

UKAIS Limited

Registered Number 02613429

Annual Report and Financial Statements

31 December 2015



UKAIS Limited

Registered number: 02613429
For the year ended 31 December 2015

Annual Report and Financial Statements

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UKAIS Limited

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Directors and Advisers

Directors

Gregor Ball (INED)	
Mark Cliff	<i>Resigned 29/04/2015</i>
Fernley Dyson	
Peter Friend (INED)	<i>Resigned 02/02/2015</i>
James Furse (INED)	
Nicholas Lemans	
Anthony Middle	
Michael Stanley	<i>Resigned 31/01/2015</i>
Andrew Watson	

Secretary

Rosemary Smith

Head Office and Registered Address

Prospect House
Trentham Lakes North
Gordon Banks Drive
Stoke on Trent
ST4 4TW

Registered Number

02613429 (Registered in England and Wales)

Independent Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Bankers

HSBC Bank Plc
165 High Street
Southampton
SO14 2NZ

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Strategic Report

The directors submit their Strategic Report, together with the audited financial statements for the year ended 31 December 2015.

Business review

A strategic review of the structure of Ageas UK's Retail businesses was concluded in the year ended 31 December 2014, during which it was decided that UKAIS Limited's (the 'Company's') activities would be transferred to Ageas Retail Limited. On 31 December 2014 the trade and net assets, excluding existing customer debtor balances (and the servicing of these) and investments, were transferred to Ageas Retail Limited. During 2015 the existing customer debts were serviced and run off over the remainder of the policy term.

The Board considers that, in view of the transfer of trade and assets of the Company to Ageas Retail Limited, it is appropriate to draw up financial statements on a 'non-going concern' basis. This conclusion has been reached having considered the provisions of IAS1 Presentation of Financial Statements which requires entities to use the going concern basis, unless the directors intend to cease trading. Based on this the directors consider it appropriate that these financial statements are not prepared on a going concern basis.

As the Company is no longer a going concern it has been decided that discussion of key performance indicators in the accounts is no longer relevant.

Position at 31 December 2015

Shareholders' equity

During the year the shareholders' equity decreased by £1,674k to £356k (2014: decreased by £225k to £2,030k).

Assets

Total assets decreased by £46,397k during the year (2014: increased by £5,585k). This decrease was due to the transfer of assets to Ageas Retail Limited.

Liabilities

Total liabilities decreased by £44,723k in 2015 (2014: increased by £5,810k). The decrease was due to the movement of liabilities to Ageas Retail Limited.

Risks and uncertainties

The Company's principal risks and uncertainties and the way in which these risks are managed are detailed in note 4 to the financial statements. The transfer of trade, assets and liabilities to Ageas Retail Limited will have an impact and will reduce the Company's risks and uncertainties as all new business and liabilities relating to this is now written on Ageas Retail Limited.

Results and dividends

The result of the year's operation is a loss after taxation of (£1,674k) (2014: profit after taxation of £1,225k). A dividend of £nil was paid in 2015 (2014: £1,450k).

Employees

The average number of persons employed by the Company during the year was nil (2014: 507). The full time equivalent number of employees adjusted for part time staff was nil (2014: 480). Their annual aggregate payroll cost was £1.97m (2014: £10.70m). An analysis is shown in note 10.

On behalf of the Board



R SMITH
Secretary

Date: 3 May 2016

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Directors' Report

The directors submit their report, together with the audited financial statements for the year ended 31 December 2015.

Results and dividends

The details on the results and dividends paid by the Company is set out in the Strategic Report on page 4.

Directors

The Members of the Board are shown on page 3. Michael Stanley resigned on 31 January 2015, Peter Friend resigned on 2 February 2015 and Mark Cliff resigned on 29 April 2015. All other directors served throughout the year, and to the date of this report.

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Disclosure of Information to Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board



R SMITH
Secretary

Date: 3 May 2016

UKAIS Limited

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Statement of comprehensive income

For the year ended 31 December 2015

<i>In £'000</i>	Note	2015	2014
Revenue	5	890	23,195
Cost of sales	6	-	(1,755)
Gross profit		890	21,440
Administrative expenses	6	(2,885)	(19,357)
Operating profit/(loss)		(1,995)	2,083
Finance income	7	-	38
Finance costs	8	(86)	(486)
Profit/(loss) before tax		(2,081)	1,635
Income tax	11	407	(410)
Total comprehensive profit/(loss) for the year		(1,674)	1,225

Other comprehensive income was £nil (2014: £nil).

The statement of comprehensive income has been prepared on a non-going concern basis. Revenue is coming from mid term servicing fees related to customers following the transfer of assets and liabilities to Ageas Retail Limited.

The notes on pages 10 to 20 form an integral part of these financial statements.

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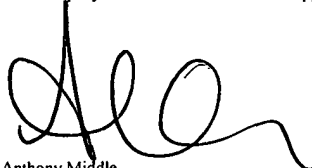
Statement of financial position

As at 31 December 2015

<i>In £'000</i>	Note	2015	2014
Assets			
Non current assets			
Fixed assets	13	-	-
Intangible assets	14	-	-
Current assets			
Financial assets:			
- Trade and other receivables	15	199	47,003
- Cash and cash equivalents		-	-
Current tax receivable	11	407	-
Total assets		<u>606</u>	<u>47,003</u>
Shareholders' equity			
Share capital	17	50	50
Retained earnings		306	1,980
Total shareholders' equity		<u>356</u>	<u>2,030</u>
Liabilities			
Financial liabilities:			
- Loans and borrowings	16	250	-
- Trade and other payables	15	-	44,860
Other provisions	18	-	113
Total liabilities		<u>250</u>	<u>44,973</u>
Total equity and liabilities		<u>606</u>	<u>47,003</u>

The notes on pages 10 to 20 form an integral part of these financial statements.

The Company's financial statements were approved by the Board of Directors and signed on its behalf on 3 May 2016:



Anthony Middle
Director



Nicholas Lemans
Director

UKAIS Limited

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Statement of changes in equity

For the year ended 31 December 2015

In £'000

	Share capital	Retained earnings	Total
Balance as at 1 January 2014	50	2,205	2,255
Net profit for the year	-	1,225	1,225
Dividend paid during the year	-	(1,450)	(1,450)
Balance as at 31 December 2014	50	1,980	2,030
Net loss for the year	-	(1,674)	(1,674)
Dividend paid during the year	-	-	-
Balance as at 31 December 2015	50	306	356

The notes on pages 10 to 20 form an integral part of these financial statements.

UKAIS Limited

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Statement of cash flows

For the year ended 31 December 2015

<i>In £'000</i>	Note	2015	2014
Cash flows from operating activities			
Profit (Loss) before tax		(2,081)	1,635
<i>Adjustments for:</i>			
Finance income	7	-	(38)
Finance costs	8	86	486
Increase/(decrease) in other provisions	18	(113)	(555)
Depreciation of property, plant and equipment	13	-	643
Amortisation of intangible assets	14	-	338
		<u>(2,108)</u>	<u>2,509</u>
(Increase)/decrease in trade and other receivables and non-financial assets	15	46,804	(10,604)
Increase/(decrease) in trade and other payables and non-financial liabilities	15	(44,860)	19,109
Income taxes paid		-	(459)
Net cash from operating activities		<u>(164)</u>	<u>10,555</u>
Cash flows from investing activities			
Transfer of business - cash transfer		-	(9,246)
Finance income received	7	-	38
Acquisition of property, plant and equipment	13	-	(250)
Proceeds from disposal of property, plant and equipment		-	-
Acquisition of intangible assets	14	-	(361)
Net cash from investing activities		<u>-</u>	<u>(9,819)</u>
Cash flows from financing activities			
Finance costs paid	8	(86)	(486)
Dividends paid		-	(1,450)
Movement in loans	16	250	(54)
Net cash from financing activities		<u>164</u>	<u>(1,990)</u>
Net (Decrease)/Increase in cash and cash equivalents		-	(1,255)
Cash and cash equivalents at 1 January		-	1,255
Cash and cash equivalents at 31 December		<u>-</u>	<u>-</u>

The notes on pages 10 to 20 form an integral part of these financial statements.

UKAIS Limited

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Notes to the financial statements

1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU). The financial statements have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Significant accounting policies

2 Basis of preparation

The Company has prepared the financial statements on a non-going concern basis.

The Board considers that, in view of the transfer of trade and assets of UKAIS Limited to Ageas Retail Limited with effect on 31 December 2014, it is appropriate to draw up financial statements on a 'non-going concern' basis. This conclusion has been reached having considered the provisions of IAS 1 Presentation of Financial Statements which requires entities to use the going concern basis, unless the directors intend to cease trading. Following the run off of existing business there is the intention to have the Company struck off.

The directors have considered the accounting treatment of assets and liabilities in the balance sheet at 31 December 2015 and have concluded that no changes are required in light of adopting an 'other than going concern' basis for preparing the accounts.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

For each asset and liability line item in the statement of financial position that combines amounts expected to be recovered or settled within twelve months, or more than twelve months after the statement of financial position date, a classification at the statement of financial position date is included within the notes. The disclosure in the notes for these classifications are distinguished as follows:

- Amounts expected to be recovered in less than one year are referred to as current.
- Amounts expected to be recovered in more than one year are referred to as non-current.

All new standards and interpretations released by the IASB have been considered. The following new and amended standards that came into effect in the year have been adopted by the Company during the period as appropriate:

IAS 19 Amendment: simplifies the accounting for contributions that are independent of the number of years of employee service. The amendment has had no significant impact on the financial statements.

In addition, the following is a list of standards that are in issue but are not effective in 2015, together with the effective date of application to the Company:

IAS 1 Amendment: Disclosure initiative – January 2016

IAS 16 and 38 Amendments: Clarification of acceptable methods of depreciation and amortisation – January 2016

IAS 27 Amendment: Equity method in separate financial statements – January 2016

IFRS 10, IFRS 12 and IAS 28 Amendments: Investment entities - applying the consolidation exception – January 2016

Improvements to IFRSs (2012-2014) – January 2016

IFRS 15: Revenue from Contracts with Customers – January 2018

IFRS 9: Financial Instruments – January 2018

Due to UKAIS Limited being run on a non-going concern basis, the expectation is that these standards will have no material impacts on the financial reporting of the Company's results.

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

3 Significant accounting policies

a) Functional and presentation currency

The financial statements are presented in thousands of Pounds Sterling, which is the Company's functional currency.

b) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS 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. These form the basis of judgements concerning carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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Notes to the financial statements (continued)

3 Significant accounting policies (continued)

c) Fixed Assets

Fixed assets are stated at cost (or deemed cost) less accumulated depreciation and impairment losses. Where parts of an fixed asset have different useful lives, they are accounted for as separate fixed assets.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each fixed asset.

The estimated useful lives are as follows:

Office Equipment (including Computer and Telephony)	5 years
Leasehold improvements	10 years

d) Investments

Investments are recorded in the statement of financial position at cost less accumulated impairment. The carrying value of investments is reviewed at each reporting date. If an indication of impairment exists, the assets are written down to their recoverable amount and the impairment is charged to the profit and loss in the year.

e) Intangible Assets

An intangible asset is defined as an identifiable non-monetary asset without physical substance. Intangible assets are stated at cost less any accumulated amortisation and any accumulated impairment losses. Cost is defined as its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and any directly attributable cost of preparing the asset for its intended use.

Amortisation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each intangible asset.

The estimated useful lives are as follows:

Software (Including licences & development costs)	5 years
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f) Impairment

(a) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an stand alone basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the profit or loss.

(b) Non-financial assets

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating assets exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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Notes to the financial statements (continued)

3 Significant accounting policies (continued)

g) Revenue

All revenue is derived from the provision of insurance marketing and broking services which is undertaken within the United Kingdom. Revenue represents the Company's brokerage commission earned on insurance premiums written. Commission is recognised in full on the sales/renewal date of the insurance policy, irrespective of the timing of monies being received from the customer for this policy. This is the most appropriate date for when risk transfer has occurred. Instalment income from policies on monthly direct debit is recognised on the start date of the policy. A provision has been made at an appropriate level to reflect future cancellations/policy lapses for policies in force at the year end, income has been deferred to cover the fair value of the cost of funding and processing the instalment transactions. In addition a provision has been made for potential bad debts based on ageing of debt at the year end. All of revenue is from UK based operations.

Revenue represents income receivable from the provision of insurance marketing, broking services and service charge for customers paying by instalment in the accounting period.

h) Recognition and measurement of expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.

(ii) Finance costs

Finance costs comprise interest payable on borrowings, which are expensed as incurred in the statement of comprehensive income in the period to which they relate. No finance costs are capitalised.

(iii) Pension scheme contributions

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of comprehensive income when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Other operating/administration expenses

Other operating and administration expenses are expensed as incurred in the statement of comprehensive income in the period to which they relate.

i) Provisions

A provision is recognised in the statement of financial position when the Company has a present 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, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The main provisions in the accounts are for cancellations and bad debt.

j) Financial instruments

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. The Company classifies cash and short term deposits, trade, insurance and other receivables, including amounts due from related companies, as loans and receivables. Management has determined that their carrying amounts reasonably approximate their fair values as they are mostly short term in nature.

Loans and receivables are recognised at cost, plus any attributable transaction costs. Loans and receivables are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset.

Financial liabilities include payables to related parties and interest-bearing loans and borrowings and other payables. Financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. Interest-bearing loans and borrowings are recognised at cost less attributable transaction costs.

Management has determined that the carrying amounts of bank overdrafts and other payables reasonably approximate their fair values because these liabilities are mostly short term in nature or are repriced frequently. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled or if the contract is settled.

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Notes to the financial statements (continued)

3 Significant accounting policies (continued)

k) Income tax and deferred tax

Income tax in the statement of comprehensive income for the year comprises current and deferred tax, and is recognised except to the extent that it relates to items recognised directly in equity, in which case the related income tax is also recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantially enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates 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 asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are not discounted.

l) Trade and other payables

The Company acts as an agent in broking the insurable risks of its clients and is not liable as a principal for premiums due to insurance companies or for claims payable to clients. Notwithstanding the Company's legal relationship with clients and insurance companies and since in practice premiums are usually accounted for by insurance intermediaries, it has followed generally accepted accounting practice by showing cash, debtors and creditors relating to insurance business as assets and liabilities of the Company itself.

4 Risk management

Objectives and policies for mitigating business risk

The Company's primary business is the provision of insurance marketing and broking services. As such it is exposed to a number of risks arising from its dealings with customers and suppliers as well as from its own internal operations. The Company has various procedures in place to manage these exposures. These include an overall risk management framework, a statement on the Company's risk appetite, and a set of clearly defined risk policies. The Company also maintains a comprehensive risk register which identifies the individual risks faced in each area of the business and the controls in place to mitigate these. The Company inputs into the Ageas Retail Risk Committee which meets regularly to review both the risk policies and the risk register, to ensure they are up-to-date, reflecting the risks currently facing the business, and that corresponding control issues and risk mitigation actions are being addressed in a timely manner. The findings of the Risk Committee are reported to the Ageas Retail Audit and Risk Committee.

Credit risks

The Company is exposed to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents and, other receivables (including related party balances). The Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Company's liability to insurers is cancelled if a customer does not pay as the customer is given notice that the insurance policy will be cancelled on default of payment, therefore reducing the Company's credit risk exposure.

Credit risk is constantly monitored by management to mitigate risk and the credit quality of the customers is viewed and assessed by monthly reviews of the levels of default customers and holding a bad debt provision that is deemed adequate.

Financial assets - Ageing analysis

The table below shows the ageing analysis of trade and other receivables as at 31 December 2015 and 2014.

In £'000	Note	2015	2015	2014	2014
			%		%
Within terms	15	199	100.0	46,709	99.3
Period overdue					
0 - 1 month	15	-	-	211	0.5
2 months	15	-	-	52	0.1
3 - 6 months	15	-	-	31	0.1
		-	-	294	0.7
Total	15	199	100.0	47,003	100.0

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Notes to the financial statements (continued)

4 Risk management (continued)

Objectives and policies for mitigating business risk (continued)

Liquidity risks

The Company has limited exposure to liquidity risk. The main sources of obligations arise from insurance monies payable to insurers, return premiums, general suppliers and salaries. All these items can be accurately forecasted within a small tolerance and are not subject to large variances. The Company manages its liquidity risk by having guidelines that it maintains sufficient liquidity by holding cash surpluses in its bank accounts that its financial assets can be realised at short notice in the event of a significantly event that meant the need to refund customers. The Company may also make use of borrowing facilities if required. All financial liabilities and trade payables under credit terms are due within 30 days.

Financial liabilities (including loans and borrowings due to group undertakings) - Maturity profile

In £'000	Note	2015	2015	2014	2014
			%		%
Less than one year	15	-	-	44,860	100.0
More than one year	15	250	100.0	-	-
Total	15	<u>250</u>	<u>100.0</u>	<u>44,860</u>	<u>100.0</u>

Operational risk

Operational risk arises from inadequate or failed internal processes, people and systems, or from external events. It is diverse in nature and permeates all business activities but remains a distinct form of risk. Operational risk includes for example, information technology, people, strategy, business continuity, regulatory, legal and financial crime.

The Company has carried out a detailed review of its operational processes and activities and, based on this, it has identified the areas of key risk to the business. These include the areas of Marketing, Operations, IT, Finance and HR. Separate risk policies have been formulated for each of these areas and, where appropriate, standard procedures have been carefully documented. As well as risk identification, the approach also incorporates risk measurement, risk monitoring, risk reporting and risk management. In evaluating the risks faced by the business significant focus is placed on the controls in place and how well they are operating. Regular reviews of both the risks faced, and the controls, are carried out by the Ageas Retail Risk Committee.

Capital management

Definitions of capital management (and supporting terms)

Capital management is the collection of processes and activities undertaken to ensure that sufficient capital is maintained to ensure the organisation's ability to meet its liabilities and ultimately ensure its survival, particularly in case of losses arising from adverse events.

Capital management includes the assessment of capital required to support the Company's plans and objectives, the structure of its shareholders' funds, arrangements to secure capital, and the on going monitoring of capital against business requirements, as well as the assessments required by the FCA.

Aims of capital management policy

The Company has established standards for the efficient management of capital, to meet the needs of the business and return on capital requirements of shareholders. This includes the capital required to support the risk appetite identified in the Company's Risk Policies together with a margin for safety, in full compliance with the requirements of the Financial Conduct Authority (FCA). The FCA requires the Company to hold capital of at least 2.5% of annual revenue, which for 2015 is £22k. The closing capital and reserves of £356k is in excess of this requirement.

Approach to capital management

The Company contributes to an Ageas Retail Operating Business Plan, which is a key component of the Ageas (UK) Strategic Plan, and is reviewed and revised each year and then formally approved by the Board of Ageas Retail Limited.

A key factor in the formulation of the Strategic Plan is the assessment of the capital required to support the business objectives (i.e. growth and profit targets) and the appropriateness of the supporting capital structure.

Overall capital requirements and structure are assessed taking account of the following:

- Capital required to support the planned growth in the business; and
- The expected dividend; and
- FCA capital requirements.

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Notes to the financial statements (continued)

4 Risk management (continued)

Sensitivity to key business drivers

Effective interest rates increase by 1.0%

The Company will be exposed to the impact of interest rate changes on its financial assets and liabilities. There would be a reduction in income on short-term cash balances and a reduction in the finance cost on the non-current liabilities. The impact of this can be seen in the table below.

Expenses increase by 10.0%

If administration expenses were to increase by 10.0% there would be an impact on profit of the additional costs. The impact of this can be seen in the table below.

Average premium decrease by 10%

Reduction on the average premium of 10% would have a proportional impact on commission income earned from policy sales. This in turn would lead to a reduction in profit.

In £'000

	Interest rates increase 1%	Expenses increase 10%	Average premium decrease 10%
2015 results if:			
(Loss) before tax	-	(288)	(27)
Net assets	-	58	5
2014 results if:			
Profit before tax	1,391	(401)	(658)
Net assets	1,840	442	242

The impact of the changes in key business drivers is each assumed to be a discrete change. All other factors will be unchanged.

Some of these changes cannot be guaranteed to have a linear effect and as a whole range of other factors will impact the results they cannot be guaranteed to predict the result detailed. In addition, the risk management that the Company operates will ensure that corrective action is implemented to mitigate or reverse the changes.

5 Revenue

In £'000

	2015	2014
Commission & Fees	619	16,432
Interest	-	6,763
Other	271	-
Total revenue	890	23,195

6 Operating expenses

In £'000

	2015	2014
Advertising	-	1,755
Depreciation and amortisation:		
- Leasehold buildings	-	297
- Furniture, fixtures and equipment	-	12
- Computer equipment	-	334
- Computer software	-	338
Hire of plant and machinery	-	25
Hire of other assets	-	32
Personnel expenses:		
- Wages and salaries	1,966	9,493
- Compulsory social security contributions	-	718
- Contributions to defined contribution plans	-	489
Goods and services	874	2,089
Software costs	-	2,919
Other costs	45	2,611
Total cost of sales and administrative expenses	2,885	21,112

Auditor's remuneration, (shown in Goods and services above) of £6,000 (2014: £35,053) for the audit of the Company's annual financial statements borne by Ageas Retail Limited, on behalf of the Company.

UKAIS Limited

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For the year ended 31 December 2015

Notes to the financial statements (continued)

6 Operating expenses (continued)

In £'000

Cost of sales and administrative expenses are analysed as:

	2015	2014
Cost of sales	-	1,755
Administrative expenses	2,885	19,357
	<u>2,885</u>	<u>21,112</u>

7 Finance income

In £'000

	2015	2014
Bank and other interest receivable	-	38

8 Finance costs

In £'000

	2015	2014
Payable to related parties	-	(80)
Other interest payable	(86)	(406)
Total finance costs	<u>(86)</u>	<u>(486)</u>

9 Pension scheme

In £'000

	2015	2014
Contributions to defined contribution plans	-	489

The Company participates in a defined contribution plan called Ageas Group Personal Pension Scheme. The assets of the plan are held separately from those of the Company in an independently administered fund. The pension cost in respect of members of this plan represents the contribution paid by the Company to the plan.

10 Staff numbers and costs

Following the transfer to Ageas Retail Limited the total number of persons employed by the Company (excluding executive directors) at the year-end, analysed by category, was as follows:

	2015	2014
Insurance broking	-	-
Executive directors	-	-

The full time equivalent number of employees was as follows:

	2015	2014
Insurance broking	-	-
Executive directors	-	-

The average number of persons employed by the Company during the year was as follows:

	2015	2014
Total number of employees	-	507
Full time equivalent number of employees	-	480

The aggregate payroll costs in respect of these persons were as follows:

In £'000

	2015	2014
Wages and salaries	1,966	9,493
Social security costs	-	718
Other pension costs	-	489
	<u>1,966</u>	<u>10,700</u>

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Notes to the financial statements (continued)

11 Income tax

Recognised in the income statement

<i>In £'000</i>	2015	2014
Current tax expense		
UK corporation tax on profits of the period	407	(402)
Prior year (under) provision in respect of current tax	-	(42)
Total current tax charge	407	(444)
Deferred tax credit		
Origination and reversal of timing differences	-	24
Prior year over provision in respect of deferred tax	-	26
Effect of change in rate on deferred tax	-	(16)
Total deferred tax charge	-	34
Total tax charge for the period	407	(410)

Reconciliation of effective tax rate

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the Company's future current tax charge accordingly.

The tax assessed on the year is lower (2014: lower) than the standard rate of corporation tax in the United Kingdom of 20.25% (2014: 21.50%). The differences are explained below:

<i>In £'000</i>	2015	2014
Profit/(loss) on ordinary activities before tax	(2,081)	1,635
Profit on ordinary activities at the standard rate of corporation tax in the UK at 20.25% (2014: 21.50%)	421	(352)
Expenses not deductible for tax purposes	-	(24)
Group relief surrendered for no charge	(61)	-
Use of transferred losses	-	-
Movements on unrecognised deferred tax	23	-
Prior year (under) provision in respect of current tax	-	(42)
Prior year over provision in respect of deferred tax	-	26
Effect of variable tax rates	24	(18)
Tax on loss on ordinary activities	407	(410)

The current tax asset of £407k relates to corporation tax recoverable in respect of a loss carry back claim from 2015 to the prior year.

12 Investments

The Company has a holding in Ageas Legal LLP of £10. Ageas Legal LLP ('the LLP') is a limited liability partnership registered in England & Wales. The principal activity of the LLP is that of a holding entity.

13 Fixed Assets

<i>In £'000</i>	Leasehold buildings	Furniture, fixtures and equipment	Computer equipment	Total
Cost				
Balance as at 1 January 2014	1,692	815	2,873	5,380
Acquisitions	2	13	235	250
Transfers to Ageas Retail Limited	(1,694)	(828)	(3,108)	(5,630)
Balance as at 31 December 2014	-	-	-	-
Acquisitions	-	-	-	-
Fixed Assets	-	-	-	-
Balance as at 31 December 2015	-	-	-	-
Depreciation and impairment losses				
Balance as at 1 January 2014	1,317	782	2,327	4,426
Depreciation charge for the year	297	12	334	643
Transfers to Ageas Retail Limited	(1,614)	(794)	(2,661)	(5,069)
Balance as at 31 December 2014	-	-	-	-
Depreciation charge for the year	-	-	-	-
Fixed Assets	-	-	-	-
Balance as at 31 December 2015	-	-	-	-

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Notes to the financial statements (continued)

13 Fixed Assets (continued)

Net Book Value

	Leasehold buildings	Furniture, fixtures and equipment	Computer equipment	Total
At 1 January 2014	375	33	546	954
At 31 December 2014	-	-	-	-
At 31 December 2015	-	-	-	-

14 Intangible assets

In £'000

Cost

	Computer software
Balance as at 1 January 2014	3,036
Acquisitions	361
Transfers to Ageas Retail Limited	(3,397)
Balance as at 31 December 2014	-
Acquisitions	-
Balance as at 31 December 2015	-

Depreciation and impairment losses

Balance as at 1 January 2014	1,891
Amortisation charge for the year	338
Transfers to Ageas Retail Limited	(2,229)
Balance as at 31 December 2014	-
Amortisation charge for the year	-
Balance as at 31 December 2015	-

Net Book Value

At 1 January 2014	1,145
At 31 December 2014	-
At 31 December 2015	-

15 Trade and other receivables and other payables

Trade & other receivables

In £'000

	2015	2014
Financial assets		
Due from policyholders	-	47,003
Amounts owed by related parties	199	-
Trade receivables	-	-
	199	47,003
Non financial assets		
Other receivables and prepayments	-	-
	-	-
Total trade and other receivables	199	47,003

Trade and other payables

Amounts falling due within one year:

In £'000

	2015	2014
Financial liabilities		
Due to related parties	-	44,860
Direct insurance contract payables	-	-
	-	44,860
Non financial liabilities		
Other payables	-	-
Accrued expenses	-	-
VAT and other taxes payable	-	-
	-	-
Total trade and other payables	-	44,860

Financial liabilities due to related parties consists of a loan of £nil (2014: £250,000) from Able Brokers Limited, the Company's immediate parent, an amount of £nil (2014: £5,936,000) due to Ageas Insurance Limited and an amount £nil (2014: £38,674,000) due to Ageas (UK) Limited.

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For the year ended 31 December 2015

Notes to the financial statements (continued)

16 Financial Liabilities

Loans and borrowings

This note provides information about the contractual terms of the Company's loans and borrowings.

<i>In £'000</i>	2015	2014
Due to related parties	250	-
Due to other financial institutions	-	-
	<u>250</u>	<u>-</u>

The amount due to related parties is due to Able Brokers Limited. The loan is repayable on demand. Interest is charged at 2.0% over UK bank base rate. The interest rate at 31 December 2015 was 2.50% (2014: 2.50%).

17 Capital and reserves

Share capital

<i>In £'000</i>	2015		Ordinary shares		2014	£'000
	Number	£'000	Number			
In issue at 1 January	50,001	50	50,001			50
In issue at 31 December – fully paid	<u>50,001</u>	<u>50</u>	<u>50,001</u>			<u>50</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

18 Other provisions

<i>In £'000</i>	2015	2014
Balance at 1 January	113	668
Charge/(credit) for the year	<u>(113)</u>	<u>(555)</u>
Balance at 31 December	<u>-</u>	<u>113</u>

Included in the provisions figure above is a cancellations provision of £nil (2014: £113,000).

19 Commitments

The capital and lease commitments of the Company have been transferred to Ageas Retail Limited.

20 Related party transactions

The Company has a related party relationship with its key management personnel who are all directors of the Company.

Transactions with directors

In addition to their salaries, the Company also provides non-cash benefits to directors and contributes to a post-employment defined contribution plan on their behalf. The directors' cost is currently borne by Ageas Retail Limited.

The directors' compensations are as follows:

<i>In £'000</i>	2015	2014
Emoluments paid by the Company	<u>-</u>	<u>206</u>
Emoluments include contributions made to pension schemes amounting to	<u>-</u>	<u>26</u>
In respect of the highest paid director	<u>-</u>	<u>206</u>

In the ordinary course of business the Company carries out transactions with related parties as defined in IAS 24.

UKAIS Limited

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For the year ended 31 December 2015

Notes to the financial statements (continued)

20. Related party transactions (continued)

Material transactions are set out below.

In £'000		2015 Statement of Comprehensive Income	2015 Statement of financial position	2014 Statement of Comprehensive Income	2014 Statement of financial position
Immediate parent and ultimate holding company transactions and assets held in the statement of financial position	Ageas (UK) Ltd	(26)	199	(874)	(32,739)
	Able Brokers Ltd	-	(250)	(1,450)	(250)
Fellow subsidiary company transactions and assets held in the statement of financial position	Ageas Retail Ltd	(2,945)	-	-	-
	Ageas Insurance Ltd	472	-	2,853	(5,936)
		<u>(2,499)</u>	<u>(51)</u>	<u>529</u>	<u>(38,925)</u>

The Company's immediate parent undertaking is Able Brokers Limited to which the Company paid a dividend of £nil during the year (2014: £1,450,000).

Fellow subsidiary company transactions and assets relate to insurance policies written by Ageas Insurance Limited and commissions received, and expenses recharged from Ageas Retail Limited related to the management of policies until they transferred to Ageas Retail Limited.

21 Parent company and ultimate controlling party

The Company's immediate parent undertaking is Able Brokers Limited, a company incorporated and registered in England and Wales.

The Company's results are consolidated into the accounts of Ageas SA/NV, the ultimate holding company, which is incorporated in Belgium.

Copies of the above accounts can be obtained from the Company Secretary, Ageas (UK) Limited, Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hants SO53 3YA. The accounts of Ageas SA/NV are also available online at: <http://ageas.com/en/text/statutory-accounts-2015>

22 Events after the statement of financial position date

There were no material adjusting or non-adjusting events after the statement of financial position date.

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Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with IFRS as adopted by the 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 IFRS as adopted by the EU; 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 UKAIS Limited

We have audited the financial statements of UKAIS Limited for the year ended 31 December 2015 set out of pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 21, 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.

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.

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 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements which explains that the financial statements have not been prepared on a going concern basis or the reason set out in that note.


Opinion on other matters prescribed by the Companies Act 2006

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

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.



Jonathan Bell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL
3 May 2016