

HML Marketing Limited

Financial Statements

For the year ended
31 December 2014

Company Number 02123255

TUESDAY



L4966IQ2

LD6

09/06/2015

#82

COMPANIES HOUSE

Contents

Directors and Officers	1
Directors' report	2
Independent Auditors' report	5
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9

Directors and Officers

Directors

Ian D Parker
Katharine A Wade

Company Secretary

Steven T Griffin

Registered Office

Library House
New Road
Brentwood
Essex
CM14 4GD

Independent Auditors

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

Directors' report

For the year ended 31 December 2014

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2014. In the previous reporting period the Company changed its accounting reference date from 30 June to 31 December. The previous reporting period was for the 18 month period ended 31 December 2013.

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

Principle 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 2014 are set out on page 7. On 4 March 2015 the Company paid a dividend of £3,921 (2013: nil) to its immediate parent undertaking ERS Insurance Group Limited ("ERS IGL").

Share Capital

On 22 December 2014 the Company's shareholder completed a written, special resolution to reduce the share capital by using the solvency statement procedure under sections 642 to 644 of the Companies Act 2006. The relevant documentation was registered at Companies House on 23 December 2014. Consequently 1,053,570 ordinary shares of £1 each were cancelled and the amount by which the share capital was so reduced was credited to distributable reserves.

Employees

During the year all staff were employed by ERS Administration Services Limited ("ERS ASL"), a fellow subsidiary undertaking of ERS DGB Limited ("ERSDGB"). The amount recharged to the Company by ERS ASL in respect of employee costs was £nil (2013: £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 31 December 2014 for the benefit of the then 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.

Directors' report (continued)

For the year ended 31 December 2014

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 of preparing a Strategic report in accordance with section 415A Companies Act 2006.

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 s418 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).

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, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Directors' report (continued)

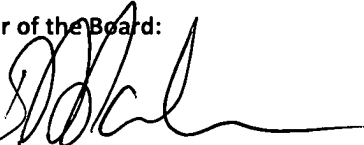
For the year ended 31 December 2014

Future developments

Following the completion of the capital reduction exercise the Company will become dormant, with the aim of entering a Members voluntary liquidation arrangement in the second half of 2015.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the Board:



Ian D Parker
Director
30 April 2015

Independent Auditors' report to the Members of HML Marketing Limited

For the year ended 31 December 2014

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 2014 and of its loss 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 accounting. It is the intention of the directors to liquidate the company in the near future. Accordingly, the going concern basis of accounting 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.

What we have audited

HML Marketing Limited's financial statements comprise:

- Balance Sheet as at 31 December 2014;
- Profit and Loss Account 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 their preparation is applicable law and United Kingdom Accounting Standards (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 the information given in the Strategic Report and the Directors' Report for the year for which the financial statements are prepared is consistent with the financial statements.

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

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

For the year ended 31 December 2014

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.

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 Return 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.



Matthew Nichols (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

30 April 2015

Profit and loss account

For the year ended 31 December 2014

		Year ended 31 December 2014 £	18 months ended 31 December 2013 £
	Note		
Other operating income – exceptional item	3	-	538,285
Result/profit on ordinary activities before taxation		-	538,285
Tax on result/profit on ordinary activities	5	(6)	4,028
(Loss)/profit for the financial year/period	8	(6)	542,313

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 total recognised gains and losses has been presented.

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

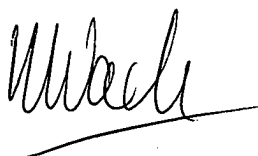
The notes on pages 9 to 12 form an integral part of these financial statements.

Balance sheet

As at 31 December 2014

		2014 £	2013 £
Current assets			
Debtors	6	4,022	4,028
Net assets		4,022	4,028
Capital and reserves			
Called up share capital	7	100	1,053,670
Profit and loss account	8	3,922	(1,049,642)
Total shareholders' funds	9	4,022	4,028

The financial statements on pages 7 to 12 were approved by the Board of directors on 30 April 2015 and were signed on its behalf by:



Katharine A Wade
Director
30 April 2015

The notes on pages 9 to 12 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2014

1. Statement of accounting policies

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The principal accounting policies are set out below and have been applied consistently throughout the year.

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 from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996) as a result of the Company being a wholly owned subsidiary within the ERS DGB group and is included within the consolidated financial statements of ERS DGB, which are publicly available.

(ii) Related parties

The Company is exempt under the terms of Financial Reporting Standard 8 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

The charge for taxation is based on the profit for the period at current rates of tax, adjusted for the effects of any prior period adjustments.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Deferred income tax is determined 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 income tax asset is realised or the deferred income tax liability is settled.

Deferred income 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 utilised.

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 (2013 - £nil).

The Group has a number of pension schemes which are paid by ERS ASL. The recharges from ERS ASL to the Company in respect of the pension contributions of the directors during the year amounted to £nil (2013 - £nil).

There were no directors (2013 - none) in the Group's defined benefit scheme and one (2013- one) in the Group's defined contribution scheme.

3. Other operating income – exceptional item

Exceptional income of £538,285 relating to debt forgiveness in respect of an inter-company position with EIGL Ltd which was approved as part of a debt reorganisation programme undertaken prior to the sale of the Equity Group to Aquiline.

Notes to the financial statements (continued)

For the year ended 31 December 2014

4. Result/profit 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 (2013: £nil).

The amount re-charged to the Company by ERS ASL during 2014 was £nil (2013: £nil).

5. Tax on result/profit on ordinary activities

	Year ended 31 December 2014 £	18 months ended 31 December 2013 £
(a) Analysis of tax charge/(credit) for the year/period		
UK Corporation tax at 21.5% (2013: 23.5%)		
Current tax on income for the year/period	6	(4,028)
Adjustments in respect of previous periods	-	-
Total tax charge/(credit) on result/profit on ordinary activities	6	(4,028)

	Year ended 31 December 2014 £	18 months ended 31 December 2013 £
(b) Factors affecting tax charge/(credit) for the year/period		
The tax assessed for the year/period is higher (2013: lower) than the standard rate of corporation tax of 21.5% (2013: 23.5%). The differences are explained below:		
Result/profit on ordinary activities before taxation	-	538,285
Result/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.5%)	-	126,497
Effects of:		
Non taxable income	-	(126,497)
UK to UK transfer pricing adjustments	6	(4,028)
Current tax charge for the year/period	6	(4,028)

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate would reduce to 21% by 2014. A reduction in the rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012, and a further reduction to 21% (effective from 1 April 2014) was substantively enacted on 2 July 2013. The main rate will further reduce to 20% (and will become unified with the small companies rate) from 1 April 2015.

The Company has no unprovided deferred tax balances.

Notes to the financial statements (continued)

For the year ended 31 December 2014

6. Debtors

	2014 £	2013 £
Amounts owed by group undertakings	4,022	4,028
	4,022	4,028

7. Called up share capital

	2014 £	2013 £
Authorised:		
1,053,670 (2013: 1,053,670) ordinary shares of £1 each	1,053,670	1,053,670
Allotted, issued and fully paid:		
100 (2013: 1,053,670) ordinary shares of £1 each	100	1,053,670

8. Profit and loss account

	2014 £	2013 £
At 1 January	(1,049,642)	(1,591,955)
(Loss)/profit for the financial year/period	(6)	542,313
Capital reduction	1,053,570	-
At 31 December	3,922	(1,049,642)

9. Reconciliation of movements in shareholders' funds/(deficit)

	2014 £	2013 £
Opening shareholders' funds/(deficit)	4,028	(1,541,855)
Issue of shares	-	1,003,570
(Loss)/profit for the financial year/period	(6)	542,313
Closing shareholders' funds	4,022	4,028

Notes to the financial statements (continued)

For the year ended 31 December 2014

10. Parent undertakings

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

The ultimate UK parent undertaking of the largest and smallest groups of companies for which group financial statements are drawn up is ERS DGB Limited ("ERS DGB"). Copies of ERS DGB's financial statements can be obtained from the Company Secretary at Library House, New Road, Brentwood, Essex, CM14 4GD.