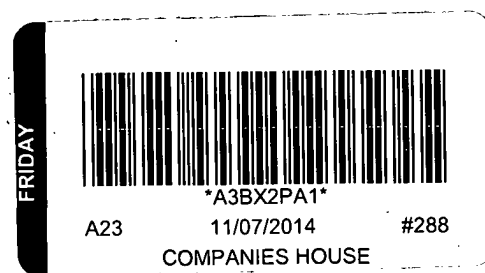


**CHAUCER FREEHOLDS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013**



**Registered number: 03779856**

**Registered office: Plantation Place, 30 Fenchurch Street, London EC3M 3AD**

## **CHAUCER FREEHOLDS LIMITED**

### **STRATEGIC REPORT**

The directors present their strategic report of Chaucer Freeholds Limited (the Company) for the year ended 31 December 2013.

#### **Principal activity**

The principal activity of the Company is that of a property services company.

#### **Review of the business**

The Company receives income for services provided in respect of the Chaucer Business Park in Whitstable, Kent.

#### **Results and dividends**

The profit on ordinary activities after taxation for the financial year attributable to shareholders was £3 (2012: £261). The directors do not recommend the payment of a final dividend and no dividends were paid during the year (2012: £nil).

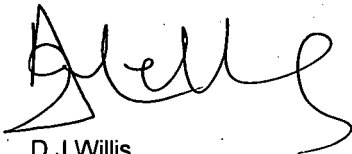
#### **Principal risks and uncertainties**

##### **Credit risk**

The Company is subject to credit risk arising from the failure of clients to make full and timely payments on their financial obligations. The Company manages this risk by regularly monitoring the ageing of the debtors and having timely tenant meetings.

Additionally the group is exposed to credit risk in relation to cash accounts held. This risk is mitigated by placing such accounts with a well-regarded high-street bank and the Company believes that the residual risk is minimal.

By order of the Board



D J Willis

Director

4 July 2014

## **CHAUCER FREEHOLDS LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and the audited financial statements of Chaucer Freeholds Limited (the Company) for the year ended 31 December 2013.

#### **Directors and their interests**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

M C Carrillo  
D J Willis  
D S Saker (appointed 18 April 2013)  
S M Smith (appointed 18 April 2013)

No director had any interest in the voting share capital of the Company at any time during the year.

During the period 1 January 2013 to (and including) the date of approval of this report, the Company provided its Directors and Officers with a qualifying third party indemnity, and cover under a Directors and Officers insurance policy taken out by The Hanover Insurance Group, Inc. (THG).

#### **Company secretary**

A J Goodenough (resigned 1 April 2014)  
K S Shallcross (appointed 1 April 2014)

#### **Registered office**

Plantation Place  
30 Fenchurch Street  
London EC3M 3AD

#### **Registered number**

03779856

#### **Independent Auditors**

PricewaterhouseCoopers LLP, London

#### **Going concern basis**

No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the directors.

#### **Ultimate parent company**

Throughout the year, the Company's ultimate parent was The Hanover Insurance Group, Inc. A copy of the annual report for The Hanover Insurance Group, Inc. can be obtained from their website at [www.hanover.com](http://www.hanover.com).

## **CHAUCER FREEHOLDS LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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 and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement of disclosure of information to auditors**

The Directors each confirm that:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Independent Auditors**

The auditors, PricewaterhouseCoopers LLP, have signified their willingness to continue in office as the independent auditors to the Company.

By order of the Board



D J Willis  
Director  
4 July 2014

# **CHAUCER FREEHOLDS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHAUCER FREEHOLDS LIMITED**

### **Report on the financial statements**

#### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

#### **What we have audited**

The financial statements, which are prepared by Chaucer Freeholds Limited, comprise:

- the profit and loss account for the year then ended;
- the balance sheet as at 31 December 2013;
- the accounting policies; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on other matter 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.

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

## **CHAUCER FREEHOLDS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHAUCER FREEHOLDS LIMITED (continued)**

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

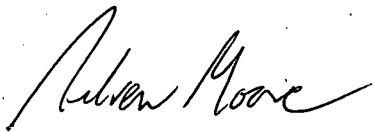
#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Andrew Moore (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
7 July 2014

**CHAUCER FREEHOLDS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>Note</b>	<b>2013 £</b>	<b>2012 £</b>
<b>Turnover</b>	<b>1</b>	<b>2,771</b>	<b>-</b>
<b>Administrative expenses</b>		<b>(2,767)</b>	<b>346</b>
<b>Operating profit on ordinary activities before taxation</b>		<b>4</b>	<b>346</b>
<b>Tax on profit on ordinary activities</b>		<b>(1)</b>	<b>(85)</b>
<b>Profit on ordinary activities after taxation</b>	<b>7</b>	<b>3</b>	<b>261</b>

All transactions are derived from continuing operations.

There were no recognised gains or losses for the current or preceding years other than those included in the Profit and Loss Account above and, therefore, no separate Statement of Total Recognised Gains and Losses has been presented.

**CHAUCER FREEHOLDS LIMITED****BALANCE SHEET AS AT 31 DECEMBER 2013****Registered Number: 03779856**

	<b>Note</b>	<b>2013</b> £	<b>2012</b> £
<b>Current assets</b>			
Cash at bank and in hand		24,947	24,473
Other debtors	4	-	233
<b>Total assets</b>		<b>24,947</b>	<b>24,706</b>
<b>Creditors: amounts falling due within one year</b>	5	(336)	(98)
<b>Net current assets</b>		<b>24,611</b>	<b>24,608</b>
<b>Total assets less current liabilities</b>		<b>24,611</b>	<b>24,608</b>
<b>Capital and reserves</b>			
Called up share capital	6	2	2
Profit and loss account	7	24,609	24,606
<b>Total shareholders' funds</b>	8	<b>24,611</b>	<b>24,608</b>

The financial statements on pages 6 to 9 were approved by the Board of Directors on 4 July 2014 and were signed on its behalf by:



M C Carrillo  
Director



## CHAUCER FREEHOLDS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013

#### 1. Principal accounting policies

##### a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

##### b) Cash flow statement and related party disclosures

The Company is wholly-owned by a member of The Hanover Insurance Group, Inc. (THG) a company incorporated in the United States of America and is included in the consolidated financial statements of THG, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

The Company is also exempt under the terms of FRS 8 from disclosing related-party transactions with entities that are part of, or investees of, THG.

##### c) Turnover

Turnover represents income for services provided in respect of Chaucer Business Park in Whitstable, Kent. The income is recognised when contractual obligations have been fulfilled.

##### d) Administrative expenses

Administrative expenses represent expenses incurred to fulfil contractual obligations.

#### 2. Auditors' remuneration

The auditors' remuneration in respect of the Company's financial statements for the year ended 31 December 2013 was £2,650 (2012: £2,600), which has been borne by a related group undertaking.

#### 3. Directors' emoluments and staff costs

No director received any emoluments for their qualifying services to the Company during the year ended 31 December 2013 (2012: £nil).

There were no staff costs incurred by the Company during the year ended 31 December 2013 (2012: £nil). The Company has no employees (2012: nil).

#### 4. Other debtors

	2013 £	2012 £
Amounts due from tenants	-	233
	-	233

#### 5. Creditors: amounts falling due within one year

	2013 £	2012 £
Accrued expenses	250	98
Corporation tax liability	86	-
	336	98

**CHAUCER FREEHOLDS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2013 (continued)****6. Called up share capital**

	2013 £	2012 £
Allotted, called up and fully paid:		
2 (2012: 2) ordinary shares of £1 each	2	2

**7. Profit and loss account**

	2013 £	2012 £
At 1 January	24,606	24,345
Profit on ordinary activities after taxation	3	261
At 31 December	24,609	24,606

**8. Reconciliation of movement in shareholders' funds**

	2013 £	2012 £
At 1 January	24,608	24,347
Profit on ordinary activities after taxation	3	261
At 31 December	24,611	24,608

**9. Ultimate parent company**

The largest and smallest group of undertakings for which group financial statements are prepared, and in which the results of the Company is included, is The Hanover Insurance Group, Inc. (THG), a company incorporated and registered in the United States of America. A copy of the most recent consolidated financial statements is available from the website of The Hanover Insurance Group, Inc. ([www.hanover.com](http://www.hanover.com)).