TYSERS
SINCE 1820

Tyser & Co Ltd

Report & Financial Statements

For the year ended 31 December 2014

Contents

Directors and Advisors

Directors	C M Spratt	(Chairman)
	G J Andrews	(appointed 26 March 2014)
	S F Blakeborough	(appointed 25 March 2015)
	K A Cross	
	C J Elliott	
	J J Macey	(appointed 26 March 2014)
	I Witt	
	P C Haynes	(Non-Executive)
	T P Newbery	(Non-Executive)
Secretary	M James	
Registered Office	Beaufort House 15 St Botolph Street LONDON EC3A 7EE	
Statutory Auditor	Deloitte LLP	

Chairman's Statement

By and large most Insurers and Reinsurers can look back on their financial performance for 2014 with some satisfaction as profitability has tended to hold up. Then again, a closer look at the source of this continuing profitability might not give rise to wild celebration since, to a large extent, this profitability continues to be predicated on yet another year of benign natural catastrophe losses and the releases coming from the favourable development of back-year claims reserves. Across all major classes of business prices continue to soften and market indices show that prices have fallen inexorably since 2009. To add some substance to my comment above regarding natural catastrophe losses during 2014, it is worth noting that insured losses from natural catastrophes and man-made events fell significantly, by 24%, to US$ 34bn in 2014 compared with US$45bn in 2013 and this is well below the average full year losses of US$64bn per annum over the past decade. This scenario is made all the more challenging by the reality of the longest and deepest period of negative real interest rates in financial history and the lure that Insurance and Reinsurance is providing alternative capital and thereby fuelling future excess capacity.

So, life for the humble Insurance and Reinsurance Broker is, as ever, challenging. However, I am pleased to advise that total revenue of £41.3m was achieved in 2014 as compared with £38.7m in 2013, representing an increase of 6.7%. Our EBITDA profit, as represented on page 6 of the Directors' Report, is £8.2m up from £6.8m in 2013 and our EBITDA margin has ticked up to 20% as compared to 18% in 2013. This is a good result and achieved entirely through organic growth, hard work and ingrained pride in providing our clients with the highest standard of service possible.

Our Balance Sheet remains strong with net assets of around £13.8m (£10.9m in 2013) after declaring and paying £3.1m (£5.75m in 2013) of inter-company dividend to our parent company, Hawkes Bay Holdings Ltd. The Balance Sheet continues to be debt free and at the end of 2014 we had over £2m of free cash (£2.1m in 2013) in excess of the £28.3m (£30.4m in 2013) of Fiduciary cash held in our Non-Statutory bank accounts.

The restructuring of our broking divisions continues to yield benefits under the leadership of Gary Andrews and Jonathan Macey. The reorganisation of our International business is finally taking shape and I am pleased to report that our US P&C and our UK Corporate broking units have both shown notable improvements in profitability during 2014. Further investment continues around our Aviation and International Construction units and over the next twelve to eighteen months the benefits of these investments should begin to show through.

Last year I mentioned the appointment of Katherine Cross as our Group Finance Director and I am pleased to say that she has flourished in this new role and the team that she has built around her and the changes that she has made to our accounting procedures and financial management are impressive. I also referred to the decision taken by the Board to appoint a separate COO (formerly the role of CFO and COO had been combined) and I am delighted to report that Stuart Blakeborough has taken up this position and has been appointed to both the Hawkes Bay Holdings Ltd and Tyser & Co Ltd Boards and as Chairman of the Tyser Group Services Ltd Board. Stuart has strong broking and underwriting experience behind him having previously worked at Aon Ltd, Hardy (Underwriting Agencies) Ltd and, latterly, at Lancashire Insurance Group. I have no doubt that Stuart's recruitment will contribute well to our overall business performance as his skills and experience are put to good use in and around our Support Departments which are so important to the infrastructure supporting our broking activities, and beyond!

Last year I expressed the hope for Tysers to be able to continue the good working relationship we have established with the FSA with our new regulator, the FCA, and I am pleased to report that a year on we appear to be achieving that ambition. In April we underwent a Financial Crime Thematic visit

Chairman's Statement *(continued)*

by the FCA and consider this process and the outcome to have been both positive and constructive. That said, financial crime and sanctions, particularly contingent exposure through the long reach of the US Treasury Department's OFAC agency, remain important issues and areas where risk and risk environment are in a constant state of evolution. I also made reference to the ongoing review of the Client Money regime for Insurance Intermediaries (CASS 5) and whilst the new regulations have not yet come into force we believe that we are ready for their implementation. I am also pleased to confirm that we have work well underway on the FCA's Conduct Risk initiative and, also, following on from last year's Conflicts of Interest Thematic visits, we are making good progress on the implementation of recommendations flowing from those visits. One area for concern is data protection where the European Commission's proposal for a General Data Protection Regulation is currently under discussion by the European Parliament and Council of Ministers and we are concerned that some of the provisions being considered could generate excessive and unnecessary administrative burdens. This is not the first time that we have felt threatened by proposed regulations which do not take into consideration the characteristics of the insurance sector and we have confidence in our trade body, the London and International Insurance Brokers Association, representing our interests vigorously.

Another area where we need to maintain a clear weather eye comes under the general heading of "market modernisation". In 2014 a report was published by the Boston Consulting Group entitled "London Matters – the Competitive Position of the London Insurance Market". This wide-ranging report, amongst other things, homed in on the modernisation of the London Market and its central services and off the back of that, an initiative has developed which is committed to the vision of a common placing platform for the London Market, commonly known as PPL. Whilst there can be little doubt that this initiative is well-intended, only time will tell whether the benefits are proportionate to the required investment and we have to be mindful of the Market's past performance with similar initiatives notably EPS, back in the early 90's, which was ill-fated and proved to be costly in every sense. We accept that Electronic Placing will have a place in the Market but we do believe that its application will be limited to the extent that our ability to provide the best solutions for our clients depends on strong Broker / Underwriter relationships.

So, 2014 has been a pretty good year as we knew it would be. There has been good growth in both income and profitability and we have been able to continue investing in good people, not only broking practitioners, but those people who can help us build and sustain the infrastructure that we need to continue to take our business forward. Once again and, without hesitation, I am delighted to thank our Board and our staff for their continuing commitment to a great business and one which is becoming increasingly relevant as the current spate of mergers, acquisitions and consolidations plays out around us.

Christopher Spratt
Chairman

19 May 2015

Strategic Report

The Strategic report ("the report") has been prepared in accordance with section 414c of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. It has been prepared solely to provide additional information to facilitate an assessment of how the Directors have performed their duty to promote success of the Company.

Principal Activity

The principal activity of the company continues to be that of an insurance and reinsurance broker.

Results and Dividends

The results for the year and the state of the company's affairs are shown in the attached financial statements on pages 13 to 25. The profit for the year of £6,037,000 (2013: £4,829,000) has been taken to reserves. Final dividends were settled during the year of £3,100,000 (2013: £5,750,000). The directors do not recommend a further final dividend to be paid for the year (2013: £1,000,000).

Development and Financial Performance during the Year

During the year to 31 December 2014 the directors have focused on the following principal areas:

- continuing development of the current business, including organic growth from existing divisions and focused recruitment where appropriate;
- striving for the highest levels of service to clients as well as to the markets into which business is placed;
- improving the efficiency of the infrastructure and management information from business systems through the development of better and more business friendly reporting;
- development of new areas of business; and
- management of risk in the business.

The Board manages the business through regular formal meetings along with committees chaired by members of the Board which report back to the Board as required. The general business environment continued to be one of weak insurance rates. Against this background the Board is pleased with the overall increase in business volumes achieved during the period and has continued its efforts to maintain the momentum of business development.

One of the fundamentals of our business is the quality of service we offer to clients, prospective clients and the markets in which we place our clients' business. This is manifested in a number of ways, from competitive pricing, quality, speed and accuracy of document production and ultimately through to the quality of claims service should our clients have the need for this. This requires constant review and innovation in order to keep ahead of our competitors and stay abreast of market developments – particularly as various electronic processing initiatives evolve. The Board is aware of the critical importance of our service offering and constantly reviews this aspect of the business to try to ensure that we remain at the forefront of the market.

Strategic Report *(continued)*

Development and Financial Performance during the Year *(continued)*

The continuing development of our business systems along with the refinement of detailed management information has enabled management to review all areas of the business. From these reviews management expect to focus more on profitable business and to withdraw from or rationalise the unprofitable business carried on by the company. In addition the company is able to identify areas of business that need to be developed for targeted enhancement or recruitment of additional teams and producers to improve the quality of our service offering.

The Board is constantly examining ways in which the business can be strengthened and further growth achieved both organically and through new business areas and business models.

EBITDA is a common measure used by investors and analysts to evaluate the financial performance of companies. It is defined as a company's profit or loss (Earnings) Before Interest expense, Taxation, Depreciation and Amortisation. In addition to measuring financial performance based on operating profit, the directors consider EBITDA to be an important measure of operating performance because it reflects the underlying operating cash profits by eliminating many of the non-cash items such as depreciation and amortisation.

A reconciliation of the company's profit to EBITDA is set out below.

	Notes	2014 £'000	2013 £'000	2012 £'000
Turnover	2	41,260	38,700	37,585
Profit on ordinary activities before taxation		7,798	6,412	6,622
Add back:				
Goodwill amortisation	8	398	397	398
Interest expense	5	1	2	5
EBITDA		8,197	6,811	7,025
EBITDA/Turnover %		*20%*	*18%*	*19%*

Other key performance indicators used and reported on by the directors are:

- Brokerage per Head;
- Operating Margins;
- Client Retention;
- New Business Wins; and
- Staff Turnover & Surveys.

Strategic Report *(continued)*

Principal Financial Risks and Uncertainties

The financial risks and uncertainties facing the business are described below under "Financial Risk Management". In addition to these risks, the Company is further exposed to legal and regulatory risk in which non-compliance could result in fines or restrictions limiting or impairing our ability to do business.

An internal framework of Board sub-committees exist to support the Board in its management of these risks, providing assurance that risks are being properly identified, monitored and mitigated where possible. Internal Audit also ensures an independent assessment of these risks is regularly being carried out.

Other key risks faced by the Company include the retention of staff in an increasingly competitive market and business continuity risks through the failure of the IT infrastructure. These risks are regularly reviewed and are managed through the provision of appropriately documented plans and procedures and an internal culture which supports and motivates its staff.

Financial Risk Management

Key exposures to the Company of Financial Risk include interest rate risk, foreign currency risk, liquidity risk and credit risk. These financial risks are managed through:

- A currency hedging programme and other financial instruments described further below;
- Financial processes and controls that allow us to monitor and control insurance and company funds accurately and in a timely manner;
- Appropriate banking relationships and facilities to allow working capital requirements to be managed efficiently; and
- Managing a spread of banking relationships in order to minimise credit and liquidity risks.

The liquidity position of the company is monitored on a daily basis, and cash flow projections are maintained and updated regularly. Borrowing arrangements for the group as a whole are in place and the group has significant committed facilities over and above the facilities that are indicated as required by its cash flow projections.

Treasury operations and financial instruments

The group of which the company is a member operates a centralised treasury function, monitored by a Treasury Committee and chaired by a Non-Executive Director. It is responsible for managing the liquidity, interest and foreign currency risks associated with the group's activities.

The group's principal financial instruments comprise forward exchange contracts the purpose of which is to manage currency risks arising from the group's activities; bank overdrafts and loans. In addition, the group has various other financial assets and liabilities such as trade receivables and trade payables arising directly from its operations. In accordance with the group's treasury policy, derivative instruments are not entered into for speculative purposes.

Strategic Report *(continued)*

Financial Risk Management *(continued)*

Liquidity risk
The group manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the group has sufficient liquid resources to meet the operating needs of its business.

Interest rate risk
The group is exposed to interest rate risk on bank deposits, bank overdrafts and bank loans.

Foreign currency risk
The group's principal foreign currency exposures arise from revenues denominated in overseas currencies, in particular in US dollars. Group policy permits but does not demand that these exposures be hedged in order to protect the sterling value of those revenues. This hedging activity involves the use of foreign exchange forward contracts and options.

Credit risk
Investments of cash surpluses, borrowings and forward exchange contracts are made through banks which fulfil credit rating criteria approved by the Treasury Committee.

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Both the level of the business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustainable for the foreseeable future.

This report was approved by the Board on 19 May 2015.

C M Spratt
Director

K A Cross
Director

Beaufort House
15 St Botolph Street
London
EC3A 7EE

Directors' Report

The Directors present their report and financial statements for the year ended 31 December 2014.

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual 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 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 and of the profit or loss of the company for that period. In preparing those 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 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.

Disclosure of Information to the Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all steps that he/she ought to have taken as a Director in order to make himself/herself 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.

Directors' Indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Directors' Report *(continued)*

Going Concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out within the "Development and Financial Performance During the Year" section of the Strategic Report. This section also refers to the financial position of the company including its cash flows, liquidity position and borrowing facilities. The "Financial Risk Management" section of the Strategic Report also refers to the company's objectives, policies and processes for managing its capital and its financial risk management, including exposures to credit risk and liquidity risk. In addition note 17 to the accounts gives details of its financial instruments and hedging activity.

The group of which the company is a member has adequate financial resources together with committed borrowing facilities that provide additional comfort. The majority of the company's revenue is derived from renewable policies. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current challenging environment.

The directors are aware that the directors of the ultimate holding company, Hawkes Bay Holdings Ltd (HBH), have prepared and carefully considered cash flow forecasts for the group for a period of five years from the reporting date of 31 December 2014 and are confident that the group has sufficient resources to meet its liabilities as they fall due. These forecasts include separate analyses and forecasts for each of the regulated entities within the group.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue trading for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

Directors

The directors are listed on page 2 of these financial statements and have held office during the whole year from 1 January 2014 to the date of this report unless otherwise noted.

Auditor

The company has dispensed with the need to hold an Annual General Meeting and hence the need to reappoint its auditor annually. Therefore, Deloitte LLP are deemed to continue in office.

This report was approved by the Board on 19 May 2015.

C M Spratt
Director

K A Cross
Director

Beaufort House
15 St Botolph Street
London
EC3A 7EE

Independent Auditor's Report to the members of Tyser & Co Limited

We have audited the financial statements of Tyser & Co Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. 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).

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, 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

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 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 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 the company's 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.

Independent Auditor's Report *(continued)*

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.

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.

Mark McIlquham (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

19 May 2015

Profit and Loss Account

For the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Turnover	2	41,260	38,700
Administrative expenses:			
Goodwill amortisation	8	(398)	(397)
Other		(33,273)	(32,141)
Total administrative expenses		(33,671)	(32,538)
Operating profit		7,589	6,162
Interest receivable	4	210	252
Interest payable and similar charges	5	(1)	(2)
Net interest		209	250
Profit on ordinary activities before taxation		7,798	6,412
Tax charge on profit on ordinary activities	6	(1,761)	(1,583)
Profit on ordinary activities after taxation for the financial year		6,037	4,829

The company's turnover and expenses all relate to continuing operations.

There are no recognised gains or losses in the year other than those reported in the profit and loss account and therefore no statement of total recognised gains and losses has been presented.

The accompanying notes form an integral part of the financial statements.

Balance Sheet

As at 31 December 2014

Registered number: 04256470

	Notes	2014 £'000	2013 £'000
Fixed assets			
Intangible assets - goodwill	8	5,132	5,530
Investments	9	14	14
		5,146	5,544
Current assets			
Debtors	10	16,506	14,353
Cash at bank and in hand	11	30,292	32,508
		46,798	46,861
Creditors: amounts falling due within one year	12	(38,121)	(41,519)
Net current assets		8,677	5,342
Net assets		13,823	10,886
Share capital and reserves			
Ordinary share capital	14	102	102
Share premium account	15	588	588
Capital reserves	15	5,243	5,641
Profit and loss account	15	7,890	4,555
Equity shareholders' funds		13,823	10,886

The accompanying notes form an integral part of the financial statements. The financial statements on pages 13 to 25 were approved by the Board on 19 May 2015.

C M Spratt
Director

K A Cross
Director

Notes to the financial statements

For the year ended 31 December 2014

1. Accounting policies

The principal accounting policies, which have been applied consistently throughout the current and prior years, are set out below.

(a) Accounting basis

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The financial position of the company is further described in the Chairman's Statement and Strategic Report. Accordingly the financial statements have been prepared on the going concern basis.

(b) Purchased Goodwill

Goodwill arising on the acquisition of subsidiary businesses, representing any excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which is estimated at 20 years. Provision is made for any impairment.

(c) Turnover

Turnover represents net brokerage and commission receivable on continuing activities. Brokerage is credited to the profit and loss account on the later of the date of inception of a risk or, if the completion of placement occurs subsequent to inception, the debit note date. Adjustments relating to additional or return premiums are accounted for as and when they arise. Commission is credited on an accruals basis. Brokerage is deferred to recognise contractual post placement activities.

(d) Foreign currencies

Profit and loss account transactions in foreign currencies are translated to sterling using the rate of exchange ruling at the date of the transaction. Assets and liabilities in overseas currencies have been translated into sterling at the rates of exchange ruling at the balance sheet date. Gains and losses on translation are included in the profit and loss account.

(e) Interest payable and interest receivable

Interest receivable and interest payable are recognised on an accruals basis.

Notes to the financial statements *(continued)*

For the year ended 31 December 2014

1. Accounting policies *(continued)*

(f) Derivative financial instruments

The company uses derivative financial instruments to reduce exposure to foreign exchange risk. The company does not hold derivative financial instruments for speculative purposes.

Foreign exchange contracts are related to anticipated currency earnings and are taken out to protect the company's sterling income position relative to the underlying overseas currency in which the income is earned. Gains and losses arising on these contracts are deferred and are recognised as the revenue to which the contract relates is recognised.

If an instrument ceases to be accounted for as a hedge, for example because the underlying hedge position is eliminated, the instrument is marked to market and any resulting profit or loss recognised at that time.

(g) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

In accordance with FRS 19, deferred tax 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 financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(h) Investments

Investments held as fixed assets, including investments in subsidiary undertakings, are stated at cost less provision for impairment.

(i) Insurance broking assets and liabilities

Insurance brokers act as agents in placing insurance risks of their clients with insurers and as such, are not liable as principals for amounts arising from such transactions. In recognition of this relationship, pre-cash flow debtors and creditors arising from these insurance broking transactions are not included as assets or liabilities of the company. Other than amounts receivable for fees or commissions earned on a transaction, no recognition of the insurance transaction occurs until the company receives or settles cash in respect of premiums or claims, at which time a corresponding debtor or creditor is established in favour of the insurer or the client.

Notes to the financial statements *(continued)*
For the year ended 31 December 2014

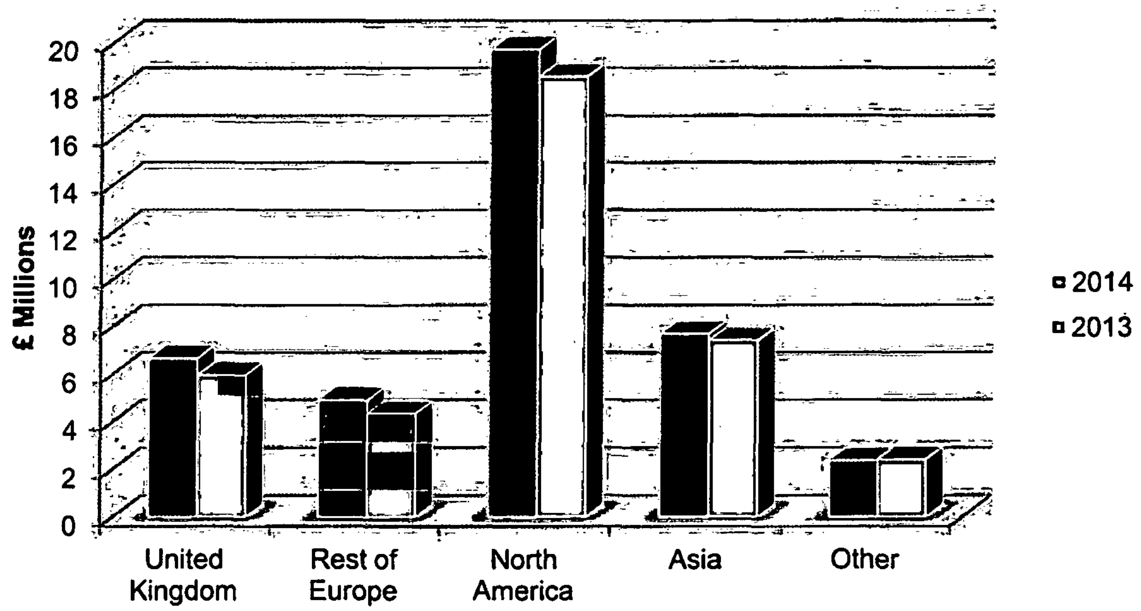
1. **Accounting policies *(continued)***

(j) **Related party transactions**
In accordance with FRS 8, the company is exempt, as a wholly owned subsidiary, from the requirement to disclose transactions with other wholly-owned entities that are part of the group.

(k) **Exemption from preparing a cash flow statement**
The company has taken advantage of the exemption under FRS 1 (Revised) not to prepare a cash flow statement, on the grounds that it is a wholly owned subsidiary of a group which prepares a consolidated cash flow statement and whose accounts are publicly available.

2. **Turnover**

	2014 £'000	2013 £'000
United Kingdom	6,658	5,956
Rest of Europe	4,904	4,339
North America	19,624	18,554
Asia	7,702	7,427
Other	2,372	2,424
	41,260	38,700



The whole of the turnover relates to insurance broking activities.

Notes to the financial statements *(continued)*

For the year ended 31 December 2014

3. Auditor's remuneration

The remuneration of the auditor in respect of the audit of the company and other work is paid by Tyser Group Services Limited, and included in the accounts of that company. The amount paid is as follows:

	2014 £'000	2013 £'000
Audit fee	50	41
Tax services	184	28
Paid by Tyser Group Services Limited on behalf of the company	234	69

4. Interest receivable

	2014 £'000	2013 £'000
Interest receivable from insurance broking and corporate funds	210	252

5. Interest payable

	2014 £'000	2013 £'000
Interest charged on bank loans and overdrafts	1	2

Notes to the financial statements *(continued)*

For the year ended 31 December 2014

6. Taxation

a) Tax charge on profit on ordinary activities	**2014 £'000**	**2013 £'000**
UK corporation tax charge at 21.49% (2013: 23.25%)	1,761	1,583
Total current year charge	1,761	1,583

b) Factors affecting tax charge for year	**2014 £'000**	**2013 £'000**
Profit on ordinary activities before tax	7,798	6,412
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013: 23.25%)	1,676	1,491
Effects of:		
Amortisation of goodwill	85	92
Current tax charge for the year (see 6 (a) above)	1,761	1,583

The UK corporation tax expense within these financial statements has been provided for at the rate of 21.49% (2013: 23.25%) the blended rate for the accounting period representing the reduction of the headline rate from 21% to 20% on 1 April 2015. Deferred tax has therefore been recognised within these financial statements at 20% being the substantively enacted rate at the balance sheet date.

Notes to the financial statements *(continued)*

For the year ended 31 December 2014

7. Directors' emoluments

None of the directors received any remuneration from the company.

All of the directors and employees engaged in the business of the company are employed by other group companies. Staff costs and numbers are disclosed in the accounts of those companies.

8. Intangible assets - goodwill

Insurance broking business	2014 £'000	2013 £'000
Cost		
At 1 January	7,951	7,951
Addition	-	-
31 December	7,951	7,951
Amortisation		
At 1 January	2,421	2,024
Charged during the year	398	397
31 December	2,819	2,421
Net book value		
31 December	5,132	5,530

9. Investments

	2014 £'000	2013 £'000
Unlisted Investments:		
At 1 January and 31 December	14	14

Notes to the financial statements *(continued)*
For the year ended 31 December 2014

10. Debtors: Amounts falling due within one year

	2014 £'000	2013 £'000
Trade debtors	12,254	12,885
Prepayments and accrued income	1,986	1,468
Amounts owed by group undertakings	2,266	-
	16,506	14,353

11. Cash at bank and in hand

Included in cash at bank and in hand is £28,335,000 (2013: £30,416,000) which is held in non-statutory trust accounts, which operate in compliance with the requirements of the Financial Conduct Authority.

12. Creditors: Amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	32,746	36,605
Corporation tax	1,359	728
Amounts owed to group undertakings	1,516	1,915
Accruals and deferred income (note 13)	2,500	2,271
	38,121	41,519

Notes to the financial statements *(continued)*
For the year ended 31 December 2014

13. Accruals and deferred income

	2014 £'000	2013 £'000
Deferred brokerage	2,338	1,958
Sundry accruals	162	313
	2,500	2,271

14. Called up share capital

	2014 £'000	2013 £'000
Authorised share capital:		
250,000 ordinary shares of £1 each	250	250
Allotted, called up and fully paid share capital:		
101,772 ordinary shares of £1 each	102	102

Notes to the financial statements *(continued)*
For the year ended 31 December 2014

15. Share capital and reserves

	Share capital	Share premium	Capital reserves	Profit and Loss account	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2014	102	588	5,641	4,555	10,886
Profit for the year transferred to reserves	-	-	-	6,037	6,037
Amortisation of goodwill	-	-	(398)	398	-
Dividends	-	-	-	(3,100)	(3,100)
At 31 December 2014	102	588	5,243	7,890	13, 823

16. Capital commitments and contingent liabilities

At 31 December 2014 the company had no capital commitments (2013: £nil).

The company has extended a guarantee to Tyser Group Services Limited (TGSL) in respect of the pension deficit recorded within the financial statements of TGSL, which has been calculated in accordance with the provisions of FRS 17 Retirement Benefits. The deficit (net of related deferred tax) amounted to £5,912,000 at 31 December 2014 (2013: £3,444,000).

Notes to the financial statements *(continued)*

For the year ended 31 December 2014

17. Hedging contracts

The company has entered into a number of contracts and options to help protect the value of its foreign currency earnings against fluctuations in exchange rates. As at 31 December 2014, these comprise:

Forward sale agreements

A series of forward sale agreements to sell USD, EUR and CAD at predetermined rates of exchange during 2015, 2016 and 2017. Total commitments in each of these years are shown below.

Currency	Forward sale values in:		
	2015	**2016**	**2017**
USD	30,250,000	13,333,336	5,000,000
EUR	1,500,003	2,100,000	600,000
CAD	4,200,000	-	-

Option agreements

These are a series of options in USD, EUR and CAD that protect the sterling value of our three primary revenue earning currencies. Should the currency strengthen against sterling up to a trigger rate then the company has no obligation to sell that currency. Should the currency strengthen beyond the trigger rate then the company is obliged to sell at the original protected rate of exchange.

The maximum commitment of the company under these options is as follows:

Currency	Maximum option value in:		
	2015	**2016**	**2017**
USD	11,000,000	6,666,664	5,000,000
EUR	1,400,000	-	-
CAD	1,500,000	-	-

Fair values for each class of derivatives are as follows, assuming the protection rate is triggered in all cases. A positive value represents an out of the money position :

	2014	**2013**
	£'000	**£'000**
Forward sale agreements	285	(1,386)
Option agreements	320	(313)
	605	(1,699)

Notes to the financial statements *(continued)*

For the year ended 31 December 2014

18. Ultimate parent company and related party transactions

At the balance sheet date Hawkes Bay Holdings Limited (HBH) is considered by the directors the ultimate controlling party and immediate and ultimate holding company of Tyser & Co Limited incorporated in the. Consolidated accounts of Hawkes Bay Holdings Limited, the smallest and largest group into which this company is consolidated, are publicly available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.