Agria Pet Insurance Limited

Annual Report and Financial Statements
Registered number 4258783
Year ending 31 December 2015

Contents

Strategic Report

The company has delivered a solid set of results for 2015 – laying the groundwork for the years ahead.

Gross Revenue for the year has increased by 6.9% - driven partly by continued growth in the existing book of business, plus the investment in new business initiatives.

Net assets increased from £8,811,107 in 2014 to £9,913,964 in 2015 as the company continues to generate and retain profits.

The pre-tax profits reduced in line with budget from £2,225,489 in 2014 to £1,386,575 in 2015 which reflects the investment in people and infrastructure to grow the business.

Key business risks

The main risk facing the company is the potential loss of its main distribution channel - The Kennel Club. However - The Kennel Club contract has a five year cancellation clause – and therefore the risk is considered minimal.

The majority of the company's underwriting capacity is provided by our parent company – Försäkringsaktiebolaget Agria. A reduction in this capacity would have a significant impact upon the company. However – Försäkringsaktiebolaget Agria are a part of a larger – well capitalised group and have expressed their continued support to the UK market – therefore this risk in minimal.

Försäkringsaktiebolaget Agria underwrite almost 100% of products sold by Agria Pet Insurance Limited.

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. Working capital cycles are comfortably covered by the company's bank balances – and healthy levels of liquidity are maintained.

Dividend payment
No interim or final dividends were paid.

By order of the board

M Tyler
Director

2B Alton House Office Park
Gatehouse Way
Aylesbury
Buckinghamshire
HP19 8XU

21-JUN-2016

Directors' Report

The directors present their Directors' Report and Financial Statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company continued to be the provision of insurance sales and claims administration services.

Review of the year

2015 has been a challenging year for the business. We have delivered 18% growth in our policy book– whilst undertaking ground breaking infrastructure changes. The infrastructure work is progressing in line with plan and budget and due for completion in 2016. This will give us the platform and resources to drive the business forwards and deploy our ultimate competitive advantage to the market place.

During 2015 we have received continued support from our parent Försäkringsaktiebolaget Agria. We are grateful for this continued long term support from our parent and supplier of underwriting resource. This continued support and stability has allowed us to continue to grow. We continue to feel the benefit of being supported by a parent who both shares and understands our area of expertise, allowing us to be a pure specialist in our market place.

The following directors have held office since 1 January 2015:
S Wheeler
B L Lövgren
M K Tyler

Charitable contributions

The company made charitable donations during the year comprising £75,000 (2014: £75,000) to The Kennel Club Charitable Trust. They support long term care for pets and both donations were made to support the charity in this work.

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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Payment of suppliers

The Company does not follow a specific payment code but has a policy to pay its suppliers in accordance with the specific terms agreed with each supplier. The average number of days' purchases outstanding at 31 December 2015 was 11 days (2014: 2 days), based on the Company's trade creditors at the end of the year.

Employees

The Company seeks to ensure employee commitment to its objectives in a number of ways. Strategic changes are communicated directly to all staff who are encouraged to address queries via All Staff Meetings. The All Staff Meetings provide the employees with information about performance. The Company carries out an annual staff satisfaction survey. The Company's recruitment policy is committed to promote equality, judging neither by race, nationality, religion, age, gender nor political opinion and to treat all staff fairly.

Auditors

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board:-

M Tyler
Director

2B Alton House Office Park
Gatehouse Way
Aylesbury
Buckinghamshire
HP19 8XU

Statement of directors' responsibilities in respect of the Strategic Report and Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, 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 elected to prepare the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the Financial Statements unless 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRIA PET INSURANCE LIMITED

We have audited the Financial Statements of Agria Pet Insurance Limited for the year ended 31 December 2015 set out on pages 7 to 20. 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 4, 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 December 2015 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 matters 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRIA PET INSURANCE 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.

Aimie Keki

Aimie Keki (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
Alteus House
1 North 4th Street
Milon Keynes
MK9 1NE
United Kingdom

Date: 23/6/16

Profit and Loss Account

for the year ended 31 December 2015

	Note	2015 £	2014 £
Gross revenue	2	**11,340,031**	10,608,011
Cost of sales		**(1,262,020)**	(581,990)
Net revenue		**10,078,011**	10,026,021
Licence fee		**(3,000,000)**	(3,000,000)
Gross profit		**7,078,011**	7,026,021
Administrative expenses	3	**(5,755,708)**	(4,801,171)
Operating profit		**1,322,303**	2,224,850
Other interest receivable and similar income	6	**64,272**	639
Profit on ordinary activities before taxation		**1,386,575**	2,225,489
Tax on profit on ordinary activities	7	**(283,718)**	(383,480)
Profit for the financial year		**1,102,857**	1,842,009
Total comprehensive income for the year		**1,102,857**	1,842,009

All profits arise from continuing operations.

The notes on pages 11 to 20 form part of these Financial Statements.

Balance Sheet
at 31 December 2015

	Note	**2015**		2014	
		£	**£**	£	£
Fixed assets					
Tangible assets	*8*		**494,292**		431,082
Intangible assets	*9*		**917,227**		630,814
			1,411,519		1,061,896
Current assets					
Debtors	*10*	**14,291,008**		11,487,428	
Cash at bank and in hand		**8,820,724**		7,286,068	
		23,111,732		18,773,496	
Creditors: amounts falling due within one year	*11*	**(14,353,804)**		(10,847,444)	
Net current assets			**8,757,928**		7,926,052
Total assets less current liabilities			**10,169,447**		8,987,948
Provision of liabilities and charges	*13*		**(255,483)**		(176,841)
Net assets			**9,913,964**		8,811,107
Capital and reserves					
Called up share capital	*15*		**180,000**		180,000
Profit and loss account			**9,733,964**		8,631,107
Shareholders' funds			**9,913,964**		8,811,107

The notes on pages 11 to 20 form part of these Financial Statements

These Financial Statements were approved by the board of directors on 21/June/16 and were signed on its behalf by:

M Tyler
Director

Company registration number: 4258783

Statement of Changes in Equity
for the year ended 31 December 2015

	Called up Share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 January 2014	180,000	6,789,098	6,969,098
Profit	-	1,842,009	1,842,009
Total comprehensive income for the period	-	1,842,009	1,842,009
Balance at 31 December 2014	180,000	8,631,107	8,811,107

	Called up Share Capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 January 2015	180,000	8,631,107	8,811,107
Profit	-	1,102,857	1,102,857
Total comprehensive income for the period	-	1,102,857	1,102,857
Balance at 31 December 2015	**180,000**	**9,733,964**	**9,913,964**

The notes on pages 11 to 20 form an integral part of these Financial Statements

Cash Flow Statement

for year ended 31 December 2015

	Note	2015	2014
		£	**£**
Cash flows from operating activities			
Operating profit		**1,322,303**	2,224,850
Adjustments for:			
Depreciation, amortisation and impairment		**483,006**	286,433
Loss on sale of tangible fixed assets		**12,392**	-
Loss on scrapping of intangible fixed assets		**206,235**	-
		2,023,936	2,511,283
(Increase)/decrease in trade and other debtors		**(2,797,142)**	345,955
Increase in trade and other creditors		**3,502,842**	1,444,385
Increase in provisions		**81,112**	-
		2,810,748	4,301,623
Tax paid		**(289,108)**	(605,000)
Net cash from operating activities		**2,521,640**	3,696,623
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		**69,500**	-
Interest received		**64,272**	639
Acquisition of tangible fixed assets		**(363,720)**	(382,433)
Acquisition of intangible fixed assets		**(757,036)**	(576,236)
Net cash from investing activities		**(986,984)**	(958,030)
Net increase in cash and cash equivalents		**1,534,656**	2,738,593
Cash and cash equivalents at 1 January		**7,286,068**	4,547,475
Cash and cash equivalents at 31 December		**8,820,724**	7,286,068

The notes on pages 11 to 20 form part of these Financial Statements

Notes

(forming part of the Financial Statements)

1 Accounting policies

Agria Pet Insurance Limited (the "Company") is a company limited by shares and incorporated and domiciled in England and Wales.

These Financial Statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*) as issued in August 2014. The presentation currency of these Financial Statements is GBP.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for accounting estimates.

The company has taken advantage of the following disclosure exemptions in preparing these Financial Statements, as permitted by FRS102:

- The requirements of Section 33 Related Party Disclosure paragraph 33.7.

There are no judgements made by the directors, in the application of these accounting policies that have a significant effect on the Financial Statements, or estimates with a significant risk of material adjustment in the next year.

1.1 Measurement convention

The Financial Statements are prepared on the historical cost basis.

1.2 Going concern

The directors have prepared forecasts which demonstrate that the Company will be able to operate for the foreseeable future and meet its liabilities as they fall due for payment.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a foreseeable future, thus they continue to adopt the going concern principle in their annual Financial Statements.

1.3 Foreign currency

Non GBP trading with group companies are translated into GBP at the prevailing rate of exchange. Differences resulting from the translation of the opening net assets and the results for the year are recognised in the profit and loss account as a foreign exchange loss or gain.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Tangible fixed assets

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

The company assesses at each reporting date whether tangible fixed assets are impaired.

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

- plant and equipment — 33.3% per annum, straight line method
- fixtures and fittings — 20% per annum, straight line method
- motor vehicles — 25% / 33.3% per annum, reducing balance method
- leasehold improvements — over the remaining period of the lease

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.6 Intangible assets

The historical cost of intangible assets is written off on a straight line basis over the asset's estimated economic life. Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to exceed related future sales and adequate resources exist to enable the project to be completed.

Computer software additions are written off on at 20% or 33.3% per annum straight line method. Additions to the customer book are written off on a straight line basis at 20%.

1.7 Provisions

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet

1.8 Employee benefits

Defined contribution plans

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension costs charged in the Financial Statements represent the contributions payable by the Company during the year.

1.9 Turnover

Turnover represents commission earned on policies sold or renewed in the period.

1.10 Interest receivable

Interest income is recognised in profit or loss as it accrues.

Notes *(continued)*

1 Accounting policies *(continued)*

1.11 Expenses

Operating lease

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 unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred.

Cost of Sales

Cost of Sales represents rebates and other payments made to third parties during the ordinary course of business.

Licence fee

The Company has a five year rolling contract with the Kennel Club. This partnership includes entering into collaborative development and co-promotion agreements for the development and commercialisation of our products. The annual charge is recognised in full in the Profit and Loss account.

1.12 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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.

1.13 Deferred Income Provision

At any point in time, the company has a future liability to provide Claims Management services relating to business transacted during the current period.

The provision is created to defer income to match the expected future costs of handling claims (based upon previous claims experiences and patterns); and an average cost per claim based upon the company's in house claim management team. Any increase / decrease in this provision is shown as a reduction (increase) in turnover.

1.14 Insurance transactions and insurer money

The company acts as an agent for the Insurer, administering and managing policies on their behalf. The company collects monies, for the Insurers directly from the policy holder.

The company also manages the administration of the claims process on behalf of the Insurer, paying claims out to the policy holder.

The net of these balances are held in separate bank accounts on behalf of the Insurer. These cash balances are shown in the Balance Sheet along with the company's own funds.

2 Turnover

The turnover and profit of the company derive from the provision of insurance sales and arise within the United Kingdom.

Turnover for Policy administration is recognised for the whole policy on the period in the month of sale. A provision for cancelled policies is in place at the year end.

Notes *(continued)*

3 Expenses and auditor's remuneration

Included in profit are the following:

	2015 £	2014 £
Loss on sale of tangible fixed assets	**12,392**	-
Loss on scrapping of intangible fixed assets	**206,235**	-
Depreciation of tangible fixed assets	**218,618**	155,330
Amortisation of intangible assets	**264,388**	131,103
Foreign exchange gain	**51,591**	-

Auditor's remuneration:	2015 £	2014 £
Audit of these Financial Statements	**27,600**	36,780
Amounts receivable by the company's auditor in respect of:		
Taxation compliance services	**7,000**	6,000

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 2015	2014
Sales and administration staff	**93**	85

The aggregate payroll costs of these persons were as follows:

	2015 £	2014 £
Wages and salaries	**2,538,960**	2,257,775
Social security costs	**262,991**	220,028
Contributions to defined contribution plans	**145,085**	70,298
	2,947,036	2,548,101

Notes *(continued)*

5 Directors' remuneration

	2015	2014
	£	£
Directors' remuneration	**273,203**	196,338
Company contributions to money purchase pension plans	**38,810**	13,140

The aggregate of remuneration of the highest paid director was £150,946 *(2014:£134,363)* and company pension contributions of £21,470 *(2014:£10,660)* were made to a money purchase scheme on his behalf.

	Number of directors	
	2015	2014
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	**2**	2

6 Other interest receivable and similar income

	2015	2014
	£	£
Bank interest receivable	**12,681**	639
Foreign exchange gains	**51,591**	-
Total interest receivable and similar income	**64,272**	639

Notes *(continued)*

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2015	2014
	£	£
Current tax		
Current tax on income for the period	**293,197**	488,274
Adjustments in respect of prior periods	**(571)**	(112,841)
Total current tax	**292,626**	375,433
Deferred tax (see note 12)		
Origination and reversal of timing differences	**(9,273)**	(7,616)
Adjustments in respect of prior periods	**680**	15,663
Effect of change in tax rate	**(315)**	-
Total deferred tax	**(8,908)**	8,047
Total tax	**283,718**	383,480

Reconciliation of effective tax rate

	2015	2014
	£	£
Profit for the year	**1,386,575**	2,225,489
Tax using the UK corporation tax rate of 20.25% (2014: 21.50%)	**280,781**	478,480
Expenses not deductible for tax purposes	**1,985**	611
Adjustments to tax charge in respect of previous periods	**(571)**	(112,841)
Adjustments to tax charge in respect of previous periods - deferred tax	**680**	15,663
Adjust opening and closing deferred tax to average rate of 20.25% (2014: 21.50%)	**843**	1,567
Total tax expense included in profit or loss	**283,718**	383,480

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. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2015 has been calculated based on these rates.

The deferred tax asset at 31 December 2015 has been calculated based on these rates.

Notes *(continued)*

8 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor Vehicles £	Total £
Cost				
Balance at 1 January 2015	1,258,970	514,001	312,823	2,085,794
Additions	40,801	9,902	313,017	363,720
Disposals	(6,982)	(1,092)	(98,270)	(106,344)
Balance at 31 December 2015	1,292,789	522,811	527,570	2,343,170
Depreciation				
Balance at 1 January 2015	1,149,118	465,280	40,314	1,654,712
Depreciation charge for the year	63,531	22,992	132,095	218,618
Disposals	(4,694)	(437)	(19,321)	(24,452)
Balance at 31 December 2015	1,207,955	487,835	153,088	1,848,878
Net book value				
At 1 January 2015	109,852	48,721	272,509	431,082
At 31 December 2015	**84,834**	**34,976**	**374,482**	**494,292**

Included within Fixtures and Fittings are leasehold improvements with a net book value of £13,655 (2014: £5,604). These items are depreciated in accordance with the accounting policy.

9 Intangible fixed assets

	Customer book £	Computer software £	Total £
Cost			
Balance at 1 January 2015	-	1,665,624	1,665,624
Additions	108,400	648,636	757,036
Disposals	-	(405,053)	(405,053)
Balance at 31 December 2015	108,400	1,909,207	2,017,607
Amortisation and impairment			
Balance at 1 January 2015	-	1,034,810	1,034,810
Amortisation charge for the year	18,067	246,321	264,388
Disposals	-	(198,818)	(198,818)
Balance at 31 December 2015	18,067	1,082,313	1,100,380
Net book value			
At 1 January 2015	-	630,814	630,814
At 31 December 2015	**90,333**	**826,894**	**917,227**

Notes *(continued)*

10 Debtors

	2015 £	2014 £
Trade debtors	**14,128,751**	11,285,987
Amounts owed by group undertakings	**-**	-
Deferred tax assets (see note 12)	**6,438**	-
Prepayments and accrued income	**155,819**	201,441
Due within one year	**14,291,008**	11,487,428

11 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	**86,374**	17,950
Amounts owed to group undertakings	**13,229,314**	9,208,243
Taxation and social security	**122,890**	69,310
Accruals and deferred income	**574,182**	424,884
Corporation tax	**220,899**	217,381
Other creditors	**120,145**	909,676
	14,353,804	10,847,444

12 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2015 £	2014 £	**2015 £**	2014 £	**2015 £**	2014 £
Accelerated capital allowances	**(5,313)**	-	**-**	2,470	**(5,313)**	2,470
Other	**(1,125)**	-	**-**	-	**(1,125)**	-
Tax (assets) / liabilities	**(6,438)**	-	**-**	2,470	**(6,438)**	2,470

The 2015 deferred tax asset is shown within current debtors, the 2014 deferred tax liability is classified within provisions for liabilities on the face of the balance sheet.

Notes *(continued)*

13 Provisions for liabilities and charges

	2015			2014		
	Handling claims provision	Deferred tax	**Total**	Handling claims provision	Deferred tax	Total
	£	£	**£**	£	£	£
As at 1 January	174,371	-	**174,371**	174,371	2,470	174,371
Charge to P&L During Year	81,112	-	**81,112**	-	-	-
As at 31 December	255,483	-	**255,483**	174,371	2,470	176,841

A provision is made annually to reflect the expected cost of the Company's future obligation to handle claims.

14 Employee benefits

Defined contribution plans

The Company operates a defined contribution pension plan.

The total expense relating to these plans in the current year was £145,085 *(2014: £70,298)*

15 Capital and reserves

Share capital

	2015	2014
	£	£
Allotted, called up and fully paid		
180,000 ordinary shares of £1 each	**180,000**	180,000
	180,000	180,000
Shares classified in shareholder's funds	**180,000**	180,000
	180,000	180,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes *(continued)*

16 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2015 £	2014 £
Less than one year	**27,297**	27,297
Between one and five years	**98,435**	98,435
	125,732	125,732

During the year £147,425 was recognised as an expense in the profit and loss account in respect of operating leases (2014: £117,635).

17 Commitments

Capital commitments

The Company's contractual commitments to purchase intangible fixed assets at the yearend were £53,173 *(2014: £nil)*.

18 Related parties

The Company has taken advantage of the exemption under FRS102 that transactions with wholly owned subsidiaries, do not need to be disclosed.

19 Ultimate parent company and parent company of larger group

The directors regard Länsförsäkringar AB (publ) in Sweden, as the ultimate parent undertaking and controlling party.

The largest group in which the results of the Company are consolidated is that headed by Länsförsäkringar AB (publ), incorporated in Sweden. The smallest group in which they are consolidated is that headed by Länsförsäkringar AB (publ), incorporated in Sweden. No other group Financial Statements include the results of the Company. The consolidated Financial Statements of these groups are available to the public, from Box 703 06, 107 23 Stockholm, Sweden.