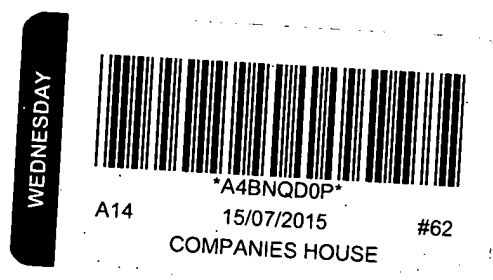


**ABERDEEN UNDERWRITING ADVISERS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**



**Registered number:** 03317598

**Registered office:** Plantation Place, 30 Fenchurch Street, London EC3M 3AD

## **ABERDEEN UNDERWRITING ADVISERS LIMITED**

### **STRATEGIC REPORT**

The Directors present their strategic report of Aberdeen Underwriting Advisers Limited (the Company) for the year ended 31 December 2014.

#### **Principal activity**

The principal activity of Aberdeen Underwriting Advisers Limited (the Company) until 31 December 1998 was to act as a Lloyd's Underwriting Agent. With effect from 1 May 2004, the Company was deregistered as a Lloyd's Underwriting Agent. No business was transacted in 2014, although the inter-company balances have been settled.

#### **Results and dividends**

The result after taxation attributable to shareholders was £nil (2013: nil). The Company have not proposed a final dividend for 2014 (2013: £nil). The Directors have paid an interim dividend of £381,819 in 2014 (2013: £nil).

On behalf of the Board

A handwritten signature in black ink, consisting of a stylized 'D' followed by a horizontal line and a small flourish.

D S Saker  
Director  
3 July 2015

## **ABERDEEN UNDERWRITING ADVISERS LIMITED**

### **DIRECTORS' REPORT**

The Directors present their report and the audited financial statements of Aberdeen Underwriting Advisers Limited (the Company) for the year ended 31 December 2014.

#### **Directors and their interests**

The Directors as set out below, held office throughout the year and up to the date of signing the financial statements were:

M C Carrillo  
D J Willis  
D S Saker  
S M Smith (resigned 6 February 2015)

No Directors had any interest in the voting share capital of the Company at any time during the year.

During the year 1 January 2014 to (and including) the date of approval of this report, the Company provided its Directors and Officers with a qualifying third party indemnity, and cover under a Directors and Officers insurance policy taken out by The Hanover Insurance Group, Inc.

#### **Company secretary**

A J Goodenough (resigned 1 April 2014)  
K S Shallcross (appointed 1 April 2014 and resigned 17 June 2015)

#### **Registered office**

Plantation Place  
30 Fenchurch Street  
London EC3M 3AD

#### **Registered number**

03317598

#### **Independent Auditors**

PricewaterhouseCoopers LLP, London

#### **Ultimate parent company**

The Hanover Insurance Group, Inc.

#### **Going concern basis**

No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors.

## **ABERDEEN UNDERWRITING ADVISERS LIMITED**

### **DIRECTORS' REPORT**

#### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the Strategic Report, 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;
- 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.

#### **Statement of disclosure of information to auditors**

The Directors each confirm 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) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Independent Auditors**

The auditors, PricewaterhouseCoopers LLP, have signified their willingness to continue in office as the independent auditors to the Company.

On behalf of the Board



D S Saker  
Director  
3 July 2015

## **ABERDEEN UNDERWRITING ADVISERS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABERDEEN UNDERWRITING ADVISERS LIMITED**

#### **Report on the financial statements**

##### **Our opinion**

In our opinion, Aberdeen Underwriting Advisers Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014;
- 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.

##### **What we have audited**

Aberdeen Underwriting Advisers Limited's financial statements comprise:

- the Balance Sheet as at 31 December 2014; 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 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 financial 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.

#### **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, 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.

**ABERDEEN UNDERWRITING ADVISERS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABERDEEN UNDERWRITING ADVISERS LIMITED (continued)**

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 Financial Statements 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.

A handwritten signature in black ink, appearing to read 'Peter Thomas'.

Peter Thomas (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
3 July 2015

**ABERDEEN UNDERWRITING ADVISERS LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014**

The Company did not trade during the current or previous financial years and has made neither profit nor loss or any other recognised gain or loss and therefore no separate Profit and Loss Account, or Statement of Total Recognised Gains and Losses, has been presented.

**BALANCE SHEET AS AT 31 DECEMBER 2014**

Registered number: 03317598

	Note	2014 £	2013 £
<b>Debtors</b>			
Amounts owed by Group undertakings		1	383,510
<b>Total assets</b>		<u>1</u>	<u>383,510</u>
<b>Creditors: amounts falling due within one year</b>			
Amounts owed to Group undertakings		-	1,690
<b>Capital and reserves</b>			
Called up share capital	5,6	1	400,000
Profit and loss account	6	-	(18,180)
<b>Total shareholders' funds</b>		<u>1</u>	<u>381,820</u>
<b>Total liabilities and shareholders' funds</b>		<u>1</u>	<u>383,510</u>

The financial statements on pages 6 to 9 were approved by the Board of Directors on 3 July 2015 and were signed on its behalf by:



M.C. Carrillo  
Director

# ABERDEEN UNDERWRITING ADVISERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 1. Principal accounting policies

#### a) Basis of preparation

These financial statements are prepared on a going concern basis, 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, which have been applied consistently throughout the year, are set out below.

#### b) Cash flow statement and related party disclosures.

The Company is wholly-owned by a member of The Hanover Insurance Group, Inc. (THG) a company incorporated in the United States of America and is included in the consolidated financial statements of THG, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

The Company is also exempt under the terms of FRS 8 from disclosing related-party transactions with entities that are part of, or investees of, The Hanover Insurance Group, Inc.

#### c) Dividends

Dividends paid or declared during the year are recognised as a reduction in equity. Dividends declared after the balance sheet date but before the financial statements are authorised are not recognised but are disclosed in the notes to the financial statements.

### 2. Auditors' remuneration

The auditors' remuneration in respect of the Company's financial statements for the year ended 31 December 2014 was £1,800 (2013: £nil), which has been borne by a related group undertaking.

### 3. Directors' emoluments and staff costs

No Directors received any emoluments for their qualifying services to the Company during the year ended 31 December 2014 (2013: £nil).

There were no staff costs incurred by the Company during the year ended 31 December 2014 (2013: £nil). The Company has no employees (2013: nil).

### 4. Dividends paid

	2014 £	2013 £
<i>Interim dividend for the year ended</i>		
31 December 2014: £381,819 per ordinary share, paid on 13 August 2014	<u>381,819</u>	<u>-</u>

### 5. Called up share capital

	2014 £	2013 £
Allotted, called up and fully paid:		
1 (2013: 400,000) ordinary voting share of £1 each	<u>1</u>	<u>400,000</u>



**ABERDEEN UNDERWRITING ADVISERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 DECEMBER 2014**

**6. Reconciliation of movement in reserves and shareholders' funds**

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2014	400,000	(18,180)	381,820
Share capital reduction	(399,999)	399,999	-
Dividends paid	-	(381,819)	(381,819)
At 31 December 2014	<u>1</u>	<u>-</u>	<u>1</u>

On 11 August 2014, the directors of the Company proposed a special resolution to reduce the issued share capital of the Company from £400,000 divided into 400,000 Ordinary Shares of £1.00 each to £18,181 divided into 18,181 Ordinary Shares of £1.00 each. This was executed by cancelling 381,819 of the issued Ordinary Shares beneficially held by ALIT Insurance Holdings Limited.

**7. Ultimate parent company**

Throughout the year, the Company's ultimate parent was The Hanover Insurance Group, Inc. A copy of the annual report for The Hanover Insurance Group, Inc. can be obtained from their website at [www.hanover.com](http://www.hanover.com).