

Helios Underwriting plc

**Interim Report and Financial Statements
For the six months ended 30 June 2014**

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Six months ended 30 June 2014

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Highlights and summary of results

Six months ended 30 June 2014

Helios Underwriting plc, which provides investors with a limited liability direct investment into the Lloyd's insurance market, announces its unaudited results for the six months ended 30 June 2014.

Financial results

	6 months ended 30 June 2014 Unaudited £'000	6 months ended 30 June 2013 Unaudited £'000	12 months ended 31 December 2013 Audited £'000
Gross premium written	10,183	7,158	11,938
Net earned premium	6,426	4,587	9,701
Net investment income and other income	268	134	208
Net insurance claims and loss adjustment expenses	(3,490)	(2,371)	(4,063)
Operating expenses	(2,680)	(1,522)	(4,566)
Goodwill and amortisation	(328)	(226)	(427)
Profit before tax	196	602	853
Profit attributable to equity shareholders	156	462	731
Earnings per share	1.83p	5.42p	8.57p

Chairman's Statement

Six months ended 30 June 2014

This has been another good period where we have utilised the capital released by the initial quota share and as a result have been able to continue to increase our underwriting capacity to £21.3 million at the period end through the acquisition of Nomina No 380 LLP on 16 January 2014 for £557,000, Bernul Limited on 27 March 2014 for £823,000 and Nomina No 372 LLP on 2 May 2014 for £480,000. The open years of HUW owned vehicles have improved to a degree that had been anticipated at the time of purchase. We have also seen an increase in the number of vehicles that are available for sale, which may lead to lower prices in due course and supports our ongoing strategy to increase underwriting capacity through acquisition.

The Parent Company's adjusted net assets plus Humphrey & Co valuation of the Group's underwriting subsidiaries at the period end is £14.3m or £1.69 per share based on current legislation.

Market conditions over the period continue to worsen. We have now opted for an increase to the quota share for the 2014 underwriting year of account from 50% to 70% as a result. We have included two further reinsurers thereby increasing our diversity.

Sir Michael Oliver
Non-executive Chairman

September 2014

Condensed Consolidated Income Statement

Six months ended 30 June 2014

	Note	6 months ended 30 June 2014 Unaudited £'000	6 months ended 30 June 2013 Unaudited £'000	12 months ended 31 December 2013 Audited £'000
Gross premium written		10,183	7,158	11,938
Reinsurance premium ceded		(2,008)	(1,634)	(2,251)
Net premiums written		8,175	5,524	9,687
Change in unearned gross premium provision		(2,435)	(1,626)	(29)
Change in unearned reinsurance premium provision		686	689	43
		(1,749)	(937)	14
Net earned premium	2	6,426	4,587	9,701
Net investment income	4	268	24	208
Other underwriting income		-	-	-
Other income		-	110	-
Revenue		6,694	4,721	9,909
Gross claims paid		(3,291)	(2,855)	(5,867)
Reinsurance share of gross claims paid		593	575	1,134
Claims paid, net of reinsurance		(2,698)	(2,280)	(4,733)
Change in provision for gross claims		(464)	4	1,148
Reinsurance share of change in provision for gross claims		(328)	(95)	(478)
Net change in provision for claims		(792)	(91)	670
Net insurance claims and loss adjustment expenses	2	(3,490)	(2,371)	(4,063)
Expenses incurred in insurance activities	2	(2,203)	(1,300)	(4,042)
Other operating expenses	2	(477)	(222)	(524)
Operating expenses		(2,680)	(1,522)	(4,566)
Operating profit before goodwill	2	524	828	1,280
Goodwill on bargain purchase	11	115	-	133
Impairment of goodwill	11	(5)	-	(98)
Amortisation of syndicate capacity		(438)	(226)	(462)
Profit before tax		196	602	853
Income tax charge	5	(40)	(140)	(122)
Profit attributable to equity shareholders	10	156	462	731
Earnings per share attributable to equity shareholders				
Basic and diluted	6	1.83p	5.42p	8.57p

The profit and earnings per share set out above are in respect of continuing operations.

The accounting policies and notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Statement of Financial Position

At 30 June 2014

		30 June 2014	30 June 2013	31 December 2013
		Unaudited	Unaudited	Audited
	Note	£'000	£'000	£'000
Assets				
Intangible assets		3,828	1,571	2,929
Deferred income tax assets		-	-	-
Reinsurance share of insurance liabilities				
- Reinsurers' share of outstanding claims	3	4,221	3,658	4,154
- Reinsurers' share of unearned premiums	3	1,637	1,379	800
Other receivables, including insurance receivables		14,438	9,285	11,554
Prepayments and accrued income		2,307	1,577	1,569
Financial assets at fair value	8	21,909	19,817	22,213
Cash and cash equivalents		3,368	2,270	1,066
Total assets		51,708	39,557	44,285
Liabilities				
Insurance liabilities:				
- Claims outstanding	3	23,668	17,487	21,596
- Unearned premiums	3	9,415	6,694	5,968
Deferred income tax liabilities		1,603	978	1,656
Other payables, including insurance payables		5,909	4,108	4,116
Accruals and deferred income		1,515	733	1,123
Total liabilities		42,110	30,000	34,459
Shareholders' equity				
Share capital	9	853	853	853
Share premium	9	6,996	6,996	6,996
Retained earnings	10	1,749	1,708	1,977
Total shareholders' equity		9,598	9,557	9,826
Total liabilities and shareholders' equity		51,708	39,557	44,285

The accounting policies and notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Approved by the Board of Directors on 26 September 2014.

Nigel Hanbury
Chief Executive Director

Condensed Consolidated Statement of Cash Flows

Six months ended 30 June 2014

	6 months ended 30 June 2014 Unaudited £'000	6 months ended 30 June 2013 Unaudited £'000	12 months ended 31 December 2013 Audited £'000
Cash flow from operating activities			
Results of operating activities	196	602	853
Interest received	(3)	-	(2)
Investment income	(240)	(49)	(381)
Goodwill on bargain purchase	(115)	-	(133)
Impairment of goodwill	5	-	98
Profit on sale of intangible assets	-	-	8
Amortisation of intangible assets	438	226	462
Change in fair value of investments	41	93	137
Changes in working capital:			
(Increase)/decrease in other receivables	(1,214)	(303)	2,687
Increase(Decrease) in other payables	978	(479)	(1,336)
Net increase in technical provisions	274	(381)	(3,273)
Income tax paid	(49)	(93)	(86)
Net cash inflow/(outflow) from operating activities	311	(384)	(966)
Cash flows from investing activities			
Interest received	3	-	2
Investment income	240	49	381
Purchase of intangible assets	-	-	(3)
Net inflow of financial assets at fair value	3,749	1,161	3,276
Acquisition of subsidiary, net of cash acquired	(1,617)	-	(3,070)
Proceeds from disposal of intangible assets	-	-	2
Net cash used in investing activities	2,375	1,210	588
Cash flows from financing activities			
Dividends paid	(384)	-	-
Net cash used in financing activities	(384)	-	-
Net increase/(decrease) in cash and cash equivalents	2,302	826	(378)
Cash and cash equivalents at beginning of period	1,066	1,444	1,444
Cash, cash equivalents and bank overdrafts at end of period	3,368	2,270	1,066

The accounting policies and notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Condensed Statement of Changes in Shareholders' Equity

Six months ended 30 June 2014

For the six months ended 30 June 2014

	Ordinary share capital £'000	Share Premium £'000	Retained Earnings £'000	Total £'000
At 1 January 2014	853	6,996	1,977	9,826
Profit for the period attributable to equity shareholders	-	-	156	156
Dividends paid	-	-	(384)	(384)
At 30 June 2014	853	6,996	1,749	9,598

For the six months ended 30 June 2013

	Ordinary share capital £'000	Share Premium £'000	Retained Earnings £'000	Total £'000
At 1 January 2013	853	6,996	1,246	9,095
Profit for the period attributable to equity shareholders	-	-	462	462
At 30 June 2013	853	6,996	1,708	9,557

For the twelve months ended 31 December 2013

	Ordinary share capital £'000	Share Premium £'000	Retained Earnings £'000	Total £'000
At 1 January 2013	853	6,996	1,246	9,095
Profit for the year attributable to equity shareholders	-	-	731	731
At 31 December 2013	853	6,996	1,977	9,826

The accounting policies and notes are an integral part of these Condensed Consolidated Interim Financial Statements.

Notes to the Interim Financial Statements

Six months ended 30 June 2014

1. 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 2014.

The Condensed Consolidated Interim Financial Statements incorporate the results of Helios Underwriting plc, 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 Limited, Bernul Limited, Nomina No 035 LLP, Nomina No 342 LLP, Nomina No 380 LLP, Nomina No 372 LLP and Helios UTG Partner Limited.

The Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2014 and 2013 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 2013.

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 2013. The new standards and amendments to standards and interpretations effective after 1 January 2014, as disclosed in the Annual Report for the year ended 31 December 2013, have not had a significant impact on the Condensed Consolidated Interim Financial Statements at 30 June 2014.

Notes to the Interim Financial Statements (continued)

Six months ended 30 June 2014

2. Segmental information

The Group has three primary segments which represent the primary way in which the Group is managed:

- Syndicate participation;
- Investment management;
- Other corporate activities.

6 months ended 30 June 2014 Unaudited

	Syndicate participation £'000	Investment management £'000	Other corporate activities £'000	Total £'000
Net earned premium	6,502	-	(76)	6,426
Net investment income	244	24	-	268
Other income	-	-	-	-
Net insurance claims and loss adjustment expenses	(3,490)	-	-	(3,490)
Expenses incurred in insurance activities	(2,030)	-	(173)	(2,203)
Other operating expenses	-	-	(477)	(477)
Goodwill on bargain purchase	-	-	115	115
Impairment of goodwill	-	-	(5)	(5)
Amortisation of syndicate capacity	-	-	(438)	(438)
Profit before tax	1,226	24	(1,054)	196

6 months ended 30 June 2013 Unaudited

	Syndicate participation £'000	Investment management £'000	Other corporate activities £'000	Total £'000
Net earned premium	4,587	-	-	4,587
Net investment income	21	3	-	24
Other income	-	-	110	110
Net insurance claims and loss adjustment expenses	(2,397)	-	26	(2,371)
Expenses incurred in insurance activities	(1,300)	-	-	(1,300)
Other operating expenses	(139)	-	(83)	(222)
Goodwill on bargain purchase	-	-	-	-
Impairment of goodwill	-	-	-	-
Amortisation of syndicate capacity	-	-	(226)	(226)
Profit before tax	772	3	(173)	602

12 months ended 31 December 2013 Audited

	Syndicate participation £'000	Investment management £'000	Other corporate activities £'000	Total £'000
Net earned premium	9,723	-	(22)	9,701
Net investment income	247	(39)	-	208
Other income	-	-	-	-
Net insurance claims and loss adjustment expenses	(4,063)	-	-	(4,063)
Expenses incurred in insurance activities	(4,042)	-	-	(4,042)
Other operating expenses	51	-	(575)	(524)
Goodwill on bargain purchase	-	-	133	133
Impairment of goodwill	-	-	(98)	(98)
Amortisation of syndicate capacity	-	-	(462)	(462)
Profit before tax	1,916	(39)	(1,024)	853

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 2014 other corporate activities totalling (£76,000) (2013: (£22,000)) includes the net Group quota share reinsurance premium payable to Hampden Insurance PCC (Guernsey) Limited – Cell 6 for the 2013 and 2014 underwriting years of accounts of (£26,000) (2013: (£22,000)) and the Stop loss premium payable to Hampden Insurance PCC (Guernsey) Limited – Cell 7 for the 2014 underwriting year of account of (£50,000) (2013: £nil).

Syndicate participation represents the Groups direct share of the underlying syndicate's results for the period.

Notes to the Interim Financial Statements (continued)
Six months ended 30 June 2014

3. Insurance liabilities and reinsurance balances

Movement in claims outstanding

	Gross £'000	Reinsurance £'000	Net £'000
At 1 January 2014	21,596	4,154	17,442
Increase in reserves arising from acquisition of subsidiary undertaking	4,198	(818)	5,016
Movement of reserves	464	(328)	792
Other movements	(2,590)	1,213	(3,803)
At 30 June 2014	23,668	4,221	19,447

Movement in unearned premium

	Gross £'000	Reinsurance £'000	Net £'000
At 1 January 2014	5,968	800	5,168
Increase in reserves arising from acquisition of subsidiary undertaking	1,108	(147)	1,255
Movement of reserves	2,435	686	1,749
Other movements	(96)	298	(394)
At 30 June 2014	9,415	1,637	7,778

Included within other movements are the 2011 and prior years' reinsured into the 2012 year of account on which the Group does not participate and currency exchange differences.

4. Net investment income

	6 months ended 30 June 2014 Unaudited £'000	6 months ended 30 June 2013 Unaudited £'000	12 months ended 31 December 2013 Audited £'000
Investment income	240	49	381
Realised gains on financial investments at fair value through income statement	2	129	5
Unrealised gains/(losses) on financial investments at fair value through income statement	23	(144)	(137)
Investment management expenses	-	(10)	(43)
Bank interest	3	-	2
Net investment income	268	24	208

5. Income tax expense

	6 months ended 30 June 2014 Unaudited £'000	6 months ended 30 June 2013 Unaudited £'000	12 months ended 31 December 2013 Audited £'000
Income tax expense	(40)	(140)	(122)

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% (2013: 23.25%). Material disallowed terms have been adjusted for in the income tax calculation.

Notes to the Interim Financial Statements (continued)

Six months ended 30 June 2014

6. Earnings per share

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

The Group has no dilutive potential ordinary shares.

Earnings per share have been calculated in accordance with IAS 33.

Reconciliation of the earnings and weighted average number of shares used in the calculation is set out below.

	6 months ended 30 June 2014 Unaudited	6 months ended 30 June 2013 Unaudited	12 months ended 31 December 2013 Audited
Profit for the period	£156,000	£462,000	£731,000
Weighted average number of shares in issue	8,526,948	8,526,948	8,526,948
Basic and diluted earnings per share (p)	1.83p	5.42p	8.57p

7. Dividends

During the period dividends of 4.5p per share (2013 - Nil) were paid, totalling £384,000 (see note 10).

8. Financial assets at fair value

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 June 2014, the Group held £18,408,000 (31 December 2013: £17,709,000) Level 1 Financial Assets and £3,501,000 (31 December 2013: £2,108,000) Level 2 Financial Assets. The Group has no level 3 investments (31 December 2013 £Nil).

9. Share capital and share premium

Allotted, called up and fully paid	Ordinary Share Capital £'000	Share Premium £'000	Total £'000
8,526,948 ordinary shares of 10p each and share premium at 30 June 2013	853	6,996	7,849
8,526,948 ordinary shares of 10p each and share premium at 31 December 2013	853	6,996	7,849
8,526,948 ordinary shares of 10p each and share premium at 30 June 2014	853	6,996	7,849

10. Retained earnings

	30 June 2014 Unaudited £'000	30 June 2013 Unaudited £'000	31 December 2013 Audited £'000
Group			
At 1 January 2014	1,977	1,246	1,246
Profit attributable to equity shareholders	156	462	731
Dividends paid	(384)	-	-
At 30 June 2014	1,749	1,708	1,977

Notes to the Interim Financial Statements (continued)

Six months ended 30 June 2014

11. Acquisition of limited liability vehicles

In order to increase the Group's underwriting capacity, the Company has, since the balance sheet date, acquired 100% of the voting rights (either directly or indirectly) of the following Limited Liability Vehicles:

Nomina No 380 LLP

On 16 January 2014 Helios UTG Partner Limited, a 100% subsidiary of the Company, became a 100% corporate partner in Nomina No 380 LLP for a total consideration of £557,000. Nomina No 380 LLP is incorporated in England and Wales and is a member of Lloyd's.

The acquisition has been accounted for using the purchase 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 £622,000. Negative goodwill of £65,000 arose on acquisition and has been immediately recognised as goodwill on bargain purchase in the income statement. 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	442	82	524
Reinsurance assets:			
- reinsurers' share of claims outstanding	279	-	279
- reinsurers' share of unearned premium	109	-	109
Other receivables, including insurance receivables	724	-	724
Prepayments and accrued income	104	-	104
Financial assets at fair value	1,228	-	1,228
Cash and cash equivalents	81	-	81
Insurance liabilities:			
- claims outstanding	(1,451)	-	(1,451)
- unearned premiums	(579)	-	(579)
Deferred income tax liabilities	-	(55)	(55)
Other payables, including insurance payables	(293)	-	(293)
Accruals and deferred income	(49)	-	(49)
Net assets acquired	595	27	622
Satisfied by:			
Cash and cash equivalents	557	-	557
Negative goodwill	(38)	(27)	(65)

Bernul Limited

On 27 March 2014 Helios Underwriting plc acquired 100% of the issued share capital of Bernul Limited for a total consideration of £823,000. Bernul Limited is incorporated in England and Wales and is a corporate member of Lloyd's.

The acquisition has been accounted for using the purchase 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 £818,000. Goodwill of £5,000 arose on acquisition. 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	1	322	323
Reinsurance assets:			
- reinsurers' share of claims outstanding	147	-	147
- reinsurers' share of unearned premium	59	-	59
Other receivables, including insurance receivables	768	-	768
Prepayments and accrued income	80	-	80
Financial assets at fair value	1,056	-	1,056
Cash and cash equivalents	79	-	79
Insurance liabilities:			
- claims outstanding	(970)	-	(970)
- unearned premiums	(358)	-	(358)
Deferred income tax liabilities	(52)	(64)	(116)
Other payables, including insurance payables	(215)	-	(215)
Accruals and deferred income	(35)	-	(35)
Net assets acquired	560	258	818
Satisfied by:			
Cash and cash equivalents	823	-	823
Goodwill	263	258	5

Notes to the Interim Financial Statements (continued)

Six months ended 30 June 2014

11. Acquisition of limited liability vehicles (continued)

Nomina No 372 LLP

On 2 May 2014 Helios UTG Partner Limited, a 100% subsidiary of the Company, became a 100% corporate partner in Nomina No 372 LLP for £480,000. Nomina No 372 LLP is incorporated in England and Wales and is a member of Lloyd's.

The acquisition has been accounted for using the purchase 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 £530,000. Negative goodwill of £50,000 arose on acquisition and has been immediately recognised as goodwill on bargain purchase in the income statement. 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	380	62	442
Reinsurance assets:			
- reinsurers' share of claims outstanding	231		231
- reinsurers' share of unearned premium	80		80
Other receivables, including insurance receivables	521		521
Prepayments and accrued income	95		95
Financial assets at fair value	1,007		1,007
Cash and cash equivalents	84		84
Insurance liabilities:			
- claims outstanding	(1,173)		(1,173)
- unearned premiums	(457)		(457)
Deferred income tax liabilities	-	(40)	(40)
Other payables, including insurance payables	(213)		(213)
Accruals and deferred income	(47)		(47)
Net assets acquired	508	22	530
Satisfied by:			
Cash and cash equivalents	480	-	480
Negative goodwill	(28)	22	(50)

12. Related party transactions

Helios Underwriting plc has provided inter-company loans to its subsidiaries which are repayable on three months' notice provided it does not jeopardise each subsidiary'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 2014 are set out below:

Company	30 June 2014 Unaudited £'000	30 June 2013 Unaudited £'000	31 December 2013 Audited £'000
Balances due from/(to) Group companies at the period end:			
Hampden Corporate Member Limited	807	3,109	1,257
Nameco (No. 365) Limited	65	330	136
Nameco (No. 605) Limited	210	1,092	362
Nameco (No. 321) Limited	74	321	134
Nameco (No. 917) Limited	569	1,449	573
Nameco (No. 229) Limited	42	355	110
Nameco (No. 518) Limited	(17)	(163)	34
Nameco (No. 804) Limited	298	-	1,429
Halperin Limited	(184)	-	-
Nomina No 035 LLP	-	-	-
Nomina No 342 LLP	-	-	-
Nomina No 380 LLP	-	-	-
Bernul Limited	(263)	-	-
Nomina No 372 LLP	-	-	-
Helios UTG Partner Limited	2,143	-	1,238
Total	3,744	6,493	5,273

The Limited Liability Vehicles are 100% subsidiaries of the Company (either directly or indirectly) and 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 £66,250 (2013: £42,750).

Notes to the Interim Financial Statements (continued)

Six months ended 30 June 2014

12. Related party transactions (continued)

The Limited Liability Vehicles have entered into a member's 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, plus a fee which will vary depending upon the total level of Group underwriting capacity. In addition, some 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 2014 and 2013 are set out below:

Company	30 June 2014 Unaudited £'000	30 June 2013 Unaudited £'000	31 December 2013 Audited £'000
Hampden Corporate Member Limited	38	20	20
Nameco (No. 365) Limited	7	5	5
Nameco (No. 605) Limited	18	15	15
Nameco (No. 321) Limited	7	6	6
Nameco (No. 917) Limited	6	10	10
Nameco (No. 229) Limited	7	6	6
Nameco (No. 518) Limited	10	7	7
Nameco (No. 804) Limited	24	-	8
Halperin Limited	9	-	7
Nomina No 035 LLP	9	-	7
Nomina No 342 LLP	9	-	6
Nomina No 380 LLP	14	-	-
Bernul Limited	10	-	-
Nomina No 372 LLP	12	-	-
Helios UTG Partner Limited	-	-	-
Total	180	69	97

The Group has entered into a 50% quota share reinsurance contract for the 2013 underwriting year of account and a 70% quota share reinsurance contract for the 2014 underwriting year of account with Hampden Insurance PCC (Guernsey) Limited, a company registered in Guernsey.

Nigel Hanbury, a Director of Helios Underwriting plc and its subsidiary companies, is also a director and majority shareholder in Hampden Insurance PCC (Guernsey) Limited. Hampden Capital Plc, a substantial shareholder in Helios Underwriting plc is also a substantial shareholder in Hampden Insurance PCC (Guernsey) Limited. Under the agreements, the Group accrued a net reinsurance premium payable of £26,000 during the period. A total cumulative amount owed to Hampden Insurance PCC (Guernsey) Limited of £49,000 (2013: £22,000) has been recognised in the balance sheet.

The underwriting year of account quota share reinsurance contract that each group subsidiary participates in is detailed below:

Company	2013	2014
Hampden Corporate Member Limited	2013	2014
Nameco (No. 365) Limited	2013	2014
Nameco (No. 605) Limited	2013	2014
Nameco (No. 321) Limited	2013	2014
Nameco (No. 917) Limited	2013	2014
Nameco (No. 229) Limited	2013	2014
Nameco (No. 518) Limited	2013	2014
Nameco (No. 804) Limited	-	2014
Halperin Limited	-	2014
Nomina No 035 LLP	-	2014
Nomina No 342 LLP	-	2014
Nomina No 380 LLP	-	2014
Bernul Limited	-	2014
Nomina No 372 LLP	-	2014

Notes to the Interim Financial Statements (continued)
Six months ended 30 June 2014

13. 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 Year of account		
		2012	2013	2014
33	Hiscox Syndicates Limited	754,377	754,377	1,524,940
218	Equity Syndicates Management Limited	359,400	438,285	824,344
308	R.J. Kiln & Co Limited	73,125	70,000	84,528
386	QBE Underwriting Limited	179,894	179,894	493,385
510	RJ Kiln & Co. Limited	1,265,425	1,240,770	2,548,439
557	RJ Kiln & Co. Limited	767,556	308,582	446,063
609	Atrium Underwriters Limited	1,098,065	1,047,455	1,947,561
623	Beazley Furlonge Limited	727,450	859,870	2,103,700
727	S.A. Meacock & Company Limited	375,222	375,222	457,055
779	ANV Syndicate Management Limited	20,000	20,000	-
958	Canopus Managing Agency Limited	416,434	327,200	466,880
1176	Chaucer Syndicates Limited	214,874	261,818	327,712
1200	Argo Managing Agency Limited	240,542	63,551	64,252
1729	Asta Managing Agency Limited	-	-	35,685
2010	Cathedral Underwriting Limited	249,769	249,769	510,544
2014	Pembroke Managing Agency Limited	-	-	925,079
2121	Argenta Syndicate Management Limited	156,969	11,691	-
2525	Asta Managing Agency Limited	17,206	-	96,690
2791	Managing Agency Partners Limited	1,415,120	1,471,095	2,430,679
5820	ANV Syndicate Management Limited	-	107,754	60,000
6103	Managing Agency Partners Limited	332,500	405,307	392,320
6104	Hiscox Syndicates Limited	345,000	415,730	810,730
6105	Ark Syndicate Management Limited	116,569	64,724	314,592
6106	Amlin Underwriting Limited	308,251	271,170	-
6107	Beazley Furlonge Limited	135,000	10,000	350,000
6110	Pembroke Managing Agency Limited	393,302	879,892	-
6111	Catlin Underwriting Agencies Limited	428,894	589,808	1,066,267
6113	Barbican Managing Agency Limited	-	30,000	20,000
6117	Asta Managing Agency Limited	-	-	963,112
7200	Members' Agents Pooling Arrangement	455,323	455,302	151,688
7201	Members' Agents Pooling Arrangement	2,318,974	2,318,948	762,204
7202	Members' Agents Pooling Arrangement	828,123	828,098	275,470
7203	Members' Agents Pooling Arrangement	108,289	108,262	47,678
7211	Members' Agents Pooling Arrangement	5,439,354	5,439,337	687,749
7217	Members' Agents Pooling Arrangement	95,912	95,911	95,913
Total		19,636,919	19,699,822	21,285,259

Notes to the Interim Financial Statements (continued)

Six months ended 30 June 2014

14. Group owned net assets

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

	30 June 2014			30 June 2013			31 December 2013		
	Group	Syndicate Unaudited	Total	Group	Syndicate Unaudited	Total	Group	Syndicate Audited	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets									
Intangible assets	3,828	-	3,828	1,571	-	1,571	2,929	-	2,929
Deferred income tax assets	-	-	-	-	-	-	-	-	-
Reinsurance share of insurance liabilities									
- Reinsurers' share of outstanding claims	-	4,221	4,221	-	3,658	3,658	-	4,154	4,154
- Reinsurers' share of unearned premiums	-	1,637	1,637	-	1,379	1,379	-	800	800
Other receivables, including insurance receivables	774	13,664	14,438	386	8,899	9,285	793	10,761	11,554
Prepayments and accrued income	16	2,291	2,307	34	1,543	1,577	36	1,533	1,569
Financial assets at fair value	4,226	17,683	21,909	7,881	11,936	19,817	5,932	16,281	22,213
Cash and cash equivalents	1,055	2,313	3,368	296	1,974	2,270	86	980	1,066
Total assets	9,899	41,809	51,708	10,168	29,389	39,557	9,776	34,509	44,285
Liabilities									
Insurance liabilities									
- Claims outstanding	-	23,668	23,668	-	17,487	17,487	-	21,596	21,596
- Unearned premiums	-	9,415	9,415	-	6,694	6,694	-	5,968	5,968
Deferred income tax liabilities	1,603	-	1,603	978	-	978	1,656	-	1,656
Other payables, including insurance payables	349	5,560	5,909	233	3,875	4,108	34	4,082	4,116
Accruals and deferred income	1,165	350	1,515	487	246	733	866	257	1,123
Current income tax liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	3,117	38,993	42,110	1,698	28,302	30,000	2,556	31,903	34,459
Shareholders' equity									
Share capital	853	-	853	853	-	853	853	-	853
Share premium	6,996	-	6,996	6,996	-	6,996	6,996	-	6,996
Retained earnings	(1,066)	2,815	1,749	621	1,087	1,708	(629)	2,606	1,977
Total shareholders' equity	6,783	2,815	9,598	8,470	1,087	9,557	7,220	2,606	9,826
Total liabilities and shareholders' equity	9,900	41,808	51,708	10,168	29,389	39,557	9,776	34,509	44,285

15. Events after the reporting period

Dumasco Limited

On 16 September 2014 Helios Underwriting plc acquired 100% of the issued share capital of Dumasco Limited for a total consideration of £2,500,000. No information is available at present to accurately determine the fair value of the net assets acquired. Dumasco Limited is incorporated in England and Wales and is a corporate member of Lloyd's.

Registered Officers and Advisors

Directors

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

Company Secretary

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

Company Number

05892671

Registered Office

Hampden House
Great Hampden
Great Missenden
Buckinghamshire HP16 9RD

Auditors

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

Solicitors

Jones Day
21 Tudor Street
London EC4Y 0DJ

Bankers

Coutts & Co
440 Strand
London WC2R 0QS

Nominated Adviser and Broker

Smith & Williamson Corporate Finance Limited
25 Moorgate
London EC2R 6AY

Lloyd's members' Agent

Hampden Agencies Limited
85 Gracechurch Street
London EC3V 0AA

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Broker

Westhouse Securities Limited
110 Bishopsgate
London EC2N 4AY

Independent Review Report

Six months ended 30 June 2014

Independent Review Report to Helios Underwriting plc for the six months ended 30 June 2014

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 2014 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 2014 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

26 September 2014