
– unearned premium	5	18,054	12,368	11,169
Deferred income tax liabilities		3,002	2,546	3,172
Other payables, including insurance and reinsurance payables		13,948	9,652	9,360
Accruals and deferred income		4,144	1,652	1,488
<b>Total liabilities</b>		<b>82,208</b>	<b>54,476</b>	<b>58,174</b>
<b>Equity</b>				
Equity attributable to owners of the Parent:				
Share capital	11	1,050	896	1,050
Share premium	11	9,901	7,556	9,901
Other reserves		337	-	121
Retained earnings		5,496	4,812	5,351
<b>Total equity</b>		<b>16,784</b>	<b>13,264</b>	<b>16,423</b>
<b>Total liabilities and equity</b>		<b>98,992</b>	<b>67,740</b>	<b>74,597</b>

The Financial Statements were approved and authorised for issue by the Board of Directors on 29 September 2016, and were signed on its behalf by:

**Nigel Hanbury**  
*Chief Executive*

The notes are an integral part of these Financial Statements.

# Condensed consolidated statement of changes in equity

Six months ended 30 June 2016

Consolidated	Note	Attributable to owners of the Parent Restated				Total £'000
		Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	
At 1 January 2016		1,050	9,901	121	5,351	16,423
Final dividend for year end 31 December 2015		-	-	-	(525)	(525)
Share issue		-	-	-	-	-
Profit for the period		-	-	216	670	886
<b>At 30 June 2016</b>		<b>1,050</b>	<b>9,901</b>	<b>337</b>	<b>5,496</b>	<b>16,784</b>
At 1 January 2015		853	6,996	-	5,019	12,868
Dividends paid		-	-	-	(457)	(457)
Share issue		43	560	-	-	603
Profit for the period restated		-	-	-	250	250
<b>At 30 June 2015</b>		<b>896</b>	<b>7,556</b>	<b>-</b>	<b>4,812</b>	<b>13,264</b>
At 1 January 2015		853	6,996	-	5,019	12,868
Dividends paid		-	-	-	(457)	(457)
Share issue		197	2,905	-	-	3,102
Profit for the period		-	-	121	789	910
<b>At 31 December 2015</b>		<b>1,050</b>	<b>9,901</b>	<b>121</b>	<b>5,351</b>	<b>16,423</b>

The notes are an integral part of these Financial Statements.



# Condensed consolidated statement of cash flows

Six months ended 30 June 2016

	6 months ended 30 June 2016 Unaudited £'000	Restated 6 months ended 30 June 2015 Unaudited £'000	12 months ended 31 December 2015 Audited £'000
<b>Cash flows from operating activities</b>			
Profit before tax	644	224	654
Adjustments for:			
Other comprehensive income, gross of tax	270	-	149
Interest received	(4)	(2)	(60)
Investment income	6 (424)	(191)	(926)
Goodwill on bargain purchase	12 -	(196)	(244)
Impairment of goodwill	12 -	45	136
(Profit)/loss on sale of intangible assets	-	-	(120)
Impairment of intangible assets	(39)	-	63
Goodwill on acquisition	(449)	-	-
Changes in working capital:			
- change in fair value of financial assets held at fair value through profit or loss	6 (50)	255	360
- (increase)/decrease in financial assets at fair value through profit or loss	(409)	1,822	1,020
- (increase)/decrease in other receivables	(3,234)	1,261	709
- (increase)/decrease in other payables	4,114	1,883	11
- net (increase)/decrease in technical provisions	5,236	(797)	(50)
Cash generated/(utilised) from operations	5,655	4,304	1,702
Income tax paid	2	2	161
<b>Net cash inflow from operating activities</b>	5,657	4,306	1,863
<b>Cash flows from investing activities</b>			
Interest received	4	2	60
Investment income	424	191	926
Purchase of intangible assets	-	-	(2)
Proceeds from disposal of intangible assets	-	-	24
Acquisition of subsidiaries, net of cash acquired	(4,051)	(2,657)	(2,521)
<b>Net cash inflow from investing activities</b>	(3,623)	(2,464)	(1,513)
<b>Cash flows from financing activities</b>			
Dividends paid to owners of the Parent	-	(320)	(321)
<b>Net cash outflow from financing activities</b>	-	(320)	(321)
<b>Net increase in cash and cash equivalents</b>	2,034	1,522	29
Cash and cash equivalents at beginning of period	3,634	3,605	3,605
<b>Cash and cash equivalents at end of period</b>	5,668	5,127	3,634

Cash held within the syndicates' accounts is £3,456,000 (2015: £1,411,000) of the total cash and cash equivalents held at the period end of £5,668,000 (2015: £3,634,000). The cash held within the syndicates' accounts is not available to the Group to meet its day-to-day working capital requirements.

Cash and cash equivalents comprise cash at bank and in hand.

The notes are an integral part of these Financial Statements.

# Notes to the financial statements

Six months ended 30 June 2015

## 1. General information

The Company is a public limited company quoted on AIM. The Company was incorporated in England, is domiciled in the UK and its registered office is 40 Gracechurch Street, London EC3V 0BT. The Company participates in insurance business as an underwriting member at Lloyd's through its subsidiary undertakings.

## 2. Accounting policies

### *Basis of preparation*

The Condensed Consolidated Interim Financial Statements have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) and in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

The Condensed Consolidated Interim Financial Statements are prepared for the six months ended 30 June 2016.

The Condensed Consolidated Interim incorporate the Financial Statements of Helios Underwriting plc, the Parent Company, and its directly and indirectly held subsidiaries being Hampden Corporate Member Limited, Nameco (No. 365) Limited, Nameco (No. 605) Limited, Nameco (No. 321) Limited, Nameco (No. 917) Limited, Nameco (No. 229) Limited, Nameco (No. 518) Limited, Nameco (No. 804) Limited, Halperin Underwriting Limited, Bernul Limited, Dumasco Limited, Nameco (No. 311) Limited, Nameco (No. 402) Limited, Updown Underwriting Limited, Nameco (No. 507) Limited, Nameco (No. 76) Limited, Kempton Underwriting Limited, Devon Underwriting Limited, Nameco (No 346) Limited, Helios UTG Partner Limited, Nomina No 035 LLP, Nomina No 342 LLP, Nomina No 380 LLP and Nomina No 372 LLP (Note 10).

The Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2016 and 2015 are unaudited, but have been subject to review by the Group's auditors. The Condensed Consolidated Interim Financial Statements have been prepared in accordance with the accounting policies adopted for the year ended 31 December 2015.

The underwriting data on which these Condensed Consolidated Interim Financial Statements are based upon has been supplied by the managing agents of those syndicates which the Group supports. The data supplied is the 100% figures for each syndicate. The Group has applied its share of the syndicate participations to the gross figures to derive its share of the syndicates transactions, assets and liabilities.

### **Significant accounting policies**

The Condensed Consolidated Interim Financial Statements have been prepared under the historical cost convention. The same accounting policies, presentation and methods of computation are followed in these Condensed Consolidated Interim Financial Statements as were applied in the preparation of the Group Financial Statements for the year ended 31 December 2015. The new standards and amendments to standards and interpretations effective after 1 January 2016, as disclosed in the Annual Report for the year ended 31 December 2015, have not had a significant impact on the Condensed Consolidated Interim Financial Statements at 30 June 2016.

### **Change of accounting policy**

Up to 31 December 2014 the Group's intangible asset, syndicate capacity, was stated at cost, less any provision for impairment at initial recognition, and amortised on a straight line basis over the useful economic life, which was estimated to be seven years.

As of 1 January 2015 the Group changed its accounting policy for intangible assets, being its syndicate capacity. The new accounting policy has been applied retrospectively, as if the policy had always been in place. This impact of this change in accounting policy was to increase retained profits by £2,383,000 as 1 January 2014, full details were disclosed in the financial statements for the year ended 31 December 2015.

The new accounting policy adopted measures the intangible asset, syndicate capacity, at cost less any impairment. The change in accounting policy was approved by the Board after the 2015 interim results were announced, accordingly the period ended 30 June 2015 has been restated to add back the amortisation of £476,000 from the condensed consolidated statement of comprehensive income to the intangible assets in the condensed consolidated statement of financial position.

Historically, the Group's quota share arrangements have been shown net of profit share payable less fees receivable in the condensed consolidated statement of comprehensive income. When preparing the financial statements for 31 December 2015 and 30 June 2016, the profit share payable has been restated to show as gross of fees receivable to provide consistent presentation. The fees receivable of £244,000 are now shown as other income rather than as part of reinsurance ceded.

# Notes to the financial statements *continued*

Six months ended 30 June 2016

## 3. Segmental information

Nigel Hanbury is the Group's chief operating decision-maker. He has determined its operating segments based on the way the Group is managed, for the purpose of allocating resources and assessing performance.

The Group has three segments that represent the primary way in which the Group is managed, as follows:

- syndicate participation;
- investment management; and
- other corporate activities.

6 months ended 30 June 2016 Unaudited	Syndicate participation £'000	Investment management £'000	Other corporate activities £'000	Total £'000
Net earned premium	10,741	-	(559)	10,182
Net investment income	495	33	-	528
Other income	-	-	330	330
Net insurance claims and loss adjustment expenses	(7,247)	-	-	(7,247)
Expenses incurred in insurance activities	(2,241)	-	(567)	(2,808)
Other operating expenses	-	-	(380)	(380)
Goodwill on bargain purchase	-	-	-	-
Impairment of goodwill	-	-	-	-
Impairment of syndicate capacity (see Note 13)	-	-	39	39
<b>Profit before tax</b>	<b>1,748</b>	<b>33</b>	<b>(1,137)</b>	<b>644</b>

Restated 6 months ended 30 June 2015 Unaudited	Syndicate participation £'000	Investment management £'000	Other corporate activities £'000	Total £'000
Net earned premium	7,765	-	(643)	7,122
Net investment income	206	9	-	215
Other income	-	-	244	244
Net insurance claims and loss adjustment expenses	(4,469)	-	-	(4,469)
Expenses incurred in insurance activities	(2,420)	-	(283)	(2,703)
Other operating expenses	-	-	(336)	(336)
Goodwill on bargain purchase	-	-	196	196
Impairment of goodwill	-	-	(45)	(45)
Impairment of syndicate capacity (see Note 13)	-	-	-	-
<b>Profit before tax</b>	<b>1,082</b>	<b>9</b>	<b>(867)</b>	<b>224</b>

12 months ended 31 December 2015 Audited	Syndicate participation £'000	Investment management £'000	Other corporate activities £'000	Total £'000
Net earned premium	17,257	-	(1,397)	15,860
Net investment income	250	5	-	255
Other income	-	-	392	392
Net insurance claims and loss adjustment expenses	(7,515)	-	-	(7,515)
Expenses incurred in insurance activities	(7,178)	-	(393)	(7,571)
Other operating expenses	35	-	(847)	(812)
Goodwill on bargain purchase	-	-	244	244
Impairment of goodwill	-	-	(136)	(136)
Impairment of syndicate capacity (see Note 13)	-	-	(63)	(63)
<b>Profit before tax</b>	<b>2,849</b>	<b>5</b>	<b>(2,200)</b>	<b>654</b>

The Group does not have any geographical segments as it considers all of its activities to arise from trading within the UK.

No major customers exceed 10% of revenue.

Net earned premium within 2016 other corporate activities totalling £559,000 (2015: 1,397,000 – 2013, 2014 and 2015 years of account) represents the 2014, 2015 and 2016 years of account net Group quota share reinsurance premium payable to Hampden Insurance Guernsey PCC Limited – Cell 6. This net quota share reinsurance premium payable is included within "reinsurance premium ceded" in the Consolidated Income Statement of the period.

Helios Underwriting plc

# Notes to the financial statements *continued*

Six months ended 30 June 2016

## 4. Operating profit before goodwill and impairment

6 months ended 30 June 2016	Underwriting year of account*				Pre-acquisition £'000	Corporate reinsurance £'000	Other corporate £'000	Total £'000
	2014 and prior £'000	2015 £'000	2016 £'000	Sub-total £'000				
<b>Gross premium written</b>	432	2,485	16,319	19,236	(1,651)	-	-	17,585
<b>Net premium written</b>	428	2,143	12,254	14,825	(1,271)	(559)	(121)	12,875
<b>Net earned premium</b>	1,291	7,578	3,049	11,918	(1,056)	(559)	(121)	10,182
Other income	330	97	26	453	(23)	330	98	858
Net insurance claims and loss adjustment expenses	(382)	(4,289)	(3,269)	(7,940)	693	-	-	(7,247)
Operating expenses	61	(2,023)	(858)	(2,820)	269	-	(637)	(3,188)
<b>Operating profit before goodwill and impairment</b>	<b>1,300</b>	<b>1,363</b>	<b>(1,052)</b>	<b>1,611</b>	<b>(117)</b>	<b>(229)</b>	<b>(660)</b>	<b>605</b>
Quota share adjustment	(662)	(762)	865	(559)	-	559	-	-
<b>Operating profit before goodwill and impairment after quota share adjustment</b>	<b>638</b>	<b>601</b>	<b>(187)</b>	<b>1,052</b>	<b>(117)</b>	<b>330</b>	<b>(660)</b>	<b>605</b>

Restated 6 months ended 30 June 2015	Underwriting year of account*				Pre-acquisition £'000	Corporate reinsurance £'000	Other corporate £'000	Total £'000
	2013 and prior £'000	2014 £'000	2015 £'000	Sub-total £'000				
<b>Gross premium written</b>	18	1,788	11,343	13,149	(1,207)	-	-	11,942
<b>Net premium written</b>	42	1,525	8,934	10,501	(885)	(643)	(400)	8,573
<b>Net earned premium</b>	655	5,884	2,343	8,882	(717)	(643)	(400)	7,122
Other income	148	46	12	206	(33)	244	42	459
Net insurance claims and loss adjustment expenses	116	(3,082)	(1,938)	(4,904)	435	-	-	(4,469)
Operating expenses	(409)	(1,675)	(635)	(2,719)	290	-	(610)	(3,039)
<b>Operating profit before goodwill and impairment</b>	<b>510</b>	<b>1,173</b>	<b>(218)</b>	<b>1,465</b>	<b>(25)</b>	<b>(399)</b>	<b>(968)</b>	<b>73</b>
Quota share adjustment	(135)	(644)	136	(643)	-	643	-	-
<b>-Operating profit before goodwill and impairment after quota share adjustment</b>	<b>375</b>	<b>529</b>	<b>(82)</b>	<b>822</b>	<b>(25)</b>	<b>244</b>	<b>(968)</b>	<b>73</b>

12 months ended 31 December 2015	Underwriting year of account*				Pre-acquisition £'000	Corporate reinsurance £'000	Other corporate £'000	Total £'000
	2013 and prior £'000	2014 £'000	2015 £'000	Sub-total £'000				
<b>Gross premium written</b>	(25)	2,362	21,331	23,668	(2,157)	-	-	21,511
<b>Net premium written</b>	(148)	2,009	17,607	19,468	(1,735)	(1,397)	(407)	15,929
<b>Net earned premium</b>	712	9,092	9,475	19,279	(1,615)	(1,397)	(407)	15,860
Other income	170	62	22	254	(80)	382	91	647
Net insurance claims and loss adjustment expenses	1,414	(4,190)	(5,468)	(8,244)	726	3	-	(7,515)
Operating expenses	(706)	(3,160)	(3,962)	(7,828)	779	-	(1,334)	(8,383)
<b>Operating profit before goodwill and impairment</b>	<b>1,590</b>	<b>1,804</b>	<b>67</b>	<b>3,461</b>	<b>(190)</b>	<b>(1,012)</b>	<b>(1,650)</b>	<b>609</b>
Quota share adjustment	(392)	(950)	(55)	(1,397)	-	1,397	-	-
<b>-Operating profit before goodwill and impairment after quota share adjustment</b>	<b>1,198</b>	<b>854</b>	<b>12</b>	<b>2,064</b>	<b>(190)</b>	<b>385</b>	<b>(1,650)</b>	<b>609</b>

Pre-acquisition relates to the element of results from the new acquisitions before they were acquired by the Group.

\* The underwriting year of account results represent the Group's share of the syndicates' results by underwriting year of account before corporate member level reinsurance and members' agents charges.

# Notes to the financial statements *continued*

Six months ended 30 June 2016

## 5. Insurance liabilities and reinsurance balances

### *Movement in claims outstanding*

	Gross £'000	Reinsurance £'000	Net £'000
At 1 January 2016	32,985	5,657	27,328
Increase in reserves arising from acquisition of subsidiary undertakings	6,643	1,142	5,501
Movement of reserves	183	(2,040)	2,223
Other movements	3,249	2,930	319
<b>At 30 June 2016</b>	<b>43,060</b>	<b>7,689</b>	<b>35,371</b>

Included within other movements are the 2013 and prior years' claims reserves reinsured into the 2014 year of account on which the Group does not participate and currency exchange differences.

### *Movement in unearned premium*

	Gross £'000	Reinsurance £'000	Net £'000
At 1 January 2016	11,169	1,501	9,668
Increase in reserves arising from acquisition of subsidiary undertakings	2,616	451	2,164
Movement of reserves	4,343	1,650	2,693
Other movements	(74)	(75)	2
<b>At 30 June 2016</b>	<b>18,054</b>	<b>3,527</b>	<b>14,527</b>

## 6. Net investment income

	6 months ended 30 June 2016 Unaudited £'000	6 months ended 30 June 2015 Unaudited £'000	12 months ended 31 December 2015 Audited £'000
Investment income	424	191	926
Realised gains on financial assets at fair value through profit or loss	48	193	(327)
Unrealised losses on financial assets at fair value through profit or loss	52	(171)	(360)
Investment management expenses	-	-	(44)
Bank interest	4	2	60
<b>Net investment income</b>	<b>528</b>	<b>215</b>	<b>255</b>

## 7. Income tax charge

### *Analysis of tax charge/(credit) in the period*

	6 months ended 30 June 2016 Unaudited £'000	6 months ended 30 June 2015 Unaudited £'000	12 months ended 31 December 2015 Audited £'000
<b>Income tax charge</b>	<b>(26)</b>	<b>(26)</b>	<b>(135)</b>

The income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 20% (2015: 20%). Material disallowed terms have been adjusted for in the income tax calculation.

# Notes to the financial statements *continued*

Six months ended 30 June 2016

## 8. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders after tax by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The Group has no dilutive potential ordinary shares.

Earnings per share has been calculated in accordance with IAS 33 "Earnings per share".

The earnings per share and weighted average number of shares used in the calculation are set out below:

	6 months ended 30 June 2016 Unaudited	Restated 6 months ended 30 June 2015 Unaudited	12 months ended 31 December 2015 Audited
Profit for the period after tax attributable to ordinary shareholders	670,000	250,000	£789,000
Weighted average number of shares in issue	10,495,350	8,640,938	9,411,794
Basic and diluted earnings per share	6.38	2.89	8.38p

## 9. Dividends paid or proposed

A Dividend of 5.0p per share was proposed and agreed at the AGM (2015: 5.1p).

# Notes to the financial statements *continued*

Six months ended 30 June 2016

## 10. Investments in subsidiaries

	30 June 2016 £'000	30 June 2015 £'000	31 December 2015 £'000
<b>Total</b>	<b>19,503</b>	<b>8,705</b>	<b>14,706</b>

At 30 June 2016 the Company owned 100% of the following companies and limited liability partnerships, either directly or indirectly. All subsidiaries are incorporated in England and Wales.

Company or partnership	Direct/indirect interest	2016 ownership	2015 ownership	Principal activity
Hampden Corporate Member Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Nameco (No. 365) Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Nameco (No. 605) Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Nameco (No. 321) Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Nameco (No. 917) Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Nameco (No. 229) Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Nameco (No. 518) Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Nameco (No. 804) Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Halperin Underwriting Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Bernul Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Dumasco Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Nameco (No. 311) Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Nameco (No. 402) Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Updown Underwriting Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Nameco (No. 507) Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Nameco (No. 76) Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Kempton Underwriting Limited	Direct	100%	100%	Lloyd's of London corporate vehicle
Devon Underwriting Limited	Direct	100%	-	Lloyd's of London corporate vehicle
Nameco (No 346) Limited	Direct	100%	-	Lloyd's of London corporate vehicle
Nomina No 035 LLP	Indirect	100%	100%	Lloyd's of London corporate vehicle
Nomina No 342 LLP	Indirect	100%	100%	Lloyd's of London corporate vehicle
Nomina No 380 LLP	Indirect	100%	100%	Lloyd's of London corporate vehicle
Nomina No 372 LLP	Indirect	100%	100%	Lloyd's of London corporate vehicle
Helios UTG Partner Limited	Direct	100%	100%	Corporate partner

Helios UTG Partner Limited, a subsidiary of the Company, owns 100% of Nomina No 035 LLP, Nomina No 342 LLP, Nomina No 380 LLP and Nomina No 372 LLP.

For details of all new acquisitions made during the period refer to Note 12.

## 11. Share capital and share premium

Allotted, called up and fully paid	Number of shares	Ordinary share capital £'000	Share premium £'000	Total £'000
Ordinary shares of 10p each and share premium at 30 June 2015	8,956,787	896	7,556	8,452
Ordinary shares of 10p each and share premium at 31 December 2015	10,495,350	1,050	9,901	10,951
<b>Ordinary shares of 10p each and share premium at 30 June 2016</b>	<b>10,495,350</b>	<b>1,050</b>	<b>9,901</b>	<b>10,951</b>

# Notes to the financial statements *continued*

Six months ended 30 June 2016

## 12. Acquisition of Limited Liability Vehicles

Acquisitions of Limited Liability Vehicles are accounted for using the acquisition method of accounting. Comparing the consideration paid to the fair value of net assets acquired gives rise to goodwill. Goodwill on bargain purchases is taken to the Consolidated Income Statement and Goodwill is taken to intangible assets and tested at each period end for impairment. Details of which are shown below:

Company or partnership	30 June 2016	30 June 2016	30 June 2015	30 June 2015	31 December 2015	31 December 2015
	Goodwill on bargain purchase £'000	Goodwill £'000	Goodwill on bargain purchase £'000	Impairment of goodwill £'000	Goodwill on bargain purchase £'000	Impairment of goodwill £'000
Nameco (No. 311) Limited	-	-	56	-	59	-
Nameco (No. 402) Limited	-	-	-	(45)	-	(30)
Updown Underwriting Limited	-	-	57	-	51	-
Nameco (No. 507) Limited	-	-	83	-	134	-
Nameco (No. 76) Limited	-	-	-	-	-	(52)
Kempton Underwriting Limited	-	-	-	-	-	(54)
Devon Underwriting Limited	-	100	-	-	-	-
Nameco (No. 346) Limited	-	350	-	-	-	-
	-	450	196	(45)	244	(136)

Further details of individual 2016 acquisitions are shown on the following page:



# Notes to the financial statements *continued*

Six months ended 30 June 2016

## 12. Acquisition of Limited Liability Vehicles (continued)

### (a) 2016 acquisitions

#### *Devon Underwriting Limited*

On 21 January 2016, Helios Underwriting plc acquired 100% of the issued share capital of Devon Underwriting Limited for a total consideration of £1,070,000. Devon Underwriting Limited is incorporated in England and Wales and is a corporate member of Lloyd's.

The acquisition has been accounted for using the acquisition method of accounting. After the alignment of accounting policies and other adjustments to the valuation of assets and liabilities to reflect their fair value at acquisition, the fair value of the net assets was £970,000. Goodwill of £100,000 arose on acquisition which has been recognised as an intangible asset and will be assessed at each period end for impairment. The following table explains the fair value adjustments made to the carrying values of the major categories of assets and liabilities at the date of acquisition:

	Carrying value £'000	Adjustments £'000	Fair value £'000
Intangible assets	-	604	604
Reinsurance assets:			
– reinsurers' share of claims outstanding	332	-	332
– reinsurers' share of unearned premium	67	-	67
Other receivables, including insurance and reinsurance receivables	1,242	-	1,242
Prepayments and accrued income	164	-	164
Financial assets at fair value through profit or loss	1,863	-	1,863
Cash and cash equivalents	104	-	104
Insurance liabilities:			
– claims outstanding	(2,121)	-	(2,121)
– unearned premium	(584)	-	(584)
Deferred income tax liabilities	(109)	(121)	(230)
Other payables, including insurance and reinsurance payables	(440)	-	(440)
Accruals and deferred income	(31)	-	(31)
<b>Net assets acquired</b>	<b>487</b>	<b>483</b>	<b>970</b>
Satisfied by:			
Cash and cash equivalents	1,070	-	1,070
<b>Total consideration</b>	<b>1,070</b>	<b>-</b>	<b>1,070</b>
<b>Goodwill</b>	<b>583</b>	<b>(483)</b>	<b>100</b>

	2014 year of account	2015 year of account	2016 year of account
Capacity acquired	1,866,053	1,298,575	1,244,242

The net earned premium and profit of Devon Underwriting Limited for the period since the acquisition date to 30 June 2016 are £448,000 and £66,000 respectively.

Goodwill has arisen on the acquisition of Devon Underwriting Limited as a result of the purchase consideration being in excess of the fair value of net assets acquired.

# Notes to the financial statements *continued*

Six months ended 30 June 2016

## 12. Acquisition of Limited Liability Vehicles (continued)

### (a) 2015 acquisitions (continued)

#### **Nameco (No. 346) Limited**

On 27 May 2016, Helios Underwriting plc acquired 100% of the issued share capital of Nameco (No.346) Limited for a total consideration of £3,728,000. Nameco (No. 346) Limited is incorporated in England and Wales and is a corporate member of Lloyd's.

The acquisition has been accounted for using the acquisition method of accounting. After the alignment of accounting policies and other adjustments to the valuation of assets and liabilities to reflect their fair value at acquisition, the fair value of the net assets was £3,378,000. Goodwill of £350,000 arose on acquisition, which has been recognised as an intangible asset and will be assessed at each period end for impairment. The following table explains the fair value adjustments made to the carrying values of the major categories of assets and liabilities at the date of acquisition:

	Carrying value £'000	Adjustments £'000	Fair value £'000
Intangible assets	3	1,300	1,303
Reinsurance assets:			
– reinsurers' share of claims outstanding	810	-	810
– reinsurers' share of unearned premium	384	-	384
Other receivables, including insurance and reinsurance receivables	4,502	-	4,502
Prepayments and accrued income	558	-	558
Financial assets at fair value through profit or loss	3,598	-	3,598
Cash and cash equivalents	643	-	643
Insurance liabilities:			
– claims outstanding	(4,522)	-	(4,522)
– unearned premium	(2,032)	-	(2,032)
Deferred income tax liabilities	(271)	(260)	(531)
Other payables, including insurance and reinsurance payables	(1,130)	-	(1,130)
Accruals and deferred income	(205)	-	(205)
<b>Net assets acquired</b>	<b>2,338</b>	<b>1,040</b>	<b>3,378</b>
Satisfied by:			
Cash and cash equivalents	3,728	-	3,728
<b>Total consideration</b>	<b>3,728</b>	<b>-</b>	<b>3,728</b>
<b>Goodwill</b>	<b>1,390</b>	<b>(1,040)</b>	<b>350</b>

	2014 year of account	2015 year of account	2016 year of account
Capacity acquired	3,367,971	3,187,015	3,320,877

The net earned premium and profit of Nameco (No. 346) Limited for the period since the acquisition date to 30 June 2016 are £270,000 and £31,000 respectively.

Goodwill has arisen on the acquisition of Nameco (No. 346) Limited as a result of the purchase consideration being in excess of the fair value of net assets acquired.

Had the two Limited Liability Vehicles been consolidated from 1 January 2016, the Consolidated Statement of Comprehensive Income would show net earned premium of £1,774,000 and a profit after tax of £232,000.

# Notes to the financial statements *continued*

Six months ended 30 June 2016

## 13. Related party transactions

Helios Underwriting plc has inter-company loans with its subsidiaries which are repayable on three months' notice provided it does not jeopardise each company's ability to meet its liabilities as they fall due. All inter-company loans are therefore classed as falling due within one year. The amounts outstanding as at 30 June 2016 are set out below:

Company	30 June 2016 Unaudited £'000	30 June 2015 Unaudited £'000	31 December 2015 £'000
Balances due from/(to) Group companies at the period end:			
Hampden Corporate Member Limited	(221)	335	327
Nameco (No. 365) Limited	(40)	50	(5)
Nameco (No. 605) Limited	(281)	(118)	(4)
Nameco (No. 321) Limited	(40)	(35)	9
Nameco (No. 917) Limited	2,357	221	1,451
Nameco (No. 229) Limited	12	13	58
Nameco (No. 518) Limited	(47)	(33)	14
Nameco (No. 804) Limited	(99)	99	274
Halperin Underwriting Limited	(55)	(48)	32
Bernul Limited	(59)	(33)	47
Dumasco Limited	(183)	(24)	177
Nameco (No. 311) Limited	(69)	(181)	37
Nameco (No. 402) Limited	(220)	(241)	(104)
Updown Underwriting Limited	540	(197)	713
Nameco (No. 507) Limited	(56)	-	660
Nameco (No. 76) Limited	12	-	393
Kempton Underwriting Limited	188	-	573
Devon Underwriting Limited	(113)	-	-
Nameco (No 346) Limited	(892)	-	-
Nomina No 035 LLP	-	-	-
Nomina No 342 LLP	-	-	-
Nomina No 380 LLP	-	-	-
Nomina No 372 LLP	-	-	-
Helios UTG Partner Limited	107	1,776	553
<b>Total (note 15)</b>	<b>841</b>	<b>1,584</b>	<b>5,205</b>

Helios Underwriting plc and its subsidiaries have entered into a management agreement with Nomina plc. Jeremy Evans, a Director of Helios Underwriting plc and its subsidiary companies, is also a Director of Nomina plc. Under the agreement, Nomina plc provides management and administration, financial, tax and accounting services to the Group for an annual fee of £142,000 (2015: £112,000).

# Notes to the financial statements *continued*

Six months ended 30 June 2016

## 13. Related party transactions (continued)

The Limited Liability Vehicles have entered into a members' agent agreement with Hampden Agencies Limited. Jeremy Evans, a Director of Helios Underwriting plc and its subsidiary companies, is also a director of Hampden Capital plc, which controls Hampden Agencies Limited. Under the agreement, the Limited Liability Vehicles will pay Hampden Agencies Limited a fee based on a fixed amount, which will vary depending upon the number of syndicates the Limited Liability Vehicles underwrite on a bespoke basis, and a variable amount depending on the level of underwriting through the members' agent pooling arrangements. In addition, the Limited Liability Vehicles will pay profit commission on a sliding scale from 1% of the net profit up to a maximum of 10%. The total fees payable for 2016 are set out below:

Company	30 June 2016 Unaudited £'000	30 June 2015 Unaudited £'000	31 December 2015 £'000
Hampden Corporate Member Limited	34	43	43
Nameco (No. 365) Limited	7	11	11
Nameco (No. 605) Limited	34	36	36
Nameco (No. 321) Limited	10	14	13
Nameco (No. 917) Limited	121	7	7
Nameco (No. 229) Limited	9	10	10
Nameco (No. 518) Limited	13	18	18
Nameco (No. 804) Limited	23	32	32
Halperin Underwriting Limited	-	14	14
Bernul Limited	-	9	9
Dumasco Limited	-	-	-
Nameco (No. 311) Limited	12	17	17
Nameco (No. 402) Limited	12	18	18
Updown Underwriting Limited	-	1	1
Nameco (No. 507) Limited	21	26	26
Nameco (No. 76) Limited	12	-	16
Kempton Underwriting Limited	-	-	11
Devon Underwriting Limited	9	-	-
Nameco (No 346) Limited	51	-	-
Nomina No 035 LLP	10	14	14
Nomina No 342 LLP	9	14	14
Nomina No 380 LLP	15	13	13
Nomina No 372 LLP	10	16	16
Helios UTG Partner Limited	-	-	-
<b>Total</b>	<b>412</b>	<b>313</b>	<b>339</b>

# Notes to the financial statements *continued*

Six months ended 30 June 2016

## 13. Related party transactions (continued)

The Group entered into quota share reinsurance contracts for the 2014, 2015 and 2016 years of account with Hampden Insurance PCC (Guernsey) Limited – Cell 6. The Limited Liability Vehicles' underwriting year of account quota share participations are set out below:

Company or partnership	2014	2015	2016
Hampden Corporate Member Limited	70%	70%	-
Nameco (No. 365) Limited	70%	70%	-
Nameco (No. 605) Limited	70%	70%	-
Nameco (No. 321) Limited	70%	70%	-
Nameco (No. 917) Limited	70%	70%	70%
Nameco (No. 229) Limited	70%	70%	-
Nameco (No. 518) Limited	70%	70%	-
Nameco (No. 804) Limited	70%	70%	-
Halperin Underwriting Limited	70%	70%	-
Bernul Limited	70%	70%	-
Dumasco Limited	-	-	-
Nameco (No. 311) Limited	-	70%	-
Nameco (No. 402) Limited	-	70%	-
Updown Underwriting Limited	-	70%	-
Nameco (No. 507) Limited	-	-	-
Nameco (No. 76) Limited	-	-	-
Kempton Underwriting Limited	-	-	-
Devon Underwriting Limited	-	-	70%
Nameco (No. 346) Limited	-	-	70%
Helios UTG Partner Limited	-	-	-
Nomina No 035 LLP	70%	70%	-
Nomina No 342 LLP	70%	70%	-
Nomina No 380 LLP	70%	70%	-
Nomina No 372 LLP	70%	70%	-

Nigel Hanbury, a Director of Helios Underwriting plc and its subsidiary companies, is also a director and majority shareholder in Hampden Insurance Guernsey PCC Limited – Cell 6. Hampden Capital plc, a substantial shareholder in Helios Underwriting plc, is also a substantial shareholder in Hampden Insurance Guernsey PCC Limited – Cell 6. Under the agreement, the Group accrued a net reinsurance premium payable of £1,768,000 (2015: £1,541,000) during the period.

## 14. Ultimate controlling party

The Directors consider that the Group has no ultimate controlling party.

# Notes to the financial statements *continued*

Six months ended 30 June 2016

## 15. Syndicate participations

The syndicates and members' agent pooling arrangements ("MAPA") in which the Company's subsidiaries participate as corporate members of Lloyd's are as follows:

Syndicate or MAPA number	Managing or members' agent	Allocated capacity per year of account			
		2016* £	2015* £	2014* £	2013 £
33	Hiscox Syndicates Limited	2,757,244	2,563,464	2,413,044	<b>1,182,895</b>
218	ERS Syndicate Management Limited	1,313,279	1,216,951	1,457,074	<b>824,028</b>
308	Tokio Marine Kiln Syndicates Limited	100,000	184,528	244,528	-
386	QBE Underwriting Limited	800,289	711,365	729,313	<b>347,509</b>
510	Tokio Marine Kiln Syndicates Limited	5,030,389	4,755,942	4,422,296	<b>2,688,563</b>
557	Tokio Marine Kiln Syndicates Limited	575,567	553,433	543,871	<b>301,001</b>
609	Atrium Underwriters Limited	3,069,913	2,846,566	2,685,423	<b>1,279,982</b>
623	Beazley Furlonge Limited	3,919,673	3,238,987	3,188,218	<b>1,431,928</b>
727	S A Meacock & Company Limited	959,404	932,005	879,582	<b>539,378</b>
958	Canopus Managing Agents Limited	-	268,646	721,004	<b>553,663</b>
1176	Chaucer Syndicates Limited	551,376	456,986	422,886	<b>356,992</b>
1200	Argo Managing Agency Limited	170,411	233,819	298,071	<b>157,370</b>
1729	Asta Managing Agency Limited	42,000	103,758	139,443	-
1884	Charles Taylor Managing Agency Limited	-	25,000	-	-
1910	Asta Managing Agency Limited	1,177,236	-	-	-
1991	R&Q Managing Agency Limited	-	60,000	80,001	-
2010	Cathedral Underwriting Limited	844,831	765,756	788,022	<b>527,247</b>
2014	Pembroke Managing Agency Limited	1,450,000	1,417,938	1,427,152	-
2121	Argenta Syndicate Management Limited	-	260,341	160,341	<b>120,309</b>
2525	Asta Managing Agency Limited	171,414	134,698	116,690	<b>20,000</b>
2791	Managing Agency Partners Limited	3,796,944	3,592,198	3,818,945	<b>2,646,342</b>
4444	Canopus Managing Agents Limited	101,429	-	-	-
5820	ANV Syndicates Limited	109,479	269,738	329,738	<b>224,170</b>
6103	Managing Agency Partners Limited	253,649	1,157,998	1,206,224	<b>611,224</b>
6104	Hiscox Syndicates Limited	1,154,675	226,476	562,334	<b>550,173</b>
6105	Ark Syndicate Management Limited	-	611,146	590,814	<b>115,296</b>
6106	Amlin Underwriting Limited	-	-	-	<b>361,805</b>
6107	Beazley Furlonge Limited	413,737	413,737	413,737	<b>32,500</b>
6110	Pembroke Managing Agency Limited	-	-	-	<b>1,072,507</b>
6111	Catlin Underwriting Agencies Limited	1,818,311	1,583,657	1,522,247	<b>775,544</b>
6113	Barbican Managing Agency Limited	-	-	145,528	<b>67,328</b>
6117	Asta Managing Agency Limited	1,765,271	872,296	1,314,198	-
7200	Members' agent pooling arrangement	-	172,250	330,362	<b>533,338</b>
7201	Members' agent pooling arrangement	-	881,178	1,684,730	<b>2,721,724</b>
7202	Members' agent pooling arrangement	-	308,463	600,114	<b>969,860</b>
7203	Members' agent pooling arrangement	-	121,426	175,290	<b>206,643</b>
7211	Members' agent pooling arrangement	-	101,070	793,460	<b>5,545,063</b>
7217	Members' agent pooling arrangement	241,878	229,149	203,691	<b>177,460</b>
7227	Members' agent pooling arrangement	72,159	38,485	-	-
<b>Total</b>		<b>32,660,558</b>	<b>31,309,450</b>	<b>34,408,371</b>	<b>26,941,842</b>

\* Including the new acquisitions in 2016.

# Notes to the financial statements *continued*

Six months ended 30 June 2016

## 16. Group-owned net assets

The Group statement of financial position includes the following assets and liabilities held by the syndicates on which the Group participates. These assets are subject to trust deeds for the benefit of the relevant syndicates' insurance creditors. The table below shows the split of the statement of financial position between Group and syndicate assets and liabilities:

	30 June 2016			Restated 30 June 2015			31 December 2015		
	Group £'000	Syndicate £'000	Total £'000	Group £'000	Syndicate £'000	Total £'000	Group £'000	Syndicate £'000	Total £'000
<b>Assets</b>									
Intangible assets	10,907	-	10,907	7,942	-	7,942	8,511	-	8,511
Reinsurance assets:									
– reinsurers' share of claims outstanding	-	7,689	7,689	-	4,851	4,851	-	5,657	5,657
– reinsurers' share of unearned premium	-	3,527	3,527	-	2,278	2,278	-	1,501	1,501
Other receivables, including insurance and reinsurance receivables	1,178	27,401	28,579	1,245	17,795	19,040	1,216	19,211	20,427
Prepayments and accrued income	126	4,492	4,618	13	3,101	3,114	15	3,055	3,070
Financial assets at fair value through profit or loss	5,717	32,287	38,004	2,723	22,665	25,388	4,644	27,153	31,797
Cash and cash equivalents	2,212	3,456	5,668	2,752	2,375	5,127	2,223	1,411	3,634
<b>Total assets</b>	<b>20,140</b>	<b>78,852</b>	<b>98,992</b>	<b>14,675</b>	<b>53,065</b>	<b>67,740</b>	<b>16,609</b>	<b>57,988</b>	<b>74,597</b>
<b>Liabilities</b>									
Insurance liabilities:									
– claims outstanding	-	43,060	43,060	-	28,258	28,258	-	32,985	32,985
– unearned premium	-	18,054	18,054	-	12,368	12,368	-	11,169	11,169
Deferred income tax liabilities	3,002	-	3,002	2,546	-	2,546	3,172	-	3,172
Other payables, including insurance and reinsurance payables	965	12,983	13,948	1,069	8,583	9,652	1,585	7,774	9,360
Accruals and deferred income	3,757	387	4,144	1,204	448	1,652	1,577	(89)	1,488
<b>Total liabilities</b>	<b>7,724</b>	<b>74,484</b>	<b>82,208</b>	<b>4,819</b>	<b>49,657</b>	<b>54,476</b>	<b>6,334</b>	<b>51,839</b>	<b>58,174</b>
<b>Equity attributable to owners of the Parent</b>									
Share capital	1,050	-	1,050	896	-	896	1,050	-	1,050
Share premium	9,901	-	9,901	7,556	-	7,556	9,902	-	9,901
Other reserves	337	-	337	-	-	-	-	121	121
Retained earnings	1,128	4,368	5,496	1,403	3,409	4,812	(677)	6,028	5,351
<b>Total equity</b>	<b>12,416</b>	<b>4,368</b>	<b>16,784</b>	<b>9,855</b>	<b>3,409</b>	<b>13,264</b>	<b>10,274</b>	<b>6,149</b>	<b>16,424</b>
<b>Total liabilities and equity</b>	<b>20,140</b>	<b>78,852</b>	<b>98,992</b>	<b>14,674</b>	<b>53,066</b>	<b>67,740</b>	<b>16,609</b>	<b>57,988</b>	<b>74,597</b>

## 16. Events after the financial reporting period

A dividend of 5.0p per share was agreed at the AGM and has been accrued at the period end. The dividend payment was settled on 6<sup>th</sup> July 2016.

A placing of new ordinary shares in the Company is being announced on 30<sup>th</sup> September 2016 expected to raise up to approximately £5m (net).

# Directors, Registered office and advisers

## **Directors**

Sir James Michael Yorrick Oliver (Non-executive Chairman)  
Nigel John Hanbury (Chief Executive)  
Jeremy Richard Holt Evans (Non-executive Director)  
Harold Michael Clunie Cunningham (Non-executive Director)  
Andrew Hildred Christie (Non-executive Director)  
Arthur Roger Manners (Finance Director)

## **Company secretary**

Martha Bruce  
Bruce Wallace Associates Limited  
120 Pall Mall  
London SW1Y 5EA

## **Company number**

05892671

## **Registered office**

40 Gracechurch Street  
London EC3V 0BT

## **Statutory auditors**

### ***PKF Littlejohn LLP***

1 Westferry Circus  
Canary Wharf  
London E14 4HD

## **Nominated adviser and broker**

### ***Stockdale Securities Limited***

Beaufort House, 15 St. Botolph Street  
London EC3A 7BB

## **Lloyd's members' agent**

### ***Hampden Agencies Limited***

40 Gracechurch Street  
London EC3V 0BT

## **Registrars**

### ***Neville Registrars Limited***

Neville House  
18 Laurel Lane  
Halesowen B63 3DA



# Independent Review Report to Helios Underwriting plc for the six months ended 30 June 2016

## Introduction

We have been engaged by the Company to review the condensed consolidated interim financial information in the half yearly financial report for the six months ended 30 June 2016 which comprises the condensed consolidated income statement, condensed consolidated statement of financial position, condensed consolidated statement of cash flows, condensed consolidated statement of changes in shareholder' equity and related notes. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial information.

## Directors' Responsibilities

The half yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"), as adopted by the European Union and the AIM Rules for Companies. The annual Financial Statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed consolidated interim financial information included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

## Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed consolidated interim financial information in the half yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose 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.

## Scope of review

We conducted our review in accordance with the International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information in the half yearly financial report for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the AIM Rules for Companies.

## PKF Littlejohn LLP

Chartered Accountants  
1 Westferry Circus  
Canary Wharf  
London E14 4HD

29 September 2016