

Company registration no. 02579785

Compre Holdings Limited

Annual Report and Financial Statements
For the year ended 31 December 2018

Compre Holdings Limited
Annual Report and Financial Statements

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Company Information

Directors	H Labes W A Bridger R Williams N J Steer P D Matson (resigned 28 January 2019) S Hawkins (appointed 09 January 2019) M Lawson
Registered address	4 th Floor St Clare House 30 – 33 Minories London EC3N 1DD
Registered number	02579785
Auditor	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

Directors' Report

For the year ended 31 December 2018

The directors present their directors' report and the audited financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the Company is that of an investment holding company whose subsidiaries are registered in the UK and Europe and which are either holding companies, insurance and reinsurance companies in run-off, service companies or dormant companies. The Company earns procurement fees in relation to new business transactions it arranges.

Review of business and future developments

The directors are reporting a loss for the year ended 31 December 2018.

In May 2017 the Company secured a multicurrency Revolving Credit Facility (RCF) with Royal Bank of Scotland of £20m, plus an additional facility of £5m, if required. As at 31 December 2018 the Company had completed 2 drawdowns, £4.5m and €5.5m, £9.4m in total. The loan term is 5 years, with the loan to be repaid in full by that date.

In November 2017, the Company issued €2,500,000 floating rate subordinated notes, due for repayment on 5 January 2028. The notes were initially in the form of a temporary global note in bearer form, which were exchangeable for interests in a permanent global note, on or after 40 days after the issue date, upon certification as to non-U.S. beneficial ownership. The notes bear interest on their principal amount and are payable quarterly in arrears on 5 January, 5 April, 5 July and 5 October each year. The notes are listed on The International Stock Exchange, which is registered in Guernsey and classed as Tier 2 capital.

No additional funding was sought during the year.

Disclosure in the strategic report

The directors consider that the Company is entitled to an exemption from the requirement to present a Strategic Report under Section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and, accordingly, have not prepared a strategic report.

Results and dividends

The results for the year under review are summarised in the Statement of Comprehensive Income account on page 7.

No dividend was paid in the year under review (2017: £Nil). The directors do not recommend the payment of a dividend for the year ended 31 December 2018.

Financial instruments

The financial instruments of Compre Holdings Limited are cash, investments in group subsidiaries, trade payables, other payables, subordinated loan notes and the RCF.

Cash is applied to generate investment income and to ensure that the Company has sufficient liquidity to meet the ongoing needs of the business.

Going concern

The Company is an integral part of the Group headed up by Cambridge Topco Limited and accordingly the directors of the Group have pledged financial support for the entity for a minimum of twelve months from the date of the signing of these financial statements. Therefore the directors of the Company consider that the Company has adequate resources to continue in business for the foreseeable future and they have continued to adopt the going concern basis for accounting in preparing the annual financial statements.

Brexit

The Company has reviewed the potential impact of Brexit, including a no-deal. We do not anticipate an immediate material negative impact on the Company's risk profile.

Directors' Report (continued)

For the year ended 31 December 2018

Directors

The directors of the Company who served during the year are as follows:

W A Bridger

H Labes

N J Steer

R Williams

P D Matson (resigned 28 Jan 2019)

S Hawkins (appointed 09 Jan 2019)

M Lawson

Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with Financial Reporting Standard 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 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, to disclose with reasonable accuracy at any time the financial position of the Company and to 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 as to disclosure of information to the auditor

Each director confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware. Furthermore, each director confirms that he has taken all of the steps that he ought to have taken as a director in order to make himself aware of any such information and to establish whether the auditor is aware of that information.

Auditor

Mazars LLP will continue in office in accordance with Companies Act 2006, s487 (2).

Approved on behalf of the board on 26th September 2019.



S Hawkins
Director

Independent auditor's report

For the year ended 31 December 2018

Independent auditor's report to the members of Compre Holdings Limited

Opinion

We have audited the financial statements of Compre Holdings Limited (the 'company') for the year ended 31 December 2018 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The impact of uncertainties due to the United Kingdom exiting the European Union on our audit

The directors' view on the impact of Brexit is disclosed on page 2. The terms on which the United Kingdom may withdraw from the European Union are not clear and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

Independent auditor's report

For the year ended 31 December 2018

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report

For the year ended 31 December 2018

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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.



Lionel Cazali (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House,
St Katharine's Way,
London
E1W 1DD

26th September 2019

Statement of Comprehensive Income

For the year ended 31 December 2018

Continuing operations	Note	2018 £	2017 £
Revenue	2	3,333	4,135,000
Operating expenses	3	(77,272)	(3,106,812)
Operating profit/(loss)	4	(73,939)	1,028,188
Income from shares in group undertaking	5	-	-
Income from sale of subsidiary	7	-	1,894,385
Interest receivable and similar income	9	-	284,044
Interest payable and similar charges	10	(2,037,918)	(2,868,505)
Profit/(Loss) on ordinary activities before taxation		(2,111,857)	338,112
Taxation	11	243,586	-
(Loss)/Profit for the year		(1,868,271)	338,112
Total comprehensive (loss) / income for the year		(1,868,271)	338,112

The notes on page 10 to 20 form part of these financial statements.

Statement of Financial Position

As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	12	50,940,543	50,598,648
		<u>50,940,543</u>	<u>50,598,648</u>
Current assets			
Debtors	13	11,859,302	7,345,973
Cash at bank and in hand	14	1,512,198	2,193,745
		<u>13,371,500</u>	<u>9,539,718</u>
Creditors: amounts falling due within one year	15	13,900,996	8,443,097
Net current assets		<u>(529,496)</u>	<u>1,096,621</u>
Total assets less current liabilities		<u>50,411,047</u>	<u>51,695,269</u>
Creditors: amounts due after more than one year	16	14,693,384	14,109,335
Net assets		<u>35,717,663</u>	<u>37,585,934</u>
Capital and reserves			
Called up share capital	17	1,001	1,001
Share Premium		7,999,999	7,999,999
Profit and loss account		27,716,663	29,584,934
Equity shareholder's funds		<u>35,717,663</u>	<u>37,585,934</u>

The notes on page 10 to 20 form part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 26th September 2019.



S Hawkins
Director

Statement of Changes in Equity

For the year ended 31 December 2018

	Share capital £	Share Premium £	Profit and loss account £	Total £
At January 2017	1,000	-	29,246,822	29,247,822
Profit for the year	-	-	338,112	338,112
Total comprehensive income for year	-	-	338,112	338,112
Share issue	1	7,999,999	-	8,000,000
At 31 December 2017	1,001	7,999,999	29,584,934	37,585,934
Loss for the year	-	-	(1,868,271)	(1,868,271)
Total comprehensive loss for year	-	-	(1,868,271)	(1,868,271)
At 31 December 2018	1,001	7,999,999	27,716,663	35,717,663

The notes on page 10 to 20 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2018

1. Accounting policies

1.1. General information

Compre Holdings Limited is a company incorporated in the United Kingdom. The registered address of the Company is 4th Floor St Clare House, 30 – 33 Minories, London, EC3N 1DD.

The principal activity of the Company is that of an investment holding company.

The financial statements for the Company have been presented in Sterling.

1.2. Basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 101 “Reduced Disclosure Framework” (“FRS 101”) and in accordance with the applicable provisions of the Companies Act 2006. Except for certain disclosure exemptions detailed below, the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (EU-adopted IFRSs) have been applied to these financial statements and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008/410 (“Regulations”).

UK Generally Accepted Accounting Practices (“UK GAAP”) differs in certain respects from FRS 101, hence when preparing these financial statements, management may have had to amend certain accounting and measurement bases to comply with FRS 101.

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Disclosure exemptions applied

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS101 paragraph 8:

- (i) The requirement of IFRS 7 ‘Financial Instruments: Disclosures’ relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;
- (ii) The requirement of IFRS 13 ‘Fair Value Measurement’ paragraphs 91 to 99 relating to the fair value measurement disclosures of financial assets and financial liabilities that are measured at fair value, such as the available for sale investments and derivative financial instruments;
- (iii) The applicable requirements of IAS 36 ‘Impairment of Assets’ relating to the disclosures of estimates used to measure recoverable amounts;
- (iv) The applicable requirements of IAS 1 ‘Presentation of Financial Statements’ relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year (IAS 1.79(a)(iv)), the reconciliation of the carrying amount of property, plant and equipment (IAS 16.73(e)) and the reconciliation of the carrying amount of intangible assets (IAS 18(118)(e)).
- (v) The requirement of IAS 1 ‘Presentation of Financial Statements’ paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives;
- (vi) The requirements of IAS 7 ‘Statement of Cash Flows’ and IAS 1 ‘Presentation of Financial Statements’ paragraph 10(d), relating to the presentation of a Cash Flow Statement;
- (vii) The requirements of IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective; and

Notes to the Financial Statements

For the year ended 31 December 2018

1. Accounting policies (continued)

- (viii) The requirements of IAS 24 'Related Party Disclosures' relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the Company and other wholly-owned subsidiaries of the group.

For the disclosure exemptions listed in points (i) to (iii), the equivalent disclosures are included in the consolidated financial statements of the group, Cambridge Topco Limited, which the Company is consolidated into.

1.3. Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4. Foreign currency

Transactions in foreign currencies are translated into the functional currency at the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at each reporting date are translated into the functional currency at the closing exchange rates as at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation of foreign currency are recognised in profit or loss.

1.5. Revenue

Revenue represents procurement fees from Group undertakings, the amount invoiced for the sale of services supplied during the year, excluding VAT and trade discounts. Revenue is recognised on submission of inter group invoices for services rendered.

1.6. Interest income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets. Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the statement of profit or loss.

1.7. Income tax

Current income tax assets and/or liabilities comprise obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid/due at the reporting date. Current tax is payable on taxable profits, which may differ from profit or loss in the financial statements. Calculation of current tax is based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). However, for deductible temporary differences associated with investments in subsidiaries a deferred tax asset is recognised when the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Financial Statements

For the year ended 31 December 2018

1. Accounting policies (continued)

1.8. Financial instruments

Financial assets

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value plus directly attributable transaction costs.

All financial assets, other than cash, loans and receivables, are currently designated as fair value through Statement of Comprehensive Income upon recognition because they are managed and their performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the Company's management.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial liabilities

These financial liabilities include other creditors only. Financial liabilities are initially recognised on the trade date which is the date the Company becomes a party to the contractual provisions of the instruments.

Financial liabilities are initially recognised at fair value plus directly attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in the finance costs. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, this is. When the obligation is discharged, cancelled or expires.

1.9. Investments

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

1.10. Cost of borrowings

Fees paid on the establishment of loan and other debt facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. The fees are capitalised and amortised over the period of the facility to which it relates. The amortisation is recognised in the Statement of Comprehensive Income Statement.

Notes to the Financial Statements

For the year ended 31 December 2018

1. Accounting policies (continued)

1.11. Significant management judgements in applying accounting policies and estimation uncertainty

When preparing the financial statements in conformity with FRS 101 it requires management to exercise judgements in making estimates and assumptions that affects the application of the Company's accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Estimation uncertainty

Estimates and uncertainty are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors of the Company use these estimation techniques to assess turnover, possible impairment of non-financial assets and the recoverability of outstanding debtors.

1.12. Application of new and revised International Financial Reporting Standards (IFRSs)

New and revised standards and interpretations applied

The following new and revised Standards and Interpretations have been issued and are effective for the current financial period of the company.

IFRS 9 Financial Instruments took effect from 1 January 2018 and has been adopted for the year ended 31 December 2018 using the full retrospective method. The company has reassessed the classification and measurement of financial instruments and this has not given rise to any changes except that financial assets previously classified as "loans and receivables" under IAS 39 are now presented as "financial assets at amortised cost" in the financial statements.

The effect of adopting IFRS 9 accounting for impairment losses has been calculated as being immaterial to the company. Therefore, no adjustment has been made for expected credit losses.

IFRS 15 *Revenue from Contracts with Customers* also took effect from 1 January 2018 and has been adopted for the year ended 31 December 2018 using the full retrospective method. The revenue recognition accounting policy adopted by the company is consistent with the requirements of IFRS 15 and therefore adoption of the standard has not affected amounts recognised in the current or comparative periods.

The application of the other revised Interpretations, Amendments and Annual Improvements has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Notes to the Financial Statements

For the year ended 31 December 2018

1. Accounting policies (continued)

1.12. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

New and revised standards and interpretations in issue but not yet effective

Standard or interpretation	Effective for annual periods Commencing on or after
Amendments to IAS1 Presentation of Financial Statements and IAS8 Accounting Policies, changes in Accounting Estimates and Errors: Definition of Material	1 January 2020*
Conceptual Framework (Revised) and amendments to related references in IFRS standards	1 January 2020*
Improvements to IFRSs 2015 – 2017 cycle	1 January 2019*
IFRIC 23 Uncertainty over income tax treatment	1 January 2019
IFRS 16 Leases	1 January 2019

IFRS 16, the new standard on leases, removes the distinction between operating and finance leases, meaning that the company will have higher lease liabilities, and correspondingly higher assets, on the statement of financial position. The expense relating to arrangements previously classified as operating leases will be a combination of finance costs on the newly recognised liability and the amortisation of the newly recognised asset.

The company does not have any leases under operating leases.

Standards and amendments marked with an asterisk (*) have not yet been endorsed for use in the EU and will not be adopted until such time as endorsement is confirmed.

2. Revenue

An analysis of the Company's revenue by category of business is as follows:

	2018 £	2017 £
Procurement fees from group undertakings	3,333	4,135,000

The Company trades within the EEA.

Notes to the Financial Statements

For the year ended 31 December 2018

3. Operating expenses

At year-end, the Directors carried out an impairment review in keeping with the impairment policy resulting in the following adjustment:

	2018	2017
	£	£
Operating expenses includes:		
Impairment for the following:		
Investment in Hamburger Internationale Ruckversicherung AG	-	292,940
Investment in Finnex Holdings Limited	-	262,951
Investment in Dublimont DAC	-	1,690,954
	<u>-</u>	<u>2,246,845</u>

4. Operating profit/(loss)

	2018	2017
	£	£
Operating profit/(loss) is stated after charging:		
Amortisation of loan acquisition costs	85,767	52,500
Audit services -		
- Statutory services	<u>30,750</u>	<u>12,000</u>

5. Income from shares in group undertaking

No dividends were received during the year.

6. Directors' remuneration

Messrs. N. J. Steer, W. A. Bridger, P.D. Matson, M. Lawson and R. Williams were remunerated for their services as directors within the Cambridge Topco Limited group by Compre Services (UK) Limited. Messr H. Labes was remunerated for his services as a director within the Cambridge Topco Limited group by Hamburger Internationale Ruckversicherung AG. The respective remuneration is disclosed in the financial statements of those companies.

7. Income from sale of subsidiary

No sale of subsidiaries took place during 2018. During the 2017 year, subsidiary London and Leith Insurance SE, an insurance company in run-off, was sold to Cambridge Holdco Limited, a company within the Group. London & Leith Insurance SE was sold for £4,637,653, resulting in a gain on sale of £1,894,385.

8. Employees

The Company has no employees and accordingly the financial statements do not include any amounts for wages, social security costs or other pension costs.

Notes to the Financial Statements

For the year ended 31 December 2018

9. Interest receivable and similar income

	2018	2017
	£	£
Interest receivable	-	-
Exchange gain	-	284,044
	<u>-</u>	<u>284,044</u>

10. Interest payable and similar charges

	2018	2017
	£	£
Management charge	644,960	2,402,893
Exchange loss	375,221	-
Interest payable	<u>1,017,737</u>	<u>465,612</u>
	<u>2,037,918</u>	<u>2,868,505</u>

11. Tax on profit/(loss) on ordinary activities

	2018	2017
	£	£
Current tax		
Tax for current year	-	-
Prior year adjustment	<u>-</u>	<u>-</u>
Total current tax expense	-	-
Deferred tax		
Deferred tax for current year	(243,586)	-
Deferred tax in respect of prior year	<u>-</u>	<u>-</u>
Total deferred tax expense	<u>(243,586)</u>	<u>-</u>
Total tax expense	<u>(243,586)</u>	<u>-</u>

The tax rate used for the reconciliation is the corporate tax rate of 19% (2017: 19.25%) payable by the Company in the UK on taxable profits under UK tax law.

The charge for the year can be reconciled to the profit for the year as follows:

Notes to the Financial Statements

For the year ended 31 December 2018

11. Tax on profit/(loss) on ordinary activities (continued)

	2018	2017
	£	£
(Loss)/Profit before taxation	<u>(2,111,857)</u>	<u>338,112</u>
Income tax calculated at 19% (2017: 19.25%)	(401,253)	65,144
Expenses not deductible for tax purposes	-	(364,669)
Non-taxable gain on sale of subsidiary	-	432,518
(Utilisation) / Creation of losses not recognised	149,804	(132,993)
Group relief for no payment	7,863	-
Total tax expense	<u>(243,586)</u>	<u>-</u>

Tax losses of £2.2m (2017: £1.4m) have not been recognised due to the uncertainty of future recovery.

12. Investments

	2018	2017
	£	£
Investments in subsidiary undertakings	<u>50,940,544</u>	<u>50,598,648</u>

During the year, the investment in subsidiaries increased by £0.3m, this was the result of:

Investments	2018	2017
	£	£
Investments in subsidiary undertakings 1 January	50,598,648	38,463,317
Impairment of investment in subsidiaries (note 3)	-	(2,246,845)
Investment in Bothnia International Insurance Company Limited	-	15,098,400
Reduction of investment in Aurora Versicherungs AG	-	(4,112,056)
Sale of Investment in London & Leith Limited	341,895	(2,743,268)
Investment in Hamburger Internationale Ruckversicherung AG	-	-
Investment in Dublimont DAC	-	6,139,100
Investment in Moorgate Insurance Company Limited	-	-
Investments in subsidiary undertakings 31 December	<u>50,940,543</u>	<u>50,598,648</u>

Notes to the Financial Statements

For the year ended 31 December 2018

12. Investments (continued)

The following undertakings are included in the consolidated financial statements of ultimate parent undertaking Cambridge Topco Limited.

Company	Country of incorporation	Principal activity	Percentage shareholding
Compre Services (UK) Limited*	UK	Service company	100
Chiltington International Holdings Limited	UK	Non-trading company	100
Claremin2 Limited	UK	Non-trading company	100
Compre Limited*	UK	Non-trading company	100
Compre Services (Finland) Limited*	Finland	Service company	100
Claremin1 Limited*	UK	Service company	100
Compre Broker Services Limited *	UK	Service company	100
Compre Services (Sweden) Limited*	Sweden	Service company	100
Compre Services (Switzerland) Limited*	Switzerland	Service company	100
Finnex Holdings Limited *	UK	Holding company	100
Compre Services (Germany) GmbH*	Germany	Service company	100
Aurora Versicherungs AG *	Switzerland	Insurance company	100
Bothnia International Insurance Company Limited *	Finland	Reinsurance company	100
Moorgate Insurance Company Limited	UK	Insurance company	100
Hamburger Internationale Rückversicherung AG *	Germany	Reinsurance company	100
DubliMont DAC *	Ireland	Insurance Company	100

* - Directly owned, all other entities are indirect subsidiaries of Compre Holdings Limited.

Addresses:

UK Companies – 4th Floor, 30-33 Minories, London, EC3N 1DD, United Kingdom

Malta Companies - 62-64 Progetta House, Level 0, Swatar, BKR 4013, Malta

Germany Companies – Borsteler Chaussee 51, 22453 Hamburg, Germany

Finland Companies – Eerikinkatu 27, 00180 Helsinki, Finland

Switzerland Companies - Lindenstrasse 14, CH-6340 Baar, Switzerland

13. Debtors

	2018	2017
	£	£
Other debtors	345,273	44,198
Amounts owed from group undertakings	11,240,443	7,298,625
Other debtors	30,000	-
Deferred tax asset	243,586	-
Prepayments and accrued income	-	3,150
	11,859,302	7,345,973

Notes to the Financial Statements

For the year ended 31 December 2018

14. Cash at bank and in hand Debtors

	2018	2017
	£	£
Call and deposit accounts	-	328
Current accounts and cash in hand	1,512,198	2,193,417
	<u>1,512,198</u>	<u>2,193,745</u>

15. Creditors: amount falling due within one year

	2018	2017
	£	£
Trade creditors	-	67,271
Amounts owed to group undertakings	13,688,145	7,787,685
Accruals and deferred income	172,424	550,235
Other creditors	40,427	37,906
	<u>13,900,996</u>	<u>8,443,097</u>

16. Creditors: amounts falling due after one year

	2018	2017
	£	£
Subordinated debt	2,255,750	2,151,703
Revolving credit facility	9,462,650	8,982,650
Shareholder loans	2,974,984	2,974,982
	<u>14,693,384</u>	<u>14,109,335</u>

Shareholder loans are unsecured, repayable on demand and accrue interest at 3% per annum.

In May 2017, the Company secured a multicurrency Revolving Credit Facility (RCF) with Royal Bank of Scotland for £20m plus an incremental facility of £5m, if required. The term of the RCF is 5 years, with the loan to be repaid in full by that date. The funds were invested in Bothnia.

At the year end, the Company has made the following drawdowns:

- £4.5m on the 9 October 2017
- €5.5m on the 1 December 2017

The Company pays a commitment fee based on the unutilised amount of the loan. This is based on 35% of the margin. The arrangement fee of £0.5m has been capitalised.

In November 2017 the Company issued €2,500,000 floating rate subordinated notes, due for repayment on 5 January 2028. The notes were initially in the form of a temporary global note in bearer form, without coupons attached, which were deposited with a common safe keeper for Euroclear and Clearstream, Luxembourg. Interests in the temporary global note were exchangeable for interests in a permanent global note, without coupons attached, on or after the date falling 40 days after the issue date, upon certification as to non-U.S. beneficial ownership.

The notes bear interest on their principal amount, plus any arrears of interest from the date of issue, to the date of their redemption, payable quarterly in arrears on 5 January, 5 April, 5 July and 5 October in each year.

Notes to the Financial Statements

For the year ended 31 December 2018

16. Creditors: amounts falling due after one year (continued)

The obligations of the Company under the notes in respect of principal, interest and other amounts are direct, unconditional, unsecured and subordinated obligations of the Company and rank: (i) subordinated to all direct, unconditional, secured or unsecured and unsubordinated obligations of the Company, (ii) pari passu without any preference among themselves and with all other dated subordinated obligations of the Company, and (iii) in priority to holders of any undated subordinated obligations issued by the Company and to any class of share capital issued by the Company.

The notes are freely transferrable in minimums denominations of €100,000 in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg.

The notes are listed on The International Stock Exchange, which is registered in Guernsey and are classed as Tier 2 capital. The arrangement fee has been capitalised.

17. Share capital

	2018	2017
	£	£
Authorised, allocated, called up and fully paid		
1,000 shares of £1 each	1,001	1,001

On 8 December 2017, 1 ordinary £1 share was issued for a cash contribution of £8,000,000, resulting in a share premium of £7,999,999. The proceeds were invested in Bothnia.

18. Related party relationships and transactions

The Company did not enter into any related party transactions other than with group undertakings that are wholly owned members of the same group (2017: None).

19. Events after the reporting period

There are no significant events after the year-end.

20. Contingencies and commitments

There were no outstanding capital commitments, contingent assets, or contingent liabilities at 31 December 2018 (2017: None).

21. Ultimate controlling party

The Company's ultimate controlling party is CBPE Capital LLP.

Cambridge Topco Limited is the parent undertaking of the largest and smallest group of which the Company is a member and which prepares group accounts incorporating the financial information of the Company. Copies of group accounts are available from The Registry of Companies Malta.