Company registration no. 00586792

London & Leith Insurance Company PLC

Annual Report and Financial Statements
For the year ended 31 December 2015

Contents

Company Information

DIRECTORS

N J Steer

W A Bridger
R Williams

COMPANY SECRETARY

Compre Services (UK) Limited

REGISTERED OFFICE

St Clare House

30-33 Minories
London EC3N 1DD

COMPANY NUMBER

00586792

AUDITORS

Mazars LLP

Chartered Accountants

and Statutory Auditor

Tower Bridge House

St Katharine's Way

London E1W 1DD

Strategic Report

For the year ended 31 December 2015

Review and analysis of the business during the current year

The Company continued its principal activities throughout the current year

Key performance indicators

Management use a range of performance measures to monitor and manage the business The key performance indicators are

	2015	2014
	£	£
Technical provisions	**125,000**	275,000
Shareholder's funds	**4,305,844**	4,265,622

Development and financial performance during the year

As reported in the Statement of Comprehensive Income the Company recorded a profit on its technical account (page 7), for the year ended 31 December 2015

Financial position at the reporting date

The Statement of Financial Position shows that the Company's net assets at the year-end have increased to £4,305,844 from £4,265,622 at the end of prior reporting period This was due to the reduction in technical provisions during the year

The Company's cash position (page 9), decreased compared to 2014 as a result of lower investment income and higher administrative cost during the year

Principal risks and uncertainties facing the business

Management continually monitor the key risks facing the Company together with assessing the controls used for managing these risks, the board of directors formally reviews and documents the principal risks facing the business at least annually

The principal risks and uncertainties recognised by the directors of this Company in run off are the unpredictable nature of claims arising on business written many years ago and the exposure to currency exchange rate fluctuations, these risks are mitigated by active claims management, reinsurance arrangements and regular monitoring and execution of currency exchanges

Approval

Approved on behalf of the board on 10 June 2016

R Williams

Director

Directors' Report

For the year ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015

Principal activities

The principal activity of the Company is the run off of its insurance and reinsurance business

Financial instruments

The financial instruments of the Company are cash deposits and investments in liquidity funds In addition, the Company has various other financial assets and liabilities, such as other debtors and creditors arising directly from its operations

Cash is invested so as to maximise interest income, within the Company's risk appetite, whilst ensuring that the Company has sufficient liquid resources to meet the ongoing needs of the business

Review of business and future developments

In line with the Group's acquisition and growth strategy, the Company is being considered as a potential recipient for future portfolio transfers of run-off business

Directors and directors' interests

The directors of the Company who served during the year are as follows

W A Bridger
N J Steer
R Williams
C W Singh (resigned 25 September 2015)

None of the directors had an interest in the share capital of the Company at any time during the year under review

Directors' indemnity

The Company's Articles of Association provide, subject to the provision of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they June incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted or alleged to have been done or omitted, by them as officers or employees of the Company

A group Directors' and Officers' liability insurance policy is in place The cost of this is borne by another group undertaking

None of the directors benefited from qualifying third party indemnity provisions in place during the financial year or as at the date of this report

Going concern

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

Change of status

London & Leith Insurance Company Limited changed its status to London & Leith Insurance Company PLC on 27 July 2015

Post balance sheet event

London & Leith Insurance Company PLC completed a merger with Pavant SA (A dormant company within the Compre Group) on 17 March 2016 to form London & Leith SE

Directors' Report

For the year ended 31 December 2015

Political donations and expenditure

During the year the Company made no political donations (2014 £Nil)

Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' 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,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, to disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Statement as to disclosure of information to the auditor

Each director confirms that so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware Furthermore, each director confirms that he has taken all of the steps that he ought to have taken as a director in order to make himself aware of any such information and to establish whether the auditor is aware of that information

Auditor

Mazars LLP will continue in office in accordance with Companies Act 2006, s487 (2)

Approved on behalf of the board on 10 June 2016

R Williams

Director

Independent Auditor's Report

to the member of London & Leith Insurance Company PLC

We have audited the financial statements of London & Leith Insurance Company PLC for the year ended 31 December 2015 which comprise of Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 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) including FRS 101 'Reduced Disclosure Framework'

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors This report is made solely to the Company's member, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member for our audit work, for this report, or for the opinions we have formed

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www frc org uk/auditscopeukprivate

Opinion on the financial statements

In our opinion the financial statements

• give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended,

• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 101 'Reduced Disclosure Framework', and

• have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on the other matter prescribed by the Companies Act 2006

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

Independent Auditor's Report

For the year ended 31 December 2015

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

• adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

• the financial statements are not in agreement with the accounting records and returns, or

• certain disclosures of directors' remuneration specified by law are not made, or

• we have not received all the information and explanations we require for our audit

Raymond Tidbury (Senior Statutory Auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W1DD
10 June 2016

Statement of Comprehensive Income

For the year ended 31 December 2015

Technical Account – General business	**Notes**	**2015** **£**	2014 £
Gross premiums written		**0**	0
Outward reinsurance premiums		**0**	0
Earned premiums, net of reinsurance		**0**	0
Allocated investment return transferred from the non-technical account	3	**21,401**	19,814
Total technical income		**21,401**	19,814
Claims paid			
- gross amount		**0**	0
- reinsurers' share		**0**	0
		0	0
Change in provision for claims			
- gross amount		**150,000**	92,000
- reinsurers' share		**0**	0
		150,000	92,000
Claims incurred, net of reinsurance		**150,000**	92,000
Net operating expenses	4	**(128,539)**	(111,814)
Balance on technical account for general business		**42,862**	0

The notes on page 11 to 25 form part of these financial statements

Statement of Comprehensive Income

For the year ended 31 December 2015

Non-technical Account	Notes	2015 £	2014 £
Balance on the general business technical account		**42,862**	0
Investment income	3	**21,401**	39,023
Allocated investment return transferred to the general business technical account	3	**(21,401)**	(19,814)
Investment expenses and charges	5	**(2,640)**	(3,702)
Profit on ordinary activities before tax		**40,222**	15,507
Tax on profit on ordinary activities	6	**0**	0
Total comprehensive income for year		**40,222**	15,507

All transactions relate to continuing operations

The notes on page 11 to 25 form part of these financial statements

Statement of Financial Position

As at 31 December 2015

	Notes	2015	2014
ASSETS		**£**	**£**
Other financial investments	8	**4,292,377**	3,780,698
Debtors			
- Other debtors	9	**0**	25,000
- Prepayments and accrued income		**0**	278
Cash at bank and in hand	10	**175,059**	742,265
TOTAL ASSETS		**4,467,436**	4,548,241
LIABILITIES			
Capital and reserves			
- Called up share capital	11	**150,000**	150,000
- Profit and loss account		**4,155,844**	4,155,622
Equity shareholders' funds		**4,305,844**	4,265,622
Technical provisions			
- Claims outstanding	12	**125,000**	275,000
Creditors			
- Other creditors including taxation and social security	14	**8,549**	0
Accruals and deferred income	15	**28,043**	7,619
TOTAL LIABILITIES		**4,467,436**	4,548,241

The financial statements were approved by the Board of Directors and authorised for issue on 10 June 2016 and signed on their behalf by

....

R Williams
Director

The notes on page 11 to 25 form part of these financial statements

Statement of Changes in Equity

As at 31 December 2015

	Share capital £	Profit and loss account £	Total equity £
At 1 January 2014	150,000	4,100,115	4,250,115
Profit for the year	0	15,507	15,507
Total comprehensive income for year	**0**	**15,507**	**15,507**
At 31 December 2014	**150,000**	4,115,622	4,265,622
Profit for the year	0	40,222	40,222
Total comprehensive income for year	**0**	**40,222**	**40,222**
At 31 December 2015	**150,000**	**4,155,844**	**4,305,844**

The notes on page 11 to 25 form part of these financial statements

Notes to the Financial Statements

for the year ended 31 December 2015

1. Corporate information

London & Leith Insurance Company Limited changed status to London & Leith Insurance Company PLC on 27 July 2015 and is a company incorporated in the United Kingdom The registered address of the Company is given on page 1 The principal operations of the Company are included in the strategic report on page 2

London & Leith Insurance Company PLC completed a merger with Pavant SA (A dormant company within the Cambridge Top Limited group) on 17 March 2016 to form London & Leith SE

2. Accounting policies

2.1. Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework" ("FRS 101") and in accordance with the applicable provisions of the Companies Act 2006 Except for certain disclosure exemptions detailed below, the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (EU-adopted IFRSs) have been applied to these financial statements and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008/410 (Regulations')

In compliance with IFRS 4 'Insurance contracts' Phase I, the Company continues to apply the recommendations of the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers ("the ABI SORP") dated December 2005, as amended in December 2006

This is the first year the Company has prepared its financial statements in accordance with FRS 101, accordingly the financial information as at 1 January 2014 (being the date of transition) and for the year ended 31 December 2014 have been restated to comply with FRS 101

UK Generally Accepted Accounting Practices ("UK GAAP") differs in certain respects from FRS 101, hence when preparing these financial statements, management June have had to amend certain accounting and measurement bases to comply with FRS 101 The disclosures required by IFRS 1 'First-time Adoption of International Financial Reporting Standards' ("IFRS 1") concerning the transition, are given in Note 21

IFRS 1 permits the Company to take advantage of certain exemptions from applying the requirements on a fully retrospective basis as at the date of transition in certain instances The Company has chosen not to apply any of the IFRS 1 exemptions

Basis of measurement

The financial statements have been prepared on the historical cost basis

Amendments to FRS 101

In July 2015, amendments were made to FRS 101 as a consequence of changes made to EU-adopted IFRS and to maintain consistency with Company law The Company has adopted these amendments early as permitted by the standard The amendments applied are detailed as follows

(i) The amendments to paragraphs 5, 7A and 8(j) of the standard arising from the 2014/2015 cycle allows the Company to take advantage of the exemption from the requirement to present an opening statement of financial position at the date of transition and the requirement to disclose key management personnel compensation

(ii) The amendments to *The Companies, Partnerships and Groups (accounts and Reports) Regulations 2015(SI 2015/980)* which permits a qualifying entity choosing to apply 1A(1) and 1A(2) of Schedule 1 to *The Large and Medium-sized Companies and Groups (Accounts and Report) (SI 2008/410)* the option to apply the relevant presentation requirements of IAS 1 *Presentation of Financial Statements*

Notes to the Financial Statements

for the year ended 31 December 2015

2. Accounting policies (continued)

2.2. Going concern

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

2 3 Disclosure exemptions applied

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS101 paragraph 8

(i) The requirements of IAS 7 'Statement of Cash Flows' and IAS 1 Presentation of Financial Statements' paragraph 10(d), relating to the presentation of a Cash Flow Statement,

(ii) The requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective, and

(iii) The requirements of IAS 24 'Related Party Disclosures' relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the Company and other wholly-owned subsidiaries of the group

Further, as permitted by FRS 101 paragraph 7A, the Company has not presented an opening statement of financial position at the date of transition

2.4. Functional and presentational currency

The Company's functional currency is Sterling, as this is the currency of the primary economic environment in which the Company operates The financial statements are presented in Sterling

2.5. Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources Actual results June differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 2 15

2.6. Foreign currency

Transactions in foreign currencies are translated into the functional currency at the spot exchange rates at the dates of the transactions Monetary assets and liabilities denominated in foreign currencies at each reporting date are translated into the functional currency at the spot exchange rates as at that date

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction

Foreign currency differences arising on translation are recognised in profit or loss for the year

Notes to the Financial Statements

for the year ended 31 December 2015

2. Accounting policies (continued)

2.7. Income tax

Current income tax assets and/or liabilities comprise obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid/due at the reporting date Current tax is payable on taxable profits, which June differ from profit or loss in the financial statements Calculation of current tax is based on the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period

2.8. Financial instruments

Financial assets

Financial assets are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the instrument

Financial assets are initially recognised at fair value plus directly attributable transaction costs

All financial assets, other than cash and loans and receivables, are currently designated as fair value through profit and loss upon recognition because they are managed and their performance is evaluated on a fair value basis Information about these financial assets is provided internally on a fair value basis to the Company's management

If there is objective evidence that there is an impairment loss on loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i e the effective interest rate computed at initial recognition) The carrying amount of the asset is reduced either directly or through use of an allowance account

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and reward are transferred

Financial liabilities

These financial liabilities include other creditors only

Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs Discounting is omitted where the effect of discounting is immaterial

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires

Notes to the Financial Statements

for the year ended 31 December 2015

2. Accounting policies (continued)

2.9. Insurance contract liabilities

Non-life insurance contract liabilities include the outstanding claims provision, any provision for unearned premium and any provision for premium deficiency The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these cannot be known with certainty at the reporting date The liability is calculated at the reporting date using standard actuarial claim projection techniques, based on empirical data and current assumptions that June include a margin for adverse deviation The liability is not discounted for the time value of money No provision for equalisation or catastrophe reserves is recognised The liabilities are derecognised when the obligation to pay a claim expires, is discharged or is cancelled

2.10. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain The expense relating to any provision is presented in the profit and loss account net of any reimbursement If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

2 11. Gross written premiums

Gross written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the accounting period They are recognised on the date on which the policy commences Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior accounting periods Rebates that form part of the premium rate, such as no-claim rebates, are deducted from the gross premium, others are recognised as an expense

2.12 Investment income

Interest income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument

2.13 Claims expense

Claims expenses include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from prior years

2.14. Equity and reserves

Share capital represents the nominal value of shares that have been issued

Profit and loss account includes all current and prior period retained profits

Notes to the Financial Statements

for the year ended 31 December 2015

2. Accounting policies (continued)

2 15. Significant management judgements in applying accounting policies and estimation uncertainty

When preparing the financial statements in conformity with FRS 101 it requires management to exercise judgements in making estimates and assumptions that affect the application of the Company's accounting policies and reported amounts of assets and liabilities, income and expenses The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily available from other sources Actual results June differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis Revisions to accounting estimates are recognised in the periods in which the estimates are revised if the revision affects only those periods or in the periods of the revision and future periods if applicable
Judgement made by management in the application of IFRS that have a significant effect on the Company's financial statements and estimates

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on the recognition of assets, liabilities, income and expenses is provided below Actual results June be substantially different

Technical provisions for outstanding claims

Provisions for outstanding claims are established based on actuarial and statistical projections and other estimates of the ultimate cost of settlement Traditional actuarial techniques are used to estimate future liabilities for each major class of liabilities and other estimates of the ultimate cost of settlement

Traditional actuarial models are used to derive IBNR reserves for the Company's exposure The models are designed explicitly to reflect the features of the risks and all information currently available in the market
Whilst management believe that the provisions for outstanding claims are fairly stated, these estimates inevitably contain inherent uncertainties, because significant period of time June elapse between the occurrence of an incurred loss, the reporting of that loss to the Company and the Company's payment of the loss and the receipt of reinsurance recoveries These uncertainties are inherent in much of the business underwritten by the Company

2.16. Adoption of new and revised standards

The following standards and interpretations have been adopted in the financial statements as they are mandatory for the year ended 31 December 2015

	EU effective date Periods beginning on or after
IFRIC 21 'Levies'	*17 June 2014*
Annual Improvements to IFRS (2011 - 2013)	*1 January 2015*

The adoption of the standards and interpretations above has not had a material impact on the Company's financial statements

Notes to the Financial Statements

for the year ended 31 December 2015

3. Investment income

	2015 £	2014 £
Interest income from cash at bank, investments in a bond/fund and deposits with credit institutions	**21,401**	39,023
Allocated investment return transferred to the general business technical account	**(21,401)**	(19,814)

4. Operating expenses

	2015 £	2014 £
Administration expenses	**128,539**	111,814

The above includes fees payable to the auditors, details of which have been disclosed below

	2015 £	2014 £
Fees payable to the Company's auditors for the audit of the statutory accounts	**7,250**	7,250
Other services	**1,500**	1,500
	8,750	8,750

Other services relates to fees payable to the auditor for regulatory compliance services

5. Investment expenses and charges

	2015 £	2014 £
Investment management charges	**(2,640)**	(3,702)

Notes to the Financial Statements

for the year ended 31 December 2015

6. Income tax

	2015 £	2014 £
Corporation tax	0	0
Deferred tax	0	0
Total tax expense	0	0

The tax rate used for the reconciliation is the corporate tax rate of 20 25% (2014 21 5%) payable by the Company in the UK on taxable profits under UK tax law

The charge for the year can be reconciled to the profit for the year as follows

	2015 £	2014 £
Profit before taxation	40,222	15,507
Income tax calculated at 20 25% (2014 21 5%)	8,145	3,334
Group relief for no payment	(8,145)	(3,334)
Total tax expense	0	0

7. Emoluments of directors and staff

The Company has no employees and accordingly the financial statements do not include any amounts for employee benefits

Messrs N J Steer, W A Bridger and R Williams were remunerated for their services as directors within the Cambridge Topco Limited by Compre Services (UK) Limited The remuneration is disclosed in the financial statements of that company

8. Other financial investments

	2015 £	2014 £
BNP Paribas (credit deposit)	500,545	500,637
ING (credit deposit)	0	500,384
Bank of Nova Scotia (credit deposit)	0	499,955
Nationwide Building Society (credit deposit)	750,745	0
Bank of England (treasury bill)	499,412	0
Payden Reserve Sterling Fund (short-term bond fund)	2,541,675	2,279,722
	4,292,377	3,780,698

The directors consider the carrying value of other financial investments that are neither past due nor impaired to be approximately equal to their fair value

Notes to the Financial Statements

for the year ended 31 December 2015

9. Other debtors

	2015 £	2014 £
Other debtors	0	25,000
Prepayments and accrued income	0	278
Amounts due from group undertakings	0	0
	0	25,278
Settlement period for other debtors		
Less than 12 months	0	25,000

The directors consider the carrying value of other debtors that are neither past due nor impaired to be approximately equal to their fair value

10. Cash at bank and in hand

	2015 £	2014 £
Cash at bank	175,059	742,265

11. Share capital

	2015 £	2014 £
Authorised share capital		
150,000 Ordinary shares of £1each	150,000	150,000
Allotted, called up and fully paid share capital	150,000	150,000
150,000 Ordinary shares of £1each		

Notes to the Financial Statements

for the year ended 31 December 2015

12. Technical provisions

	2015 £	2014 £
Technical provisions for claims outstanding	**125,000**	275,000

	2015 £	2014 £
Settlement period for claims outstanding		
Less than 12 months	**40,000**	150,000
Greater than 12 months	**85,000**	125,000
	125,000	275,000

The movement in the technical provisions for claims outstanding is disclosed below

	2015 £	2014 £
Balance as at 1 January	**275,000**	367,000
Change in claims provision	**(150,000)**	(92,000)
Balance as at 31 December	**125,000**	275,000

13. Insurance risk

The table below sets out the concentration of insurance contract liabilities by type of contract

	2015			2014
	Gross liabilities	**Reinsurance liabilities**	**Net liabilities**	**Net liabilities**
Non proportional	**125,000**	**0**	125,000	275,000
	125,000	**0**	125,000	275,000

The geographical concentration of the Company's contract liabilities is in the United Kingdom

Key assumptions

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year Additional qualitative judgements are used to assess the extent to which past trends June not apply in the future, for example once-off occurrence, changes in market factors such as public attitude to claiming economic conditions as well as internal factors such as portfolio mix, policy conditions and claims handling procedures Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates

Sensitivities

The principal risk the Company faces under insurance and reinsurance contracts is that the actual amounts of claims and benefit payments, or the timing thereof, differ from expectations The frequency of claims, their severity, actual benefits paid, subsequent development of long-tail claims and external factors beyond the Company's control, especially inflation, legal and regulatory developments, and others, have an influence on the principal risk faced by the Company Additionally, the Company is subject to the underwriting of cedents for certain reinsurance treaties and to claims management by companies and other data provided by them In spite of these uncertainties, the Company seeks to ensure that sufficient reserves are available to cover its liabilities

Notes to the Financial Statements

for the year ended 31 December 2015

13. Insurance risk (continued)

Sensitivities (continued)
Due to the unique claims profile inherent in the run-off of insurance and reinsurance legacy accounts, the directors of the Company believe that to present quantitative data relating to the claims profile of the run-off book would not provide any further meaningful information to the user of these financial statements Accordingly no sensitivity is presented in this context

14. Other creditors including taxation and social security

	2015 £	2014 £
Other creditors	8,549	0
Settlement period for other creditors		
Less than 12 months	8,549	0

15. Accruals and deferred income

	2015 £	2014 £
Accrued expenses	28,043	7,619

16. Financial risk management

Credit risk
Credit risk arises where counterparties fail to meet their financial obligations as they fall due The most significant area where it arises for the Group is where reinsurers fail to meet their obligations in full as they fall due The maximum exposure of the carrying value for the Company's assets bearing credit risk is summarised below

	2015 £	2014 £
Other financial investments	4,292,377	3,780,698
Other debtors	0	25,000
Cash at bank and in hand	175,059	742,265
	4,467,436	4,547,963

Credit risk analysed by credit rating has been presented below

	2015		2014	
	£	%	£	%
Non Rated	1,925,761	43.11	2,268,241	49 87
AAAf	2,541,675	56 89	2,279,722	50 13
	4,467,436	100	4,547,963	100

Notes to the Financial Statements

for the year ended 31 December 2015

16. Financial risk management (continued)

Foreign currency risk
Currency risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign rates

The Company's principal transactions are carried out in Sterling and its exposure to foreign exchange risk arises primarily with respect of US dollar and Euros This is the same as in previous years

Interest rate risk
In general, the Company is exposed to risk associated with the effect of fluctuations in the prevailing level of market rates Assets carrying variables rates expose the Company to cash flow interest rate risk Assets carrying fixed rates expose the Company to fair value interest rate risk

Liquidity risk
The Company is exposed to daily calls on its available cash resources mainly from claims arising from insurance contracts Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost Company as a whole on a regular basis to ensure that sufficient funds are available to meet liabilities as they fall due

Capital management
The Company's objectives with respect to capital sufficiency are to maintain capital at a level that provides a suitable margin over that deemed by the Company's regulators and supervisors as providing an acceptable level of protection, while remaining economically viable At Company level, this currently translates as maintaining local Company capital at a level that provides an adequate margin over the Company's solvency capital requirements while maintaining local capital which meets or exceeds the relevant local minima including, where appropriate, those relating to maintenance of external ratings

The Company has adopted the transitional measure per Article 308b set out in the Directive 2009/138/EC, Delegated Regulation (EU) 2015/35 As the Company has ceased to conduct new insurance or reinsurance activities and exclusively administers the existing portfolio (with the view to terminate its activity before 1 January 2019), the Company is out of scope from Solvency II

17. Contingencies and commitments

There were no outstanding capital commitments, contingent assets, or contingent liabilities at 31 December 2015 (2014 None)

18. Related party relationships and transactions

The Company did not enter into any related party transactions other than with group undertakings that are wholly owned members of the same group (2014 None)

19. Events after the reporting period

London & Leith Insurance Company PLC completed a merger with Pavant SA (A dormant company within the Compre Group) on 17 March 2016 to form London & Leith SE

Notes to the Financial Statements

for the year ended 31 December 2015

20. Ultimate controlling party

The Company's ultimate parent undertaking as at 31 December 2015 was CBPE Capital LLP

Cambridge Topco Limited is the parent undertaking of the largest and smallest group of which the Company is a member and which prepares group accounts incorporating the results and state of the Company Copies of group accounts are available from The Registry of Companies Malta

21. First-year adoption of FRS 101

Reconciliation of equity at 1 January 2014 for the Company - date of transition to FRS 101

	UK GAAP as previously reported	Effect of transition to FRS 101	FRS 101
ASSETS	£	£	£
Other financial investments	2,753,076	0	2,753,076
Reinsurers' share of technical provisions			
- Claims outstanding	0	0	0
Debtors			
- Other debtors	285	0	285
Cash at bank and in hand	1,873,041	0	1,873,041
TOTAL ASSETS	4,626,402	0	4,626,402
LIABILITIES			
Capital and reserves			
- Called up share capital	150,000	0	150,000
- Profit and loss account	4,100,115	0	4,100,115
Equity shareholders' funds	4,250,115	0	4,250,115
Technical provisions			
- Claims outstanding	367,000	0	367,000
Creditors			
- Other creditors including taxation and social security	2,000	0	2,000
Accruals and deferred income	7,287	0	7,287
TOTAL LIABILITIES	4,626,402	0	4,626,402

Notes to the Financial Statements

for the year ended 31 December 2015

21. First-year adoption of FRS 101 (continued)

Reconciliation of equity at 31 December 2014

ASSETS	UK GAAP as previously reported £	Effect of transition to FRS 101 £	FRS 101 £
Other financial investments	3,780,698	0	3,780,698
Reinsurers' share of technical provisions			
- Claims outstanding	0	0	0
Debtors			
- Other debtors	25,278	0	25,278
Cash at bank and in hand	742,265	0	742,265
TOTAL ASSETS	4,548,241	0	4,548,241
LIABILITIES			
Capital and reserves			
- Called up share capital	150,000	0	150,000
- Profit and loss account	4,115,622	0	4,115,622
Equity shareholders' funds	4,265,622	0	4,265,622
Technical provisions			
- Claims outstanding	275,000	0	275,000
Creditors			
- Other creditors including taxation and social security	0	0	0
Accruals and deferred income	7,619	0	7,619
TOTAL LIABILITIES	4,548,241	0	4,548,241

Notes to the Financial Statements

for the year ended 31 December 2015

21. First-year adoption of FRS 101 (continued)

Reconciliation of total comprehensive income for the year ended 31 December 2014

Technical Account – General business	UK GAAP as previously reported £	Effect of transition to FRS 101 £	FRS 101 £
Gross premiums written	0	0	0
Outward reinsurance premiums	0	0	0
Earned premiums, net of reinsurance	0	0	0
Allocated investment return transferred from the non-technical account	19,814	0	19,814
Total technical income	19,814	0	19,814
Claims paid			
- gross amount	0	0	0
- *reinsurers' share*	0	0	0
	0	0	0
Change in provision for claims			
- gross amount	92,000	0	92,000
- reinsurers' share	0	0	0
	92,000	0	92,000
Claims incurred, net of reinsurance	92,000	0	92,000
Net operating expenses	(111,814)	0	(111,814)
Balance on technical account for general business	0	0	0

Notes to the Financial Statements

for the year ended 31 December 2015

21. First-year adoption of FRS 101 (continued)

Non-technical Account	UK GAAP as previously reported £	Effect of transition to FRS 101 £	FRS 101 £
Balance on the general business technical account	0	0	0
Investment income	39,023	0	39,023
Allocated investment return transferred to the general business technical account	(19,814)	0	(19,814)
Investment expenses and charges	(3,702)	0	(3,702)
Other income	0	0	0
Other charges	0	0	0
Profit on ordinary activities before tax	15,507	0	15,507
Tax on profit on ordinary activities	0	0	0
Profit for the financial year	15,507	0	15,507

Explanation of the effect of the transition to FRS 101

The transition to FRS 101 has had no impact on amounts previously recognised under old UK GAAP