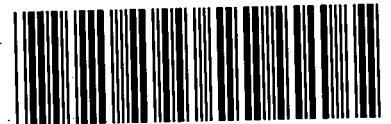


Registered Number: 2071487

## Directors' Report and Accounts 2013

# The M.I. Group Limited

WEDNESDAY



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COMPANIES HOUSE

**Directors:** J M Dye (Chairman)  
M J Churchlow  
W R Treen

**Secretary:** R C Jack-Kee

**Registered Office:** 57 Ladymead, Guildford, Surrey, GU1 1DB

**Registered No:** 2071487

## Strategic Report

The Directors present their Strategic Report for the year ended December 31, 2013.

### Principal activity and review of the business

The principal trade of the company is General Insurance but the Company has not traded since 2008 and is not expected to trade during 2014. No changes in the principal activity are anticipated in the foreseeable future.

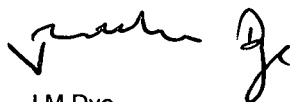
The profit attributable to shareholders for the year is £nil (2012: £nil), as set out in the Income Statement on page 6. At the year end, the Company had net assets of £3,000 (2012 net liabilities: £29.9m).

The Company is a wholly owned subsidiary of Allianz Holdings plc, whose Directors manage the Allianz Holdings plc Group's operations on a divisional basis. For this reason the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance, or position of the business of the Company.

### Principal Risks and uncertainties

As a wholly owned subsidiary of Allianz Holdings plc, the Company's management of risk is set at Group level rather than at subsidiary company level. For this reason the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Allianz Holdings plc group, which include those of the Company, are disclosed in the Group's annual report, which does not form part of this Report.

By order of the Board



J M Dye  
Director

March 10, 2014

## Directors' Report

The Directors present their Directors' Report and the audited financial statements for the year ended December 31, 2013.

### Results and dividends

The profit attributable to shareholders for the year is £nil (2012: £nil), as set out in the Income Statement on page 6.

The Directors do not recommend the payment of a dividend on the Ordinary shares for the year ended December 31, 2013 (2012: £nil). The holders of the Cumulative Preference shares have waived their right to a dividend.

### Share Capital

On May 28, 2013, a Special Resolution was passed by the Directors to cancel and extinguish 16,000,000 5% Redeemable Cumulative Preference shares of £1 each and 70,808 7.5% Redeemable Cumulative Preference shares of £1 each to the Company's reserves, the effect of which reduced the share premium account to £9,875,000.

On June 27, 2013, the entire issued voting share capital of the Company, which at the time comprised 20,000 A Ordinary Shares of 1p each, together with 6,750,000 non voting D Ordinary Shares of 5p each were transferred from Allianz (UK) Limited to Allianz Holdings plc.

### Directors and their interests

The names of the current Directors are shown on page 1. All served throughout this period save for J M Dye who served from his appointment as a Director on July 1, 2013. D A Torrance resigned as a Director of the Company on June 30, 2013.


### Directors' responsibility to the auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

### Auditors

The Auditors KPMG Audit Plc will be deemed to have been reappointed at the end of 28 days beginning with the day on which copies of these report and accounts are sent to Members.

By order of the Board



R C Jack-Kee  
Secretary

March 10, 2014

## **Statement of Directors' responsibilities in respect of the Strategic Report, Directors' Report and Financial Statements**

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with International Financial Reporting standards (IFRSs) as adopted by the European Union (EU) 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;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union; 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 and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report**

### **to the members of The M.I. Group Limited**

We have audited the financial statements of The M.I. Group Limited for the year ended December 31, 2013 set out on pages 6 to 14, which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

#### **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 website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at December 31, 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

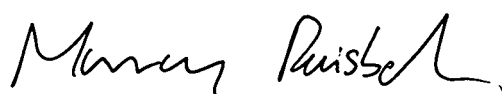
## **Independent auditor's report**

**to the members of The M.I. Group Limited**

### **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.



**Murray Raisbeck (Senior Statutory Auditor)**  
**For and on behalf of KPMG Audit Plc, Statutory Auditor**

*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

March 10, 2014

## Income statement

for the year ended December 31, 2013

|   | Notes | 2013<br>£'000 | 2012<br>* Restated<br>£'000 |
|---|-------|---------------|-----------------------------|
| <b>Continuing operations</b>  |       |               |                             |
| Total revenue   |       | -             | -                           |
| Administration expenses   | 3     | -             | -                           |
| <b>Operating profit from continuing operations</b>  |       | -             | -                           |
| Finance income  |       | -             | -                           |
| <b>Profit/(loss) from continuing operations before taxation</b>   |       | -             | -                           |
| Income tax charge   | 8     | -             | -                           |
| <b>Net profit for the year and total comprehensive income wholly attributable to the equity holders of the parent</b> |       | -             | -                           |

There has been no other comprehensive income in the year ended December 31, 2013.

## Statement of changes in equity

for the year ended December 31, 2013

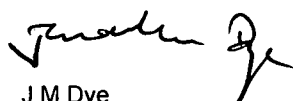
|   | Notes | Share<br>Capital<br>£'000 | Capital<br>Contribution<br>£'000 | Share<br>Premium<br>£'000 | Retained<br>Earnings<br>£'000 | Total<br>£'000 |
|---|-------|---------------------------|----------------------------------|---------------------------|-------------------------------|----------------|
| <b>Balance as at January 1, 2012</b>                    |       | 637                       | -                                | 9,875                     | (40,404)                      | (29,892)       |
| Net profit for the year and total comprehensive income  |       | -                         | -                                | -                         | -                             | -              |
| <b>Balance as at December 31, 2012</b>                  |       | 637                       | -                                | 9,875                     | (40,404)                      | (29,892)       |
| Net profit for the year and total comprehensive income  |       | -                         | -                                | -                         | -                             | -              |
| Cancellation of redeemable cumulative preference shares | 6     | -                         | 29,895                           | -                         | -                             | 29,895         |
| <b>Balance as at December 31, 2013</b>                  |       | 637                       | 29,895                           | 9,875                     | (40,404)                      | 3              |

The notes on pages 9 to 14 are an integral part of these financial statements.

# Balance sheet as at December 31, 2013

|   |       | 31 Dec<br>2013 | 31 Dec<br>2012 | 1 Jan<br>2012 |
|---|-------|----------------|----------------|---------------|
|   |       |                | * Restated     | * Restated    |
|   | Notes | £'000          | £'000          | £'000         |
| <b>Current Assets</b>   |       |                |                |               |
| Amounts due from related parties  | 9     | 8              | 8              | 8             |
|   |       | 8              | 8              | 8             |
| <b>Total Assets</b>   |       | 8              | 8              | 8             |
| <b>Creditors – Amounts falling due within one year</b>                          |       |                |                |               |
| Preference shares classified as liabilities                                     | 6     | (5)            | (16,076)       | (16,076)      |
| Share premium in respect of preference shares classified as liabilities         |       | –              | (13,824)       | (13,824)      |
|   |       | (5)            | (29,900)       | (29,900)      |
| <b>Net current assets</b>   |       | 3              | (29,892)       | (29,892)      |
| <b>Issued capital and reserves attributable to equity holders of the parent</b> |       |                |                |               |
| Equity share capital  | 7     | 637            | 637            | 637           |
| Capital contribution  |       | 29,895         | –              | –             |
| Share premium   |       | 9,875          | 9,875          | 9,875         |
| Retained earnings   |       | (40,404)       | (40,404)       | (40,404)      |
| <b>Total equity</b>   |       | 3              | (29,892)       | (29,892)      |

These financial statements were approved by the Board of Directors on March 10, 2014 and signed on its behalf by:

  
J M Dye  
Director

\* See Note 2.

The notes on pages 9 to 14 are an integral part of these financial statements.



# Statement of cash flows

For the year ended December 31, 2013

|  | Notes | 2013<br>£'000 | 2012<br>£'000 |
|--|-------|---------------|---------------|
| <b>Operating activities</b>  |       |               |               |
| Operating profit/(loss)  | P&L   | —             | —             |
| <b>Adjustments to reconcile operating profit to net cash inflows from operating activities</b> |       |               |               |
| (Decrease)/increase in claims handling provision   |       | —             | —             |
| Decrease in trade and other receivables  |       | —             | —             |
| Increase in trade and other payables   |       | —             | —             |
| Cash generated from operations   |       | —             | —             |
| Income taxes paid  |       | —             | —             |
| <b>Net cash flow from operating activities</b>   |       | —             | —             |
| <b>Increase/(decrease) in cash and cash equivalents</b>  |       | —             | —             |
| Cash and cash equivalents at the beginning of the year   |       | —             | —             |
| <b>Cash and cash equivalents at the year end</b>   |       | —             | —             |

The notes on pages 9 to 14 are an integral part of these financial statements.

## Notes to the financial statements

for the year ended December 31, 2013

### 1. Accounting policies

#### *Company and its operations*

The financial statements of The M.I. Group Limited (the 'Company') for the 12 months ended December 31, 2013 were authorised for issue by the board of the Directors on March 10, 2014 and the balance sheet was signed on the board's behalf by J M Dye. The M.I. Group Limited is a private limited company incorporated and domiciled in England & Wales.

#### *Statement of compliance*

The financial statements of The M.I. Group Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

An explanation of how the transition to adopt IFRS has affected the reported financial position, financial performance and cash flows of the company is provided in note 2.

#### *Basis of preparation*

The financial statements have been prepared on the historical cost basis.

The financial statements are compiled on a going concern basis.

The Company is preparing its financial statements in accordance with adopted IFRS for the first time and consequently has applied IFRS1.

#### *Classification of financial instruments issued by the Company*

Following the adoption of IAS32, financial instruments issued by the Company are treated as equity (ie forming capital attributable to the shareholders) only to the extent that they meet the following conditions:

- i) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- ii) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as financial liability.

Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

## Notes to the financial statements

for the year ended December 31, 2013

### 1. Accounting policies (continued)

#### *Trade and other receivables*

Trade receivables, which generally have 90-300 day terms, are recognised and carried over at the lower of their original invoiced value and recoverable amount. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

#### *Trade and other payables*

Trade and other payables are stated at their cost.

#### *Income taxes*

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the income statement.

#### *Provisions*

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance policy, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost.

# Notes to the financial statements

for the year ended December 31, 2013

## 2. First time adoption of international financial reporting standards

### Statement of compliance

The Company has adopted International Financial Reporting Standards (IFRS) for these financial statements for the year ended December 31, 2013 and has also restated its comparative amounts for the year ended December 31, 2012 for all standards effective as at December 31, 2013. The date of transition is therefore January 1, 2012.

These are the first financial statements prepared based on IFRS. Reconciliation of IFRS equity and loss for the year ended December 31, 2012 as reported earlier and under IFRS is detailed below.

### Reconciliation of equity reported under UK GAAP to the equity reported under IFRS

|                                  | January 1,<br>2012 | December<br>31, 2012 |
|----------------------------------|--------------------|----------------------|
| Notes                            | £'000              | £'000                |
| Equity as reported under UK GAAP | (29,892)           | (29,892)             |
| Equity as reported under IFRS    | <u>(29,892)</u>    | <u>(29,892)</u>      |

### Reconciliation of the income statement reported under UK GAAP to the income statement reported under IFRS

| Notes   | December<br>31, 2013<br>£000 |
|---|------------------------------|
| Profit/(loss) for the year attributable to shareholders as reported under UK GAAP | —                            |
| Profit/(loss) for the year attributable to shareholders as reported under IFRS    | —                            |
| Total comprehensive income attributable to shareholders as reported under IFRS    | <u>—</u>                     |

## 3. Operating expenses

Audit fees are paid and borne by the Company's parent company. The fee for the 2013 audit was £2,000. The 2012 audit fee of £2,000 was payable to KPMG Audit plc.

## 4. Particulars of staff

The company had no employees during the year (2012: nil).

## 5. Directors emoluments

The Directors received no emoluments from the Company during the year (2012: £nil).

# Notes to the financial statements

for the year ended December 31, 2013

## 6. Financial Liabilities

|  | 2013<br>£'000 | 2012<br>£'000 |
|--|---------------|---------------|
| 16,000,000 5% Redeemable cumulative preference shares of £1 each | –             | 16,000        |
| 5,000 7% Cumulative preference shares of £1                      | 5             | 5             |
| 70,808 7.5% Convertible redeemable cumulative preference shares  | –             | 71            |
| Financial liabilities  | 5             | 16,076        |

The 5% Redeemable Cumulative Preference Shares, which were issued at par on December 30, 1983, were redeemable by the Company on December 31, 1998 at £1 per share. The shares were not redeemed as the Company was unable to comply with the provision of section 687 of the Companies Act 2006 (the Act). These shares were cancelled by the company in 2013 as described in the Directors' Report.

The 7.5% Convertible Redeemable Cumulative Preference shares were convertible into 1,416,010 'C' shares between January 1, 1993 and September 1, 1993 at the option of the shareholder. This option was not exercised and the fixed cumulative preferential dividend, which is payable annually in arrears on December 31, was increased from 3.075% to 7.5% per annum with effect from September 2, 1993. These shares were cancelled by the company in 2013 as described in the Directors' Report.

The 7% Cumulative Preference shares carry a fixed preferential dividend of 7% per annum payable annually in arrears on December 31.

The holders of the preference shares had previously waived their right to cumulative dividends on the preference shares.

On a winding up of the Company, repayment of the nominal value of the preference shares and any arrears of their dividend has priority over the repayment of the ordinary shares.

None of the preference shares carry votes at meetings unless the business of the meeting includes a resolution involving a variation in any of the rights attached to the relevant class, in which event each holder shall have one vote.

### Credit, market, and interest risks

The directors have considered the credit, market and interest risks for all these financial liabilities, however, the directors do not consider any material risks associated with them.

### Valuation

The directors do not believe there is any difference in fair value of the financial liabilities compared to the settlement value in the future.

## Notes to the financial statements

for the year ended December 31, 2013

### 7. Share Capital

|   | 2013<br>£'000 | 2012<br>£'000 |
|---|---------------|---------------|
| <b>Allotted, issued and fully paid</b>  |               |               |
| 20,000 1p 'A' Ordinary shares   | —             | —             |
| 6,000,000 5p 'C' Ordinary shares  | 300           | 300           |
| 6,750,000 5p 'D' Ordinary shares  | 337           | 337           |
| Total share capital classified as issued capital attributable to equity holders of the parent | <u>637</u>    | <u>637</u>    |

### 8. Taxation

|   | 2013<br>£'000 | 2012<br>£'000 |
|---|---------------|---------------|
| <b>Tax on profit on ordinary activities</b> |               |               |
| Current income tax:                         | —             | —             |
| UK corporation tax                          | —             | —             |
| Total current Income tax                    | <u>—</u>      | <u>—</u>      |
| Tax expense in the Income Statement         | <u>—</u>      | <u>—</u>      |

With effect from April 1, 2014 the standard rate of corporation tax will be reduced to 21% from 23%, the applicable corporation tax rate for the year 2014 will be 21.5%.

#### Tax charged to equity

|                                      | 2013<br>£'000 | 2012<br>£'000 |
|--------------------------------------|---------------|---------------|
| Unrealised loss on investment        | —             | —             |
| Current tax at 23.25% (2012: 24.5%)  | —             | —             |
| Prior year adjustment                | —             | —             |
| Total current tax reported in equity | <u>—</u>      | <u>—</u>      |

#### Tax paid for cash flow purposes

|   | 2013<br>£'000 | 2012<br>£'000 |
|---|---------------|---------------|
| <b>Current tax payable at January 1</b>                   | —             | —             |
| Amounts credited to the Statement of Comprehensive income | —             | —             |
| Amounts credited to equity                                | —             | —             |
| Tax paid  | —             | —             |
| <b>Current tax payable at December 31</b>                 | <u>—</u>      | <u>—</u>      |

There has been no tax paid or payable in 2012 or 2013.

## Notes to the financial statements

for the year ended December 31, 2013

### 9. Other related party transactions

|                                 | 2013<br>£'000 | 2012<br>£'000 |
|---------------------------------|---------------|---------------|
| Amounts owed by related parties | 8             | 8             |
|                                 | <u>8</u>      | <u>8</u>      |

Transactions and balances with related parties relate to services provided to Allianz (UK) Limited. Transactions with related parties are made at arms length.

### 10. Ultimate parent undertaking

The ultimate parent undertaking, Allianz Societas Europaea, is incorporated in Germany and is the parent of the largest group of undertakings for which group accounts are drawn up and of which the company is a member. Copies of the group accounts are available upon request from that company at Königinstrasse 28, 80802 München, Germany.

Allianz Holdings plc is the immediate parent undertaking and the parent undertaking of the smallest group of undertakings of which the Company is a member and for which group accounts are drawn up. Allianz Holdings plc is incorporated in England and Wales and group accounts are available from the Company Secretary, 57 Ladymead, Guildford, Surrey GU1 1DB.