NEWLINE
UNDERWRITING
MANAGEMENT LIMITED

REPORT AND ACCOUNTS

31 DECEMBER 2013

NEWLINE UNDERWRITING MANAGEMENT LIMITED

CONTENTS

NEWLINE
UNDERWRITING
MANAGEMENT LIMITED

COMPANY INFORMATION
AT 31 DECEMBER 2013

Incorporated in England

Number 3223686

DIRECTORS	J Christiansen P T Foley (resigned 20th March 2014) S Kapur R B Kastner J R F Micklem C A Overy M Scales J W J Spencer M G Wacek
SECRETARY	J R F Micklem
REGISTERED OFFICE	Suite 5/4, The London Underwriting Centre 3 Minster Court, Mincing Lane London EC3R 7DD
BANKERS	National Westminster Bank Plc City of London Office PO Box 12258 1 Princes Street London EC2R 8PA Citibank Citigroup Centre Canada Square Canary Wharf London E14 5LB
AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

STRATEGIC REPORT
AT 31 DECEMBER 2013

PRINCIPAL ACTIVITY

The principal activity of the Company is that of a Lloyd's managing agent responsible for the management of Newline Syndicate 1218. The capacity of Syndicate 1218 is 100% provided by Newline Corporate Name Limited, which had a capacity of £105m for the 2013 year of account (2012: £105m). The capacity for the 2014 year of account is £105m.

The Company also provides management services to other group companies, primarily Newline Insurance Company Limited and the London branch of Odyssey Reinsurance Company.

RESULTS AND BUSINESS REVIEW

The Company does not charge a fee for managing Syndicate 1218 or for providing management services to other group companies. Therefore the only income during the year has been the reimbursement of expenses incurred on behalf of other group companies, and investment income on cash balances and UK treasury bills held. The loss for the period amounted to £388,034 (2012: £387,020). The Directors consider that both the level of business and the overall financial position at the end of the year were acceptable. No dividends have been paid or proposed during the period.

FUTURE DEVELOPMENTS

The Company will continue to provide management services to Syndicate 1218 and other group companies.

PRINCIPAL RISKS AND UNCERTAINTIES

The process of risk identification and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management, risk management and internal audit. All key risks identified have been fully documented and assessed. The control environment operating around these key risks is regularly reviewed to ensure that controls are operating effectively. The main risks and uncertainties to our business arise from:

- **Credit risk**

Credit risk is the risk of loss if another party fails to perform its obligations or fails to perform them in a timely fashion. The key area where the Company is exposed to credit risk is with the reimbursement of expenses from related companies. Intercompany balances are monitored monthly, and settled on a quarterly basis.

- **Liquidity risk**

Liquidity risk is the risk that sufficient financial resources are not maintained to meet liabilities as they fall due. There are agreed limits on the minimum proportion of funds available to meet such calls. The duration of the investment portfolio will be managed to approximate to the Company's liabilities, and cash flow is regularly monitored.

- **Operational risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems or external events other than those covered above. Many of the operational risks faced by the Company are the same as the Syndicate which has a detailed risk register and procedures for continuously monitoring the impact of such risks and the effectiveness of the controls in place to mitigate them in accordance with the agreed risk appetite.

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STRATEGIC REPORT
(CONTINUED)

KEY PERFORMANCE INDICATORS ("KPIs")

Given the straightforward nature of the business, the Board are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

On behalf of the Board

J R F Micklem
Director
1 May 2014

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DIRECTORS' REPORT
AT 31 DECEMBER 2013

The Directors of the Company present the Annual Report and Accounts of the Company for the year ended 31 December 2013.

FUTURE DEVELOPMENTS

Likely future developments in the business are discussed in the Strategic report.

DIVIDENDS

The directors do not recommend the payment of a final dividend (2012: £nil).

DIRECTORS

The Directors listed below have held office from 1 January 2013 to the date of this report unless otherwise stated.

J Christiansen
P T Foley (resigned 20th March 2014)
S Kapur
R B Kastner
J R F Micklem
C A Overy
M Scales
J W J Spencer
M G Wacek

None of the Directors had any beneficial interests in the Company during the year covered by this report.

The Company Secretary is J R F Micklem.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently, subject to changes arising on the adoption of new accounting standards in the year;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The directors confirm they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT
(CONTINUED)

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2013 of which the auditors are unaware; and
- each director has taken all steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the Company auditors are aware of that information.

ELECTIVE RESOLUTION

An election is in force dispensing with the requirement to lay these financial statements before the Company in general meeting. However, Members have the right by giving notice to the Company, to require the financial statements to be laid before a general meeting.

INDEPENDENT AUDITORS

The Company's independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. A resolution proposing their reappointment will be submitted at the annual general meeting.

On behalf of the Board

J R F Micklem
Director
1 May 2014

NEWLINE
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWLINE UNDERWRITING MANAGEMENT LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31st December 2013 and of its loss for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Newline Underwriting Management Limited, comprise:

- the balance sheet as at 31st December 2013
- the profit and loss account for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

What an audit of financial Statements involves

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

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

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEWLINE UNDERWRITING MANAGEMENT LIMITED
(CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

Andrew Moore

Andrew Moore (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
1 May 2014

NEWLINE
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PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	**2013**	2012
		£	£
Turnover	3	**19,396,415**	17,737,107
Operating expenses		**(19,510,044)**	(18,138,722)
OPERATING LOSS	4	**(113,629)**	(401,615)
Investment income	13	**13**	532
Net unrealised losses on investments	13	**(3,476)**	(727,245)
Net realised gains on investments	13	**32,905**	725,857
Interest payable and similar charges	13	**(214,472)**	(123,300)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(298,659)**	(525,771)
Tax (charge) / credit on loss on ordinary activities	5	**(89,375)**	138,751
LOSS FOR THE YEAR		**(388,034)**	(387,020)

The Company's turnover and expenses all relate to continuing operations. There were no recognised gains or losses during the period other than those passing through the profit and loss account. There is no difference between the retained loss for the year shown above and that on a historical cost basis.

The notes on pages 11 to 18 form part of these accounts.

NEWLINE UNDERWRITING MANAGEMENT LIMITED

BALANCE SHEET

AT 31 DECEMBER 2013

Company number - 3223686

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	9	**1,727,923**	1,631,569
CURRENT ASSETS			
Debtors	10	**2,823,795**	1,779,593
Investments	14	**10,003,380**	9,998,300
Cash at bank and in hand		**2,252,102**	3,756,040
		15,079,277	15,533,933
CREDITORS : amounts falling due within one year	12	**607,853**	578,121
NET CURRENT ASSETS		**14,471,424**	14,955,812
TOTAL ASSETS LESS CURRENT LIABILITIES		**16,199,347**	16,587,381
NET ASSETS		**16,199,347**	16,587,381
CAPITAL AND RESERVES			
Called up share capital	15	**1,723,132**	1,723,132
Profit and loss account	16	**14,476,215**	14,864,249
TOTAL SHAREHOLDER'S FUNDS	17	**16,199,347**	16,587,381

Approved on behalf of the board of directors on 1 May 2014.

J R F Micklem
Director

The notes on pages 11 to 18 form part of these accounts.

NOTES TO THE ACCOUNTS

AT 31 DECEMBER 2013

1) BASIS OF ACCOUNTING

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The Company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 (revised) on the grounds that it is a wholly owned subsidiary and the ultimate parent company, Fairfax Financial Holdings Limited ("Fairfax"), produces consolidated accounts including a group cash flow statement.

2) ACCOUNTING POLICIES

A summary of the significant accounting policies is set out below. These policies have been consistently applied unless otherwise stated.

a) Turnover

The Company's turnover consists of the reimbursement of expenses from other group undertakings recharged to them in accordance with intercompany agreements.

b) Depreciation

Depreciation of tangible fixed assets is calculated using the straight line half-year convention method by reference to cost at rates estimated to write off the relevant assets over their expected useful lives, taking into account normal commercial and technical obsolescence. Assets under construction are valued at cost and are not depreciated until in use.

The estimated useful lives are:

Computer equipment	3 – 5 years
Office equipment	5 years
Furniture, fittings & equipment	5 years
Leasehold property improvements	4 – 6 years

c) Deferred taxation

Provision is made for deferred tax liabilities, using the liability method, on all material timing differences, including revaluation gains and losses on investments recognised in the profit and loss account. Deferred tax is calculated at the rates at which it is expected that the tax will arise. Deferred tax assets are recognised to the extent that they are regarded as more likely than not recoverable.

Deferred tax is recognised in the profit and loss account for the period, except to the extent that it is attributable to a gain or loss that is recognised directly in the statement of total recognised gains and losses. Deferred tax balances are not discounted.

d) Share based remuneration

Prior to 22nd October 2009, Odyssey Re Holdings Corp. ("ORH"), of which the Company is a subsidiary, operated a restricted share plan, which provided for the grant of restricted shares of common stock to employees. On 21st October 2009 Fairfax became the sole shareholder of ORH, and the plan was revised to a Restricted Share and Equity Value plan. Under this plan, each Restricted Equity Value Right ("REVR") has a fair value equal to the total shareholders' equity of ORH attributable to the common equity as of the last day of the most recent completed quarter, divided by 58,443,149 (which is the number of common shares outstanding as at 30th September 2009). Upon vesting, the participant automatically receives a single sum cash payment equal to the REVR value, less any applicable withholding taxes. The fair value of REVRs is amortised to compensation expense on a straight line basis over their related vesting period. The fair value of any REVRs granted at the start of the scheme is re-measured at each reporting date until settled. Changes in fair value are recognised in the profit and loss account.

NOTES TO THE ACCOUNTS
(CONTINUED)

2) ACCOUNTING POLICIES (CONTINUED)

e) Financial investments

Listed and other traded investments are stated at market value on the balance sheet date using the bid price. Unrealised gains and losses are recognised in the profit and loss account.

f) Investment return

Investment return comprises all investment income, interest receivable and dividends received plus realised gains and losses on the disposal of investments and movements in unrealised gains and losses, net of investment expenses.

Realised gains and losses on investments carried at market value are calculated as the difference between net sale proceeds and purchase price. Investment expenses and charges comprise investment management expenses and losses on the realisation of investments.

Unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and their purchase price, or their valuation at the previous balance sheet date. The movement in unrealised gains and losses includes an adjustment for previously recognised unrealised gains and losses of those investments disposed of in the accounting period.

3) TURNOVER

Expenditure recharged to other group undertakings in relation to salary and other overhead costs is as follows:

	2013 £	2012 £
Syndicate 1218	**12,112,555**	11,157,260
Odyssey Reinsurance Company	**5,202,290**	4,045,997
Newline Insurance Company Limited	**1,919,805**	2,457,713
Newline Corporate Name Limited	**143,890**	53,782
Newline Asia Services Pte Limited	**15,689**	20,490
Newline Australia Pty Limited	**2,186**	1,865
	19,396,415	17,737,107

4) OPERATING (LOSS) / PROFIT

	2013 £	2012 £
Operating (loss) / profit is stated after charging:		
Depreciation of tangible fixed assets:		
- owned assets	**461,881**	285,182
Auditors' remuneration:		
- Audit services – Company audit fee	**7,000**	7,000

NOTES TO THE ACCOUNTS
(CONTINUED)

5) TAXATION ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of charge / (credit) for the period:

	2013	2012
	£	£
Current taxation		
Current tax credit on loss on ordinary activities	**(60,123)**	(167,715)
Adjustments in respect of prior periods	**-**	(14,420)
Current year losses carried forward	**60,123**	167,715
Current tax credit for the period	**-**	(14,420)
Deferred taxation		
Origination and reversal of timing differences	**(72,634)**	(124,331)
Adjustments in respect of prior periods	**162,009**	-
Deferred tax charge / (credit) for the period	**89,375**	(124,331)
Tax charge / (credit) for the period	**89,375**	(138,751)

b) Factors affecting the tax charge / (credit) for the period:

	2013	2012
	£	£
Loss on ordinary activities before tax	**(298,659)**	(525,771)
UK corporation tax 23.3% (2012: 24.5%)	**(69,438)**	(128,814)
Tax effect of:		
Accelerated capital allowances and other timing differences	**9,315**	(38,901)
Adjustments in respect of prior period	**-**	(14,420)
Current year losses carried forward	**60,123**	167,715
Current tax credit for the period (note 5(a))	**-**	(14,420)

NEWLINE UNDERWRITING MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS
(CONTINUED)

6) EMPLOYEES AND STAFF COSTS

The average number of employees during the period was:

	2013 Number	2012 Number
Management	**9**	9
Underwriting	**41**	44
Claims	**13**	13
Information technology	**5**	4
Administration, finance and compliance	**38**	41
	106	111

The employment costs for the period were:

	2013 £	2012 £
Salaries	**9,792,891**	9,387,536
Social security costs	**1,298,828**	1,250,276
Pension costs	**959,804**	1,059,374
	12,051,523	11,697,186

Pension costs represent the Company's contributions to a Group Personal Pension Plan, which is on a defined contribution basis and maintained by Scottish Widows. Employees may, but are not obliged to, contribute to the scheme. The Company's contributions are paid one month in arrears, with an outstanding liability as at 31st December 2013 of £92,991 (2012: £77,871).

7) RESTRICTED STOCK PAYMENTS

Restricted Equity Value Rights ("REVR")

The fair value of new and existing awards is amortised to compensation expense on a straight line basis over the related vesting periods. The Company's measurement of changes to the fair value of any REVRs granted at the start of the scheme for the purposes of the amortisation charge and any additional costs will be reflected in the accounts of the company. No REVRs were granted during 2013.

The following table summarises the REVR activity in 2013:

	No. of REVR units	Weighted average price (£)
REVR units awarded as of 31st December 2012	6,051	29.50
Granted	-	-
Vested	(4,266)	30.98
Forfeited	-	-
REVR units outstanding as of 31st December 2013	1,785	24.11

NOTES TO THE ACCOUNTS
(CONTINUED)

7) RESTRICTED STOCK PAYMENTS (CONTINUED)

The charge to Newline Underwriting Management Limited during the year 2013 was £3,108 (2012: £140,226 credit).

As at 31st December 2013 the outstanding liability to Newline Underwriting Management Limited was £16,694 (2012: £89,627) with a weighted average remaining life of 4 months. Prior to the inception of the REVR scheme, the Company had no outstanding liabilities for restricted stock payments as all such liabilities were recognised in the accounts of Odyssey Re Holdings Corp.

Any liability between Newline Underwriting Management Limited and Odyssey Re Holdings Corp. is settled on a quarterly basis. Therefore there is no long term obligation between the companies.

8) DIRECTORS' EMOLUMENTS

The total emoluments paid to directors, before recharge to other group entities, during the year were:

	2013	2012
	£	£
Emoluments	**1,494,658**	1,346,780
Contributions to pension schemes	**291,370**	276,062
Total Emoluments	**1,786,028**	1,662,842

The emoluments of directors disclosed above include the following paid to the highest paid director:

	2013	2012
	£	£
Emoluments	**519,949**	396,051
Contributions to pension schemes	**38,138**	102,858
Total Emoluments	**558,087**	498,909

During the year the Company made contributions to defined contribution pension schemes on behalf of five directors (2012: five).

NOTES TO THE ACCOUNTS
(CONTINUED)

9) TANGIBLE FIXED ASSETS

	Leasehold Improvements	Computer Equipment	Office Equipment	Fixtures, Fittings and Equipment	Assets in construction	Total
	£	£	£	£	£	£
Cost:						
January 1, 2013	1,626,416	435,200	138,765	542,542	-	2,742,923
Additions	28,600	75,145	-	11,332	443,158	558,235
December 31, 2013	**1,655,016**	**510,345**	**138,765**	**553,874**	**443,158**	**3,301,158**
Depreciation:						
January 1, 2013	436,860	175,669	97,174	401,651	-	1,111,354
Charge for the year	324,167	82,912	9,243	45,559	-	461,881
December 31, 2013	**761,027**	**258,581**	**106,417**	**447,210**	-	**1,573,235**
Net book value:						
January 1, 2013	1,189,556	259,531	41,591	140,891	-	1,631,569
December 31, 2013	**893,989**	**251,764**	**32,348**	**106,664**	**443,158**	**1,727,923**

10) DEBTORS

	2013	2012
	£	£
Amounts owed by group undertakings	**2,088,804**	1,216,081
Deferred tax asset (note 11)	**9,984**	105,065
Sundry debtors	**725,007**	458,447
	2,823,795	1,779,593

Amounts falling due after more than one year included in the above are:

Deferred tax asset	**9,984**	105,065

11) DEFERRED TAX

	2013	2012
	£	£
Trading losses available for Group relief	**60,123**	167,715
Accelerated capital allowances	**(50,139)**	(62,650)
Total deferred tax asset	**9,984**	105,065

Deferred tax asset / (liability) at the start of the year	**105,065**	(19,266)
Deferred tax (charge) / credit in profit and loss account	**(89,375)**	124,331
Trading losses Group relieved	**(5,706)**	-
Deferred tax asset at the end of the year	**9,984**	105,065

NOTES TO THE ACCOUNTS
(CONTINUED)

12) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Taxation and social security	**298,920**	285,169
Other creditors	**308,933**	292,952
	607,853	578,121

13) INVESTMENT INCOME

	2013 £	2012 £
Income receivable and similar income		
Interest income from financial investments	**13**	532
Net unrealised losses on investments	**(3,476)**	(727,245)
Net realised gains on investments	**32,905**	725,857
	29,442	(856)
Interest payable and similar charges		
Investment management expenses, including charges	**(214,472)**	(123,300)

14) INVESTMENTS

	2013 £ Market value	2012 £ Market value	2013 £ Cost	2012 £ Cost
Debt securities and other fixed income securities	**10,003,380**	9,998,300	**9,999,884**	9,991,328

15) SHARE CAPITAL

	2013 £	2012 £
Authorised		
3,000,000 ordinary shares of £1 each	**3,000,000**	3,000,000
Allotted, called up and fully paid		
2013: 1,723,132 ordinary shares of £1 each (2012: 1,723,132)	**1,723,132**	1,723,132

NOTES TO THE ACCOUNTS
(CONTINUED)

16) PROFIT AND LOSS ACCOUNT

	2013	2012
	£	£
Opening balance	**14,864,249**	15,251,269
Loss for the year	**(388,034)**	(387,020)
Closing balance	**14,476,215**	14,864,249

17) RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2013	2012
	£	£
Opening shareholder's funds	**16,587,381**	16,974,401
Loss for the year	**(388,034)**	(387,020)
Closing shareholder's funds	**16,199,347**	16,587,381

19) RELATED PARTY TRANSACTIONS

As permitted by Financial Reporting Standard 8 the Company has taken advantage of the exemption from disclosure of transactions with other group companies.

Mr. M Scales, a non-executive director of the Company, was until 5th December 2013 also a non-executive director of Giles Insurance Brokers Limited and Ink Underwriting Agencies Limited, both of whom are part of the Giles Group. In 2013, the Giles Group placed £27,000 (2012: £22,000) of gross written premiums with Syndicate 1218, and £634,000 (2012: £356,000) with Newline Insurance Company Limited on an arm's length basis.

Mr. J Spencer, a non-executive director of the Company is also a non-executive director of Thompson Heath & Bond Limited ("THB"). In 2013, THB placed £866,000 (2012: £528,000) of gross written premiums with Syndicate 1218, and £640,000 (2012: £605,000) with Newline Insurance Company Limited on an arm's length basis.

20) ULTIMATE PARENT UNDERTAKING

The immediate parent of the Company is Newline Holdings UK Limited ("NHUKL"), a company incorporated in Great Britain. NHUKL is a wholly owned subsidiary of Odyssey Reinsurance Company ("ORC") part of the Odyssey Re Group. The ultimate parent is Fairfax Financial Holdings Limited ("Fairfax"), a company incorporated in Canada. Group accounts for Fairfax are available from the company secretary of NHUKL, Suite 5/4, The London Underwriting Centre, 3 Minster Court, Mincing Lane, London, EC3R 7DD.