Registered number: 09347638

DUAL MARINE & ENERGY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 10 MONTH PERIOD ENDED 30 SEPTEMBER 2015

Bankside House
107-112 Leadenhall Street
London
EC3A 4AF

DUAL MARINE & ENERGY LIMITED

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DUAL MARINE & ENERGY LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

The directors present their Annual Report and the financial statements for the 10 month period ended 30 September 2015.

Principal activity

DUAL Marine & Energy Limited ("the Company") was incorporated on 9th December 2014. The Company passed a resolution on 10 June 2015 to change its name from DUAL Marine & Energy Holdings Limited to DUAL Marine & Energy Limited. The Company underwrites specialty insurance business operating in the London market, specialising in Hull & Machinery, Upstream Energy, Marine Liabilities, and Marine & Offshore Equipment.

Directors

The directors who served during the period and up to the date of this report are:

AH Elston (appointed 9 December 2014 & resigned 31 December 2015)
C Weston (appointed 9 December 2014 & resigned 9 December 2014)
TS Bains (appointed 15 January 2016)
AE Grant (appointed 15 January 2016)
BA Hellman (appointed 27 April 2015)
JC Scott (appointed 27 April 2015)
AJ Watson (appointed 19 January 2016)
SP Doyle (appointed 27 April 2015 & resigned 10 November 2015)

Directors' indemnities

Hyperion Insurance Group Limited, the ultimate holding company, has made qualifying third party indemnity provisions for the benefit of the Company directors which were made during the year and remain in force at the date of this report.

Future developments

The Company intends to continue trading as an insurance intermediary. Market rates remain challenging in the current economic climate. However, despite this the Company is forecasting continued growth as it expands into new territories.

Matters covered in the Strategic Report

Details of financial risk management objectives and policies are included in the Strategic Report, and form part of this report by cross-reference.

Going concern

The Company's business activities, future prospects, business risks and uncertainties, financial risk management and details of its financial instruments and hedging activities are set out above and in the Strategic Report.

The Company participates in Hyperion Insurance Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements. While the Company is in a net current and net total liabilities position, the Company's ultimate parent undertaking, Hyperion Insurance Group Limited, has undertaken to provide continuing financial support to the Company.

Disclosure of information to auditor

The directors at the time when this Directors' Report is approved have confirmed that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- they has taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Deloitte LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by:

Andrew Moore
Company Secretary
Date: 5 MAY 2016

DUAL MARINE & ENERGY LIMITED

STRATEGIC REPORT
FOR THE 10 MONTH PERIOD ENDED 30 SEPTEMBER 2015

Review of business

The loss for the Company after taxation was £907,000. The Company was a start-up venture and did not receive a sufficiently broad third party underwriting capital during its first trading period. The net liabilities of the Company as at 30 September 2015 were £907,000. Given the straightforward nature of the business, the Directors do not believe the further use of key performance indicators ("KPIs") is necessary for adequate understanding of the financial statements. The directors do not recommend the payment of a dividend.

Business risks and uncertainty

The Company's operations are exposed to the cyclical factors that affect the insurance market and therefore affect the level of premiums written and commissions earned.

The Company is not directly exposed to any ultimate underwriting losses on business written, but participates in underwriting profits which may vary significantly from year to year. As it is reliant on third party underwriting capital, the Company is exposed to potential changes in underwriting policy and practice by its capital providers.

The Company is also exposed to regulatory risk, but to date the impact on the business has been slight due to the limited nature of regulation for the Company as it only acts as an insurance intermediary.

Financial risk management

The Company's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. Its policy is to finance working capital through retained earnings.

The Company's principal financial assets are intercompany balances with DCR, relating to insurance balances on premiums written on behalf of DCR. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company outsources its treasury arrangements to Hyperion Insurance Group Limited, the ultimate holding company, which uses a mixture of long-term and short-term debt finance.

This report was approved by the board on and signed on its behalf by:

B A Hellman
Director
Date: 5 MAY 2016

DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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 MEMBERS OF DUAL MARINE & ENERGY LIMITED

We have audited the financial statements of DUAL Marine & Energy Limited for the 10 month period ended 30 September 2015, which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 16. 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 Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Director's 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 30 September 2015 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 Strategic Report and the Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

David Rush

David Rush (Senior statutory auditor)
for and on behalf of
Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
Date: 11 May 2016

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

	Note	10 month period ended 30 September 2015 £000
TURNOVER	1,2	**119**
Administrative expenses		**(1,248)**
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(1,129)**
Tax on loss on ordinary activities	6	**222**
LOSS FOR THE FINANCIAL PERIOD	12	**(907)**

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 other than those included in the Profit and Loss Account. Accordingly, a statement for total recognised gains and losses has not been prepared.

The notes on pages 9 to 17 form part of these financial statements.

DUAL MARINE & ENERGY LIMITED

REGISTERED NUMBER: 09347638

BALANCE SHEET
AS AT 30 SEPTEMBER 2015

	Note	£000	2015 £000
FIXED ASSETS			
Tangible assets	7		27
CURRENT ASSETS			
Debtors	8	335	
CREDITORS: amounts falling due within one year	9	(1,269)	
NET CURRENT LIABILITIES			(934)
NET LIABILITIES			(907)
CAPITAL AND RESERVES			
Profit and Loss Account	12		(907)
SHAREHOLDERS' DEFICIT	13		(907)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

BA Hellman
Director
5 MAY 2016

JC Scott
Director
5 MAY 2016

The notes on pages 9 to 17 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently throughout the year and preceding year in dealing with items that are considered material in relation to the financial statements:

a Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, on the going concern basis and in accordance with applicable UK Accounting Standards.

The Company's business activities, future outlook, business risks and uncertainties and risk management are set out in the Directors' Report and Strategic Report. Despite the current uncertain economic outlook and after making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

b Going concern

The financial statements have been prepared under the going concern basis. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. While the Company is in a net current and net total liabilities position, the Company's ultimate parent undertaking, Hyperion Insurance Group Limited, has undertaken to provide continuing financial support to the Company.

c Turnover

Turnover consists principally of brokerage, commission and fees associated with the placement of insurance and reinsurance contracts, net of commissions payable to other directly involved parties. Revenues from brokerage, commissions and fees are recognised on the inception date of the risk. Any adjustments to commission arising from premium additions or reductions are recognised as and when they are notified by third parties.

Where contractual obligations exist for the performance of post placement activities, and the cost of these activities is not expected to be covered by future revenue, a relevant proportion of revenue received on placement is deferred and recognised over the period during which the activities are performed.

d Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less depreciation less any recognised impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of these items. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the costs can be measured reliably. All other costs, including repairs and maintenance costs are charged to the Profit and Loss Account in the period in which they are incurred.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of fixed assets less their estimated residual value over their expected useful lives on the following bases:

Computer equipment	-	4-5 years

The assets' useful lives and residual values are reviewed and, if appropriate, adjusted at each balance sheet date.

The gain or loss arising on disposal or scrapping of an asset is recognised in the profit and loss account.

e Employee benefits

The Company operates a defined contribution pension scheme and the amount charged to the Profit and Loss Account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. The Company has no legal obligation to make any further payments to the plans other than the contributions due.

f Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

g Taxation

Corporation tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates and laws enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred taxation is provided on material timing differences between the incidence of income and expenditure for taxation and accounts purposes using the full provision basis. Deferred tax assets are only recognised to the extent that they are considered recoverable against future taxable profits. Deferred tax balances are not discounted. Deferred tax is determined using the tax rates that have been enacted or substantively enacted by the balance sheet date, and are expected to apply when the deferred tax liability is settled or the deferred tax asset is realised.

Changes in deferred tax assets or liabilities are recognised as a component of the tax expense in the profit and loss account, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

h Insurance intermediary assets and liabilities

Insurance intermediaries usually act as agents in placing the insurable risks of their clients with insurers and as such, generally, are not liable as principals for the amounts arising from such transactions. Notwithstanding these legal relationships, debtors and creditors arising from insurance transactions are shown as assets and liabilities. This recognises that the insurance intermediary is entitled to retain the investment income on any cash flows arising from these transactions and is included as fiduciary investment income in the profit and loss account.

Debtors and creditors arising from a transaction between a client and insurers (e.g. a premium or a claim) are recorded simultaneously. Consequently, there is a high level of correlation between the totals reported in respect of insurance debtors and insurance creditors.

The position of the insurance intermediary as an agent means that generally the credit risk is borne by the principals. There can be circumstances where the insurance intermediary acquires credit risk – through statute, or through the act or omission of the insurance intermediary or one of the principals. There is much legal uncertainty surrounding the circumstances and the extent of such exposure and consequently they cannot be evaluated. Therefore, the total of insurance broking debtors appearing in the balance sheet is not an indication of credit risk.

It is normal practice for insurance intermediaries to settle accounts with other intermediaries, clients, insurers and market settlement bureaux on a net basis. Thus, large changes in both insurance debtors and creditors can result from comparatively small cash settlements. For this reason, the totals of insurance debtors give no indication of future cash flows.

The legal status of this practice of net settlement is uncertain and in the event of insolvency it is generally abandoned. Financial Reporting Standard No. 5 "Reporting the substance of transactions" requires that the offset of assets and liabilities should be recognised in the financial statements where, and only where, the offset would survive the insolvency of the other party. Accordingly, only such offsets have been recognised in calculating insurance debtors and creditors.

2. TURNOVER

A geographical analysis of turnover is as follows:

	10 month period ended 30 September 2015
Commission and fees from within the EU	80
Commission and fees from outside the EU	39
Total	**119**

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities before taxation is stated after charging:

	10 month period ended 30 September 2015 £000
Depreciation of tangible fixed assets:	
- owned by the company	9
Auditor's remuneration	2
Difference on foreign exchange	(6)

4. DIRECTOR'S REMUNERATION

No director's remuneration was borne by the Company. All directors were remunerated by other group companies and receive no remuneration specifically in relation to their services to the Company.

5. STAFF COSTS

Staff costs were as follows:

	2015 £000
Wages and salaries	680
Social security costs	84
Other pension costs	70
Other staff costs	2
	836

The average monthly number of employees, including directors, during the period was as follows:

	2015 No.
Directors	1
Underwriters	3
Administration and claims	1
	5

6. TAXATION

	2015 £000
Analysis of tax credit in the period	
Current tax (see note below)	
UK corporation tax credit on loss for the period	(211)
Deferred tax (see note 10)	
Origination and reversal of timing differences	(11)
Tax on loss on ordinary activities	(222)

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 20.5%. The differences are explained below:

	2015 £000
Loss on ordinary activities before tax	(1,129)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5%	(231)
Effects of:	
Expenses not deductible for tax purposes	9
Short term timing difference leading to an increase in taxation	11
Current tax credit for the period (see note above)	(211)

Factors that may affect future tax charges

Following the enactment of the Finance Act 2014 on 17 July 2014, the main rate of corporation tax has reduced from 21% to 20% from 1 April 2015. This will reduce to 19% on 1 April 2017 as announced in the Summer Budget 2015, and to 17% on 1 April 2020 following the Budget 2016. The Company's UK deferred tax balances have been recognised at 20%.

7. TANGIBLE FIXED ASSETS

	Computer equipment £000
Cost	
At 9 December 2014	-
Additions	36
At 30 September 2015	36
Depreciation	
At 9 December 2014	-
Charge for the period	9
At 30 September 2015	9
Net book value	
At 30 September 2015	27

8. DEBTORS

	2015 £000
Amounts owed by group undertakings	105
Other debtors	2
Prepayments and accrued income	6
Tax recoverable	211
Deferred tax asset (see note 10)	11
	335

9. CREDITORS:
Amounts falling due within one year

	2015 £000
Amounts owed to group undertakings	1,095
Accruals and deferred income	174
	1,269

10. DEFERRED TAXATION

	2015 £000
At beginning of period	-
Movement in year (note 6)	11
At end of period	11

The deferred tax asset is made up as follows:

	2015 £000
Other timing differences	11

11. SHARE CAPITAL

	2015 £
Allotted, called-up and fully paid	
1 Ordinary share of £0.10	-

During the year, the Company allotted 1 ordinary share with a nominal value of £0.10 for consideration of nil.

12. RESERVES

	Profit and loss account £000
Loss for the financial period	(907)
At 30 September 2015	(907)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2015 £000
Opening shareholders' funds	-
Loss for the financial period	(907)
Closing shareholders' deficit	(907)

14. PENSION COSTS

The Company operates a defined contribution pension scheme, the assets of which are held separately from those of the Company in an independently administered fund. The pension cost charge for the period is shown in note 5. No amount was accrued or prepaid as at period end.

15. CONTINGENT LIABILITIES

On 29 April 2015, the ultimate parent company Hyperion Insurance Group Limited along with fellow subsidiaries HIG Finance Limited and Hyperion Refinance S.a.r.l., entered into a financing agreement with Morgan Stanley Senior Funding, Inc., Royal Bank of Canada, HSBC Bank plc, Lloyds Bank plc, Royal Bank of Scotland and ING Capital LLC. Under the terms of this agreement, the Company together with a number of other subsidiaries have given guarantees in respect of Hyperion Refinance S.a.r.l's obligations under the terms of the agreement.

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is DUAL International Limited, a company incorporated in the United Kingdom and registered in England and Wales. The Company's ultimate parent company is Hyperion Insurance Group Limited, a company incorporated in the United Kingdom and registered in England and Wales. The largest and smallest group of which the Company is a member for which group financial statements are drawn up is that of Hyperion Insurance Group Limited. Copies of the financial statements of this Company can be obtained from The Group Finance Department, 16 Eastcheap, London, EC3M 1BD.