

PRO Insurance Solutions Limited

Reports and Accounts 31 December 2014

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DIRECTORS AND ADVISORS**Directors**

G M J Erulin (resigned 26 May 2014)
D A Vaughan (resigned 24 March 2014)
R F Lawson (CEO)
J M D Richards
T H de Menibus (resigned 2 December 2014)
A P Niemczewski (appointed 26 May 2014)

Secretary

M R Dalzell

Registered Office

Walsingham House
35 Seething Lane
London
EC3N 4AH

Registered Auditor

Mazars LLP
Tower Bridge House
St Katharine's Way
London E1W 1DD

Bankers

Barclays Bank plc
1 Churchill Place
Canary Wharf
London E14 5HP

Solicitors

DLA Piper
3 Noble Street
London
EC2V 7EE

STRATEGIC REPORT

The Directors present their strategic report for Pro Insurance Solutions Limited ("the Company") for the year ended 31 December 2014.

Principal activity and review of business

The principal activity of the Company is to provide services and financial solutions to the (re)insurance industry. The Company provides a full range of management, consultancy and support services. Additionally, the Company provides services for Pro Global Insurance Solutions plc structured financial solutions.

Development and financial performance during the year

As reported in the Company's profit and loss account, revenue has shown an increase of 6.8%, from £16,741,986 to £17,877,064 in the current period. Profit after tax has increased from £436,170 to £2,074,055. The improvement in the results is due to improvements in revenue generation while reducing overhead costs.

The key performance indicators used to monitor the performance of the Company are set out below:

KPI	2014	2013
Change in turnover from previous year	6.8%	-21.2%
Operating profit margin	14.7%	2.4%
Pre-tax profit margin	14.5%	2.4%
Return on capital employed (EBIT / total assets – current liabilities)	51.0%	12.0%
Liquidity ratio or acid test (cash at bank and in hand / current liabilities)	0.27	0.31

On 20 December 2013 the board of Tawa plc (Tawa) announced its intention to demerge its operations into two independent groups, one comprising primarily the services business and the other the risk carrier business. The proposed demerger was approved by Tawa's shareholders on 10 January 2014 and became effective on 3 April 2014.

The Company forms part of the services business and post demerger it has remained a subsidiary of Pro Global Insurance Solutions plc (formerly Tawa plc).

Financial position at the reporting date

The balance sheet shows that the net assets at the year end have increased from £3,039,715 to £5,113,770. The principle balance sheet movement was an increase in intergroup debtors.

Principal risks and uncertainties

The Company's financial risk management policy is to minimise the adverse financial effects of exposure to all financial risks and specifically credit risk and interest rate risk. The policies regarding the management of financial risk are set by the board of directors and are implemented by the Company's Chief Financial Officer. The following have been defined as key business risks:

Credit risk in respect of service income

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company has a policy of making appropriate checks on potential customers before service contracts are agreed.

Foreign exchange risk

Foreign exchange risk is the risk that the value of assets denominated in, and profits realised in, foreign currencies will be devalued by fluctuations in exchange rates when converting to a Company's reporting currency. During the financial period the Company held cash in foreign currencies, predominantly US dollars, and does not currently hedge the value of future cash flows because of the uncertainty of timing of these flows.

STRATEGIC REPORT (CONTINUED)***Interest rate cash flow risk***

Interest rate cash flow risk is the risk that the Company's cash flow will be adversely impacted by fluctuating interest rates, predominantly on funding from third parties. The Company mitigates this risk by operating without external financing debt and is not therefore exposed to the risk of fluctuating interest costs.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. Therefore the board sets a limit on the minimum value of liquid assets available to meet such obligations. Cash flow forecasting models are in place to aid the minimisation of liquidity risk.

By Order of the Board



M R Dalzell
Secretary
10 March 2015

REPORT OF THE DIRECTORS

The directors present their annual report on the affairs of Pro Insurance Solutions Limited ("the Company"), together with the financial statements for the year ended 31 December 2014.

Directors and secretary

The directors and secretary of the Company who served during the year are listed on page 2.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year and the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company at the end of the year and of the profit and loss of the company for the financial year.

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 and 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.

Auditor

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all 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 is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Mazars LLP were appointed as auditor in 2011. Mazars LLP will continue as auditor in accordance with section 487(2) of the Companies Act 2006.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors' indemnities

The Company is a beneficiary of insurance cover for its Directors and Officers against liabilities which may be incurred by them while acting as Directors and Officers. As at the date of this report, indemnities are in force under which the Company has agreed to indemnify its Directors and Officers, to the extent permitted by law and the Company's articles of association, against all costs, charges, losses, liabilities and expenses that they may incur in the execution of their duties, powers and offices as Directors and Officers of the Company. Copies of these indemnities are kept at the Company's registered office and are open for inspection by any member of the Company without charge. For the Pro group, Pro Global Insurance Solutions plc maintains the pertinent policy and the Directors and Officers of its subsidiaries (Pro Insurance Solutions Limited, Pro IS Inc, Tawa Consulting Limited, STRIPE Global Services Limited, Hermes People Limited and the Chilton group of companies) have benefits pursuant to that policy.

REPORT OF THE DIRECTORS (CONTINUED)

Dividend

The directors recommend no dividend for the year 2014 (2013: £0).

Political contributions

No political contributions were made for the year 2014 (2013: £0).

Employees

Disability

The Company operates an equal opportunities policy which meets the requirement of UK legislation on discrimination. The Company's recruitment process is designed to ensure that there is no unlawful discrimination.

If an employee joins the Company with a disability, or becomes disabled during employment, a risk assessment is carried out and where appropriate, reasonable adjustment is made to the working environment so that the employee concerned can contribute to their full potential.

The Company's equal opportunity policy covers training, career development and promotion and ensures there are no barriers to advancement for disabled employees.

Information and Consultation

During 2014, briefing sessions on the Company's progress have been held for both the management and staff, and regular information bulletins have been distributed to all employees.

All employees are encouraged to take an interest and pride in the Company's performance and the Company links staff compensation to individuals' performance.

By Order of the Board



M R Dalzell
Secretary

10 March 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PRO INSURANCE SOLUTIONS LIMITED

We have audited the financial statements of Pro Insurance Solutions Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, 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).

Respective responsibilities of directors and auditor

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

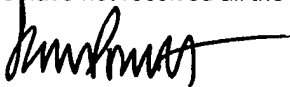
Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors 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.



Sam Porritt (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

19 March 2015

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	2	17,877,064	16,741,986
Administrative expenses		(15,249,707)	(16,338,329)
Other operating income		-	-
Operating profit		<u>2,627,357</u>	<u>403,657</u>
Interest receivable & similar income	3	1,656	3,982
Interest payable & similar charges	4	(42,099)	(277)
Profit on ordinary activities before taxation	5	<u>2,586,914</u>	<u>407,362</u>
Tax on profit on ordinary activities	6	(512,859)	28,808
Retained profit for the financial year		<u><u>2,074,055</u></u>	<u><u>436,170</u></u>

All amounts relate to continuing activities.

There were no recognised gains or losses other than those included in the profit and loss account for the current and prior years and therefore no separate statement of total recognised gains and losses has been presented.


The notes also form an integral part of these financial statements.

BALANCE SHEET

As at 31 December 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	12	941,117	539,242
Investments	13	30,001	1
		<u>971,118</u>	<u>539,243</u>
Current assets			
Debtors - amounts falling due within one year	14	15,029,165	11,496,961
Cash at bank and in hand		<u>4,036,846</u>	<u>3,827,051</u>
		19,066,011	15,324,012
Current liabilities			
Creditors - amounts falling due within one year	15	(14,923,359)	(12,497,344)
Net current assets		<u>4,142,652</u>	<u>2,826,668</u>
Total assets less current liabilities		5,113,770	3,365,911
Provisions for liabilities and similar charges	16	-	(326,196)
Net assets		<u>5,113,770</u>	<u>3,039,715</u>
Capital and reserves			
Called up share capital	17	250,002	250,002
Profit and loss account	18	<u>4,863,768</u>	<u>2,789,713</u>
Equity shareholder's funds	19	<u>5,113,770</u>	<u>3,039,715</u>

These financial statements were approved by the Board on 10 March 2015 and were signed on its behalf on 19 March 2015 by:


 A P Niemczewski
 Director


 R F Lawson
 Director

Company No. 2801404

NOTES TO THE ACCOUNTS

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

a) Basis of accounting

These accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards. The Company is exempt from the requirement to produce group accounts under s400 of the Companies Act 2006 on the basis that its ultimate parent, as set out in note 21, is an EU entity which prepares group accounts.

b) Going Concern

The Company's activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report on page 3. In addition the section on Principal risks and uncertainties includes an analysis of the risks the Company faces and its policies for mitigating those risks.

The Company has considerable financial resources together with long-term contracts with a number of clients across different geographic areas. As a consequence, the directors believe that the Company is well placed to manage its business risk successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual reports and accounts. As of this date, there are no post balance sheet events to suggest any going concern issues.

c) Cash flow statement

In accordance with the exemption given in Financial Reporting Standard 1 (Revised 1996) "Cash Flow Statements", the Company has not prepared a cash flow statement since it is a subsidiary undertaking of Pro Global Insurance Solutions plc where 90% or more of the voting rights are controlled within the group and the parent Company prepares consolidated financial statements. The financial statements of Pro Global Insurance Solutions plc are publicly available.

d) Tangible fixed assets, depreciation and impairment

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided to write off the cost, less the estimated residual value of tangible fixed assets. Depreciation is provided as follows:

Computer software developed in house	33% per annum
Computer equipment – desk top & laptop PCs	33% per annum
Motor vehicles	20% reducing balance
Office equipment	20% reducing balance
Computer equipment - other	33% reducing balance

Fixed assets are also subject to annual review for impairment. Any impairment charge is included within operating profits.

e) Fixed asset investments

Fixed asset investments are held at cost less any provision for permanent diminution in value.

f) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

g) Debt purchase income

Debt purchase income is reflected as a service fee with the group receiving a percentage of the recoveries that are made. The revenue is recognised when invoices are raised which follows the cash receipt of recoveries into the fund.

NOTES TO THE ACCOUNTS (CONTINUED)**Accounting policies (continued)****h) Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The charge for taxation is based on the profit for the year and takes into account deferred taxation. Deferred taxation is provided in full on timing differences between recognition of gains and losses in the financial statements and the recognition for taxation purposes. Deferred taxation liabilities are provided in relation to transactions that have occurred by the balance sheet date. Deferred taxation assets are recognised when it is considered that the benefit is more likely than not to accrue to the Company. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

i) Turnover

Turnover is attributable to providing management, run-off administration including debt purchase recovery services and professional services relating to the insurance industry. Fees are recognised in the profit and loss account over the period to which the services relate, with the exception of incentive fees. Incentive fees are attributable to providing transaction facilitation and structuring services and are recognised as agreed milestones are achieved.

j) Pensions

The pension scheme for the employees of PRO Insurance Solutions Limited is a defined contribution scheme. Contributions are expensed as they become payable.

k) Provisions

The Company has recognised provision for costs that the Company expects to incur as a result of transactions, actions or commitments that had taken place at the balance sheet date.

l) Group expenses

Amounts payable on behalf of Group undertakings are included in debtors amounts owed by group undertakings and are not disclosed within the Company's profit and loss account. This treatment reflects the substance of these transactions in that they are not an operating expense for the Company. The Company administers settlement on behalf of group undertakings for no consideration.

m) Insurance debtors and creditors

The Company acts as agent in broking the insurable risks of clients and normally is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the legal relationship with clients and underwriters, the Company has followed generally accepted accounting practice for insurance intermediaries by showing debtors, creditors and cash balances relating to insurance business as assets and liabilities of the Company itself. This recognises that the Company is entitled to retain the investment income on any cash flows arising from these transactions.

In the ordinary course of insurance broking business, settlement is required to be made with certain market settlement bureaux, insurance intermediaries or insurance companies on the basis of the net balance due to or from them rather than the amount due to or from the individual third parties which it represents.

However, under Financial Reporting Standard 5 ("FRS5"), assets and liabilities may not be offset unless net settlement is legally enforceable, and therefore insurance broking debtors and creditors are shown gross within these financial statements.

2. Turnover by geographic market

	2014	2013
	£	£
Switzerland	444,985	-
United Kingdom	17,432,079	16,741,986
	<u>17,877,064</u>	<u>16,741,986</u>

NOTES TO THE ACCOUNTS (CONTINUED)**3. Interest receivable and similar income**

	2014	2013
	£	£
Bank interest	1,656	515
Foreign exchange gain	-	3,467
	<u>1,656</u>	<u>3,982</u>

Interest income is included in the profit and loss account on an accruals basis.

4. Interest payable and similar charges

	2014	2013
	£	£
Interest payable	375	277
Foreign exchange loss	41,724	-
	<u>42,099</u>	<u>277</u>

5. Profit on ordinary activities before taxation

	2014	2013
	£	£
The profit on ordinary activities before taxation is stated after charging:		
Depreciation	346,766	342,050
Auditor's remuneration for audit work	28,000	19,689
Auditor's remuneration for other services pursuant to legislation	11,900	23,900
Rental of land and buildings – operating leases	420,892	553,615
Foreign exchange loss/(gain)	41,724	(3,467)
Share based payments expenses	-	2,757
	<u>-</u>	<u>2,757</u>

6. Taxation

	2014	2013
	£	£
Current tax		
UK corporation tax on income for the period	632,208	83,469
Adjustments in respect of prior periods	(104,762)	(59,453)
Total current tax	<u>527,446</u>	<u>24,016</u>
Deferred tax:		
Accelerated capital allowances and short term timing differences	(14,587)	(52,824)
Tax on profit on ordinary activities	<u>512,859</u>	<u>(28,808)</u>
 Profit on ordinary activities before tax	 <u>2,586,914</u>	 <u>407,362</u>
 Tax on profit on ordinary activities at standard UK corporation tax rate of 21.50% (2013: 23.25%)	 556,186	 94,712
Effects of:		
Expenses not deductible for tax purposes	84,522	150,960
Timing differences	(14,587)	(52,824)
Utilisation of trading losses brought forward	-	(161,277)
Utilisation of non trading losses brought forward	(8,500)	(926)
Adjustment in respect of prior periods	(104,762)	(59,453)
Total tax on profit on ordinary activities	<u>512,859</u>	<u>(28,808)</u>

NOTES TO THE ACCOUNTS (CONTINUED)**6. Taxation (continued)**

	2014	2013
	£	£
Deferred taxation balance		
Accelerated capital allowances	325,589	267,699
Other timing differences	-	43,303
Asset	<u>325,589</u>	<u>311,002</u>
Opening balance	311,002	258,178
Credit to profit and loss	<u>14,587</u>	<u>52,824</u>
Closing balance	<u>325,589</u>	<u>311,002</u>

7. Remuneration of Directors

	2014	2013
	£	£
Directors' emoluments	234,825	281,355
Directors' pension contributions	32,300	31,875
Highest paid director emoluments	224,625	263,855
Highest paid director pension contributions	<u>32,300</u>	<u>31,875</u>

A P Niemczewski is an executive of the parent Company, Pro Global Insurance Solutions plc. It is not practicable to allocate emoluments between his services as executive of Pro Global Insurance Solutions plc and his services as a director of its subsidiaries; as a result they are not included in the above figures.

8. Staff numbers and costs

	2014	2013
	£	£
Salaries	7,876,514	8,978,240
Social security costs	846,560	971,802
Pension costs	1,034,068	1,178,082
Share options	-	2,757
Restructuring costs	<u>546,787</u>	<u>(16,070)</u>
	<u>10,303,929</u>	<u>11,114,811</u>

	2014	2013
Outsourcing	126	111
Consultancy	25	29
Executive & Management	28	23
Support	36	28
Swiss Branch	<u>2</u>	<u>2</u>
Average number of persons employed by the Company	<u>217</u>	<u>193</u>

All staff are employed within the United Kingdom with the exception of Swiss Branch.

The pension scheme for PRO Insurance Solutions Ltd is a defined contribution scheme. The pension charge for the period relating to the defined contribution scheme was £1,034,068 (2013: £1,178,082). The Company has no further obligation towards post-retirement funding.

NOTES TO THE ACCOUNTS (CONTINUED)**9. Operating lease**

Costs in respect of operating leases are charged on a straight line basis over the term of the lease. The Company had lease agreements on three commercial spaces in the UK, all of which contain rent free periods. The benefit received relating to the rent free period is allocated over the life of the lease term.

The rent payable per year for Southgate House (Gloucester) was £138,986 per annum and has a break date of 6 January 2019. There are two rental agreements in respect of Walsingham House (London), 6th Floor (£111,046 per annum) and Ground Floor (£62,989 per annum), all leases expire December 2015.

The Company had one further office lease for the Switzerland Zurich branch office at CHF12,240 per annum. This is a rolling agreement with a 6 month notice period.

The only equipment lease held by the Company was a hire agreement payable for office printers at £18,724 per annum, expiring June 2016.

Annual charges for operating leases were as follows:-

	2014 £	2013 £
Equipment		
Operating leases which expire:		
Less than 1 year	-	-
2-5 years	18,724	18,724
	<u>18,724</u>	<u>18,724</u>
Office space		
Operating leases which expire:		
Less than 1 year	181,963	60,400
2-5 years	104,234	174,015
	<u>104,234</u>	<u>174,015</u>

10. Dividends

No dividend was paid in 2014 or in the prior year.

11. Share based payments

Pro Global Insurance Solutions plc, the parent company, operates a single share plan that was introduced in 2007, being the Performance Share Plan which is designed to align the interests of senior management and shareholders to deliver outstanding results. There were two new awards granted in 2014 (2013: none) which are outlined below the table.

Details of the shares outstanding under the Performance Share Plan during the year are as follows:

	31 Dec 2014 Number of shares	31 Dec 2013 Number of shares
Outstanding at the beginning of the year	1,418,137	2,561,709
Granted during the year	6,500,000	-
Forfeited during the year	-	(30,072)
Lapsed during the year	(1,418,137)	(1,113,500)
Outstanding at the end of the year	<u>6,500,000</u>	<u>1,418,137</u>

No share options were exercisable at the end of the year (2013: nil). The Group recognised total expenses of £0.1 million (2013: £0.1 million) related to share based payments in 2014. 2010 and 2011 Performance Share Plan was £nil (2013: £nil).

NOTES TO THE ACCOUNTS (CONTINUED)**11. Share based payments (continued)****2014 rewards**

1. Grants of awards in the form of a conditional Award to acquire 5,000,000 ordinary shares were made to the CEO on 11 April 2014. The vesting of awards being subject to performance conditions aligned to share price growth.
2. A number of amendments were made to the plan in July 2014 and a grant of awards was made under the performance share plan on 25 July 2014 to three Executives of 500,000 Ordinary Shares of 2 p each.

The Company does not operate a separate share plan and the individuals that are assigned share options are employed in global roles and it is difficult to assign time between the different entities within the Group. The overall charge in the Group for 2014 of £0.1 million is not material and is impracticable to distribute across the group.

12. Tangible assets

	Motor Vehicles	Office Equipment	Computer Equipment	Computer software in house development	Total
Cost	£	£	£	£	£
At 1 January 2014	10,607	547,698	3,536,425	1,076,165	5,170,895
Additions during the year	-	544,588	204,053	-	748,641
Disposals	-	(312,126)	(1,358,976)	-	(1,671,102)
Cost at 31 December 2014	<u>10,607</u>	<u>780,160</u>	<u>2,381,502</u>	<u>1,076,165</u>	<u>4,248,434</u>
Depreciation					
At 1 January 2014	9,374	451,307	3,094,807	1,076,165	4,631,653
Annual charge	247	68,408	278,111	-	346,766
Disposals	-	(312,126)	(1,358,976)	-	(1,671,102)
At 31 December 2014	<u>9,621</u>	<u>207,589</u>	<u>2,013,942</u>	<u>1,076,165</u>	<u>3,307,317</u>
Net book value					
At 31 December 2013	<u>1,233</u>	<u>96,391</u>	<u>441,618</u>	<u>-</u>	<u>539,242</u>
At 31 December 2014	<u>986</u>	<u>572,571</u>	<u>367,560</u>	<u>-</u>	<u>941,117</u>

13. Investments

	2014 £	2013 £
Cost		
At 1 January	1	1
Addition	30,000	-
At 31 December	<u>30,001</u>	<u>1</u>

Information on investments	Country of incorporation	Principal activity	Class and number
ASS GmbH	Germany	Insurance services	1 Ordinary Share €1
AUL Network Ltd	US	Insurance services	3,000 Ordinary Shares £1

In 2014 Pro Insurance Solutions Limited (Pro) invested £30,000 in AUL Network Ltd (AUL). The investment helped AUL expand and Pro will provide administrative services, upon commencement of underwriting.

NOTES TO THE ACCOUNTS (CONTINUED)**14. Debtors – amounts due within one year**

	2014	2013
	£	£
Trade debtors	2,290,484	1,002,982
Prepayments and accrued income	1,835,892	2,001,800
Amounts owed by group undertakings	3,133,166	2,496,211
Pension contributions	9,453	7,481
Deferred tax asset	325,589	311,002
Broker debtors	7,372,096	5,453,420
Other debtors	62,485	224,065
	<u>15,029,165</u>	<u>11,496,961</u>

15. Creditors – amounts falling due within one year

	2014	2013
	£	(restated) £
Trade creditors	421,606	1,180,183
Other taxation and social security	231,310	262,999
Accruals and deferred income	2,480,607	2,450,243
Unsettled dividends	10	10
Lease creditor	565	565
Other creditors	31,622	-
Broker creditors	8,739,796	6,671,919
Amounts owed to group undertakings	3,017,843	1,931,425
	<u>14,923,359</u>	<u>12,497,344</u>

Amounts owed by/to group undertakings are unsecured, interest free, have no fixed date of repayment and are payable on demand. The 2013 comparatives have been restated to reclassify amounts owed to group undertakings in respect of group relief payable from corporation tax to amounts owed to group undertakings.

16. Provisions for liabilities and charges

	2014	2013
	£	£
Building		
Opening balance	186,250	244,375
Movement in building provision	<u>(186,250)</u>	<u>(58,125)</u>
	<u>-</u>	<u>186,250</u>
Restructuring		
Opening balance	139,946	1,574,652
Utilised in the year	<u>(139,946)</u>	<u>(1,574,652)</u>
Movement in restructuring provision	<u>-</u>	<u>139,946</u>
	<u>-</u>	<u>139,946</u>
Total provision	<u>-</u>	<u>326,196</u>

17. Called up share capital

	2014	2013
	£	£
Authorised:		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
Allotted issued and fully paid:		
250,002 Ordinary shares of £1	<u>250,002</u>	<u>250,002</u>

NOTES TO THE ACCOUNTS (CONTINUED)**18. Reserves**

	Share based payments £	Profit and loss account £	Total £
Opening balance	32,104	2,757,609	2,789,713
Profit for the year	-	2,074,055	2,074,055
Share based payments charge for year	-	-	-
	<u>32,104</u>	<u>4,831,664</u>	<u>4,863,768</u>

19. Reconciliation of movement in shareholder's funds

	2014 £	2013 £
Opening shareholder's funds	3,039,715	2,600,788
Share based payments	-	2,757
Profit/(loss) for the financial year	<u>2,074,055</u>	<u>436,170</u>
Closing shareholder's funds	<u>5,113,770</u>	<u>3,039,715</u>

20. Related party transactions

Under FRS 8, the Company is exempt from the requirement to disclose related party transactions with other members of the Pro group on the grounds that it is a wholly owned subsidiary of Pro Global Insurance Solutions plc.

From 3 April 2014, Pro Insurance Solutions Ltd provided insurance run-off management services to companies that demerged from the group but have the same ultimate parent company, Financière Pinault S.C.A.. Run-off services are provided on a negotiated fee basis. Run-off management expenses are recharged at cost.

Related party income from demerged entities:-

	31 Dec 2014 £			31 Dec 2013 (restated) £		
	Management Fee	Expenses Recharged	Total Income	Management Fee	Expenses Recharged	Total Income
Amberley Alternative Assets Limited	59,248	126,306	185,554	43,277	-	43,277
CX Reinsurance Company Limited	3,696,789	328,569	4,025,357	1,813,776	1,604,841	3,418,617
Island Capital Limited	11,173	-	11,173	13,099	-	13,099
Lodestar Marine Company Limited	603,162	334,224	937,386	476,213	1,883,637	2,359,850
Pocono Holdings Limited	1,006	6,732	7,738	13,273	116,134	129,406
PX Reinsurance Company Limited	222,883	52,841	275,724	268,228	430,711	698,939
Q360 Limited	38,188	51,707	89,895	166,310	1,538,892	1,705,202
QX Reinsurance Company Ltd	7,064	(19,808)	(12,744)	31,140	-	31,140
Tawa Associates Company Limited	481,980	432,542	914,522	-	113,629	113,629
Tawa Management Bermuda	-	3,892	3,892	-	7,163	7,163
Tawa Management Limited	5,998	265,054	271,052	-	16,497	16,497
WT Holdings, Inc.	309	18,712	19,021	-	150,443	150,443
Lincoln General Insurance Company Limited	-	-	-	354	-	354
	<u>5,127,800</u>	<u>1,600,771</u>	<u>6,728,570</u>	<u>2,825,670</u>	<u>5,861,947</u>	<u>8,687,616</u>

NOTES TO THE ACCOUNTS (CONTINUED)**21. Parent Company and ultimate controlling party**

The ultimate parent Company is Financière Pinault S.C.A., a Société en commandite par actions incorporated in France. The Pinault family members are, in the opinion of the directors, the ultimate controlling party. The parent undertaking of the largest group which includes the Company and for which group accounts are prepared is Financière Pinault, a Company incorporated in France. Copies of the group financial statements of Financière Pinault S.C.A. may be obtained from the Greffe du Tribunal de commerce de Paris, 1 Quai de la Corse, 75198 Paris, France. The parent undertaking of the smallest group, which includes the Company and for which group accounts are prepared is Pro Global Insurance Solutions plc, a Company incorporated in Great Britain and registered in England and Wales. Copies of the financial statements of Pro Global Insurance Solutions plc are obtainable from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.