

Castle Cover Limited

## Annual report and financial statements

For the year ended 31 December 2014

Company Registration No. 5698370 (England and Wales)

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# **CASTLE COVER LIMITED**

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# **CASTLE COVER LIMITED**

## **COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2014**

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**Registered No.**  
5698370

**Directors**  
P J Corfield  
N J Lemans

**Secretary**  
R A Smith

**Auditors**  
KPMG LLP  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

**Bankers**  
HSBC Bank plc  
2nd Floor  
HSBC House  
Mitchell Way  
Southampton  
Hampshire  
SO18 2XU

**Registered Office**  
Ageas House  
Hampshire Corporate Park  
Templars Way  
Eastleigh  
Hampshire  
SO53 3YA

# CASTLE COVER LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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The directors submit their report, together with the audited financial statements for the year ended 31 December 2014.

### **Business review**

Full details of the results of Castle Cover Limited ('the Company') can be found on pages 4 to 8 of these financial statements. With effect from 1 May 2013 the trade and net assets were transferred to Ageas Retail Limited (formerly Ageas 50 Limited), a fellow subsidiary of Ageas (UK) Limited. The directors have prepared the financial statements on a non-going concern basis, as the Company will be struck off in due course.

### **Results and dividends**

Turnover for the year was £nil (2013: £6,877,834). Excluding interest, operating profit in 2014 was £nil compared with £1,095,729 in the previous year. The profit after tax was £nil (2013: £1,061,726). There were £2,464,382 (2013: £nil) dividends declared during the period under review.

### **Business model**

The Company is a 100% owned subsidiary of Ageas (UK) Limited, a company registered in England and Wales. Ageas (UK) Limited is a wholly owned subsidiary of Ageas Insurance International NV.

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

### **Principal risks**

#### Credit risk

As at 31 December 2014 the directors are confident in the recoverability of the asset as the resultant final balance of £2,464,383 (2013: £2,464,383) is an intercompany receivable from Ageas Retail Limited following the transfer of trade and assets on 1 May 2013.

### **Strategic aims and objectives**

Following the transfer of trade and net assets to Ageas Retail Limited the future strategy is to have the Company struck off the Register of Companies with retained earnings transferred to shareholders.

On behalf of the Board



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**R A SMITH**  
Secretary

Date: 27 April 2015

# CASTLE COVER LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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The directors present their annual report together with the audited financial statements of Castle Cover Limited ('the Company') for the year ended 31 December 2014.

The business review and information on the Results and Dividend are now set out in the Strategic Report on page 2.

### Directors

The current directors are shown on page 1.

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

### Basis of preparation of financial statements

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

The Board considers that, in view of the transfer of trade and assets of the Company to Ageas Retail Limited (formerly Ageas 50 Limited) with effect from 1 May 2013, it is appropriate to draw up financial statements on a 'non-going concern' basis. This conclusion has been reached having considered the provisions of FRS 18 Accounting Policies which requires entities to use the going concern basis, unless the directors intend to cease trading. The intention is to have the Company struck off the Register of Companies in due course.

The directors have considered the accounting treatment of assets and liabilities in the balance sheet at 31 December 2014 and have concluded that no changes are required in light of adopting a 'non-going concern' basis for preparing the accounts.

At the balance sheet date the Company had net current assets of £1.

### Auditors

Due to an internal reorganisation within KPMG, KPMG Audit Plc resigned as auditor with effect from 23 July 2014. To fill this casual vacancy, the directors approved the appointment of KPMG LLP, an intermediate parent of KPMG Audit Plc, as auditors of the Company, on 2 September 2014. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board



**R A SMITH**  
Secretary  
Date: 27 April 2015

## CASTLE COVER LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover		-	6,877,834
Cost of sales		-	(4,004,077)
Gross profit		-	2,873,757
Administrative expenses		-	(1,778,028)
Operating profit		-	1,095,729
Interest receivable and similar income	2	-	8,503
Interest payable and similar charges	3	-	(42,506)
Profit on ordinary activities before taxation		-	1,061,726
Tax on profit on ordinary activities	6	-	-
Profit for the year		-	1,061,726

The notes on pages 6 to 8 form an integral part of these financial statements.

# CASTLE COVER LIMITED

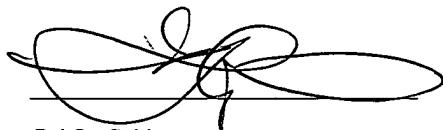
## BALANCE SHEET AS AT 31 DECEMBER 2014

	Notes	2014 £	2013 £
<b>Current assets</b>			
Debtors	7	<u>2,464,383</u>	<u>2,464,383</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>( 2,464,382)</u>	<u>-</u>
<b>Net current assets</b>		<u>1</u>	<u>2,464,383</u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account	10	<u>-</u>	<u>2,464,382</u>
<b>Shareholders' funds - equity interests</b>	11	<u>1</u>	<u>2,464,383</u>

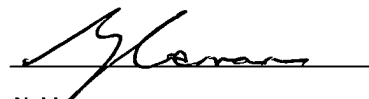
These financial statements have been prepared in accordance with the Companies Act 2006.

The notes on pages 6 to 8 form an integral part of these financial statements.

The financial statements were approved by the Board on 27 April 2015.



**P J Corfield**  
Director



**N J Lemans**  
Director

# CASTLE COVER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 1. Accounting policies

#### (a). Basis of accounting and going concern

The financial statements have been prepared in accordance with UK GAAP and under the historical cost convention.

The financial statements have been prepared on a non-going concern basis. This reflects the transfer of trade and assets of Castle Cover Limited to Ageas Retail Limited (formerly Ageas 50 Limited) with effect from 1 May 2013. The accounting policies disclosed below are unchanged from previous years on the basis that the directors intend to strike off the Company in due course.

#### (b). Compliance with accounting standards

The financial statements are prepared in accordance with the applicable accounting standards, which have been applied consistently (except as otherwise stated).

#### (c). Turnover

Turnover represents the Company's brokerage commission earned on insurance premiums written. Commission is recognised in full on the sales/renewal date of the insurance policy, irrespective of the timing of monies being received from the customer for this policy. This is the most appropriate date for when risk transfer has occurred. Instalment income from policies on monthly direct debit is recognised over the period of the policy. No policies written last beyond 12 months. A provision has been made at an appropriate level to reflect future cancellations / policy lapses for policies in force at the year end. In addition a provision has been made for potential bad debts based on ageing of debt at the year end. All of turnover is from UK based operations.

#### (d). Pensions

The Company operated a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company in an independently administered scheme. The annual contributions payable are charged to the profit and loss account.

#### (e). Dividends

Dividends payable on ordinary shares are recognised when they are authorised.

### 2. Interest receivable

	2014	2013
	£	£
Other interest	-	8,503

### 3. Interest payable

	2014	2013
	£	£
Included in interest payable are the following amounts:		
Other loan interest	-	42,506

### 4. Directors' emoluments

During the year under review £nil (2013: £nil) emoluments was received by all directors who served during the year.

The directors of the Company are remunerated by Ageas Retail Limited (formerly Ageas 50 Limited) and Ageas (UK) Limited, their emoluments are disclosed in those companies' financial statements.



# CASTLE COVER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

5. Staff costs	2014	2013
	£	£
Wages and salaries	-	2,117,698
Social security costs	-	167,507
Other pension costs	-	30,049
	<u>-</u>	<u>2,315,255</u>

### Average number of employees:

	2014	2013
	Number	Number
Operations	<u>-</u>	<u>314</u>

All employees transferred to Ageas Retail Limited (formerly Ageas 50 Limited) as part of the transfer of trade and net assets in 2013.

6. Taxation	2014	2013
	£	£
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

The Company has no tax losses to carry forward (2013: £nil) due to the remaining losses being transferred along with the trade and net assets to Ageas Retail Limited (formerly Ageas 50 Limited) on 1st May 2013.

7. Debtors	2014	2013
	£	£
Amounts due from group companies	<u>2,464,383</u>	<u>2,464,383</u>

Amounts due from group companies is the balance due from Ageas Retail Limited (formerly Ageas 50 Limited) in settlement for the transfer of trade and net assets.

8. Creditors: amounts falling due within one year	2014	2013
	£	£
Amounts due to group companies	<u>2,464,382</u>	<u>-</u>

Amounts due to group companies is the balance due to Ageas (UK) Limited in settlement of the dividend.

9. Share capital	2014	2013
	£	£
Authorised: 10,000,000 ordinary shares of £0.0001	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid: 10,000 ordinary shares of £0.0001 (2013: 10,000)	<u>1</u>	<u>1</u>

The total number of unpaid ordinary shares at the year end is nil (2013 nil).

10. Statement of movements on reserves	Profit and loss account
	£
At 1 January 2014	2,464,382
Retained profit for the year	-
Dividends to shareholders	<u>(2,464,382)</u>
At 31 December 2014	<u>-</u>

## CASTLE COVER LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

11. Reconciliation of movements in shareholders' equity	2014 £	2013 £
Profit for the financial year	-	1,061,726
Reduction of ordinary share capital	-	(1)
Dividends paid	(2,464,382)	-
Net (reduction)/addition to shareholders' equity	(2,464,382)	1,061,725
Opening shareholders' equity	2,464,383	1,402,658
Closing shareholders' equity	1	2,464,383

#### 12 Pension commitments

The Company operated a defined contribution personal pension plan. The assets of the plans are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the plans and the amount contributed during the year was £nil (2013: £30,049). At the balance sheet date an amount of £nil (2013: £nil) was owing to the pension fund.

#### 13 Capital commitments

There are no capital commitments contracted for but not provided for in the financial statements for the year ended 31 December 2014 or 31 December 2013.

#### 14 Related party transactions

In 2013 the business of the Company was transferred to Ageas Retail Limited (formerly Ageas 50 Limited) and all net assets were transferred across to Ageas Retail Limited creating an intercompany asset of £2,464,383 which matched the shareholder funds still included within the Company. This balance as at 31 December 2014 is £2,464,383.

In the year to 31 December 2014 the total intercompany commissions paid to the Company were £nil (2013: £1,637,489). This been included with turnover and is broken down as follows: Ageas Insurance Limited £nil (2013: £1,468,942), AIG Life Limited (formerly Ageas Protect Limited) £nil (2013: £1,547) and GICL 2013 Limited: £nil (2013: £167,000).

As at 31 December 2014 the Company held no liabilities on the balance sheet regarding insurance creditors from group companies (2013: £nil).

As at 31 December 2014 the Company owed Ageas (UK) Limited £2,464,382 (2013: £nil).

#### 15 Ultimate controlling party

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

Copies of the above accounts can be obtained from the Company Secretary, Castle Cover Limited, Ageas House, Hampshire Corporate Park, Templars Way, Eastleigh, Hampshire SO53 3YA.

## **CASTLE COVER LIMITED**

### **Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report & the Financial Statements**

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASTLE COVER LIMITED FOR THE YEAR ENDED 31 DECEMBER 2014**

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We have audited the financial statements of Castle Cover Limited for the year ended 31 December 2014 set out on pages 4 to 8. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards

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 the directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://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 the result 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.

### **Emphasis of matter - non-going concern basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note.


### **Opinion on the 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.



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

Chartered Accountants  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

27 April 2015