Open GI London Limited

Directors' report and financial statements

Registered number 3534865

For the year ended 31 May 2016

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 May 2016.

Principal activity

The principal activity of the Company is the design and development of technology solutions to major insurers and brokers operating in the London insurance markets.

Business review

The directors are pleased to report another successful set of results. The Company continues to invest in its products and has delivered several key projects to its customer base during the year.

Results and dividends

The results for the year are set out in the profit and loss account and other comprehensive income on page 5. The profit for the financial year of £73,000 *(2015: £378,000)* has been transferred to reserves.

The directors do not recommend the payment of a dividend *(2015: £Nil)*.

Directors

The directors who held office during the year were as follows:

CCH Guillaume
DS Bailey

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board

CCH Guillaume
Director

Buckholt Drive
Warndon
Worcester
WR4 9SR

28 October 2016

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including *FRS 101 Reduced Disclosure Framework.*

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 judgments and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of Open GI London Limited

We have audited the financial statements of Open GI London Limited for the year ended 31 May 2016 set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including *FRS 101 Reduced Disclosure Framework*.

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 set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Open GI London Limited *(continued)*

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

S. Smith

Stuart Smith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

28 October 2016

Profit and loss account and other comprehensive income
for the year ended 31 May 2016

	Note	**2016**	2015
		£000	£000
Turnover	*1,2*	**1,477**	2,108
Cost of sales		**(23)**	(86)
Gross profit		**1,454**	2,022
Administrative expenses		**(1,469)**	(1,551)
(Loss)/profit on ordinary activities before taxation	*3*	**(15)**	471
Tax on (loss)/profit on ordinary activities	*6*	**88**	(93)
Profit on ordinary activities after taxation		**73**	378
Other comprehensive income		**-**	-
Total comprehensive income for the year		**73**	378

The results for the current year reflect trading from continuing operations.

The notes on pages 8 to 16 form an integral part of the financial statements.

Balance sheet
at 31 May 2016

	Note	**2016**		2015	
		£000	**£000**	£000	£000
Fixed assets					
Tangible assets	*7*		**3**		8
Current assets					
Debtors (including £7,000 falling due in more than one year *(2015: £9,000)*)	*8*	**3,820**		3,862	
Cash at bank and in hand		**483**		352	
		4,303		4,214	
Creditors: Amounts falling due within one year	*9*	**(1,571)**		(1,560)	
Net current assets			**2,732**		2,654
Total assets less current liabilities			**2,735**		2,662
Capital and reserves					
Called up share capital	*11*		**751**		751
Profit and loss account			**1,984**		1,911
Equity shareholders' funds			**2,735**		2,662

The accompanying notes on pages 8 to 16 are an integral part of the financial statements.

These financial statements were approved by the board of directors on 28 October 2016 and were signed on its behalf by:

CCH Guillaume
Director

Company registered number: 3534865

Statement of Changes in Equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 June 2014	751	1,533	2,284
Total comprehensive income for the year			
Profit for the year	-	378	378
Other comprehensive income	-	-	-
Balance at 31 May 2015	751	1,911	2,662
Balance at 1 June 2015	751	1,911	2,662
Total comprehensive income for the year			
Profit for the year	-	73	73
Other comprehensive income	-	-	-
Balance at 31 May 2016	**751**	**1,984**	**2,735**

Notes
(forming part of the financial statements)

1 Accounting policies

Open GI London Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101")*. The amendments to FRS 101 (2015/16 Cycle) issued in July 2016 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note 18.

The Company's ultimate parent undertaking, OM Topco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of OM Topco Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company's registered address at 1 Le Marchant Street, St Peter Port, Guernsey GY1 2JJ.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of OM Topco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 17.

Notes *(continued)*

1 Accounting policies *(continued)*

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The directors have prepared the financial statements of the Company on the going concern basis as the directors are satisfied that the Company and, as the Company is party to a cross guarantee, the Group, have sufficient funds to continue trading for the foreseeable future. Funding arrangements between the Group's sponsoring bank and OM Midco Limited, an intermediate holding company, came into force on 2 December 2014, and will remain in force until 1 December 2020.

1.3 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Computer equipment	2 years
Furniture, fittings and equipment	4 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Impairment excluding stock and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.6 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

1.7 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.8 Turnover

Revenue recognition

Turnover represents amounts invoiced to customers (net of value added tax) for goods and services from the Company's principal activity. The Company has several revenue streams which are recognised according to the substance of the transaction:

Licence and Maintenance

Arrangements such as annual licence renewals, which provide a licence and support and/or upgrade element, are only recognised according to the separate income recognition criteria when the fair value of the constituent elements can be ascertained. In all other cases, the whole of the income is recognised rateably over the contract period.

Maintenance and support contracts sold separately to licences are recognised rateably over the period of the contract.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8 Turnover (continued)

Software, hardware and professional services

Turnover from the sale of software, hardware and professional services relating to implementing systems is recognised upon delivery to a customer when there are no significant vendor obligations remaining and the collection of the resulting receivable is considered probable. In circumstances where a considerable vendor obligation exists, revenue recognition is delayed until the obligation has been satisfied.

Where a contract has a material value and spans a significant length of time, then the contract will be recognised on a percentage complete basis. The degree of completion of the contract is measured using milestones reached or actual effort against expected effort, depending upon the nature of the individual contract.

1.9 Expenses

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Turnover

All turnover is attributable to customers within the United Kingdom and is attributable to the principal activity of the Company.

Notes *(continued)*

3 (Loss)/profit on ordinary activities before taxation

	2016 £000	2015 £000
(Loss)/profit on ordinary activities before taxation is stated after charging		
Depreciation of owned assets	**5**	18
Operating leases:		
Land and buildings	**43**	47
Research and development	**1,136**	1,279
Fees payable to the company's auditor:		
Audit of these financial statements	**15**	11
Taxation compliance services	**1**	2

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2016	2015
Programming and engineering staff	**21**	21
Administrative and management staff	**4**	5
	25	26

The aggregate payroll costs of these persons were as follows:

	2016 £000	2015 £000
Wages and salaries	**1,046**	1,089
Social security costs	**122**	125
Other pensions costs	**15**	19
	1,183	1,233

5 Directors remuneration

	2016 £000	2015 £000
Directors remuneration	**30**	5
Remuneration of highest paid director	**22**	3

Notes *(continued)*

6 Taxation

Analysis of (credit)/charge in the year

	2016 £000	2015 £000
UK corporation tax		
Current tax on income for the year	**(49)**	93
Adjustment in respect of prior years	**(41)**	-
Total current tax	**(90)**	93
Deferred tax (see note 10)		
Effect of tax rate change on opening balance	**2**	-
Tax on (loss)/profit on ordinary activities	**(88)**	93

Factors affecting the tax (credit)/charge for the current year

The current tax (credit)/charge for the year is higher *(2015: lower)* than the standard rate of corporation tax in the UK of 20% *(2015: 20.83%)*. The differences are explained below:

	2016 £000	2015 £000
Tax reconciliation		
(Loss)/profit on ordinary activities before tax	**(15)**	471
Tax at 20% *(2015: 20.83%)*	**(3)**	98
Effects of:		
Additional tax credit for research and development	**(52)**	(7)
Non-deductible expenditure	**-**	2
Transfer pricing adjustments	**7**	-
Adjustment of closing deferred tax to average rate of 20%	**1**	-
Adjustment in respect of prior years	**(41)**	-
Total tax (credit)/charge (see above)	**(88)**	93

Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax asset at 31 May 2016 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the Company's future current tax charge accordingly.

Notes *(continued)*

7 Tangible fixed assets

	Computer equipment	Furniture, fittings and equipment	Total
	£000	£000	£000
Cost			
At beginning and end of year	221	28	249
Depreciation			
At beginning of year	217	24	241
Charge for year	4	1	5
At end of year	221	25	246
Net book value			
At 31 May 2016	**-**	**3**	**3**
At 31 May 2015	4	4	8

8 Debtors

	2016	2015
	£000	£000
Trade debtors	**527**	214
Amounts owed by group undertakings	**3,092**	3,451
Deferred tax asset (note 10)	**7**	9
Prepayments and accrued income	**194**	188
	3,820	3,862

Amounts owed by group undertakings are unsecured, repayable on demand and interest free.

9 Creditors: Amounts falling due within one year

	2016	2015
	£000	£000
Trade creditors	**46**	140
Amounts owing to group undertakings	**776**	778
Other taxation and social security	**80**	55
Accruals and deferred income	**495**	579
Other creditors	**174**	8
	1,571	1,560

Amounts owing to group undertakings are unsecured, repayable on demand and interest free.

Notes *(continued)*

10 Deferred taxation

The movements in deferred tax assets during the year are as follows:

	Deferred tax asset £000
At beginning of year	9
Origination/reversal of timing differences (note 6)	(2)
At end of year	7

The elements of deferred tax are as follows:

	2016 £000	2015 £000
Accelerated capital allowances	7	9

At 31 May 2016 and 31 May 2015 there was no unprovided deferred tax.

11 Called up share capital

	2016 £000	2015 £000
Authorised, allotted and fully paid:		
751,000 ordinary shares of £1 each	751	751

12 Financial commitments

At the balance sheet date the Company had annual outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2016 Land and buildings £000	2015 Land and buildings £000
Within one year	51	87
Between one and five years	56	15
	107	102

During the year, £43,000 (year ended 31 May 2015: £47,000) was recognised as an expense in the profit and loss account in respect of land and building operating leases.

Notes *(continued)*

13 Pensions

The Company provided its own stakeholder pension scheme during the year. The pension charge for the year was £15,000 *(2015: £19,000)*. The amount accrued at the year end and included in creditors is £Nil *(2015: £Nil)*.

14 Guarantees

The Company is a cross guarantor under a funding agreement between the sponsoring bank and OM Midco Limited, an intermediate holding company, which, at 31 May 2016, amounted to £168 million (*2015: £173 million*).

15 Related party disclosures

As disclosed in note 1, the Company has applied the exemption under FRS 101 and has not disclosed any related party transactions with wholly owned subsidiaries.

The Company conducted business totalling £Nil *(2015: £51,312)* on an arm's length basis with the Towergate PartnershipCo Limited and its subsidiary companies from 1 June 2014 to 1 December 2014, for which Mr PG Cullum also acted as a statutory director.

The Company received rental income of £Nil *(2015: £56,404)* on an arm's length basis from Global Risk Partners Limited, for which Mr PG Cullum also acted as a statutory director.

Since the acquisition of the company on 2 December 2014, Mr PG Cullum is no longer a related party.

16 Ultimate parent company and controlling party

The Company's ultimate parent company is OM Topco Limited incorporated in Guernsey.

The results of the Company are consolidated within the Group headed by OM Topco Limited. Copies of the Group financial statements, incorporating those of the Company, are available from the Company's registered address at OM Topco Limited, 1 Le Marchant Street, St. Peter Port, Guernsey GY1 2JJ.

The Company's ultimate controlling party is Montagu Private Equity LLP.

17 Accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on past experience together with expectation of future events that are believed to be reasonable at the present time. Actual results may ultimately differ from these estimates.

There are no estimates or assumptions that have a significant risk of causing material adjustments to the carrying values of assets and liabilities within the next financial year.

18 Explanation of transition to FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 May 2016, the comparative information presented in these financial statements for the year ended 31 May 2015 and in the preparation of an opening FRS 101 balance sheet at 1 June 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company was not required to make any adjustments to amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP).