GICL 2013 LIMITED

Annual Report
For the year ended 31 December 2014

Company Registration Number : 995253

GICL 2013 Limited
Contents of Annual Report

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GICL 2013 Limited
Directors and Advisers

Directors

Helen A Pickford	(appointed 20 May 2014)
Francois-Xavier B Boisseau	
Roy L Sampson	(resigned 20 May 2014)
Andrew S Watson	(resigned 20 May 2014)

Secretary

Andrew Hunter	(resigned 31 December 2014)
Claire Marsh	(appointed 13 January 2015)

Registered Address
6th Floor
One America Square
17 Crosswall
London
EC3N 2LB

Independent Auditor
KPMG LLP
15 Canada Square
London
E14 5GL

GICL 2013 Limited
Strategic Report

Business review

GICL 2013 Limited ('the Company') has not traded during the year.

Effective 1 October 2013, the entire business was transferred to Ageas Insurance Limited ('AIL'), under Part VII of the Financial Services and Markets Act ('FSMA 2000') ('Part VII Scheme').

During the year, the Prudential Regulation Authority ('PRA') accepted the application to de-authorise the Company as a regulated insurer.

The directors intend to take steps to dissolve the Company. Consequently the financial statements have not been prepared on a going concern basis.

This report was approved by the Board of Directors on 17 September 2015 and signed on its behalf by:

C Marsh
Secretary

GICL 2013 Limited
Report of the Directors

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

Business review

The Business Review is set out in the Strategic Report on page 3.

Dividends and capital

On 21 May 2014, the Company reduced its issued share capital to 1 £1 ordinary share.

On 21 May 2014 a dividend of £2,634,672 (2013: Nil) was declared by its subsidiary, The National Motor and Accident Insurance Union Limited, and subsequently received on 30 May 2014.

On 21 May 2014 a dividend of £3,250,001 (2013: £176,714,457) was declared and subsequently paid on 30 May 2014.

On 21 May 2014, the Company transferred its shareholding in its wholly owned subsidiaries, The National Motor and Accident Insurance Union Limited and GICL Limited, at cost for no gain or loss to Ageas (UK) Limited.

Directors

The present directors of the Company are shown on page 2. The directors have served throughout the year and to the date of this report with the exception of those highlighted on page 2.

Disclosure of information to Auditors

The directors who held office at the date of approval of this Report of Directors 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.

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 as auditor 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.

This report was approved by the Board of Directors on 17 September 2015 and signed on its behalf by:

C Marsh
Secretary

GICL 2013 Limited

Company registration number: 995253

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2014

	Notes	2014 £	2013 £
Income			
Gross premiums written			
Continuing business until date of Part VII Scheme	18	-	252,235,674
Portfolio transfer premium	18	-	(179,989,004)
		-	72,246,670
Change in gross unearned premiums	18	-	196,274,564
Gross premiums earned		-	268,521,234
Written premiums ceded to reinsurers	18	-	(13,233,515)
Change in reinsurers' share of unearned premium	18	-	(136,741)
Net premiums earned		-	255,150,978
Investment income	3	2,689	14,578,926
Other income	4	1,149	336,347
Total income		3,838	270,066,251
Expenses			
Claims incurred, net of reinsurance	5, 18	-	(165,868,521)
Acquisition costs	6	-	(72,599,843)
Administrative expenses	7	-	(14,213,279)
Change in other technical provisions	18	-	953,000
Other charges		(60)	(1,488)
Operating profit		3,778	18,336,120
Finance costs	10	-	(22,627)
Profit before tax		3,778	18,313,493
Taxation	11	(812)	-
Profit for the year		**2,966**	**18,313,493**
Items that are or may be reclassified to profit or loss			
Change in fair value of financial assets available for sale	3	-	(10,273,115)
Tax relating to fair value losses		-	-
		-	(10,273,115)
Other comprehensive income for the year net of tax		-	(10,273,115)
Total comprehensive income for the year		**2,966**	**8,040,378**

The notes on pages 9 to 23 are an integral part of these financial statements.

All activities are in respect of discontinued operations.

GICL 2013 Limited

Company registration number: 995253

Consolidated statement of financial position

as at 31 December 2014

	Notes	Group 2014 £	Group 2013 £	Company 2014 £	Company 2013 £
ASSETS					
Investments in group undertakings	12	-	-	-	2,000,002
Cash and cash equivalents	15	98	3,259,667	98	615,265
Other assets		3,616	-	3,616	-
Total assets		3,714	3,259,667	3,714	2,615,267
EQUITY					
Called up share capital	16	1	1,000,000	1	1,000,000
Retained earnings		525	2,249,937	525	1,615,267
Total shareholders' equity		526	3,249,937	526	2,615,267
LIABILITIES					
Other payables		3,188	9,730	3,188	-
Total liabilities		3,188	9,730	3,188	-
Total equity and liabilities		3,714	3,259,667	3,714	2,615,267

Due to the sale of the Company's directly owned subsidiaries during the year, the consolidated position is equal to the Company's position as at 31 December 2014.

The notes on pages 9 to 23 are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 17 September 2015 and were signed on its behalf by:

F-X Boisseau
Director

H Pickford
Director

GICL 2013 Limited

Company registration number: 995253

Consolidated statement of changes in equity

as at 31 December 2014

	Notes	Share Capital £	Retained Earnings £	Total Equity £
Balance at 1 January 2013		118,064,309	53,859,707	171,924,016
Total comprehensive income for the year		-	8,040,378	8,040,378
Reduction in capital		(117,064,309)	117,064,309	-
Equity dividends	17	-	(176,714,457)	(176,714,457)
Balance at 31 December 2013		1,000,000	2,249,937	3,249,937
Total comprehensive income for the year		-	2,966	2,966
Net asset of disposed subsidiary at transfer date			(2,376)	(2,376)
Reduction in capital		(999,999)	999,999	-
Equity dividends	17	-	(3,250,001)	(3,250,001)
Balance at 31 December 2014		1	525	526

Due to the sale of the Company's directly owned subsidiaries during the year, the consolidated position is equal to the Company's position as at 31 December 2014.

Company statement of changes in equity

as at 31 December 2014

	Notes	Share Capital £	Retained Earnings £	Total Equity £
Balance at 1 January 2013		118,064,309	53,221,958	171,286,267
Total comprehensive income for the year		-	8,043,457	8,043,457
Reduction in capital		(117,064,309)	117,064,309	-
Equity dividends	17	-	(176,714,457)	(176,714,457)
Balance at 31 December 2013		1,000,000	1,615,267	2,615,267
Total comprehensive income for the year		-	635,260	635,260
Reduction in capital		(999,999)	999,999	-
Equity dividends		-	(3,250,001)	(3,250,001)
Balance at 31 December 2014	17	1	525	526

The notes on pages 9 to 23 are an integral part of these financial statements.

GICL 2013 Limited

Company registration number: 995253

Consolidated statement of cash flows

as at 31 December 2014

	2014	2013
	£	£
Profit before tax	3,778	18,313,493
Adjustments for:		
Investment income per the income statement	(2,689)	(14,578,926)
Finance costs per the income statement	-	22,627
Amortisation, depreciation and impairment charges	-	1,070,360
Loss on disposal of property, plant and equipment	-	63,546
Operating profit before working capital changes	1,089	4,891,100
Change in deferred acquisition costs	-	3,627,318
Change in insurance contract provisions, net of reinsurance	-	(17,522,235)
Change in insurance and other receivables	(3,616)	(907,492)
Change in trade and other payables	(6,703)	(72,070)
Change in accruals and provisions	-	(3,989,640)
Cash flows used in operations	(10,319)	(18,864,119)
Investment income received net of expenses	2,689	16,942,937
Net cash flow from operating activities	(6,541)	2,969,918
Purchase of property, plant and equipment	-	(387,853)
Net cash flow from disposal of subsidiary	(3,027)	-
Write down of investments	-	-
Sale of financial assets	-	101,576,804
Purchase of financial assets	-	(82,478,649)
Net cash flow from investing activities	(3,027)	18,710,302
Dividends paid by settlement of cash	(3,250,001)	(20,000,000)
Net cash transferred under Part VII Scheme	-	(27,858,192)
Payments paid under finance leases	-	(22,627)
Net cash flow from financing activities	(3,250,001)	(47,880,819)
Cash and cash equivalents at 1 January	3,259,667	29,460,266
Net cash flow from operating activities	(6,541)	2,969,918
Net cash flow from investing activities	(3,027)	18,710,302
Net cash flow from financing activities	(3,250,001)	(47,880,819)
Cash and cash equivalents at 31 December	**98**	**3,259,667**

The notes on pages 9 to 23 are an integral part of these financial statements.

1 Accounting policies

GICL 2013 Limited ('the Company') is a private company, limited by shares, domiciled and incorporated in England and Wales.

(a) Statement of compliance

The financial statements were authorised for issue by the directors on 17 September 2015.

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU.

The financial statements have also been prepared in accordance with those parts of the Companies Act 2006 ('CA 2006') applicable to companies reporting under IFRS.

In accordance with IFRS 8, the Company is not required to present segmental information as the equity of the Company is not publicly traded.

(b) Basis of presentation

Consolidated accounts including the results of the Company are prepared by the ultimate holding company Ageas SA/NV, a company incorporated in Belgium, and copies can be obtained from the Company Secretary, GICL 2013 Limited, 6th Floor, One America Square, 17 Crosswall, London, EC3N 2LB.

The Company's immediate parent is Ageas (UK) Limited, a company registered in England and Wales.

The Company is taking advantage of the exemption in S408 of the Companies Act 2006 not to present its individual statement of consolidated income and related notes that form part of a full set of financial statements.

The directors intend to take steps to dissolve the Company. Consequently the financial statements have not been prepared on a going concern basis. The directors have concluded there is no adjustment required to the carrying value of assets and liabilities as a result of this determination.

The Company presents its statement of financial position in order of liquidity in accordance with IAS 1 Presentation of financial statements. For each asset and liability line item in the statement of financial position that combines amounts expected to be recovered or settled within twelve months, or more than twelve months after the statement of financial position date, a classification at the statement of financial position date is included within the notes. The disclosure in the notes for these classifications are distinguished as follows:

- amounts expected to be recovered in less than one year are referred to as current;
- amounts expected to be recovered in more than one year are referred to as non-current.

All new standards and interpretations released by the International Accounting Standards Board (IASB) have been considered and of these no new or amended standards need be adopted by the Company during the period.
Amendments to IFRS 10, IFRS 12 and IFRS 37.
These relate to investment entities and had no impact on these financial statements.

IAS 32: Amendment: Offsetting financial assets and financial liabilities.
The amendments have had no significant impact on the financial statements.

IAS 36: Amendment: Recoverable Amount Disclosures for Non-Financial Assets.
IAS 39: Amendment: Novation of Derivatives and Continuation of Hedge Accounts.
These amendments have had no impact on the financial statements.

IFRIC 21: Levies
The amendments have had no significant impact on the financial statements.

In addition, the following is a list of standards that are in issue but are not effective in 2014, and have not yet been adopted in the EU, together with the effective date of application to the Company:

IFRS 15: Revenue for Contracts with Customers (effective 1 January 2017)
IFRS 9: Financial Instruments (effective 1 January 2018)

The implications of these standards are under review.

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and assumptions are based on past experience and other factors that are believed to be reasonable in the circumstances. Actual results may differ from these estimates.

1 Accounting policies (continued)

(i) Basis of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of the Company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiary undertakings acquired or sold during the period are included in the consolidated results from the date of acquisition or up to the date of disposal. On acquisition of a subsidiary undertaking, all of its assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

Intra-group balances, transactions and any unrealised gains arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are all entities over which the Company (indirectly or directly) has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are excluded from the consolidation on the date on which control ceases.

The Company's wholly owned subsidiaries as at 31 December 2013 were transferred to its immediate parent company on 21 May 2014.

(ii) Basis of measurement
The financial statements have been prepared on the historical cost basis.

(iii) Functional and presentation currency
The financial statements are presented in Pounds Sterling, which is the Company's functional currency.

(b) Classification of insurance contracts

Contracts under which the Company accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder are classified as insurance contracts. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. The Company has undertaken a detailed review of all its underwriting contracts and classified all these as insurance contracts.

(c) Recognition and measurement of premium revenue

The results for all classes of business are determined on an annual basis whereby the incurred cost of claims, commissions and related expenses are charged against the earned proportion of premiums, net of reinsurance, as follows:

(i) Premiums written
Premiums written relate to business incepted during the year, together with any 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, less any allowance for cancellations. The premium consideration paid as a result of a Part VII Scheme has been included within premiums written.

Premiums written are accounted for gross of commission except for premium on policies sold through certain intermediaries, whereby those intermediaries are responsible for setting the amount charged to the policyholder. In accordance with the terms of the underwriting agreements with those intermediaries, the Company has recognised only the premium receivable from the intermediaries, which excludes any commission charged by the intermediaries to the policyholders.

Premiums ceded to reinsurers are recognised as a deduction from gross premiums earned in accordance with the contractual arrangements with reinsurers.

(ii) Unearned premiums
Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the date of the statement of financial position, calculated on a time apportionment basis.

(iii) Acquisition costs
Acquisition costs, which represent commission and other related expenses, are capitalised and deferred and earned on the same basis as the related premiums.

(iv) Liability adequacy test
At the date of each statement of financial position, liability adequacy tests are performed by each line of business to ensure that insurance liabilities are sufficient with regard to current estimates of future cash flows generated by insurance contracts, net of related deferred acquisition costs. Future cash flows resulting from contracts take into account their attached cover and options. In performing these tests current best estimates of future contractual cash flows and claims handling and administration expenses are used. Any deficiency is immediately charged to the income statement by establishing an unexpired risk reserve.

(v) Claims incurred
Claims incurred comprise claims and related expenses paid in the year and changes in the provisions for outstanding claims, including provisions for claims incurred but not reported and related expenses, together with adjustments to claims from previous years. Where applicable, deductions are made for salvage and subrogated recoveries.

1 Accounting policies (continued)

(vi) Claims outstanding
Provision is made at the year end for the estimated cost of claims incurred but not settled at the date of the statement of financial position, including the cost of claims incurred but not yet reported to the Company. The estimated cost of claims includes expenses to be incurred in settling claims. A separate asset is booked for the expected value of salvage and other recoveries. The Company does not discount its liabilities for unpaid claims except for periodic payment orders. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original provision established.

(vii) Reinsurance
The Company cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Reinsurance arrangements do not relieve the Company from its direct obligations to policyholders.

The benefits to which the Company is entitled under outward reinsurance contracts are recognised as reinsurance assets. These assets consist of short term balances due from reinsurers (classified within "insurance and other receivables") as well as longer term receivables (classified as "reinsurance assets"). Amounts recoverable from reinsurers are estimated in a manner consistent with claims outstanding provisions or settled claims.

Amounts receivable under reinsurance contracts are assessed for impairment at each date of the statement of financial position. Such assets are deemed impaired if there is objective evidence as a result of an event that occurred after initial recognition, that the Company will not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

(viii) Basis of accounting for Part VII Schemes
The Part VII Scheme from the Company and National Motor and Accident Insurance Union Limited to Ageas Insurance Limited ('AIL') were two separate transactions, comprising the transfer of all in-force policies and all claims outstanding of the Company at the date of the transfer (1 October 2013 for accounting purposes). The Company transferred all its assets (save per those shown of the Statement of Financial Position) to AIL in consideration for AIL assuming responsibility for any claim arising on any of the Company's policies whenever occurring after the transfer date. An amount equal to the unearned premium reserve has been accounted for as a premium paid deducted from gross written premiums. An amount equal to the claims outstanding reserves has been accounted for within gross paid claims. Equivalent amounts for reinsurance have been accounted for within reinsurance premiums and reinsurers' share of paid claims.

(d) Income

Income comprises insurance premiums earned, net of reinsurance, commission income and investment income. The accounting policy in relation to insurance premiums is disclosed above in (c) and in relation to investment income in (g) below.

(e) Investment in Group undertaking

The Company recognises all investment in group undertaking at cost less provisions for impairment in value.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of such assets on a straight line basis over their useful economic life which are determined as follows:

Fixture & fittings	-	4 to 5 years
Office equipment	-	4 to 5 years
Computer	-	2 to 4 years
Motor vehicles	-	4 to 5 years

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount. Gains and losses on disposal are included in the income statement.

GICL 2013 Limited
Notes to the financial statements

1 Accounting policies (continued)

(g) Financial assets

The Company's financial assets comprise fixed interest securities, deposits (to the extent they have a maturity date of more than 3 months from the date of placement) and loans. Financial assets are recognised when the Company becomes a party to the contractual provisions of these assets. Financial assets are derecognised when the contractual rights expire or when the assets and substantially all the risks and rewards of ownership are transferred from the Company.

Shares and fixed interest securities are classified as "available for sale" and recorded at fair values which in all cases are quoted prices in an active market (Level 1). Movements in the fair value of these assets are recorded in the statement of comprehensive income unless a financial asset is considered impaired, in which case the amount of the impairment is recognised in the income statement.

Deposits and loans are recorded at historical cost.

Financial assets are measured without any deduction for transaction costs that the Company may incur on disposal. The fair value of quoted investments is the quoted bid price at the date of the statement of financial position.

Investment income comprises all interest and dividend income, movements in amortised cost on fixed interest securities and realised gains and losses, net of investment expenses, impairment charges and interest payable. Interest income is recognised as it accrues, taking in to account the effective yield on the investment. When available-for-sale financial assets are sold or impaired, the cumulative gains or losses previously recognised in equity are recognised in the income statement. The amount that is recognised in the Income Statement is the difference between the acquisition cost and the current fair value, less any amortisation and impairment loss previously recognised in the income statement.

At the date of each statement of financial position, the Company looks for the existence of objective presumptions of depreciation in its investments. The criteria for impairment of shares was based on the significance of the fall in fair value taking into account the volatility of the financial markets during the accounting period. Any impairment of shares recognised at either date could not be subsequently reversed through the income statement unless the shares were sold. The criteria for impairment of other investments are based on the likelihood of bond issuers or counterparties defaulting on the repayment of principal. Any impairment of these investments can be reversed through the income statement in a subsequent accounting period.

(h) Cash and cash equivalents

The Company has classified bank deposits and cash balances as cash and cash equivalents. These assets are readily convertible into known amounts of cash and are subject to inconsequential changes in value. A deposit is deemed a cash equivalent if it has less than three months to maturity at the time of placement. For the purposes of the cash flow statement, cash and cash equivalents are shown net of any bank overdrafts.

(i) Impairment of assets

Impairment of reinsurance assets is outlined in (c) (vii) above, of financial assets in (g) above. The carrying amount of the Company's other assets are reviewed at the date of the statement of financial position to determine whether there is any indication of impairment. An impairment loss is recognised to the extent by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value and value in use. In all cases, impairment losses are recognised in the income statement.

In respect of these other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying value does not exceed the carrying value that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Leases

Rentals payable under operating leases are charged on a straight-line basis over the lease term. All such leases are for properties occupied by the Company.

Leases of plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in financial liabilities. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

(k) Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at date of the statement of financial position. Transactions in foreign currencies are translated into sterling at the rates of exchange prevailing at the date of the transaction. Gains and losses arising on translation are accounted for in the income statement.

1 Accounting policies (continued)

(l) Income tax

Income taxes include all taxes, both current and deferred. Income tax is recognised in the income statement except where it relates to an item which is recognised in the statement of comprehensive income. When income taxes are payable or receivable and the payment is not subject to the execution of future transactions, the tax is classified as due, even if the payment is spread over several years. It appears as an asset or liability in the statement of financial position as applicable.

Current tax is the expected tax payable or recoverable on the taxable profits or losses for the year, using tax rates enacted or substantially enacted at the date of the statement of financial position, and any adjustment to tax payable or recoverable in respect of previous years.

Deferred tax is provided for using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that the future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are not discounted.

(m) Employee benefits

The Company operated defined contribution schemes until the date of the Part VII Scheme.

A defined contribution scheme is a pension plan under which the Company pays fixed contributions to an independent entity. In this case, the Company is not bound by any legal or implied obligation forcing it to contribute additional amounts to the scheme in the event the assets are not sufficient to pay all employees the benefits owed for the services rendered during the current and previous years. Pension schemes that are not defined contribution schemes are defined benefit schemes. This is the case, for example, for a scheme that defines the amount of the pension benefit that will be collected by an employee at retirement, which is generally a function of one or more factors, such as age, years of service and salary.

The liabilities recorded on the statement of financial position for the defined benefit pension scheme correspond to the discounted value of obligations linked to the defined benefit scheme at the date of the statement of financial position after deducting scheme assets.

Actuarial gains and losses resulting from experience-based adjustments and modifications in actuarial assumptions are booked directly in the statement of comprehensive income.

The past service costs are immediately recognised in the income statement unless the changes in the pension scheme are subject to employees working over a defined period (the vesting period for rights). In this case, the costs of past services are amortised using the straight line method over this vesting period.

For defined contribution schemes, the Company pays contributions to pension schemes and is not liable for any other payment commitment. The contributions are booked as expenses related to employee benefits when they are due. Any contributions paid in advance are recorded as assets to the extent that the advance payment results in a reduction of future payments or a cash reimbursement.

(n) Provisions

Provisions are liabilities with uncertainties in the amount or timing of payments. Provisions are recognised if there is a present obligation to transfer economic benefits, such as cash flows, as a result of past events and a reliable estimate can be made at the date of the statement of financial position.

(o) Financial liabilities

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the date of the statement of financial position. Finance costs are recognised as an expense in the period in which they are incurred. Financial liabilities are recorded at cost being the fair value of the proceeds net of transaction costs.

2 Risk Management

The Company's primary activity, the acceptance of risk of loss from individuals or businesses, exposed it to a number of risks which may have adversely affected the Company's ability to meet its business objectives. The most directly relevant risk was insurance risk. However the Company was also exposed to financial risk through its financial assets, insurance receivables and reinsurance assets that enabled it to fund obligations arising from its insurance contracts as they fell due. The most important components of financial risk were market risk, liquidity risk and credit risk.

In response to the risks faced, the Company implemented a risk framework which was designed to identify, assess and manage risk within an agreed risk appetite rather than to eliminate it. Accordingly the Company implemented a range of internal controls within its operations to mitigate risk. Operational risk was the risk that such controls failed or were inadequate or were absent. The risk framework included an event notification procedure which enabled focus on preventing a similar incident occurring in addition to managing the impact of the event, thereby ensuring a proactive control environment. The process was overseen by the Risk Management Committee, delegated sub-committees and oversight provided by the Audit Committee.

Following the transfer of the Company's entire business to AIL the risks described in the following paragraphs have been eliminated.

(a) Insurance risk

The Company assumed insurance risk by issuing contracts of insurance under which the Company agreed to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) affecting the policyholder occurred. The risk under any one insurance contract was the possibility that the insured event occurred and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk was random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and reserving, the principal risks the Company face were:
(i) under-pricing of a risk;
(ii) acceptance of risk that was not intended, by virtue of either size or nature or both; and
(iii) under-reserving of a loss not only because of factors arising from (i) and (ii) but also because of inadequate reserving or risk recording techniques.

To assist with the process of pricing and managing the insurance risk that the Company accepted, the Company routinely performed a wide range of activities including the following:

- regularly updating the Company's risk models;
- documenting, monitoring and reporting on the Company's strategy to manage risk;
- developing systems that facilitated the identification of emerging issues promptly;
- developing processes that factored market intelligence and tight risk acceptance criteria into the pricing process; and
- utilising the Company's management information systems to make pricing adjustments in accordance with emerging claims experience.

All underwriting staff and binding agencies were set strict parameters in relation to the levels and types of business they underwrote, based on individual levels of experience and competence. Regular meetings were held between the senior underwriting managers and the actuaries to monitor pricing issues, and a monthly report was submitted to the directors. Underwriting limits were in place to enforce appropriate risk selection criteria and to ensure that risks were as diversified as possible and that terms and conditions, including premium rates, appropriately reflected the risk.

One of the tools for managing insurance risk was reinsurance. Reinsurance was purchased to limit the loss the Company may have incurred from a single insured event. The limit varied according to the line of business and the type of event. Reinsurance was also purchased to limit losses that might have arisen on catastrophic events, where the Company was exposed to many individual losses arising from the same insured event, such as a flood or windstorm.

The Company's internal audit function, which was wholly independent of the underwriting function, performed reviews to verify that underwriting teams were in compliance with the Board's policies and required procedures.

The Company faced a risk that it may have under-reserved the losses it incurred. That is, the actual claim payments may have exceeded the projected amount of the insurance liabilities. This might have occurred because the frequency or severity of claims was greater than estimated. Insurance events are random and the actual number and amount of claims would have varied from year to year from the level established using actuarial techniques. The frequency and severity of claims can be affected by several factors such as inflation, legal rulings, weather events, the economic environment and measurement of damages. The Company managed these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling procedures.

The Company was exposed to high severity, low frequency events, such as natural disasters. They represented a significant risk because the occurrence of an event, whilst unlikely in any given accounting period, would have a significantly adverse effect on the Company's cash flow. These risks were managed in two ways. First underwriters were not permitted to underwrite individual risks that exceeded specified limits unless the expected profits were commensurate with the risks assumed. Secondly, the risk was managed through the use of reinsurance, as described above.

The Company developed its underwriting strategy to diversify the type of insurance risk accepted where possible. Nonetheless the Company chose to focus on types of insurance it felt it could manage well and accordingly a concentration of risk existed within individual segments of the portfolio. The Company could have been exposed to an insurance risk by virtue of a concentration of contracts issued, for example, to a particular demographic type of policyholder, within a particular geographical location or to particular types of commercial activity and businesses. These risks were managed through the underwriting strategy and use of adequate reinsurance contracts. From a reserving perspective, experience showed that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome would have been. This improved the accuracy of reserving techniques.

2 Risk Management (continued)

The Company's IBNR reserves were calculated by an experienced in-house team of actuaries who took into account these factors. The amounts reserved were subject to peer reviews within the actuarial team and independent challenge from the Executive Reserving Committee.

The main types of risk insured by the Company were as follows:

- Motor - consisting of property and liability covers;
- Property – covering claims for damage to buildings or contents plus losses from business interruption for commercial policyholders;
- Liability – offering compensation to employees and members of the public suffering injury and for property damage.

Motor claims were analysed separately for non-injury heads of damage and third party injury claims. Because of their shorter time to settlement, non-injury claims were estimated with greater reliability and the Company estimated these claims separately for private car, fleet, motorcycles and commercial vehicles. By their nature injury claims were more volatile and harder to estimate. This is because it can take a long time for the liability apportionment to be assessed and the medical effect of the injuries to become known. Some injury claims can be very large in size, making the final result for motor more susceptible to an impact from a small number of individual large losses.

The Company projected separately for small and large injury claims and most of the IBNR liability in respect of motor insurance relates to third party injury claims. Allowance was made within case reserves for the potential of large injury claims to be settled via periodic payments.

Where possible, property claims were analysed separately by head of damage (subsidence, flood, escape of water, other). The development of large losses and catastrophes were analysed separately. Non-subsidence claims were estimated with greater reliability and the Company's estimation processes reflected all the factors that influence the amount and timing of cash flows from these contracts. The shorter settlement period for these claims allowed the Company to achieve a higher degree of certainty about the estimated cost of claims and relatively little IBNR was held at the date of the statement of financial position. However the longer time needed to assess the emergence of a subsidence claim made the estimation process more uncertain for these claims. A significant proportion of the IBNR reserve for household insurance contracts related to subsidence claims. Costs of rebuilding properties, of replacement or indemnity for contents and of time taken to restart operations for business interruption were key factors that influenced claims under these policies.

Liability and contingency claims, which included both employers' liability and general liability, were longer tail than the other classes of business and a larger element of the claims provisions related to IBNR. Claims estimates were derived from a combination of loss ratio based estimates and an estimate based upon actual claims experience. The initial estimate of the loss ratio, based upon the experience of previous years, adjusted for factors such as premium rate charges and claims inflation, and on the anticipated market experience, was an important assumption in this estimation technique. In respect of liability claims, the assessment of claims inflation and anticipated market experience was particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. The liability class of business was also subject to the emergence of new types of latent claims but no specific allowance was made for this.

(b) Market risk

Market risk can be described as the risk of change in the fair value of a financial instrument due to changes in interest rates and market prices, whether specific to the individual instrument or its issuer, or to factors affecting all instruments traded in the market. The Company considered that all of its fixed interest securities were quoted on investment exchanges that constituted an active market for those securities.

Interest rate risk was the risk that the value of future cash flows of a financial instrument would have fluctuated because of change in interest rates. Fixed income securities represented a significant proportion of the Company's assets and the Executive Committee regularly monitored the investment strategy to minimise the risk of a fall in the portfolio's market value which could have affected the amount of business that the Company was able to underwrite or its ability to settle claims as they fell due. The market value of fixed interest securities was inversely correlated to movements in interest rates. That is, the market value of fixed interest securities rose if interest rates fell.

Most insurance contract liabilities were not directly sensitive to the level of market interest rates as they were undiscounted and contractually non-interest bearing. Periodic payment orders took account of likely increases in payments due to, for example, inflation, and were discounted using a rate of interest based on the same indexing factors.

The Company has not utilised any borrowing facilities during the year.

Market price risk was the risk that the fair value of the Company's financial instruments fluctuated as a result of changes in market prices, principally in equity securities. If market prices increased generally, it was likely that the Company's financial assets would have increased as well. The Company's exposure to equity price risks was limited to a relatively small proportion of the investment portfolio and the risk was managed by diversifying over a number of companies and industries. All equities were disposed of during 2012.

(c) Liquidity risk

Liquidity risk was the risk that the Company, although solvent, either did not have available sufficient financial resources to enable it to meet its obligations as they fell due, or could have secured them only at excessive cost. The Company was exposed to liquidity risks arising from daily calls on its cash reserves, notably from claims arising on its insurance contracts. The Company managed this risk by setting limits on the minimum level of maturing funds available to meet such calls and on the minimum level of borrowing facilities that was in place to cover claims at unusually high levels.

The vast majority of the Company's investments were in highly liquid assets which could be converted in to cash in a reasonably prompt fashion and at minimal expense. The deposits with credit institutions largely comprised instant access or short dated certificates for which an active market existed and which the Company could access easily. The Company's exposure to fixed income securities was concentrated on high quality and frequently traded securities listed on the UK and other international stock exchanges. In order to maximise its investment return, the Company purchased fixed income securities with varying maturity dates. Nevertheless regular interest receipts and the Company's ability to liquidate these securities for cash in a prompt and reasonable manner enabled the Company to satisfactorily manage its liquidity risk.

2 Risk Management (continued)

Insurance and other receivables comprised premium balances due from policyholders and intermediaries, amounts recoverable from reinsurers in respect of paid claims, other recoverable amounts in respect of salvage and subrogation, loans made by the Company and amounts receivable in respect of investment income. There were no significant amounts which were due to the Company for more than one year at any time.

Reinsurance assets comprised reinsurers' share of gross insurance contract provisions. This included reinsurers' share of claims outstanding, a significant element of which was not recoverable within one year of the date of the statement of financial position.

There were no significant amounts of insurance payables or reinsurance payables that fell due for payment by the Company other than within one year. Insurance contract provisions included provisions for claims outstanding, a significant element of which would have been payable after more than a year.

(d) Credit risk

Credit risk was the risk that a counterparty would not be able to pay amounts in full when due in accordance with the items of the contract, causing the Company to incur a financial loss. The Company was exposed to credit risk in the following significant areas:

- amounts due from reinsurers;
- amounts due from policyholders and intermediaries; and
- amounts due from issuers of fixed interest securities.

The Company assessed the creditworthiness of all reinsurers by reviewing credit grades provided by rating agencies and other publicly available financial information, in conjunction with the views of its parent undertaking. Acting within these guidelines, the Company applied its own assessments of reinsurers prior to the finalisation of any contract. The Standard & Poor's ratings of reinsurers were regularly monitored by the Company's Board. The Company's parent until 14 November 2012, Groupama S.A., had a significant share of the Company's reinsurance programme for a number of years up to and including 2012. Reinsurance recoveries due from Groupama S.A. were backed by collateralised fixed income securities. The collateral exceeded the value of Groupama's share of future reinsurance recoveries throughout 2013. The Company had fully replaced Groupama S.A. on its 2013 reinsurance programme, which was placed in conjunction with AIL.

Exposures to individual policyholders and groups of policyholders were collected within the ongoing monitoring of the controls associated with regulatory solvency. Where there was significant exposure, a financial analysis of the policyholder or, if appropriate, the intermediary was carried out.

The Company's investment guidelines specified the maximum percentage of the portfolio that could be invested in any single counterparty and the minimum credit rating that could be utilised. These guidelines and the extent to which it and its investment managers applied them was overseen by the Company's Finance Committee. Ordinarily, the maximum exposure to a single counterparty the Company could have had in 2014 was £nil (2013: £40m).

None of the financial assets were pledged as collateral for financial liabilities.

(e) Capital risk

The total amount of capital, comprising equity only, is £526 (2012: £3,249,937). The directors were responsible for reviewing the amount of and structure of capital on a regular basis to maximise the return to shareholders.

During the year, the Prudential Regulation Authority ('PRA') accepted the application to de-authorise the Company and National Motor and Accident Insurance Union Limited as a regulated insurer.

Prior to 2014, the Company was authorised by the PRA and regulated by the Financial Conduct Authority ('FCA') and the PRA. The PRA required the submission of two measurements of capital adequacy, a minimum capital requirement ('MCR') and an enhanced capital requirement ('ECR'). The MCR is based on a high level view of total premiums written and claims incurred. The ECR takes into account the premiums written and insurance contract provisions on a class of business basis. Both seek to ensure that the Company had at least the minimum amount of capital to meet future expected claims obligations. Following the Part VII Scheme, the Company has retained sufficient assets to meet its base capital requirements.

In addition the PRA prepares an individual capital guidance amount ('ICG'). The ICG is based on an individual capital assessment ('ICA') previously submitted by GICL. The ICA is a combination of a structured risk based capital model and scenario testing developed by the Company which allowed the Directors to identify the appropriate level of capital required. The ICG differs from the ECR in that it is specific to the actual reserving history, reinsurance programme and business profile of the Company rather than being based on similar company market averages.

(f) Sensitivity to key business drivers

This is no longer relevant given the activity of the Company following the Part VII Scheme during 2013.

GICL 2013 Limited
Notes to the financial statements

3 Investment Income

	2014 £	2013 £
Interest income from fixed interest securities	-	19,837,899
Other interest income	2,689	377,305
Net realised gains from sale of fixed interest securities	-	(1,459)
Amortisation charges on fixed interest securities	-	(5,163,145)
Investment expenses and charges	-	(471,673)
Total investment income accounted for through the income statement	2,689	14,578,926
Net movement in fair value of financial assets accounted for through the statement of comprehensive income	-	(10,273,115)
Total investment return	2,689	4,305,811

4 Other operating income

	2014 £	2013 £
Other income	1,149	336,347
Total other income	1,149	336,347

5 Claims and benefits incurred

	2014 £	2013 £
Current accident year claims paid	-	169,749,690
Over provision in respect of prior years' provisions for claims outstanding	-	(12,564,580)
Claims handling costs until date of Part VII Scheme	-	8,818,970
Change in provision for claims handling costs	-	(135,559)
Total claims incurred net of reinsurance	-	165,868,521

6 Acquisition Costs

	2014 £	2013 £
Commission expenses payable until date of Part VII Scheme	-	60,904,275
Other acquisition expenses payable until date of Part VII Scheme	-	8,068,251
Change in deferred acquisition costs	-	3,627,318
Total acquisition costs	-	72,599,843

7 Administrative Expenses

	2014	2013
	£	£
Staff costs	-	19,584,416
Premises costs	-	3,539,111
Other expenses	-	7,976,973
Total expenses	-	31,100,500
Expenses allocated to claims handling expenses	-	(8,818,970)
Expenses allocated to acquisition expenses	-	(8,068,251)
Total administrative expenses	-	14,213,279

	2014	2013
	£	£
Depreciation of property, plant and equipment		
- owned assets	-	968,397
- leased assets under finance leases	-	101,963
Operating lease rentals payable (property)	-	1,302,920
Fees payable to KPMG Audit Plc for the audit of the annual accounts	-	117,000
Fees payable to KPMG Audit Plc for other assurance services	-	15,000
Fees payable to Mazars LLP for other assurance services	-	12,000

8 Staff Costs

	2014	2013
	£	£
Wages and salaries	-	16,626,970
Social security costs	-	1,675,034
Pension costs	-	1,282,412
Total staff costs	-	19,584,416

	2014	2013
The average number of persons employed by the Company during the year :		
Management and administration	-	168
Underwriting	-	146
Claims	-	261
Total employed	-	575

In 2013 the average number is based on the 9 month period to 30 September 2013.

9 Auditors Remuneration

The audit fee for the Company was £4,250 and was borne by Ageas (UK) Limited, the Company's immediate parent Company. There has not been any remuneration received by the Company's auditor for non-audit services.

10 Finance Costs

	2014	2013
	£	£
Interest on finance leases	-	22,627

GICL 2013 Limited
Notes to the financial statements

11 Income taxes

As described in the Directors' Report, the entire business of the Company was transferred to AIL (with effect from the 1 October 2013 for accounting purposes). In anticipation of the transfer, AIL decided to account for 2013 movements in current and deferred tax solely within AIL after the transfer had been effected. Consequently there are no movements recorded in the books and records of the Company. Any balances relating to current tax and deferred tax asset were transferred to AIL with effect from 1 October 2013.

	2014	2013
	£	£
Reconciliation of effective tax rate		
Profit before tax	3,778	18,313,493
Income tax using standard rate of corporation tax of 21.5% (2013: 23.25%)	(812)	(4,257,887)
Tax losses recognised for deferred tax	-	4,257,887
Total tax charge accounted for in the income statement	(812)	-
Unutilised tax losses		
Unutilised tax losses at 1 January	-	227,074,901
Tax losses utilised in current year	-	(18,313,493)
Transfer under the Part VII Scheme	-	(208,761,408)
Unutilised tax losses at 31 December	-	-

The Finance Act 2013 reduced the main rate of corporation tax from 23% to 21% from 1 April 2014. This will be further reduced to 20% from 1 April 2015. The rate reductions will reduce the Company's future current tax charge and deferred tax asset accordingly.

12 *Investments in subsidiaries*

	2014	2013
	£	£
At 1 January	2,000,002	2,000,002
Impairment of investment	(2,000,002)	-
At 31 December	-	2,000,002

Investment in Group undertakings as at 31st December 2013 were as follows:

The National Motor and Accident Insurance Union Limited
GICL Limited

All subsidiary undertakings were 100% owned by the Company. All subsidiary undertakings are registered in England and Wales. The issued share capital of each company is exclusively in the form of ordinary shares.

In view of the expectation that both subsidiaries are to be dissolved, the investment in both companies were impaired to £nil ahead of their transfer to Ageas (UK) Limited.

On 21 May 2014, the Company transferred its shareholding in its wholly owned subsidiaries to Ageas (UK) Limited at cost with no gain/loss recognised as part of the transfer.

13 Financial Assets

	2014	2013
	£	£
Financial assets at 1 January	-	583,809,644
Net reductions to investment portfolio	-	(19,099,529)
Amortisation of fixed interest securities	-	(5,163,145)
Net fair value losses	-	(10,273,115)
Transfer under the Part VII Scheme	-	(549,273,855)
Financial assets	-	-

14 Deferred acquisition costs

	2014	2013
	£	£
At 1 January	-	49,862,347
Change in deferred costs	-	(3,627,318)
Transfer under the Part VII Scheme	-	(46,235,025)
At 31 December	-	-

15 Cash and cash equivalents

	Group 2014	Group 2013	Company 2014	Company 2013
	£	£	£	£
Short term deposits	98	3,259,667	98	615,265
Total cash and cash equivalents	98	3,259,667	98	615,265

16 Share capital

	2014	2013
Authorised:	£	£
191,737,954 ordinary shares of £1 each	191,737,954	191,737,954

Allotted and fully paid:	Ordinary shares 2014	Ordinary shares 2013
	£	£
In issue at 1 January	1,000,000	118,064,309
Issued in year	(999,999)	(117,064,309)
In issue at 31 December	1	1,000,000

On 22 July 2013, the Company reduced its issued share capital to 1,000,000 £1 ordinary shares.

On 21 May 2014, the Company reduced its issued share capital to 1 £1 ordinary share.

17 Dividends

The following dividends were declared and paid by the Company for the year:	2014	2013
	£	£
£3,250,001 per qualifying ordinary share (2013: £176.71)	3,250,001	176,714,457

GICL 2013 Limited
Notes to the financial statements

18 Insurance contract provisions

(a) Analysis of movements in unearned premium and earned premium

	Gross 2014 £	Reinsurance 2014 £	Net 2014 £	Gross 2013 £	Reinsurance 2013 £	Net 2013 £
Balance at 1 January	-	-	-	196,274,564	(136,741)	196,137,823
Balance at 31 December	-	-	-	-	-	-
Change in unearned premium provision:	-	-	-	196,274,564	(136,741)	196,137,823
Written premiums	-	-	-	252,235,674	(13,233,515)	239,002,159
Part VII Scheme premium	-	-	-	(179,989,004)	-	(179,989,004)
Earned premium	-	-	-	268,521,234	(13,370,256)	255,150,978

(b) Analysis of movements in claims provisions and claims incurred

	Gross 2014 £	Reinsurance 2014 £	Net 2014 £	Gross 2013 £	Reinsurance 2013 £	Net 2013 £
Balance at 1 January	-	-	-	425,899,623	(54,239,194)	371,660,429
Balance at 31 December	-	-	-	-	-	-
Change in claims provisions	-	-	-	425,899,623	(54,239,194)	371,660,429
Paid claims	-	-	-	(162,290,746)	4,821,212	(157,469,534)
Claims handling costs	-	-	-	(8,818,970)	-	(8,818,970)
Part VII Scheme paid claims	-	-	-	(420,600,563)	49,360,117	(371,240,446)
Claims incurred	-	-	-	(165,810,656)	(57,865)	(165,868,521)

(c) Analysis of movements in other technical provisions : unexpired risk reserve

	Gross 2014 £	Reinsurance 2014 £	Net 2014 £	Gross 2013 £	Reinsurance 2013 £	Net 2013 £
Balance at 1 January	-	-	-	953,000	-	953,000
Balance at 31 December	-	-	-	-	-	-
Change in unexpired risk reserve	-	-	-	(953,000)	-	(953,000)

A Part VII Scheme premium of £953,000 has been charged to gross written premium in 2013.

GICL 2013 Limited
Notes to the financial statements

19 Related party transactions

During 2013, the Company carried out transactions with related parties as defined in IAS24. A summary of the transactions is as follows:

	2014	2013
	£	£
With fellow subsidiary undertakings		
- Ageas Group - intermediation services	-	742,000

For the purposes of IAS24 ('Related Party Disclosures'), key managers are defined as the Board of Directors.

	2014	2013
	£	£
Salaries and other short term employee benefits	-	572,000
Termination benefits	-	613,000
Post-employment benefits	-	84,000
Total key management compensation	-	1,269,000

In 2013, the highest paid director received remuneration of £235,000. the Company made contributions of £45,000 to a defined contributions pension scheme in respect of the highest paid director during 2013. Until the date of the Part VII Scheme the number of directors accruing pension benefits under defined contributions schemes was 1.

20 Changes in Accounting Policies and Disclosures

Impact of the Part VII Scheme in 2013

As described in the Strategic Report, the Company transferred its entire business to AIL. The accounting effective date of the Part VII Scheme was 1 October 2013. The tables below shows the impact of the Part VII Scheme on the consolidated income statement and the assets and liabilities transferred to AIL.

	9 months to 30 September 2013	Part VII Scheme	Total
	£	£	£
Income			
Gross written premium	252,235,674	(179,989,004)	72,246,670
Change in gross unearned premiums	17,238,560	179,036,004	196,274,564
Gross premium earned	269,474,234	(953,000)	268,521,234
Written premiums ceded to reinsurers	(13,233,515)	-	(13,233,515)
Change in reinsurers' share of unearned premium	(136,741)	-	(136,741)
Net Premiums earned	256,103,978	(953,000)	255,150,978
Investment Income	14,578,926	-	14,578,926
Other income	336,347	-	336,347
Total income	271,019,251	(953,000)	270,066,251
Expenses			
Claims incurred, net of reinsurance	(165,868,521)	-	(165,868,521)
Acquisition costs	(72,599,843)	-	(72,599,843)
Administrative expenses	(14,213,279)	-	(14,213,279)
Change in other technical provisions	-	953,000	953,000
Other charges	(1,488)	-	(1,488)
Operating profit	18,336,120	-	18,336,120
Finance costs	(22,627)	-	(22,627)
Profit before tax	18,313,493	-	18,313,493
Taxation	-	-	-
Profit for the year	18,313,493	-	18,313,493

20 Changes in Accounting Policies and Disclosures (continued)

	Statement of financial position as at 30 September 2013 £	Part VII Scheme £	Settlement of debt arising on Part VII scheme £	Retained assets and liabilities £
Assets				
Property, plant and equipment	3,942,673	(3,942,673)	-	-
Financial assets	549,273,855	(549,273,855)	-	-
Deferred tax asset	29,533,645	(29,533,645)	-	-
Deferred acquisition costs	46,235,025	(46,235,025)	-	-
Reinsurance assets	49,360,550	(49,360,550)	-	-
Insurance and other receivables	91,458,579	(91,458,579)	-	-
Debt arising on business transfer (Ageas)	-	159,964,458	(159,964,458)	-
Cash and cash equivalents	31,117,859	(31,117,859)	3,259,667	3,259,667
Total assets	**800,922,186**	**(640,957,728)**	**(156,704,791)**	**3,259,667**
Shareholders' equity				
Called up share capital	1,000,000	-	-	1,000,000
Retained earnings	158,964,458	-	(156,714,521)	2,249,937
Total shareholders'	**159,964,458**	**-**	**(156,714,521)**	**3,249,937**
Liabilities				
Provisions for other risks and charges	7,583,893	(7,583,893)	-	-
Insurance contract provisions	600,589,567	(600,589,567)	-	-
Trade and other payables	23,020,817	(23,020,817)	9,730	9,730
Financial liabilities	330,487	(330,487)	-	-
Accruals and deferred income	9,432,964	(9,432,964)	-	-
Total liabilities	**640,957,728**	**(640,957,728)**	**9,730**	**9,730**
Total equity and liabilities	**800,922,186**	**(640,957,728)**	**(156,704,791)**	**3,259,667**

21 Parent company

The Company's immediate parent is Ageas (UK) Limited, a company registered in England and Wales.

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, GICL 2013 Limited, 6th Floor, One America Square, 17 Crosswall, London, EC3N 2LB.

GICL 2013 Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, Report of Directors and the Financial Statements

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

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with IFRSs as adopted by the EU 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.

GICL 2013 Limited
Independent Auditor's Report to the Members of GICL 2013 Limited

We have audited the financial statements of GICL 2013 Limited for the year ended 31 December 2014 set out on pages 5 to 23. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 Statement of Directors' Responsibilities set out on page 24, 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.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report the Report of Directors 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Auditor

Chartered Accountants

Canary Wharf
15 Canada Square
London
E14 5GL

17 September 2015