

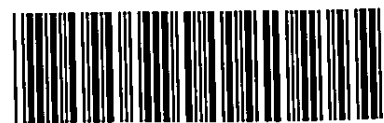
*Company Registration Number : 3266637*

# **MMO UK LIMITED**

## **Report and Financial Statements**

**31 December 2009**

THURSDAY



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COMPANIES HOUSE

# **MMO UK LIMITED**

## **REPORT AND FINANCIAL STATEMENTS – 31 DECEMBER 2009**

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# **MMO UK LIMITED**

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## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTOR**

G P Nash

### **SECRETARY**

I Wilson

### **REGISTERED OFFICE**

Site A  
Kingmoor Park South Industrial Estate  
Queens Drive  
Carlisle CA6 4SB

### **AUDITORS**

KPMG Audit Plc  
191 West George Street  
Glasgow  
G2 2LJ

## **MMO UK LIMITED**

### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

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The director presents the annual report and the audited financial statements for the year ended 31 December 2009

#### **PRINCIPAL ACTIVITIES**

The company's principal activity was to act as a corporate name at Lloyd's. The company's final year of underwriting was the 2000 account. The company does not intend to underwrite going forward.

#### **RESULTS**

The company made a profit for the year of £126,000 (2008 loss £522,000). The director does not recommend the payment of a dividend (2008 £nil). The retained profit for the year has been transferred to reserves.

#### **BUSINESS REVIEW**

During 2005 syndicate 1265 was reinsured to close into syndicate 1861, managed by Marlborough Underwriting Agency Limited, with effect from 31 December 2004. As a result of significant underwriting losses, the company has drawn on the Lloyd's Central Fund to meet its liabilities to policyholders. The director considers the company is no longer a going concern, accordingly the financial statements have been drawn up on a discontinuance basis. The effect of this is explained in note 1 to the financial statements.

#### **DIRECTORS**

The director who held office during the year was as follows:

G P Nash

#### **COMPANY SECRETARY**

I Wilson

#### **FINANCIAL INSTRUMENTS**

The company does not enter into complex financial instruments.

#### **CHARITABLE DONATIONS**

During the year the company did not make any charitable donations (2008 £nil).

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **AUDITOR**

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

Approved by the Board of Directors  
And signed on behalf of the Board



GP Nash  
29 September 2010

## **MMO UK LIMITED**

### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

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The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law he has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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. As stated in note 1, the financial statements have not been prepared on a going concern basis

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities

# **MMO UK LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MMO UK LIMITED**

We have audited the financial statements of MMO UK Limited for the year ended 31 December 2009 set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). The financial statements have not been prepared on the going concern basis for the reasons set out in note 1 to the financial statements.

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 auditors' 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 Director's Responsibilities Statement set out on page 3, the director is 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 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 APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **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 2009 and of its profit 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.

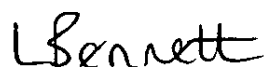
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



**L Bennett (Senior Statutory Auditor)**  
for and on behalf of KPMG Audit Plc, Statutory Auditor  
*Chartered Accountants*

30 September 2010

191 West George Street  
Glasgow  
G2 2 LJ

# MMO UK LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2009

	<i>Notes</i>	<b>2009 £'000</b>	<b>2008 £'000</b>
Interest receivable	2	75	-
Interest payable	3	(564)	(522)
		<hr/>	<hr/>
Loss on ordinary activities before tax	4	(489)	(522)
Tax on loss on ordinary activities	7	615	-
		<hr/>	<hr/>
<b>Profit/(loss) for the financial year</b>	<b>10</b>	<b>126</b>	<b>(522)</b>
		<hr/>	<hr/>

All activities for 2009 and 2008 derive from discontinued operations

No Statement of Total Recognised Gains and Losses is provided as there were no recognised gains or loss other than the results reflected above

The notes on pages 7 to 9 form part of these financial statements

**MMO UK LIMITED****BALANCE SHEET****At 31 December 2009**

	<i>Notes</i>	<b>2009 £'000</b>	<b>2008 £'000</b>
<b>ASSETS</b>			
<b>Other assets</b>			
Cash at bank and at hand		4	8
		<u>          </u>	<u>          </u>
<b>Total assets</b>		<b>4</b>	<b>8</b>
		<u>          </u>	<u>          </u>
<b>LIABILITIES</b>			
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account	10	(24,494)	(24,620)
		<u>          </u>	<u>          </u>
Equity shareholders' deficit		(24,494)	(24,620)
		<u>          </u>	<u>          </u>
<b>Creditors: amounts falling due within one year</b>	8	24,498	24,628
		<u>          </u>	<u>          </u>
<b>Total liabilities</b>		<b>4</b>	<b>8</b>
		<u>          </u>	<u>          </u>

The notes on pages 7 to 9 form part of these financial statements

The financial statements were approved by the Board of Directors on 29 September 2010

Signed on behalf of the Board of Directors



GP Nash  
Director



# MMO UK LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2009

### 1 Basis of preparation and accounting policies

#### a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The financial statements have been prepared on a discontinuance basis because of a deficit arising from the underwriting obligations to the syndicates in which the company participated. Such liabilities are normally financed by assets lodged with Lloyd's and letters of credit provided by investing shareholders, if a company cannot meet its obligations by other means. All available letters of credit were fully utilised as at 31 December 2004 and the company was reliant on the Lloyd's Central Fund to meet its liabilities to policyholders. Accordingly the financial statements have been prepared on a discontinuance basis. The impact of this is that all assets have been valued at their recoverable amounts. This has not had any financial impact on the accounts of the company.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

#### b) Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred. Deferred tax, without discounting, is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

### 2 Interest receivable

	2009 £'000	2008 £'000
Interest from balance held on Escrow	75	-

### 3 Interest payable

	2009 £'000	2008 £'000
Interest payable on amounts due to Lloyd's	564	522

### 4 Loss on ordinary activities before tax

	2009 £'000	2008 £'000
Operating loss is stated after charging		
Auditors' Remuneration Audit of these financial statements	4	4

The audit fees for both the current and prior year were borne by the shareholders of the company.

### 5 Employees

There were no employees other than directors, during the current or previous year.

# MMO UK LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2009

### 6 Directors

The director received remuneration of £6,000 in respect of his services to the company during the current year (2008 £5,000) This expense was borne by the shareholders of the company

### 7 Tax on loss on ordinary activities

	2009 £'000	2008 £'000
a) Analysis of charge in period		
Adjustment in respect of prior periods	(615)	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	(615)	-
	<hr/>	<hr/>
b) Factors affecting tax charge for the year		
Loss on ordinary activities before tax	(489)	(522)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by standard rate of UK corporation tax of 28% (2008 28.5%)	(137)	(149)
Effects of		
Adjustment to tax charge in respect of prior periods	(615)	-
Tax losses to be surrendered as group relief	137	149
	<hr/>	<hr/>
Current credit for the period	(615)	-
	<hr/>	<hr/>
c) Factors which may affect future tax charges		

A deferred tax asset amounting to £4.7m in respect of unutilised trading losses carried forward of £16.7m (2008 £18.2m) has not been recognised due to uncertainty over sufficient taxable profits arising in the foreseeable future

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 27 July 2010 and will be effective from 1 April 2011. This will reduce the company's future current tax charge accordingly. If the rate change from 28% to 27% had been substantively enacted on or before the balance sheet date it would have reduced the amount of the total unrecognised deferred tax asset by £0.2m. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax assets accordingly.

### 8 Creditors

	2009 £'000	2008 £'000
Due to former parent undertaking	17,196	17,541
Due to Lloyd's	7,264	7,045
Due to shareholders	27	31
Other creditors and accruals	11	11
	<hr/>	<hr/>
	24,498	24,628
	<hr/>	<hr/>

# MMO UK LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2009

### 9 Called up share capital

	2009 £	2008 £
Authorised 100 Ordinary £1 shares	100	100
Called up, allotted and fully paid 2 Ordinary £1 shares	2	2

### 10 Reconciliation of movements on shareholders' deficit

	2009 £'000	2008 £'000
Opening shareholders' deficit	(24,620)	(24,098)
Result for the year	126	(522)
Closing shareholders' deficit	(24,494)	(24,620)

### 11 Contingent liabilities

Where a company participates in a syndicate which closes, it pays a reinsurance to close premium to other Lloyd's Names or an insurer external to Lloyd's to assume its ongoing liabilities. The nature of this arrangement is that of reinsurance, such that the company retains liability in the event of failure of these Lloyd's Names and the Lloyd's chain of security or any external insurer. The directors consider the likelihood of such failure of the reinsurance to close is extremely remote, and consequently the reinsurance to close has been deemed to settle liabilities outstanding at the closure of an underwriting account.

### 12 Related parties

At the year end £12,000 (2008: £14,000) and £14,000 (2008: £16,000) were due to EWM (Topco) Limited and Robertson Group Limited respectively.

### 13 Controlling parties

The controlling parties are The Edinburgh Woollen Mill Group Limited and Robertson Group Limited by virtue of their interests in the company's equity capital.

The accounts of these companies are available to the public and can be obtained from

Robertson Group Limited  
Lomond Court  
Castle Business Park  
Stirling  
FK9 4TU

The Edinburgh Woollen Mill (Group) Limited  
Waverley Mills  
Langholm  
Dumfriesshire  
DG13 0EB