

HCC INSURANCE SERVICES LTD

FINANCIAL STATEMENTS

Year ended 31 December 2014

Walsingham House
35 Seething Lane
London EC3N 4AH

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HCC INSURANCE SERVICES LTD

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HCC INSURANCE SERVICES LTD
COMPANY INFORMATION

DIRECTORS

C Ashmead
J M Goodall

COMPANY SECRETARY

R L Hughes

REGISTERED NUMBER

05156306

REGISTERED OFFICE

Walsingham House
35 Seething Lane
London EC3N 4AH

INDEPENDENT AUDITORS

Moore Stephens LLP
Chartered Accountants and Statutory Auditors
150 Aldersgate Street
London EC1A 4AB

HCC INSURANCE SERVICES LTD

DIRECTORS' REPORT

The directors present their directors' report and the audited financial statements of the Company for the year ended 31 December 2014.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

C Ashmead
J M Goodall

Principal activity

The Company is authorised by the Prudential Regulation Authority under Part IV of FSMA to act as an Appointed Representative of HCC Underwriting Agency Ltd., the managing agent for Syndicate 4141. It is subject to the rules, regulations and byelaws of Lloyd's, the Financial Conduct Authority and the Prudential Regulation Authority.

The Company ceased handling new business with effect from 1 January 2012 and is now in run-off.

Business review

Financial risk management

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

Results and dividends

The Company made neither profit nor loss for the year (2013: £nil), as stated on page 6. No dividends were paid during the year (2013: £nil). Shareholder's funds as at 31 December 2014 totalled £50,000 (2013: £50,000).

Key performance indicators

As the Company is inactive, the directors consider that key performance indicators are not relevant.

Future outlook

As the Company is inactive and has no future purpose, the directors intend to apply to Companies House to have the Company struck off as soon as it is permitted under Lloyd's regulations. Under Lloyd's regulations, the Company cannot apply to be struck off until all liabilities associated with risks previously placed have expired.

Principal risks and uncertainties

The directors of the Company have assessed the risks to which the Company is exposed and consider there are no material risks.

Independent auditors

During the year, Moore Stephens LLP were appointed as the Company's external auditors. Moore Stephens LLP have expressed their willingness to continue as the Company's auditors and the directors have approved their reappointment.

Statement on disclosure of information to auditors

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

- so far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2014 of which the auditors are unaware; and
- each of them has taken all steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

HCC INSURANCE SERVICES LTD

DIRECTORS' REPORT (CON'T)

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;
- 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 to enable them 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.

On behalf of the board



J M Goodall
Director

Walsingham House
35 Seething Lane
London EC3N 4AH

20 May 2015

HCC INSURANCE SERVICES LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCC INSURANCE SERVICES LTD

We have audited the financial statements of HCC Insurance Services Ltd for the year ended 31 December 2014 which are set out on pages 6 to 10. 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).

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 (APB'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 web-site 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 2014 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

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.



Michael Butler (Senior Statutory Auditor)

For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street, London EC1A 4AB, United Kingdom
27 May 2015

HCC INSURANCE SERVICES LTD
PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	1	-	-
Administrative expenses		<u>-</u>	<u>-</u>
Result on ordinary activities before taxation	2	-	-
Tax on result on ordinary activities		<u>-</u>	<u>-</u>
Result for the financial year		<u>-</u>	<u>-</u>

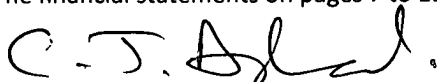
HCC INSURANCE SERVICES LTD

BALANCE SHEET

As at 31 December 2014

	Notes	2014 £	2013 £
Current assets			
Debtors	5	957	957
Cash at bank		49,043	49,043
Current liabilities			
Creditors: amounts falling due in one year		<u>-</u>	<u>-</u>
Net current assets		<u>50,000</u>	<u>50,000</u>
Net assets		<u>50,000</u>	<u>50,000</u>
Capital and reserves			
Called up share capital	6,7	50,000	50,000
Profit and loss account	7	<u>-</u>	<u>-</u>
Total shareholder's funds	7	<u>50,000</u>	<u>50,000</u>

The financial statements on pages 7 to 11 were approved by the board of directors and were signed on its behalf by



CJ Ashmead
Director
20 May 2015

HCC INSURANCE SERVICES LTD

ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of presentation

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Cash flow statement and related party disclosures

As a wholly owned subsidiary, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised 1996). The Company is also exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the HCC Insurance Holdings, Inc. group or investees of the HCC Insurance Holdings, Inc. group.

HCC INSURANCE SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

1. Turnover

The Company had no turnover in 2014 (2013: nil).

2. Result on ordinary activities before taxation

The Company's audit fee of £4,000 (2013: £5,602) was incurred by Syndicate 4141; no recharge was made to the Company (2013: nil).

3. Directors' emoluments

All directors are remunerated by HCC Service Company Inc. (UK branch), a group service company. No recharge of their emoluments was made to the Company in respect of their services to the Company (2013: nil).

4. Staff costs

All staff are employed by HCC Service Company Inc. (UK branch). The Company's staff costs were incurred by Syndicate 4141; no recharge was made to the Company (2013: nil).

5. Debtors

	2014 £	2013 £
Amount due from Syndicate 4141	957	957

All amounts fall due within one year.

6. Called up share capital

	2014 £	2013 £
Called up, allotted and fully paid: 50,000 ordinary shares of £1 each	50,000	50,000

7. Reconciliation of movements in shareholder's funds

	Called up share capital £	Profit and loss account £	Total shareholder's funds £
At 1 January 2014	50,000	-	50,000
Result for the year	-	-	-
At 31 December 2014	50,000	-	50,000

HCC INSURANCE SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. Financial commitments

At 31 December 2014, the Company had annual commitments under non-cancellable operating leases expiring as follows:

	2014 £	2013 £
Land and buildings:		
Within one year	-	-
Later than one year and less than five years	6,280	6,280
In over five years	-	-
	<u>6,280</u>	<u>6,280</u>

Operating lease payments represent rental fees payable for office and related services. The operating lease expires on 24 January 2018. There are no contingent rental payments arrangements. All lease payments were charged to and paid for by HCC Service Company Inc. (UK branch) and recharged to Syndicate 4141.

9. Ultimate parent company

HCC Insurance Holdings, Inc. (HCC), incorporated in the USA and listed on the New York Stock Exchange, is regarded by the directors as the Company's ultimate parent company and controlling party.

The largest and smallest group in which the results of the Company are consolidated is that of which HCC is the parent company. Copies of the consolidated financial statements of HCC can be obtained from its principal office at 13403 Northwest Freeway, Houston, Texas 77040-6094, USA, or from its website at [hcc.com/Investor Relations/Financials/Financial Reports](http://hcc.com/InvestorRelations/Financials/FinancialReports).

HCC Underwriting Agency Ltd is the immediate parent company.