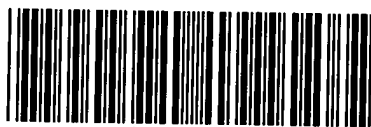


THOMAS MILLER & CO. LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014

Registered number: 1898192

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THOMAS MILLER & CO. LIMITED

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THOMAS MILLER & CO. LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J E Anderson	
T M Evans	
G Fleming	
R M Grainger	
K P Halpenny	
B M Kesterton	
A Salim	
A Gamblin	Appointed 15 December 2014
J M Goldthorpe	Appointed 15 December 2014
I R Jarrett	Appointed 15 December 2014
M A Jarrett	Appointed 15 December 2014
A C Jones	Appointed 15 December 2014
A K Mactavish	Appointed 15 December 2014
S L Main	Appointed 15 December 2014
B O'Sullivan	Appointed 15 December 2014
K D Sweet	Appointed 15 December 2014
K E Vernau	Appointed 15 December 2014

COMPANY SECRETARY

K P Halpenny

REGISTERED OFFICE

90 Fenchurch Street
London
EC3M 4ST

AUDITOR

Deloitte LLP
Chartered Accountants
London
United Kingdom


THOMAS MILLER & CO. LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2014

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Fixed assets					
Intangible assets	11		314		387
Tangible assets	12		4,246		3,524
Investments	13		3,374		1,552
			7,934		5,463
Current assets					
Debtors					
- due within one year	14	31,876		19,263	
- due after one year	14	2,881		2,881	
Cash at bank and in hand		1,851		8,154	
		36,608		30,298	
Creditors: Amounts falling due within one year	16	(30,032)		(24,984)	
Net current assets			6,576		5,314
Total assets less current liabilities			14,510		10,777
Provisions for liabilities	17		(1,738)		(1,641)
Net assets before retirement benefits and similar obligations			12,772		9,136
Retirement benefits and similar obligations	23		(25,244)		(24,593)
Total net liabilities			(12,472)		(15,457)
Capital and reserves					
Called up share capital	18		500		500
Profit and loss account			(12,972)		(15,957)
Shareholder's deficit			(12,472)		(15,457)

The financial statements of Thomas Miller & Co. Limited (registered number 1898192) were approved by the board of directors and authorised for issue on 19 March 2015. They were signed on its behalf by:

 Director R M GRAINGER

 Director J M GOLDTHORPE

The notes on pages 12 to 27 form an integral part of these financial statements.

THOMAS MILLER & CO. LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Turnover	1,2		88,373		81,356
Administrative expenses			(76,952)		(70,747)
Operating profit	3		11,421		10,609
(Loss) / profit on disposal of parent company shares	20		(1,219)		783
Income from participating interests			-		20
Profit on ordinary activities before interest and taxation			10,202		11,412
Income from fixed asset investments		-		-	
Interest receivable and similar income		10		20	
Interest payable and similar charges	6	(14)		(14)	
Other finance income / (costs)	7	316		(634)	
			312		(628)
Profit on ordinary activities before taxation			10,514		10,784
Tax on profit on ordinary activities	8		(2,405)		(2,237)
Profit on ordinary activities after taxation			8,109		8,547

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014**

		2014 £'000	2013 £'000
Profit for the financial year		8,109	8,547
Actuarial (loss) / profit relating to the pension deficit for the year	23	(6,505)	4,285
Current tax credit attributable to the pension deficit	8	1,166	-
Deferred tax credit / (debit) attributable to the actuarial profit / (loss) on the pension deficit	15	226	(2,026)
Total recognised gains for the period		2,985	10,806

All amounts derive from continuing operations.

The notes on pages 12 to 27 form an integral part of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THOMAS MILLER & CO. LIMITED

We have audited the financial statements of Thomas Miller & Co. Limited for the year ended 31 December 2014 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the combined reconciliation of movements in shareholder's funds and movements in reserves and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 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 other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report and Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Colin Rawlings FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor

London, UK

20 March 2015

THOMAS MILLER & CO. LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 to 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.

STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

Financial risk management including principal risks and uncertainties (continued)

Interest rate risk

The main interest rate exposure relates to the interest rate used to calculate the Defined Benefit pension scheme liabilities. It is estimated that every reduction of 0.5% in the yield on AA rated corporate bonds increases the gross Defined Benefit pension scheme liability by approximately 10% although the impact is partially offset by the diversification of the pension investment. The scheme is reviewed by an external firm of actuaries and the company board and trustees meetings are held four times a year.

Interest rate risk exists from the company's exposure to adverse movements in interest rates in relation to cash balances and deposits. The Treasury Advisory Committee monitors the risk and reduces the company's exposure by utilising a choice of available funds with different interest rate characteristics. The Committee takes advice from investment specialists within the company and acts in line with the company's Investment Policy.

Currency risk

The company manages its currency risk in respect of its income streams. Currency risk exists from the company's residual exposure to adverse movements in exchange rates in respect of its foreign currency income and expenditure as well as foreign currency assets and liabilities. This risk is managed within the group by collecting management fees in currencies which match the costs of the overseas group companies and through balancing the levels of currency assets and liabilities which may involve the use of forward exchange contracts. Foreign exchange differences are charged to the profit and loss account.

All of the company's income from services provided to fellow UK subsidiaries undertakings is in sterling as are the majority of the company's costs. Currency risk arises from the cost of services provided to the company from fellow subsidiary undertakings based in the USA, Hong Kong, Australia and Singapore who charge for services provided in their respective local currencies. The relevant fellow subsidiaries charge the company for the sterling equivalent of these costs. The risk is managed within the group by collecting management fees in currencies that match the costs of these overseas companies and through balancing the levels of currency assets and liabilities which may involve the use of forward exchange contracts. Foreign exchange differences are charged to the profit and loss account.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the company is exposed to credit risk are:

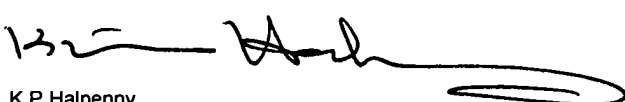
- amounts due from fellow subsidiaries and other customers; and
- cash balances held with financial institutions.

The company, through the Treasury Advisory Committee, places limits on the level of cash balances held at any financial institution dependent on its credit rating. Amounts due to the company are actively monitored by the finance department and Treasury Advisory Committee.

Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that cash may not be available to pay obligations when due. The Investment Policy sets limits on cash balances to ensure that funds are available to cover anticipated liabilities and unexpected levels of demand. Again, cash flow is actively monitored by the Finance department and Treasury Advisory Committee.

By order of the board



K P Halpenny
Secretary
19 March 2015

90 Fenchurch Street
London
EC3M 4ST

THOMAS MILLER & CO. LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Principal activity and business review

The company is a wholly owned subsidiary of Thomas Miller Holdings Ltd., a company incorporated in Bermuda.

The principal activity of the company during the year has been the provision of services to its fellow subsidiary undertakings. The main activities of these undertakings have been the provision of agency services to managers of mutual insurance companies and acting as managers of mutual insurance companies. The main operations of the company were carried out from offices in the United Kingdom. The company also operates through two small branch offices in China. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

The primary business indicators that the company uses to control the business are linked to cost control. Expenditure is reviewed against budgets for each cost centre, by month and by account code and variances are analysed and explained. Budgets are reviewed twice a year. Income arises from recharges of costs to other group companies based on those companies' usage of resource. The company's directors believe that review of costs against budgets is the key performance indicator necessary for an understanding of the development, performance and financial position of the business. Monthly variance analyses and quarterly group management accounts indicate that direct business costs and shared service costs were above budget. However, the variances against budget were not outside the range of what management would expect or be unable to manage.

Turnover for the year has increased by 8.6% whilst administration expenses have increased by 8.8% from 2013 to 2014. In the majority of cases, costs are recharged to fellow subsidiary undertakings as part of the "Memorandum of Services" agreements with those subsidiary undertakings.

The post tax deficit on the funded and unfunded Defined Benefit pension schemes, as calculated using the FRS 17 "Retirement benefits" basis of calculation, has increased from £24.6 million to £25.2 million. Normal contributions into the schemes were £5.4 million in total (2013 - £5.1 million). These contributions, in accordance with FRS 17, are not recognised as a cost within administrative expenses. The changes in the overall pension liability are explained in note 23. The increase in the net liability has mainly arisen due to the fall in the discount rate used which has increased the pension liability although this has been offset to a large extent by better than expected returns on Scheme assets and also contributions made by the company.

The balance sheet on page 10 shows the company's financial position at the year end. The reduction in the Shareholder's deficit arises primarily due to the retained profit for the year, although the impact has been reduced by the increase in the pension scheme deficit. Furthermore, the company made a loss of £1.22 million on the disposal of Thomas Miller Holdings Ltd shares held by ESOP trusts where deemed proceeds on shares utilised for awards was less than the average cost of the shares disposed.

The directors note that there have been no significant events since the balance sheet date.

Financial risk management including principal risks and uncertainties

Financial risk management objectives

The company is exposed to financial risk through its financial assets and financial liabilities. In particular, the key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from financial liabilities as they fall due. The most important components of this financial risk are interest rate risk, currency risk, credit risk and liquidity and cash flow risk.

The group finance director, advised by the Treasury Advisory Committee, monitors and aims to reduce exposure to the various components of financial risk. Through the Committee, the group finance director takes advice to ensure that he acts in line with the terms of reference approved by the board of Thomas Miller Holdings Ltd.

The company is also exposed to the above risks through the operation of the final salary pension scheme and also its obligations under the unfunded defined benefit schemes. The strategy for dealing with the associated risks is managed by the board with close liaison with the pension trustee board.

The company does not use derivative financial instruments for speculative purposes.

THOMAS MILLER & CO. LIMITED

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

8. Auditor


Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

By order of the board



K P Halpenny
Secretary
19 March 2015

90 Fenchurch Street
London
EC3M 4ST

THOMAS MILLER & CO. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 December 2014.

1. Results and dividends

The profit and loss account for the year is set out on page 9. The profit on ordinary activities after taxation amounted to £8,109,000 (2013 - £8,547,000).

No dividends were declared during the year (2013 - £nil).

The profit and loss account deficit as at 31 December 2014 was £12,972,000 (2013 - £15,957,000).

2. Directors

The present membership of the board of directors is shown on page 2, all of whom held office throughout the year, except as noted.

B M Kesterton and J M Goldthorpe are directors of the ultimate parent company, Thomas Miller Holdings Ltd.

3. Employees

Thomas Miller & Co. Limited ("Thomas Miller") is committed to providing equal opportunities to all employees, irrespective of their gender, sexual orientation, marital status, race, nationality, ethnic origin, disability, age or religion. Thomas Miller is an inclusive employer and values diversity in its employees and seeks to achieve diversity through recruitment and selection, training, career development, flexible working arrangements, promotion and performance appraisal. In the event of employees becoming disabled, every effort is made to ensure that their employment with Thomas Miller continues and to provide specialised training where this is appropriate. Information on employee matters is available on an intranet site and via periodic publications.

4. Employee consultation

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and the company's intranet website. Employees are consulted regularly on a wide range of matters affecting their current and future interests. The employee share schemes have been running successfully since their inception. The Executive Share Option Plan was introduced in 1999, the Share Incentive Plan introduced in 2003, the Long Term Share Acquisition Plan introduced in 2006 and the Save As You Earn Scheme introduced in 1999. The Service Award scheme was also introduced in 1999. The Share Incentive Plan, the Save As You Earn Scheme and the Service Award Scheme are open to all employees of the company and the major features of the scheme are outlined in note 22 to the Financial Statements. The other schemes are only open to employees at Director level or above and the major features of those schemes are also outlined in note 22.

5. Supplier payment policy

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

6. Donations

Charitable donations paid amounted to £55,000 (2013 - £114,000). The company did not make any political donations during the current and previous financial year.

7. Directors' indemnity

The ultimate parent company Thomas Miller Holdings Ltd. has made qualifying third party indemnity provisions for the benefit of its subsidiaries' directors which remain in force at the date of this report.

THOMAS MILLER & CO. LIMITED

**COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS AND MOVEMENTS IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Share capital	Profit and loss account	2014 Total	2013 Total
	£'000	£'000	£'000	£'000
Profit for the financial year	-	8,109	8,109	8,547
Actuarial (loss) / gain relating to the pension deficit net of taxation	-	(5,124)	(5,124)	2,259
Net increase to shareholder's funds	-	2,985	2,985	10,806
Opening shareholder's funds / (deficit)	500	(15,957)	(15,457)	(26,263)
Closing shareholder's funds / (deficit)	500	(12,972)	(12,472)	(15,457)

The notes on pages 12 to 27 form an integral part of these financial statements.

THOMAS MILLER & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Accounting policies

1.1 Basis of preparation

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

1.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out within the strategic report.

The financial position of the company is described within the directors' report and strategic report. In addition, the strategic report describes the liquidity position of the company including the company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities and its exposures to credit risk and liquidity risk.

The company is in a "net liabilities" position after taking into account "retirement benefits and similar obligations". However, the annual cash contributions made by the company to the Thomas Miller & Co. Limited Retirement Benefits Scheme ("the Scheme"), which closed to future accruals of benefits on 1 October 2004, are designed to eliminate this deficit by 2022. This was confirmed in a full valuation and review of the Scheme which was carried out on 1 July 2011. The next full valuation of the Scheme began on 1 July 2014 and will be completed by 30 September 2015. The cash contributions made are in accordance with an agreement made with the trustees of the Scheme to eliminate that deficit. The annual contributions are re-charged to fellow subsidiary undertakings, in accordance with the "Memorandum of Services" agreements between the company and those fellow subsidiary undertakings.

As a consequence, the directors believe that the company is well placed to manage its business risks successfully in the current economic climate.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Goodwill

For acquisition of a business, purchased goodwill is capitalised in the year in which it arises and amortised over its estimated useful life up to a maximum of 20 years with the charge pro-rated in the year of acquisition, from the date of acquisition. Provision is made for any impairment.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided to write off the cost less estimated residual value of all tangible fixed assets over the estimated useful economic lives of the assets. The rates generally applicable are:

Leasehold improvements	Straight-line over period to next lease break clause
Motor vehicles	Straight-line over 3 years
Office machinery, fixtures and fittings	Straight-line over 3 to 17 years
Leased equipment	By equal instalments over period of lease or expected useful economic life if shorter

1.5 Investment

Investments held as fixed assets are stated at cost less provision for impairment.

1.6 Foreign currencies

Transactions denominated in foreign currencies are translated into Sterling at the exchange rates ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Forward exchange contracts may be used to hedge foreign exchange exposures arising on forecast receipts and payments in foreign currencies of a fellow subsidiary. Gains or losses arising on these contracts have been recognised in the profit and loss account in the year and also when the contract matures.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

1. Accounting policies (continued)

1.7 Leases and assets

Leases are treated in accordance with the provisions of SSAP 21 "Accounting for leases and hire purchase contracts". Assets held under finance leases are capitalised in the balance sheet and depreciated over the shorter of the period of the lease and their expected useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the primary period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the period of the lease.

1.8 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.9 Retirement benefits and similar obligations

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. Current service costs are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

The company assumed a liability to pay annuities to those former partners of Thos R. Miller & Son who retired prior to 1989. The scheme's liabilities have been accounted for in accordance with FRS 17 and are unfunded.

1.10 Turnover

Turnover, which excludes value added tax, represents the value of service fees attributable to the accounting year.

THOMAS MILLER & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

1.11 Share-based payments

The company has elected to adopt the exemption to apply FRS 20 "Share-based payment" only to share option awards granted after 7 November 2002. The equity instruments granted are in relation to shares in the parent company, Thomas Miller Holdings Ltd.

The parent company awards share-based payments to certain employees of the company. The company accounts for these awards as cash settled share-based payments. Fair value in respect of share option awards is measured using the Black-Scholes model, taking into account the terms and conditions under which the instruments were granted, excluding the impact of any non-market vesting conditions.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the equity instruments granted and the number of equity instruments which eventually vest. At each balance sheet date, the company revises its estimates of the number of equity instruments that are expected to vest. It recognises the revision of original estimates, if any, in the profit and loss account.

A liability equal to the portion of services received is recognised at the current fair value determined at each balance sheet date for cash-settled, share-based payments.

The company also awards employees bonuses on completion of three years' service. Employees can choose to take the bonus in shares or shares and cash (the cash being used to settle the employee tax liability). The company records an expense, based on the amount it expects to vest, taking into account estimated staff turnover, on a straight-line basis over the vesting period.

1.12 Cash flow statements

The company is exempt from producing a cash flow statement under FRS1 (revised 1996) "Cash flow statements" as more than 90% of the voting rights are owned by its ultimate parent undertaking (note 25) whose published, publicly available, accounts include a consolidated cash flow statement.

1.13 The Thomas Miller Healthcare Trust

The Thomas Miller Healthcare Trust Scheme ("Healthcare Scheme") was set up on 1 July 2010 to provide certain benefits relating to medical treatment for employees of Thomas Miller & Co. ("Thomas Miller") and other persons who are eligible to participate in the Healthcare Scheme. The benefits payable are the actual cost of the treatment up to the maximum (if any) specified in the trust deeds benefits table applicable at the time treatment was received (subject to any excess or benefit limitation which may be stipulated in the rules). The Healthcare Scheme will pay benefits only for expenditure that a member has incurred during the scheme year for which contribution from Thomas Miller or another applicable employer has been made into the Healthcare Scheme.

The fund amount cannot in any circumstances be transferred to any person or body who is or has at any time been an employer. The Scheme is accounted for in accordance with UITF Abstract 32 Employee Benefit Trusts and other intermediate payment arrangements.

2. Analysis of turnover

Turnover by geographical origin is shown below:

	2014 £'000	2013 £'000
United Kingdom and Europe	88,373	81,356

All turnover derives from the principal activities of the company.

3. Operating profit

	2014 £'000	2013 £'000
This is stated after charging:		
Depreciation		
- owned assets	1,219	1,073
- leased / financed assets	21	274
- leasehold improvements	67	62
- amortisation of goodwill	74	74
Exchange losses	280	582
Loss on disposal of fixed assets	9	1
Rentals under operating leases	3,305	3,009

THOMAS MILLER & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

3. Operating profit (continued)

Amounts payable to Deloitte LLP and their associates by the company and its fellow UK subsidiary undertakings in respect of services are shown below:

The analysis of auditor's remuneration is as follows:

	2014 £'000	2013 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts	43	43
Fees payable to the company's auditor and its associates for other services to the company and its fellow UK subsidiary undertakings		
- The audit of fellow subsidiaries pursuant to legislation	47	60
Total audit fees	90	103
- Tax services	70	80
- Information technology services	-	278
- Other services	100	218
Total non-audit fees	170	576

The company bore auditor's remuneration on behalf of a number of fellow UK subsidiaries of Thomas Miller Holdings Ltd. in 2014 and 2013.

The fees for other services, in 2014, includes a review of the management and operating model of the TT Club.

4. Directors' remuneration

The directors of the company include a number of directors who are also directors of other companies within the Thomas Miller Holdings group. The directors do not consider it practicable or appropriate to allocate directors' services between individual subsidiary companies. The directors of the company received aggregate emoluments of £2,312,000 (2013 - £2,030,000) relating to their services to all companies within the Thomas Miller Holdings group.

The value of contributions paid, or treated as paid, by a person other than the director to whom retirement benefits are accruing in respect of directors' qualifying services to the extent that the contributions might lead to money purchase benefits being payable was £153,000 (2013 - £171,000).

The number of directors who:

	2014 Number	2013 Number
Are members of defined benefit schemes of Thomas Miller	9	5
Are members of defined contribution schemes of Thomas Miller	10	6
Exercised options over shares in the parent company, Thomas Miller Holdings Ltd.	6	2
Had awards receivable in the form of shares under a long term incentive scheme	13	7

5. Employee information (including directors)

The average number of persons employed by the company during the year was 431 (2013 - 402).

Geographical area	2014 Number	2013 Number
Europe	422	394
Asia	9	8
	431	402

THOMAS MILLER & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

5. Employee information (including directors) (continued)

The total payroll costs of these persons employed by Thomas Miller & Co. Limited were as follows:

	2014	2013
	£'000	£'000
Wages and salaries (including bonuses)	35,092	33,151
Redundancy costs	263	72
Social security costs	4,176	3,778
Other pension costs - defined contribution schemes	3,992	3,951
	43,523	40,952

Other pension costs include only those items included within operating costs. Items reported elsewhere have been excluded.

6. Interest payable and similar charges

	2014	2013
	£'000	£'000
Bank interest	-	1
Interest on finance leases	-	5
Other interest	14	8
	14	14

7. Other finance (income) / costs

	2014	2013
	£'000	£'000
Net finance costs on retirement benefit schemes (note 23)	(316)	634

8. Tax on profit on ordinary activities

The tax charge is based on the profit for the year and represents:

	2014	2013
	£'000	£'000
Current tax:		
Current tax charge for the year	2,383	1,449
Adjustments in respect of prior years	(8)	(16)
Overseas tax relief	(7)	-
	2,368	1,433
Overseas tax suffered	7	9
Overseas tax adjustment in respect of prior years	3	-
	2,378	1,442
Deferred taxation - current year	29	879
Deferred taxation - effect of change in tax rate in year	(2)	(88)
Deferred taxation - prior year	-	4
Tax on profit on ordinary activities	2,405	2,237

During the year the company recognised a current tax credit in the Statement of Recognised Gains and Losses of £1,155,000 (2013 - £Nil) attributable to the pension scheme deficit.

Under the Finance Act 2013, the rate of corporation tax was reduced from 23% to 21% from 1 April 2014. A further reduction to 20% from 1 April 2015 was also included in the Act and has been taken into account in calculating the deferred tax assets as at 31 December 2014.

THOMAS MILLER & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

9. Reconciliation of current year tax charge

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 21.5% (2013 - 23.25%). The current year tax charge for the year is different to the standard rate for the reasons set out in the following reconciliation.

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	<u>10,514</u>	<u>10,784</u>
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax:	2,260	2,507
Expenses not deductible for tax purposes	98	177
Impact of share options	(208)	(164)
Loss / (profit) on disposal of shares held in the EBT	262	(192)
Depreciation in excess of / less than capital allowances	(12)	25
Other short term timing differences	50	123
Overseas tax suffered	-	9
Short term timing differences in respect of pension deficit	(67)	(1,027)
Adjustments in respect of prior years	(5)	(16)
Current tax charge for the year	<u>2,378</u>	<u>1,442</u>

10. Dividends

No interim or final dividend has been proposed by the directors (2013 - £nil).

11. Intangible fixed assets

	Goodwill £'000
Cost	
At 1 January 2014	759
Additions	-
At 31 December 2014	<u>759</u>
Accumulated depreciation	
At 1 January 2014	372
Provided in the year	73
At 31 December 2014	<u>445</u>
Net book value	
At 31 December 2014	<u>314</u>
At 31 December 2013	<u>387</u>

THOMAS MILLER & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

12. Tangible fixed assets

	Leasehold improve- ments	Office machinery fixtures and fittings	Office machinery fixtures and fittings	Total
	£'000	Leased £'000	Owned £'000	£'000
Cost				
At 1 January 2014	982	2,065	8,643	11,690
Additions	317	250	1,474	2,041
Disposals	-	(154)	(121)	(275)
At 31 December 2014	1,299	2,161	9,996	13,456
Accumulated depreciation				
At 1 January 2014	322	2,065	5,779	8,166
Provided in the year	67	21	1,219	1,307
Disposals	-	(154)	(109)	(263)
At 31 December 2014	389	1,932	6,889	9,210
Net book value				
At 31 December 2014	910	229	3,107	4,246
At 31 December 2013	660	-	2,864	3,524

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

13. Investments held as fixed assets

	Investment in parent company shares £'000
At 1 January 2014	1,552
Net acquisition of parent company shares by Thomas Miller Employee Share Trust No. 1	5,005
Cost of shares transferred to employees under the various share schemes operated within the group	(3,183)
At 31 December 2014	3,374

Investment in parent company shares represents shares in Thomas Miller Holdings Ltd. held through the various employment benefit trusts operated by the company. Further details of the various trusts and the uses to which the shares can be put are set out in notes 19 and 20.

THOMAS MILLER & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

14. Debtors

	2014	2013
	£'000	£'000
Due within one year		
Amounts owed by the parent undertaking	12,222	-
Amounts owed by fellow subsidiary undertakings	14,910	15,021
Trade debtors	631	650
Other debtors	1,182	992
Deferred tax (note 15)	649	613
Prepayments	2,070	1,936
Accrued income	208	43
Accrued interest	4	8
	31,876	19,263
	2014	2013
	£'000	£'000
Due after one year		
Other debtors	2,881	2,881

Other debtors relates to a rental deposit paid on the premises at 90 Fenchurch Street, London where a lease commenced on 10 March 2008. At 31 December 2014, this deposit is considered repayable after one year and is shown as such in other debtors "due after one year".

15. Deferred taxation

The amounts of deferred taxation provided in the accounts are as follows:

	2014	2013
	£'000	£'000
Assets		
Depreciation in excess of capital allowances	339	351
Retirement benefit obligations	5,962	5,799
Other	310	262
Total	6,611	6,412
Asset at start of year	6,412	9,233
Current period charge	(27)	(791)
Adjustment in respect of prior years	-	(4)
Credit / (charge) to statement of total recognised gains and losses	226	(2,026)
Asset at end of year	6,611	6,412

The following is the analysis of the deferred tax balances for financial reporting purposes.

	2014	2013
	£'000	£'000
Deferred tax assets within debtors (note 14)	649	613
Deferred tax assets within provision for pension liabilities (note 23)	5,962	5,799
	6,611	6,412

THOMAS MILLER & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

16. Creditors

	2014	2013
	£'000	£'000
Amounts falling due within one year		
Trade creditors	181	150
Amounts owed to parent undertaking	-	1,950
Amounts owed to fellow subsidiary undertakings	18,429	12,949
Amounts due under finance leases and hire purchase agreements	188	-
Corporation tax	156	341
PAYE and social security	1,139	985
Other creditors	1,125	930
Accruals	8,814	7,679
	30,032	24,984

17. Provision for liabilities and charges

	Balance at 1 January 2014	Profit and loss account charge	Amounts paid	Balance at 31 December 2014
	£'000	£'000	£'000	£'000
Dilapidations provision	619	120	-	739
Onerous lease provision	1,022	(23)	-	999
	1,641	97	-	1,738

The dilapidations provision relates to the potential cost of complying with obligations contained within the lease of the company's premises at 90 Fenchurch Street. These obligations relate to reinstatement, repair, redecoration and other statutory covenants. The onerous lease provision relates to the space sublet or unoccupied within 90 Fenchurch Street where the returns are less than the costs being incurred for that space.

18. Called up share capital

	2014	2013
	£'000	£'000
Called up, allotted and fully paid:		
Equity interests: 500,000 ordinary shares of £1	500	500

The company is incorporated in the United Kingdom with limited liability and registered in England and Wales.

THOMAS MILLER & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

19. Employee Share Ownership Plans ("ESOP")

The Thomas Miller Employee Share Ownership Plans were established to acquire shares in order to make them available to employees under profit sharing schemes, share option schemes, an employee share ownership plan and other schemes as they become available. The details of the various schemes are disclosed in note 22. Thomas Miller & Co. Limited is the principal employer of the beneficiaries of the schemes.

Unvested shares held in Trust

In addition to the above the trusts hold shares which are not specifically vested in employees:

	Number of shares 2014	Market value 2014 £'000	Average cost 2014 £'000	Number of shares 2013	Market value 2013 £'000	Average cost 2013 £'000
Thomas Miller Employee Share Trust No.1	448,552	3,342	3,374	244,344	1,588	1,552

Loans have been made by Thomas Miller & Co. Limited to Appleby Trust (Bermuda) Ltd and Capita Trustees Limited to purchase these shares. The Trustees of the Thomas Miller Employee Benefit Trusts ("EBT") waived their rights to dividends payable after 20 January 2005.

20. Parent company shares held by ESOP Trusts

	Parent company shares 2014 £'000	Parent company shares 2013 £'000
Balance at the beginning of the year	1,552	3,587
Proceeds received on exercise of options by employees	(592)	(558)
Loss on ESOP shares acquired by employees	(1,233)	(82)
Purchase of shares in the market	5,661	1,720
Proceeds on sale of shares in the market	(569)	(3,122)
Value of shares awarded to employees under share schemes	(1,372)	(791)
Profit on shares awarded to employees under share schemes	14	865
Other disposals	(87)	(67)
Balance at the end of the year	3,374	1,552

The shares held by the EBT are to be used to settle share awards under the various share schemes operated by the group. The remaining shares are intended to be used to satisfy share options, to distribute as bonuses and to distribute to employees on reaching three years continuous service with the group. As at 31 December 2014, the cost of the shares held by the EBT exceed the anticipated proceeds from the exercise of outstanding options and other share awards by £899,000 (2013 - £868,000).

Parent company shares

746,961 parent company shares were purchased by Thomas Miller Employee Share Trust No.1 during the year.

Number of shares purchased	Price per share	Cost £'000
480,366 shares purchased in July 2014	£7.65	3,675
266,595 shares purchased in December 2014	£7.45	1,986
		5,661

The prices of £7.65 and £7.45 were determined by the parent company's valour, Deloitte LLP, for a single share in accordance with the company's bye-laws.

THOMAS MILLER & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

21. Leases

Operating leases

Annual commitments payable under non-cancellable operating leases are as follows:

	Motor vehicles 2014 £'000	Land and buildings 2014 £'000	Motor vehicles 2013 £'000	Land and buildings 2013 £'000
Leases which expire:				
Within one year	15	13	-	14
Between two and five years	-	45	15	45
After five years	-	3,156	-	3,156
	15	3,214	15	3,215

Finance leases and hire purchase agreements

	Finance leases 2014 £'000	Finance leases 2013 £'000
Capital payments due:		
Within one year	-	-
Between two and five years	100	-
	100	-

22. Share-based payments

Employee share option schemes and other share-based plans

Share option schemes

(i) The Thomas Miller Executive Share Option Scheme

The group awards share options to certain employees under the Thomas Miller Executive Share Option Scheme enabling them to acquire ordinary shares in Thomas Miller Holdings Ltd. at their market value at the date of grant. Options are generally exercisable from three years after the date of grant and up to ten years less one day from the date of grant. Options are forfeited when an employee leaves the group unless by reason of retirement or redundancy, in which case, the employee has up to six months to exercise the option.

(ii) The Thomas Miller UK Savings Related Share Option Scheme

The group operates a savings related option scheme under which employees save a fixed amount per month over either a three year or five year period under a Save As You Earn contract operated by a third party administrator. On completion of the savings contract employees have the choice, within six months of the vesting date, of either exercising their option or taking the amount saved in cash. The options automatically lapse six months after vesting. This scheme is a scheme approved by the UK tax authorities.

THOMAS MILLER & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

22. Share-based payments (continued)

Details of the share options outstanding during the year are as follows:

	The Thomas Miller Executive Share Option Scheme		The Thomas Miller UK Savings Related Share Option Scheme		Total	
	Number of options	Weighted average exercise price (in £)	Number of options	Weighted average exercise price (in £)	Number of options	Weighted average exercise price (in £)
Year ended 31 December 2014						
Outstanding at beginning of period	376,396	2.44	271,901	3.31	648,297	2.80
Granted during the period	4,615	6.50	69,543	6.50	74,158	6.50
Forfeited during the period	(7,557)	3.37	(13,966)	3.42	(21,523)	3.40
Exercised during the period	(177,450)	2.96	(160,530)	2.63	(337,980)	3.01
Outstanding at the end of the period	196,004	2.04	166,948	5.27	362,952	3.53
Exercisable at the end of the period	92,389	3.86	-	-	92,389	3.86
Year ended 31 December 2013						
Outstanding at beginning of period	427,668	3.54	275,630	3.27	703,298	3.44
Granted during the period	120,000	-	17,076	5.00	137,076	0.62
Forfeited during the period	(9,858)	3.73	(9,588)	4.04	(19,446)	3.89
Exercised during the period	(161,414)	3.48	(11,217)	4.17	(172,631)	3.52
Outstanding at the end of the period	376,396	2.44	271,901	3.31	648,297	2.80
Exercisable at the end of the period	169,538	3.38	-	-	169,538	3.38

The weighted average share price for share options exercised during the period was £7.20. The options outstanding at 31 December 2014 had a weighted average exercise price of £3.53, and a weighted average remaining contractual life of 2.59 years. The aggregate of the estimated fair value of the options granted on 12 February 2014 is £87,419 (2013 - £76,957).

The inputs into the Black-Scholes option pricing model are as follows:

	2014	2013
Weighted average share price	£6.50	£5.00
Weighted average exercise price	£6.50	£0.62
Expected volatility	30%	30%
Expected life (years)	4.93	5.71
Risk-free rate	3.35%	1.71%
Expected dividends	31.98p	30.00p
Dividend yield	4.92%	6.00%

THOMAS MILLER & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

22. Share-based payments (continued)

The company recognised total expenses in respect of share-based payments as follows:

	2014 £'000	2013 £'000
Share option schemes	138	174
Shares awarded under bonus schemes (including LTSAP)	1,059	599
Cash settled share option schemes	152	30
Charges in respect of service award scheme	68	25
	<u>1,417</u>	<u>828</u>

All share-based payment expenses are cash settled.

Other share-based plans

(i) The Thomas Miller Share Incentive Plan

The scheme trustees are Capita IRG Trustees Ltd. Employees subject to UK income tax are eligible to participate in this plan. The plan has tax advantages for employees who choose to hold shares in the parent company. All the shares held by this trust are held on behalf of named employees.

(ii) The Thomas Miller Bonus Share Schemes

The company makes annual bonus payments to staff as part of their remuneration. Certain staff have the option to enhance their bonus by electing to take part of the bonus in restricted shares in the parent company, other more senior staff are required to take a proportion of their bonus in shares. The shares cannot be sold for at least three years. No awards have been made under this scheme since 2007.

(iii) The Thomas Miller Long Term Share Acquisition Plan ("LTSAP")

The group operates an additional bonus scheme for senior staff which is dependent on meeting pre-determined financial targets for profitability. Any shares awarded to employees under this scheme cannot be sold for a minimum of five years. The provision for the LTSAP scheme is included within "Accruals" (see note 16).

Commencing 1 January 2014 (for awards to be payable in 2015), the revised target is the achievement of Corporate Plan profit targets for the year concerned, the Corporate Plan targets having been agreed by the Board of Thomas Miller Holdings Ltd.

23. Retirement benefits and similar obligations

Description of the arrangement

The company operates a defined benefits scheme, the Thomas Miller & Co. Limited Retirement Benefits Scheme ("the Scheme"), and an unfunded final salary pension scheme. The Scheme has been set up under a trust that holds its financial assets separately from those of the company. Valuations have been performed in accordance with the requirements of FRS 17 "Retirement benefits" as at each reporting date.

A full actuarial valuation for the Scheme was performed at 1 July 2011 and was updated to 31 December 2014 by external actuaries. It showed that, on an FRS 17 "Retirement benefits" basis, the market value of the Scheme's assets was £142,685,000 and that the actuarial value of these assets represented 82.86% of the benefits that had accrued to members. Future service accrual under the Scheme ceased with effect from 1 October 2004. In addition, salary linkage was removed for active members who remained employees with effect from 30 June 2011.

The company assumed a liability to pay annuities to those former partners of Thos R. Miller & Son who had retired prior to 1989. The total unfunded liability has been calculated according to standard actuarial methods using an assumption of future investment returns of 3.60 % (2013 - 4.60%).

THOMAS MILLER & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

23. Retirement benefits and similar obligations (continued)

The amounts recognised in the balance sheet are as follows:

	2014 £'000	2013 £'000
Present value of funded obligations	172,208	150,930
Fair value of assets	(142,685)	(122,226)
	29,523	28,704
Present value of unfunded obligations	1,683	1,688
Deficit	31,206	30,392
Related deferred tax asset	(5,962)	(5,799)
Net liability	25,244	24,593
Amounts in the balance sheet		
Liabilities	25,244	24,593
Retirement benefits and similar obligations	25,244	24,593

The amounts recognised in profit or loss are as follows:

	2014 £'000	2013 £'000
Interest on obligation	6,910	6,709
Expected return on assets	(7,226)	(6,075)
Other finance (income) / costs	(316)	634
Actual return on scheme assets	19,964	9,510

Changes in the present value of the defined benefit obligation are as follows:

	2014 £'000	2013 £'000
Opening defined benefit obligation	152,618	151,368
Interest cost	6,910	6,709
Actuarial losses	19,243	(850)
Benefits paid	(4,880)	(4,609)
Closing defined benefit obligation	173,891	152,618

Changes in the fair value of assets are as follows:

	2014 £'000	2013 £'000
Opening fair value of assets	122,226	112,274
Expected return	7,226	6,075
Actuarial gains	12,738	3,435
Contributions by employer	5,375	5,051
Benefits paid	(4,880)	(4,609)
Closing fair value of assets	142,685	122,226

The Employer, Thomas Miller & Co. Limited, expects to contribute £4.9 million in 2015.

THOMAS MILLER & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

23. Retirement benefits and similar obligations (continued)

Major categories of scheme assets and their amounts are as follows:

	2014 £'000	2013 £'000
Equities	47,796	49,168
Bonds	42,314	27,442
Absolute return funds	49,849	42,248
Cash and other assets	2,726	3,368
	<u>142,685</u>	<u>122,226</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2014 £'000	2013 £'000
Discount rate	3.60%	4.60%
Future inflation-linked pension increases	3.00%	3.30%
Inflation measured by RPI	3.00%	3.40%
Inflation measured by CPI	2.00%	2.40%
Expected return on plan assets	4.50%	5.90%

Mortality:

	2014 CMI 2011 Long term rate <u>1.0% p a</u>	2013 CMI 2011 Long term rate <u>1.0% p a</u>
The assumed life expectations on retirement at age 65:		
Retiring today		
Males	23.7	23.6
Females	24.9	24.8
Retiring in 20 years		
Males	25.0	24.9
Females	26.4	26.4

Sensitivity analysis of the principal assumptions used to measure scheme liabilities

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 0.5%	Decrease by 9%
	Decrease by 0.5%	Increase by 9%
Rate of inflation	Increase by 0.5%	Increase by 4%
	Decrease by 0.5%	Decrease by 4%
Rate of mortality	Increase by 1 year	Increase by 2-3%

The above sensitivities relate to the main retirement benefit scheme operated by the company, the Thomas Miller & Co. Limited Retirement Benefits Scheme.

THOMAS MILLER & CO. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)

23. Retirement benefits and similar obligations (continued)

Amounts for the current and previous four periods are as follows:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Defined benefit obligation	(173,891)	(152,618)	(151,368)	(139,100)	(141,747)
Scheme assets	142,685	122,226	112,274	103,207	94,630
Deficit	(31,206)	(30,392)	(39,094)	(35,893)	(38,540)
Experience adjustments on scheme liabilities	4,445	751	657	1,898	(468)
Experience adjustments on scheme assets	12,738	3,435	2,939	1,663	4,530

The cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses since the adoption of FRS 17 was £39.8 million (2013 - £33.3 million).

24. Related party transactions

	Income during 2014 £'000	Debtor/ (creditor) at 2014 £'000	Income during 2013 £'000	Debtor/ (creditor) at 2013 £'000
Management and administration charge from Thomas Miller & Co. Limited to Thomas Miller Claims Management Limited, a fellow subsidiary undertaking of which Thomas Miller Holdings Ltd owns 80%.	1,276	(310)	1,035	(122)

The company has taken advantage of the exemption available under FRS 8 "Related party disclosures" not to disclose transactions between entities, of those whose voting rights are controlled 100% within the group.

25. Parent undertaking

The company is wholly owned by Thomas Miller Holdings Ltd., a company registered in Bermuda and the ultimate controlling company. Thomas Miller Holdings Ltd. is the parent undertaking of the largest and smallest group in which the company is consolidated. Copies of the financial statements for Thomas Miller Holdings Ltd. may be obtained from: The Company Secretary, Thomas Miller Holdings Ltd., 90 Fenchurch Street, London, EC3M 4ST.