

HML Marketing Limited

Financial Statements

For the year ended
31 December 2016

Company Number 02123255



Contents

Directors and Officers	1
Directors' report	2
Independent Auditors' report	5
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11

Directors and Officers

Directors

Ian D Parker
Katharine A Wade

Company Secretary

James D S Adams

Registered Office

52 – 54 Leadenhall Street
London
EC3A 2BJ

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Directors' report

For the year ended 31 December 2016

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2016

Directors

The directors who held office during the year and up to the date of signing of the financial statements were as follows:

Ian D Parker
Katharine A Wade

Principal activities and review of business

The principal activity of the Company was that of insurance product marketing and premium guaranteeing. The Company ceased trading in January 2005 and accordingly these financial statements are not prepared on a going concern basis.

Going concern

These financial statements have not been prepared on the going concern basis, as it is the intention to liquidate the Company in the near future. No adjustments have been made to the financial statements to reflect that the Company is not a going concern because the Company expects to continue to realise its assets and settle liabilities in an orderly fashion and for the amounts stated.

Results and dividends

The results for the year ended 31 December 2016 are set out on page 8.

Employees

During the year all staff were employed by ERS Administration Services Limited ("ERS ASL"), a fellow subsidiary undertaking of ERS DGB Limited ("ERS DGB"). The amount recharged to the Company by ERS ASL in respect of employee costs was £nil (2015: £nil).

Directors' qualifying indemnity provisions and officers' liability insurance

A qualifying third party indemnity provision (as defined in section 234 of the Companies Act 2006) was in force during the course of the financial year ended 31 December 2016 and at the date of approval of the financial statements for the benefit of the directors. This provision remains in force for the benefit of the directors and provides indemnity protection in relation to certain losses, expenses, and liabilities which they may incur in the actual or purported execution and/or discharge of their duties.

As permitted by the Companies Act 2006, the Group has maintained insurance cover for directors and officers against liabilities arising in relation to the ERS DGB group.

Small company exemption

The Company has met the conditions of qualifying as a small company, and although it is a member of an ineligible group it has taken advantage of the exemption from preparing a Strategic Report in accordance with section 414B Companies Act 2006.

Directors' report (continued)

For the year ended 31 December 2016

Independent auditors

The auditors PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed and approved by the Board.

Statement of disclosure of information to auditors

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

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) 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 auditors are 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.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report (continued)

For the year ended 31 December 2016

Future developments

The directors are planning to put the Company into a Members' voluntary liquidation arrangement in the second half of 2017.

On behalf of the Board:

A handwritten signature in black ink, appearing to be 'Ian D Parker', written over a horizontal line.

Ian D Parker
Director
2 May 2017

Independent Auditors' report to the Members of HML Marketing Limited

For the year ended 31 December 2016

Report on the financial statements

Our opinion

In our opinion, HML Marketing Limited's financial statement (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its result 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.

Emphasis of matter – basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of preparation. It is the intention of the directors to liquidate the company in the near future. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance sheet as at 31 December 2016;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Independent Auditors' report to the Members of HML Marketing Limited (continued)

For the year ended 31 December 2016

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent Auditors' report to the Members of HML Marketing Limited (continued)

For the year ended 31 December 2016

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.



Matthew Nichols (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
4 May 2017

Statement of comprehensive income

For the year ended 31 December 2016

	Note	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Result on ordinary activities before taxation	3	-	-
Tax on result on ordinary activities	4	-	(1)
Result/(loss) for the financial year		-	(1)

All amounts relate to discontinued operations.

The Company has no recognised gains and losses other than as shown above and therefore no separate statement of other comprehensive income has been presented.

There is no material difference between the result on ordinary activities before taxation and the result/(loss) for the financial year stated above and their historical cost equivalents.

The notes on pages 11 to 14 form an integral part of these financial statements.

Balance sheet

As at 31 December 2016

		2016 £	2015 £
Current assets			
Debtors	5	4,028	4,028
Creditors:			
Amounts falling due within one year	6	(3,928)	(3,928)
Net current assets		100	100
Net assets		100	100
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account		-	-
Total shareholders' funds		100	100

The financial statements on pages 8 to 14 were approved by the Board of directors on 2 May 2017 and were signed on its behalf by:



Katharine A Wade
Director
2 May 2017

The notes on pages 11 to 14 form an integral part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2016

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2015	100	3,922	4,022
Loss and total comprehensive expense for the financial year	-	(1)	(1)
Dividend	-	(3,921)	(3,921)
At 31 December 2015	100	-	100

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2016	100	-	100
At 31 December 2016	100	-	100

Notes to the financial statements

For the year ended 31 December 2016

1. Statement of accounting policies

General information

HML Marketing Limited is a company limited by shares, domiciled and incorporated in the United Kingdom.

Basis of preparation

The individual financial statements of HML Marketing Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The principal accounting policies are set out below and have been applied consistently to all years presented.

For the reasons explained in the Directors' report the financial statements have not been prepared on a going concern basis. No adjustments were necessary to the amounts at which the remaining assets and liabilities are included in these financial statements.

(i) Cash flow statement

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, ERS DGB includes the Company's cash flows in its consolidated financial statements.

(ii) Related parties

The Company is exempt under the terms of FRS 102 paragraph 1.12(e), from disclosing related party transactions with entities that are part of the group, as it is a wholly owned subsidiary of ERS DGB, whose consolidated financial statements are publicly available.

(iii) Taxation

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax

Deferred tax arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

2. Directors' emoluments

The directors are remunerated by ERS ASL for their services to the Group as a whole. The recharges from ERS ASL for their services as directors of this Company amounted to £nil (2015: £nil).

The Group operates a single defined contribution pension plan for its employees. The recharges from ERS ASL to the Company in respect of the pension contributions of the directors during the year amounted to £nil (2015: £nil).

There was one director (2015: one) in the Group's defined contribution scheme.

Notes to the financial statements (continued)

For the year ended 31 December 2016

3. Result on ordinary activities before taxation

Certain costs, including staff related costs and auditors' remuneration are borne by ERS ASL. Disclosures of the full amounts are shown in the notes to the financial statements of ERS ASL. The auditors' remuneration for the audit of the Company's financial statements, which is incurred by ERS ASL, is £2,500 (2015: £2,500).

The amount re-charged to the Company by ERS ASL during 2016 was £nil (2015: £nil).

4. Tax on result on ordinary activities

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
(a) Analysis of tax charge for the year		
UK Corporation tax at 20.00% (2015: 20.25%)		
Current tax on income for the year	-	-
Adjustments in respect of prior periods	-	1
Tax charge on result on ordinary activities	-	1

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
(b) Factors affecting tax charge for the year		
The tax assessed for the year is the same as (2015: same as) the standard rate of corporation tax of 20.00% (2015: 20.25%). The differences are explained below:		
Result on ordinary activities before taxation	-	-
Result on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	-	-
Effects of:		
Adjustments in respect of prior periods	-	1
Total tax charge for the year	-	1

(c) Factors affecting current and future tax charges

The tax rate for the current period is lower than the prior period due to changes in the UK corporation tax rate which decreased from 21% to 20% from 1 April 2015. The calculation of taxes at the balance sheet date takes into account the reduction in the UK main corporation tax rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

The Company has no unprovided deferred tax balances.

Notes to the financial statements (continued)

For the year ended 31 December 2016

5. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	4,028	4,028
Total	4,028	4,028

At 31 December 2016, no interest was receivable on amounts owed by group undertakings and all balances were due within one year.

6. Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	3,928	3,928
Total	3,928	3,928

At 31 December 2016, no interest was payable on amounts owed to group undertakings and all balances were due within one year.

7. Called up share capital

	2016 £	2015 £
Authorised:		
1,053,670 (2015: 1,053,670) ordinary shares of £1 each	1,053,670	1,053,670
Allotted, issued and fully paid:		
100 (2015: 100) ordinary shares of £1 each	100	100

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

	2016 £	2015 £
Dividends		
Equity – Ordinary		
Final 2015: none (Final 2014 : paid)	-	3,921
Total dividends paid	-	3,921

Notes to the financial statements (continued)

For the year ended 31 December 2016

8. Controlling parties

The immediate parent undertaking is ERS Insurance Group Limited ("ERS IGL").

The ultimate UK parent undertaking and the smallest and largest group to consolidate these financial statements is ERS DGB. Copies of ERS DGB's consolidated financial statements can be obtained from the Company Secretary at 52 – 54 Leadenhall Street, London, EC3A 2BJ.