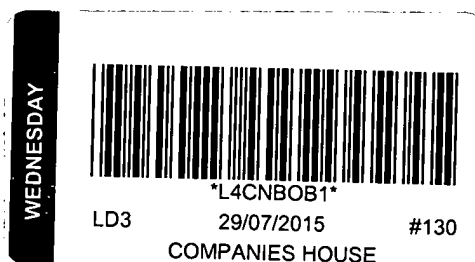


Registered No.: 147862

MOORGATE INSURANCE COMPANY LIMITED

Reports and Financial Statements

for the year ended 31 December 2014



Moorgate Insurance Company Limited

Reports and Financial Statements for the year ended 31 December 2014

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Moorgate Insurance Company Limited

Directors	N J Steer W A Bridger R Williams C W Singh
Corporate Secretary	Compre Services (UK) Limited
Registered office	St Clare House 30 - 33 Minories London EC3N 1DD
Registered number	147862
Auditor	Mazars LLP Chartered Accountants and Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD

Moorgate Insurance Company Limited

Strategic Report for the year ended 31 December 2014

The Directors present their strategic report for Moorgate Insurance Company Limited for the year ended 31 December 2014.

Review and analysis of the business during the current year

The company continued its principal activities throughout the current year.

Key performance indicators

Management use a range of performance measures to monitor and manage the business. The key performance indicators are set out below:

	2014	2013
	£	£

The company's key financial performance indicators for the year are:

- Technical provisions - net of reinsurance	21,000	21,000
- Shareholder's funds	2,697,143	2,689,308

Development and financial performance during the year

As reported in the profit and loss account the company recorded a loss on its technical account for the year. This was largely due to an increase in the run-off costs provision. Despite this the company did record a profit before and after tax for the year.

Financial position at the reporting date

The balance sheet shows that the company's net assets at the year end have increased from 2013. This was due to exchange gains, which more than offset the loss on the technical account.

The company's cash position decreased compared to 2013 as a result of the payment of operational expenses.

Principal risks and uncertainties facing the business

Management continually monitor the key risks facing the company together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

The principal risks and uncertainties facing the company are as follows:

The principal risks and uncertainties recognised by the directors of this company in run off are the unpredictable nature of claims arising on business written many years ago and the exposure to currency exchange rate fluctuations which are mitigated by active claims management, reinsurance arrangements and regular monitoring and execution of currency exchanges.

Approval

This report was approved by the board on 23 March 2015 and signed on its behalf by



C W Singh
Director

St Clare House 30-33 Minories
London EC3N 1DD

Moorgate Insurance Company Limited

Directors' Report for the year ended 31 December 2014

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

Principal activity

The principal activity of the company is the run off of its insurance and reinsurance business.

Financial Instruments

The principal financial instruments of the company are cash and deposits with credit institutions. In addition the company has various other financial assets and liabilities, such as other debtors and creditors arising directly from its operation.

Cash is invested so as to maximise interest income, within the company's risk appetite, whilst ensuring that the company has sufficient liquid resources to meet the on-going needs of the business.

Review of the business and future developments

Following the conclusion of a solvent scheme of arrangement in 2005 and an insurance business transfer scheme in 2008 under Part VII of the Financial Services and Markets Act 2000, the company's remaining business now consists of the following agency account:

- Ridgwell Fox & Partners ("RFP"). The company participated in this business between 1980 and 1988. A reinsurance contract was effected that provides cover in respect of all claims now arising on this business.

The company continues to seek a finality solution for this account.

Results and dividends

The profit for the year attributable to shareholders amounted to £7,835 (2013 : profit £282,929).

The directors do not recommend the payment of a dividend for the year (2013 : Nil).

Moorgate Insurance Company Limited

Directors' Report for the year ended 31 December 2014 (continued)

Directors and directors' interests

The directors of the company who served during the year are as follows:

N J Steer
W A Bridger
R Williams
C W Singh

Compre Services (UK) Limited acted as Corporate Secretary during the year.

None of the directors had an interest in the share capital of the company at any time during the year under review.

Directors' indemnity

The Company's Articles of Association provide, subject to the provision of UK legislation, an indemnity for directors and officers of the company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted or alleged to have been done or omitted, by them as officers or employees of the company.

A group Directors' and Officers' liability insurance policy is in place. The cost of this is borne by another group undertaking.

None of the directors benefited from qualifying third party indemnity provisions in place during the financial year or as at the date of this report.

Political donations and expenditure

During the year the company made no political donations (2013 : £Nil).

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis for accounting in preparing the annual financial statements.

Post balance sheet event

On 28 January 2015, CBPE Capital LLP signed a binding sale and purchase agreement to acquire a majority interest in Compre (1) Limited. The transaction is subject to regulatory approval.

Disclosure in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on page 2.

Moorgate Insurance Company Limited

Directors' Report

for the year ended 31 December 2014 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report and 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 the 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 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.

The directors are also responsible for the maintenance and integrity of the company's website.

Statement as to disclosure of information to the auditor

Each director confirms that so far as he is aware there is no relevant audit information of which the company's auditor is unaware. Furthermore each director confirms that he has taken all of the steps that he ought to have taken as a director in order to make himself aware of any such information and to establish whether the auditor is aware of that information.

Auditor

Mazars LLP will continue in office in accordance with Companies Act 2006, s487 (2).

On behalf of the board



C W Singh
Director

St Clare House 30-33 Minories
London EC3N 1DD
23 March 2015

Moorgate Insurance Company Limited

Independent auditor's report to the member of Moorgate Insurance Company Limited

We have audited the financial statements of Moorgate Insurance Company Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditor

As explained more fully in the Statement of directors' responsibilities set out on page 5, 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. This report is made solely to the company's member 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 it 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 for our audit work, for this report, or for the opinions we have formed.

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.

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 its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Moorgate Insurance Company Limited

Independent auditor's report to the member of Moorgate Insurance Company Limited (*continued*)

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.



Sam Porritt (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London E1W 1DD
23 March 2015

Moorgate Insurance Company Limited

Profit and loss account for the year ended 31 December 2014

Company number 147862

TECHNICAL ACCOUNT

	Notes	2014 £	2013 £
Gross premiums written		1,938	1,035
Outward insurance premiums		(1,938)	(1,035)
Earned premiums, net of reinsurance		0	0
Allocated investment return transferred from the non-technical account	3	13,712	7,681
Total technical income		13,712	7,681
Claims paid			
- gross amount		(116,277)	(159,111)
- less reinsurers' share		89,069	18,172
- net of reinsurance		(27,208)	(140,939)
Change in the provision for claims			
- gross amount		216,522	636,606
- less reinsurers' share		(216,522)	(146,290)
- net of reinsurance		0	490,316
Claims incurred, net of reinsurance		(27,208)	349,377
Net operating expenses	2	(28,670)	(39,058)
Total charges		(55,878)	310,319
BALANCE ON TECHNICAL ACCOUNT		(42,166)	318,000

Moorgate Insurance Company Limited

Profit and loss account for the year ended 31 December 2014

Company number 147862

NON TECHNICAL ACCOUNT

BALANCE ON TECHNICAL ACCOUNT

Investment income

3

2014
£ 13,712

2013
£ 7,681

Allocated investment return transferred to the general business technical account

3

(13,712)

(7,681)

Investment expenses and charges

3

(203)

(1,599)

Other income and other charges

4

50,204

(33,472)

Profit on ordinary activities before tax

7,835

282,929

Tax on profit on ordinary activities

5

0

0

Profit after tax for the financial year

12

7,835

282,929

The company's turnover and expenses all relate to continuing operations. The company has no recognised gains and losses for the year, other than those included in the profit and loss account above. Accordingly, no statement of total recognised gains and losses is required for the company in respect of the year under review.

The notes on pages 12 to 16 form part of these financial statements.

Moorgate Insurance Company Limited

Balance Sheet at 31 December 2014

Company number 147862

ASSETS

Investments

Other financial investments

Notes	2014 £	2013 £
9	<u>1,014,713</u>	<u>1,001,278</u>

Reinsurers' share of technical provisions

Claims outstanding

14	<u>1,769,666</u>	<u>1,918,375</u>
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Debtors

Debtors arising out of reinsurance operations

Other debtors

	0	0
13	<u>264</u>	<u>709</u>
	<u>264</u>	<u>709</u>

Other assets

Cash at bank and in hand

10	<u>1,815,875</u>	<u>1,826,860</u>
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TOTAL ASSETS

	<u>4,600,518</u>	<u>4,747,222</u>
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The notes on pages 12 to 16 form part of these financial statements.

Moorgate Insurance Company Limited

Balance Sheet at 31 December 2014

Company number 147862

	Notes	2014 £	2013 £
LIABILITIES			
Capital and reserves			
Called up share capital	11	2,500,000	2,500,000
Profit and loss account	12	197,143	189,308
Shareholder's funds attributable to equity interests		<u>2,697,143</u>	<u>2,689,308</u>
Technical provisions			
Claims outstanding	14	<u>1,790,666</u>	<u>1,939,375</u>
Provisions for other risks and charges			
Provision for future run off costs	15	<u>62,985</u>	<u>91,745</u>
Creditors			
Other creditors including taxation and social security	16	<u>29,457</u>	<u>3,778</u>
		<u>29,457</u>	<u>3,778</u>
Accruals and deferred income			
		<u>20,267</u>	<u>23,016</u>
TOTAL LIABILITIES			
		<u>4,600,518</u>	<u>4,747,222</u>

The notes on pages 12 to 16 form part of these financial statements.

The financial statements set out on pages 8 to 16 were approved by the board of directors on 23 March 2015 and were signed on its behalf by:-



C W Singh
Director

Moorgate Insurance Company Limited

Notes to the financial statements for the year ended 31 December 2014

1 Principal accounting policies

Basis of preparation of the financial statements

The financial statements are prepared on the basis of the accounting policies set out below and comply with the special provisions relating to insurance companies in Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("the Regulations"). The recommendations of the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers in December 2005 (as amended in December 2006) (the "ABI SORP") have been adopted.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

Recognition of profits and losses

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain assets as required by the Regulations.

- (a) Premiums written relate to differences between booked premiums for prior years and those previously accrued and include estimates of premiums due but not yet receivable or notified to the company.
- (b) Expenditure is charged as accrued to the technical account, with the exception of certain corporate and investment expenses, which are charged to the non-technical account.
- (c) Claims incurred comprise claims and related expenses paid in the year and changes in the provision for outstanding claims, including provisions for claims incurred but not yet reported and related expenses, together with any other adjustments to claims from prior years.

Provisions for outstanding claims are established based on actuarial and statistical projections and other estimates of the ultimate cost of settlement. Traditional actuarial techniques are used to estimate future liabilities for each major class of liabilities and other estimates of the ultimate cost of settlement. Traditional actuarial techniques are used.

Traditional actuarial models are used to derive IBNR reserves for the company's exposure. The models are designed explicitly to reflect the features of the risks and all information currently available in the market.

Whilst management believes that the provisions for outstanding claims are fairly stated, these estimates inevitably contain inherent uncertainties because significant periods of time may elapse between the occurrence of an incurred loss, the reporting of that loss to the company and the company's payment of the loss and the receipt of reinsurance recoveries. These uncertainties are inherent in much of the business underwritten by the company.

The estimates made are based upon current facts available to the company and the prevailing legal environment affecting it and are subject to regular review, with any resulting adjustments reported in future earnings.

Agency business

- (d) The company has effected a reinsurance agreement with respect to the RFP agency business that reduces the net liability of the company to nil. Claim payments and other liabilities of the company are met by the agents of the reinsurer. Claims paid and the associated reinsurers' share are accounted for and included in the technical account with a nil impact on the profit or loss of the company. Technical provisions and the matching reinsurers' share of technical provisions are accounted for and included in the balance sheet. The company considers that this accounting treatment does not misstate the financial statements.

Moorgate Insurance Company Limited

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

Reinsurance recoveries

- (e) Reinsurance recoveries in respect of estimated claims incurred but not reported are assumed to be consistent with the historical pattern of such recoveries. An assessment is also made of the financial strength of each of the reinsurance companies.

Investments

- (f) Investment income comprises interest and dividends receivable for the year.
- (g) All investments are stated at current value in the Balance Sheet. Realised and unrealised gains and losses are taken to the profit and loss account.

Exchange rates

- (h) Foreign currency liabilities are substantially covered by foreign currency assets. Accordingly, such monetary assets and liabilities are translated to sterling at the rates of exchange ruling at the balance sheet date and the exchange differences are included in the non-technical account. Exchange differences on transactions during the year are translated at the rate of exchange ruling on the date on which the transaction occurs and are also included in the non-technical account.

Deferred taxation

- (i) The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen but not reversed by the balance sheet date, unless such provision is not permitted by Financial Reporting Standard 19.

2 Net operating expenses

	2014 £	2013 £
Administrative expenses	28,670	39,058

Auditor's remuneration in respect of audit services amounted to £21,250 (2013 - £23,000) and in respect of regulatory compliance services amounted to £1,500 (2013 : £Nil).

3 Investment return

	2014 £	2013 £
Investment income		
Income from cash and other financial investments	13,712	7,681
Allocated investment return from non-technical to technical profit and loss account	(13,712)	(7,681)

This allocation matches the lower of either the investment income or the claims management costs and the administrative expenses charged to the technical profit and loss account

Investment expenses and charges

Investment management charges	(203)	(1,599)
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Moorgate Insurance Company Limited

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

4 Other income and other charges

	2014 £	2013 £
Exchange gain/(loss) during the year	50,204	(33,472)

5 Taxation

	2014 £	2013 £
Corporation tax	0	0

The current taxation charge for the year is different from the standard rate of corporation tax in the UK.

The differences are explained below.

Profit on ordinary activities before tax	7,835	282,929
Theoretical tax at UK Corporation tax rate of 21.5% (2013 : 23.25%)	1,684	65,781
Effects of:		
- Group relief for no payment	(1,684)	(19,451)
- Utilisation of tax losses brought forward	0	(46,330)
Actual current tax charge	0	0

A deferred tax asset of £ Nil (2013 : £ Nil) has not been recognised in accordance with the provision of FRS 19 regarding the recoverability of deferred tax assets.

6 Emoluments of directors and staff

The company has no employees and accordingly the financial statements do not include any amounts for wages and salaries, social security costs or other pension costs.

Messrs. N. J. Steer, W. A. Bridger, R. Williams and C. W. Singh were remunerated for their services as directors within the Compre (1) Limited group of companies by Compre Services (UK) Limited. This remuneration is disclosed in the financial statements of that company.

7 Parent undertaking

The company's ultimate parent undertaking as at 31 December 2014 was funds managed by Milestone Capital Partners LLP, a limited liability partnership registered in England and Wales.

Compre (1) Limited is the parent undertaking of the largest and smallest group of which the company is a member and which prepares group accounts incorporating the results and state of the company. Copies of group accounts are available from the Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ.

8 Related party transactions

The company has taken advantage of the exemption in FRS 8 in not disclosing transactions with other members of the Compre (1) Limited group as it is a wholly owned subsidiary of Compre (1) Limited.

Moorgate Insurance Company Limited

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

9 Investments

	Current value		Historical cost	
	2014	2013	2014	2013
	£	£	£	£
Other financial investments				
Deposits with credit institutions	1,014,713	1,001,278	1,000,000	1,000,000
Total investments	1,014,713	1,001,278	1,000,000	1,000,000

10 Cash at bank and in hand

	2014	2013
	£	£
Cash at bank	212,012	211,582
Cash held as collateral for LOC	1,603,863	1,511,312
Pool Trust Accounts	0	103,966
	1,815,875	1,826,860

Cash to the value of US\$2.5 million/£1.60 million (2013 : US\$2.5 million/£1.51 million) has been charged as collateral in respect of letters of credit. Pool Trust Accounts are controlled by the pool manager and can only be utilised for the purposes of running off pool liabilities.

11 Called up share capital

	2014	2013
	£	£
2,500,000 allotted, called up and fully paid ordinary shares of £1 each	2,500,000	2,500,000

12 Reconciliation of movement in shareholder's funds

	2014	2014	2014	2013	2013	2013
	Share	Profit	Total	Share	Profit	Total
	Capital	and loss		Capital	and loss	
	£	account	£	£	account	£
At 1 January	2,500,000	189,308	2,689,308	2,500,000	(93,621)	2,406,379
Profit for the year	0	7,835	7,835	0	282,929	282,929
At 31 December	2,500,000	197,143	2,697,143	2,500,000	189,308	2,689,308

13 Other debtors

	2014	2013
	£	£
Other debtors	264	271
Amounts due from group undertakings	0	438
	264	709

Moorgate Insurance Company Limited

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

14 Claims outstanding

		2014 £	2013 £
At 1 January	Claims outstanding	1,939,375	2,630,049
	Reinsurers' share	(1,918,375)	(2,116,186)
		21,000	513,863
Movement during year	Claims outstanding	(148,709)	(690,674)
	Reinsurers' share	148,709	197,811
		0	(492,863)
At 31 December	Claims outstanding	1,790,666	1,939,375
	Reinsurers' share	(1,769,666)	(1,918,375)
		21,000	21,000

15 Provision for future run off costs

	2014 £	2013 £
Provision brought forward	91,745	138,875
Utilised during the year	(68,760)	(47,130)
Additional provision made in the period	40,000	0
	62,985	91,745

16 Other creditors including taxation and social security

	2014 £	2013 £
Other creditors	4,010	3,778
Amounts due to group undertakings	25,447	0
	29,457	3,778

17 Cash flow statement

The company has not prepared a cash flow statement in accordance with an exemption from FRS 1 (Revised 1996), as it is a wholly owned subsidiary of a UK parent company, and the consolidated accounts of the group are publicly available.

18 Contingencies and commitments

There were no outstanding capital commitments, contingent assets or contingent liabilities as at 31 December 2014 (2013: £ Nil).