

Great American Specialty & Affinity Limited
(Formerly Lease & Loan Insurance Services Limited)

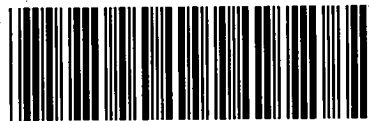
REPORT AND FINANCIAL STATEMENTS

REGISTERED NUMBER 07325969

for the year ended

31 December 2013

TUESDAY



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COMPANIES HOUSE

Great American Specialty & Affinity Limited

(Formerly Lease & Loan Insurance Services Limited)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J S Bartlett

E C Rosen

D J Witzgall

J C Webb (Appointed 7 January 2014)

V McLenaghan (Appointed 10 March 2014)

SECRETARY

Norose Company Secretarial Services Limited

REGISTERED OFFICE

32 Queen Square

Bristol

Avon

United Kingdom

BS1 4ND

AUDITOR

Baker Tilly UK Audit LLP

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol

BS1 6AD

Great American Specialty & Affinity Limited

(Formerly Lease & Loan Insurance Services Limited)

DIRECTORS' REPORT

The directors submit their report and financial statements of Great American Specialty & Affinity Limited (formerly Lease & Loan Insurance Services Limited) for the year ended 31 December 2013.

PRINCIPAL ACTIVITY

The principal activity of the company during the period was acting as an insurance broker and administrator for the provision of insurance products to the leased commercial equipment market.

RESULTS AND DIVIDENDS

The loss for the year amounted to £776,726 (2012: loss £602,375). The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

J S Bartlett
D J Witzgall
E C Rosen

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

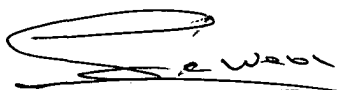
AUDITOR

Baker Tilly UK Audit LLP was appointed auditor during the period and has indicated its willingness to continue in office.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provision applicable to companies entitled to the small companies exemption under Companies Act 2006.

On behalf of the board



J C Webb
Director

12 September 2014.

Great American Specialty & Affinity Limited

(Formerly Lease & Loan Insurance Services Limited)

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing 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 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
GREAT AMERICAN SPECIALTY & AFFINITY LIMITED (Formerly Lease & Loan
Insurance Services Limited)**

We have audited the financial statements on pages 5 to 13. 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 member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 (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 Financial Reporting Council's website at <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 2013 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

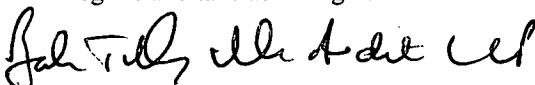
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.



NIGEL HARDY (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol BS1 6AD

26 September 2014

Great American Specialty & Affinity Limited

(Formerly Lease & Loan Insurance Services Limited)

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2013

		Year ended 31 Dec 13 £	Period from 1 Aug 11 to 31 Dec 12 £
TURNOVER	Notes 2	2,502,664	1,628,883
Administrative expenses		(3,299,059)	(2,386,890)
OPERATING LOSS	3	(796,395)	(758,007)
Interest receivable		19,669	18,965
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(776,726)	(739,042)
Taxation	6	-	136,667
LOSS FOR THE FINANCIAL PERIOD	13	(776,726)	(602,375)

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Great American Specialty & Affinity Limited

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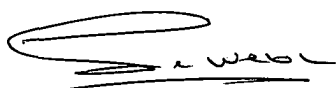
BALANCE SHEET

31 December 2013

		Year ended 31 Dec 13 £	Period from 1 Aug 11 to 31 Dec 12 £
	<i>Notes</i>		
FIXED ASSETS			
Tangible assets	7	<u>51,611</u>	<u>69,061</u>
CURRENT ASSETS			
Debtors	8	935,249	1,118,399
Cash at bank and in hand		<u>3,313,976</u>	<u>4,501,366</u>
		4,249,225	5,619,765
CREDITORS			
Amounts falling due within one year	9	<u>(3,719,043)</u>	<u>(4,330,307)</u>
NET CURRENT ASSETS		<u>530,182</u>	<u>1,289,458</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>581,793</u>	<u>1,358,519</u>
CAPITAL AND RESERVES			
Called up share capital	12	1,960,894	1,960,894
Profit and loss account	13	<u>(1,379,101)</u>	<u>(602,375)</u>
SHAREHOLDER'S FUNDS	14	<u>581,793</u>	<u>1,358,519</u>

The accounts are prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 5 to 13 were approved by the board of directors and authorised for issue on 12 September 2014 and are signed on their behalf by:



J C Webb
Director

Great American Specialty & Affinity Limited

(Formerly Lease & Loan Insurance Services Limited)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

TURNOVER

Turnover represents commission and fees for brokerage and insurance administration services. Income is recognised when the company's contractual obligations are met under the terms of business agreements with its clients, therefore, an element of commission is deferred over the period of the insurance contracts to provide for future contractual obligations after the commencement of the contract. Provision is also made for cancellations during the period of the contract.

GOING CONCERN

The financial statements have been prepared in conformity with generally accepted accounting principles which contemplate continuation of the company as a going concern. While the company has shareholder's funds of £581,793 at the end of the financial period, the company made a loss for the financial period of £776,725. Cashflow projections have been prepared for 12 months following the date of approval of the financial statements which support the ability of the Company to continue as a going concern.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	straight line over 5 years
Furniture & equipment	-	straight line over 3 years

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

PENSIONS

The company operates a defined pension contribution scheme and the company's contributions are charged to the Profit and Loss Account as they are incurred. Outstanding pension contributions at 31 December 2013 were £612.

Great American Specialty & Affinity Limited

(Formerly Lease & Loan Insurance Services Limited)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

2 TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Year ended 31 Dec 13 £	Period from 1 Aug 11 to 31 Dec 12 £
United Kingdom	1,585,272	1,076,892
Other EEA countries	892,392	551,991
Other	25,000	-
Total	<u>2,502,664</u>	<u>1,628,883</u>

3 OPERATING LOSS

Operating loss is stated after charging/(crediting):

	Year ended 31 Dec 13 £	Period from 1 Aug 11 to 31 Dec 12 £
Depreciation of owned fixed assets	36,539	21,401
Auditor's remuneration for audit of accounts	14,832	14,400
Net (loss)/gain on foreign currency translation	(157,905)	2,327
Operating lease payments – land and buildings	214,416	142,944
Operating lease payments - other	<u>31,869</u>	<u>21,246</u>

Great American Specialty & Affinity Limited

(Formerly Lease & Loan Insurance Services Limited)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period was:

	Year ended 31 Dec 13 No	Period from 1 Aug 11 to 31 Dec 12 No
Number of administrative staff	47	48
	<u>47</u>	<u>48</u>

The aggregate payroll costs of the above were:

	Year ended 31 Dec 13 £	Period from 1 Aug 11 to 31 Dec 12 £
Wages and salaries	1,989,535	1,309,143
Social security costs	268,113	166,018
Other Staff Costs	68,162	44,538
Other pension Costs	105,236	68,455
	<u>2,431,046</u>	<u>1,588,154</u>

5 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	Year ended 31 Dec 13 £	Period from 1 Aug 11 to 31 Dec 12 £
Remuneration receivable	292,624	187,547
Value of company pension contributions to defined contribution schemes	16,904	11,084
	<u>309,528</u>	<u>198,631</u>

The remuneration above relates to one director and therefore is the remuneration of the highest paid director.

The number of directors who accrued benefits under company pension schemes was as follows:

	Year ended 31 Dec 13 No	Period from 1 Aug 11 to 31 Dec 12 No
Defined contribution schemes	<u>1</u>	<u>1</u>

Great American Specialty & Affinity Limited

(Formerly Lease & Loan Insurance Services Limited)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of credit in the period

	Year ended 31 Dec 13 £	Period from 1 Aug 11 to 31 Dec 12 £
Current tax:		
UK Corporation tax based on the results for the period at 23% (2012 - 25%)	-	(136,667)
Total current tax	-	(136,667)

(b) Factors affecting 2013 tax credit

The tax assessed on the loss on ordinary activities for the period was higher than the standard rate of corporation tax in the UK of 23% as explained below

	Year ended 31 Dec 13 £	Period from 1 Aug 11 to 31 Dec 12 £
Loss on ordinary activities before taxation	(776,725)	(739,042)
Loss on ordinary activities by rate of tax	(178,647)	(184,761)
Effects of:		
Expenses not deductible for tax purposes	-	2,012
Capital allowances for period in excess of depreciation	-	(1,514)
Losses carried back	-	47,596
Losses carried forward	178,647	-
Total current tax (note 6(a))	-	(136,667)

(c) Factors that may affect future tax charges

The main rate of corporation tax was reduced to 23% from 1 April 2013 and is expected to reduce to 20% by 1 April 2015. Brought forward tax losses as at 31 December 2012 amounted to £1.1m. The brought forward tax losses and loss for the year ended 31 December 2013 indicate no corporation tax will be payable in the near future.

Great American Specialty & Affinity Limited

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 2013

7 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Furniture & equipment £	Total £
Cost			
At 31 December 2012	30,231	203,870	234,101
Additions	-	19,089	19,089
Disposals	-	(86,909)	(86,909)
At 31 December 2013	<u>30,231</u>	<u>136,050</u>	<u>166,281</u>
Depreciation			
At 31 December 2012	24,733	140,307	165,040
Charge for the year	3,142	33,397	36,539
Disposals	-	(86,909)	(86,909)
At 31 December 2013	<u>27,875</u>	<u>86,795</u>	<u>114,670</u>
Net book value			
At 31 December 2013	<u>2,356</u>	<u>49,255</u>	<u>51,611</u>
At 31 December 2012	<u>5,498</u>	<u>63,563</u>	<u>69,061</u>

8 DEBTORS

	31 Dec 13 £	31 Dec 12 £
Trade debtors	600,003	574,249
Amounts owed by group undertakings	-	427,377
Prepayments and accrued income	335,246	116,773
	<u>935,249</u>	<u>1,118,399</u>

9 CREDITORS: Amounts falling due within one year

	31 Dec 13 £	31 Dec 12 £
Trade creditors	643,374	478,897
Amounts owed to group undertakings	10,759	-
PAYE and social security	55,925	64,948
Other creditors	128,107	201,637
Deferred commission	1,494,885	2,098,709
Reserve for cancellation	1,367,161	1,438,292
Accruals and deferred income	18,832	47,824
	<u>3,719,043</u>	<u>4,330,307</u>

Great American Specialty & Affinity Limited

(Formerly Lease & Loan Insurance Services Limited)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

10 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	31 Dec 13		31 Dec 12	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within 1 year	-	7,448	-	-
Within 2 to 5 years	192,000	-	214,416	31,869
After more than 5 years	-	-	-	-
	<u>192,000</u>	<u>7,448</u>	<u>214,416</u>	<u>31,869</u>

11 RELATED PARTY TRANSACTIONS

The company is a 100% owned subsidiary company of a group for which consolidated accounts are prepared and advantage has been taken of the exemption granted by Financial Reporting Statement Number 8 from the requirement to disclose details of transactions with related parties within the group.

12 SHARE CAPITAL

	31 Dec 13 £	31 Dec 12 £
Allotted, called up and fully paid:		
1,960,894 Ordinary shares of £1 each	<u>1,960,894</u>	<u>1,960,894</u>

13 PROFIT AND LOSS ACCOUNT

	Year ended 31 Dec 13 £	Period from 1 Aug 11 to 31 Dec 12 £
At the start of the period	(602,375)	-
Loss for the financial period	<u>(776,726)</u>	<u>(602,375)</u>
At the end of the period	<u>(1,379,101)</u>	<u>(602,375)</u>

The trading activity of the company for the period 1 August 2011 to 14 May 2012 (see note 16) was transacted through the previous entity PLLS Ltd.

Great American Specialty & Affinity Limited

(Formerly Lease & Loan Insurance Services Limited)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2013

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	31 Dec 13	31 Dec 12
	£	£
Loss for the financial period	(776,726)	(602,375)
New ordinary share capital subscribed	-	1,960,893
Net addition to shareholder's funds	(776,726)	1,358,518
Opening shareholder's funds	1,358,519	1
Closing shareholder's funds	581,793	1,358,519

15 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company and controlling party is APU Holding Company, a private company incorporated in Cincinnati, Ohio, USA. The ultimate parent company is American Financial Group Inc, a publicly quoted company incorporated in Cincinnati, Ohio, USA. American Financial Group Inc heads the largest and smallest group in which the results of the company are consolidated.

16 ACQUISITION OF TRADE AND NET ASSETS IN 2012

On 14th May 2012 the company acquired the trade and net assets of the UK establishment of an overseas company, PLLS Ltd. Consideration for the acquisition was ordinary share capital in the company. The fair value of assets and liabilities acquired is set out below.

	Fair value at acquisition £
Tangible fixed assets	73,611
Debtors	781,083
Cash at hand and at bank	5,783,891
Total assets acquired	6,638,585
Trade creditors	(383,461)
Other creditors	(116,658)
Deferred commission	(1,376,989)
Provision for cancellations	2,800,584
Total liabilities acquired	(4,677,692)
Net assets acquired	1,960,893