

COMPANY REGISTRATION NUMBER: 00228983

LV ASSISTANCE SERVICES LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2017



CONTENTS

	Page
Directors, officers and registered office	3
Strategic report	4
Directors' report	5
Statement of comprehensive income	7
Statement of changes in equity	8
Statement of financial position	9
Statement of cash flows	10
Notes to the financial statements	11

LV ASSISTANCE SERVICES LIMITED

DIRECTORS, OFFICERS AND REGISTERED OFFICE

Directors

R Rowney		
S Treloar		
P W Moore		Resigned 29 June 2017
A Parsons	Appointed 30 June 2017	Resigned 28 December 2017
K O'Keeffe		Resigned 28 December 2017
J Dye	Appointed 28 December 2017	

Company Secretary

R S Small

Registered office

County Gates
Bournemouth
BH1 2NF

Tel: 01202 292333
Fax: 01202 751825

STRATEGIC REPORT

The Directors submit their annual report and the financial statements for LV Assistance Services Limited (the 'Company') for the year to 31 December 2017.

1. Results and dividends

The profit for the financial year was £188,000 (2016: £213,000) as set out on page 7. The Directors proposed and paid no dividends in the current year (2016: £nil).

2. Principal activities

The Company provides pay-on-use road rescue services under the LV= Britannia Rescue trademark.

3. Business review and developments

(a) Results and performance

During 2017 the Company has continued to support Liverpool Victoria General Insurance Group ('LVGIG') in its long term strategic objectives. Net assets at year end of £516,000 (2016: £328,000)

(b) Strategy

The Company is a subsidiary of LVGIG. The long term objective of LVGIG and its subsidiaries ('Group') is as follows:

"To transform from a top-five UK car insurer to a top-five general insurer. The Group intends to achieve this through customer centricity, maintaining its customer satisfaction and retention rates and growth through outperforming in the personal lines market. The Group aims to deliver attractive and consistent returns to its shareholders."

The Company is part of the Road Rescue activities within this group and supports the main operating entities in achieving the overall objective of Liverpool Victoria Friendly Society Limited (LVFS). The Directors do not anticipate any change in this status in the near future.

(c) Principal risks and uncertainties and risk management

Given the nature of the operations the Directors do not consider there are any significant risks and uncertainties facing the Company.

(d) Significant post statement of financial position events


There have been no events of significance affecting the Company since the statement of financial position date.

(e) Key performance indicators

The Directors use the following performance measures to monitor and manage the business:

- Gross Profit Margin – Current Year 8.9% (2016: 11.3%) which has fallen primarily due to the increase in the cost of sales at 5.26% whereas revenue increased by 2.5%.

On behalf of the Board of Directors



S Treloar
Director

28 March 2018

DIRECTORS' REPORT

As permitted by section 414C(11) of the Companies Act 2006, certain information is not included in the Directors' Report because it has instead been shown in the Strategic Report. This information is:

- Results and dividends;
- Principal activities of the Company;
- Business review and future prospects;
- Principal risks and uncertainties.

1. Directors and their interests

The present members of the Board and the members who were in office during the year are listed on page 3.

2. Parent company

The Company is a wholly owned subsidiary of LVGIG. The ultimate parent company is Liverpool Victoria Friendly Society Limited, an incorporated Friendly Society registered under the Friendly Societies Act 1992.

LVGIG is a 51% owned subsidiary of LV Capital Plc (2016: 100%). During the year LV Capital Plc sold a 49% stake in LVGIG to Allianz Holdings Plc.

3. Employees

The Company did not directly employ any staff during the year. Instead it utilised the staff and premises of LVFS in carrying out its activities and incurred costs of staff through management charges.

4. Directors' indemnity statement

The Directors have the benefit of an indemnity which constitutes a "qualifying third party indemnity provision" as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. LVFS also purchased and maintained throughout the financial year on behalf of its subsidiaries Directors' and Officers' liability insurance in respect of the Company and its Directors. It is available for inspection at the registered office of the Company, details of which are provided on page 3.

5. Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent, 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.

DIRECTORS' REPORT

The Directors 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.

Approved by the Board of Directors and signed by order of the Board



R Small
Company Secretary

28 March 2018

LV ASSISTANCE SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

			Unaudited
	Note	2017 £000	2016 £000
Revenue	3	2,594	2,530
Investment Income	5	1	-
Other income	6	13	4
Total income		2,608	2,534
Cost of sales	7	(2,362)	(2,243)
Admin Expenses	8	(13)	(25)
Total expenses		(2,375)	(2,268)
Profit before tax		233	266
Income tax expense	10	(45)	(53)
Profit for the financial year		188	213
Total comprehensive income for the year		188	213

All balances relate to continuing activities.

The notes on pages 11 to 18 are an integral part of the financial statements

LV ASSISTANCE SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

Attributable to equity holders of the Company						
	Note	Share capital £000	Share premium £000	Accumulated losses £000	Capital reserve £000	Total £000
Balance at 1 January 2017		4,342	701	(5,425)	710	328
Profit for the financial year	19	-	-	188	-	188
Balance at 31 December 2017		4,342	701	(5,237)	710	516

Attributable to equity holders of the Company						
Unaudited		Share capital £000	Share premium £000	Accumulated losses £000	Capital reserve £000	Total £000
Balance at 1 January 2016		4,342	701	(5,638)	710	115
Profit for the financial year	19	-	-	213	-	213
Balance at 31 December 2016		4,342	701	(5,425)	710	328

The notes on pages 11 to 18 are an integral part of the financial statements.

LV ASSISTANCE SERVICES LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

		2017	Unaudited 2016
	Note	£000	£000
Assets			
Financial Assets			
- Fair value through income	11	-	365
Loans and other receivables	12	7	3
Cash and cash equivalents	13	559	16
Total assets		566	384
Liabilities			
Current tax liability	14	45	53
Trade and other payables	15	5	3
Total liabilities		50	56
Equity			
Share capital	16	4,342	4,342
Share premium	17	701	701
Capital reserve	18	710	710
Accumulated losses	19	(5,237)	(5,425)
Total equity		516	328
Total liabilities and equity		566	384

The notes on pages 11 to 18 are an integral part of the financial statements.

Audit exemption statement


For the year ending 31 December 2017 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 ('Act') relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of the accounts for the year in question in accordance with section 476 of the act; and
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements on pages 7 to 10 were approved by the Board of Directors on 28 March 2018

Signed on behalf of the Board of Directors



S Treloar

Director

LV ASSISTANCE SERVICES LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

		2017	Unaudited 2016
	Note	£000	£000
Cash and cash equivalents at 1 January	13	16	127
Cash flows arising from:			
Operating activities			
Cash generated from operating activities	20	231	279
Income tax paid	14	(53)	(25)
Net decrease/(increase) in investments at fair value through income	11	365	(365)
Net cash flows generated from/(used in) operating activities		543	(111)
Net Increase/(Decrease) in cash and cash equivalents		543	(111)
Cash and cash equivalents at 31 December	13	559	16

The notes on pages 11 to 18 are an integral part of the financial statements.

LV ASSISTANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

LV Assistance Services Limited is a private company limited by shares, domiciled and incorporated in the United Kingdom. The Company provides pay-on-use road rescue services under the LV= Britannia Rescue trademark.

2. Accounting policies

BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee as published by the International Accounting Standards Board and adopted by the European Union (EU). In addition the financial statements comply with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through income. Items included in the financial statements are measured using the currency of the primary economic environment (the 'functional currency') which is sterling. Unless otherwise noted, the financial statements are presented in sterling (the 'presentation currency').

The preparation of the financial statements in conformity with IFRS requires the use of estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The Company has not used any significant estimates or judgements in preparing the financial statements in conformity with IFRS.

The principal accounting policies adopted are listed below. These policies have been consistently applied to all years presented, unless otherwise stated.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Revenue

Revenue relates to roadside recovery services performed. These are invoiced at the point of completion of the services and revenue is recognised at this time.

Investment income

Investment income includes dividends, interest from investments at fair value and interest on loans and receivables. Dividends are included on an ex-dividend basis. Interest receivable from investments at fair value is accounted for on an accruals basis. Investment expenses are accounted for as incurred.

Financial assets at fair value through income

All investments classified as fair value are designated as fair value through income at inception. Financial assets designated at fair value through income at inception are part of a group of financial assets that are managed and their performance evaluated and reported to the board on a fair value basis in accordance with the documented investment strategy.

Such assets are valued at market prices, or prices consistent with market ratings should no price be available. Day one gains or losses are recognised only where valuations use data from observable markets. Any unrealised or realised gains or losses are taken to the Statement of Comprehensive Income, as fair value gains or losses, or realised gains or losses respectively, as they occur.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

Loans and other receivables

Loans and other receivables are initially measured at fair value and then subsequently measured at amortised cost using the effective interest rate method. Other receivables are recognised when due.

An assessment is performed at each Statement of Financial Position date whether there is any indication that a loan or receivable, or a group of loans or receivables, is impaired. Where there is objective evidence that the carrying value is impaired then the impairment loss will be recognised in the Statement of Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and short-term deposits with an original maturity of three months or less.

For the purpose of the Statement of Cash Flows, cash and cash equivalents are as defined above but are shown net of outstanding bank overdrafts.

Trade and other payables

Trade and other payables are recognised as they fall due. They are initially recognised at fair value and subsequently held at amortised cost.

Income taxes

The income tax expense reflects the movement in current and deferred income tax in respect of income, gains, losses and expenses.

Income tax expense

Income tax expense recorded in the Statement of Comprehensive Income represents the current year corporation tax charge. Corporation tax is charged on trading profits arising in the year.

- Current income tax

Current income tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Statement of Financial Position date.

- Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

Share premium

Share premium account includes any premium received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium account, net of any related income tax benefits.

CHANGES IN ACCOUNTING POLICIES

(i) New and amended standards adopted by the Company

Although no new standards have come into effect, amendments to IFRSs have been adopted by the EU for accounting periods beginning on or after 1 January 2017. These amendments have been adopted by the Company but do not have a material impact on the 2017 financial statements

IAS 12 'Income taxes' has been amended to clarify the treatment of deferred tax associated with unrealised gains and losses on financial instruments and also addresses the recoverability of deferred tax where this relates to an asset with a fair value below its tax base. Recognition of deferred tax has been assessed and there is no impact of this clarification.

Other than as set out above, no new or amended accounting standards and interpretations were adopted for the 2017 financial year.

(ii) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company, except the following:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at FVTPL with the irrevocable option at inception to present changes in fair value in other comprehensive income without recycling. There is a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The standard is effective for accounting periods beginning on or after 1 January 2018.

LV ASSISTANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

The Company has assessed its financial instruments against the classification and measurement criteria of IFRS 9. The balances that are relevant to this standard include:

- invoiced debtor balances with Group companies and third parties which will continue to be held at the invoiced amount less impairment. Impairment will equal the lifetime expected credit losses on such balances, using the simplified approach within IFRS 9.
- invoiced creditor balances with Group companies and third parties which will continue to be held at the invoiced amount

IFRS 15 'Revenue from contracts with customers' applies to non-insurance revenue and provides a principles-based approach for revenue recognition that is underpinned by the achievement of performance obligations. It replaces IAS 18 'Revenue' and is effective from 1 January 2018.

Revenue that is relevant for this standard includes revenue related to motor accident roadside recovery services arranged on behalf of other Group companies and revenue directly from motorists for breakdown recovery. Revenue is invoiced and recognised upon performance on the vehicle recovery which is when the Company has discharged its obligations to arrange vehicle recovery services.

Revenue recognition has been assessed and the impact of application of IFRS 15 will not be material.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

3. Revenue	Unaudited	
	2017 £000	2016 £000
Revenue	2,594	2,530
	2,594	2,530

4. Auditors' remuneration	Unaudited	
	2017 £000	2016 £000
Audit of the Company	14	-
	14	-

5. Investment income	Unaudited	
	2017 £000	2016 £000
Income from investments and cash and cash equivalents		
- Interest Income	1	-
	1	-

LV ASSISTANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

6. Other income	2017	Unaudited 2016
	£000	£000
Commission income	13	4
	13	4

7. Cost of Sales	2017	Unaudited 2016
	£000	£000
Cost of Sales	2,362	2,243
	2,362	2,243

8. Admin expenses	2017	Unaudited 2016
	£000	£000
Admin Expenses	13	25
	13	25

9. Directors' emoluments

The emoluments of the directors are paid by the ultimate parent company which makes no recharge to the Company. The directors are also directors of Liverpool Victoria Friendly Society Limited (and a number of fellow subsidiaries) and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments. Total emoluments for the relevant directors are included in the aggregate of Directors' emoluments disclosed in the financial statements of Liverpool Victoria Friendly Society Limited.

10. Income tax expense

a) Current year tax expense	2017	Unaudited 2016
	£000	£000
Current tax expense:		
Corporation tax	45	53
Total income tax expense	45	53

The tax assessed for the year is equal to (2016: equal to) the effective rate of corporation tax in the UK of 19.25% (2016: 20%).

11. Financial assets

	2017	Unaudited 2016
	£000	£000
Fair value through income		
Shares, other variable yield securities and units in unit trusts	-	365
	-	365

All financial assets held at fair value through income are deemed to be available within one year. All financial assets recorded at fair value are classified as Level 1 in the fair value hierarchy.

LV ASSISTANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. Loans and other receivables	2017	Unaudited 2016
	£000	£000
Loans and other receivables	7	3
	7	3

All Loans and other receivables are available within one year.
None of these loans and receivables are past due or impaired (2016:

13. Cash and cash equivalents	2017	Unaudited 2016
	£000	£000
Bank balances	559	16
	559	16

14. Current tax liability	2017	Unaudited 2016
	£000	£000
Balance at 1 January	53	25
Amounts recorded in the statement of comprehensive income	45	53
Payments made	(53)	(25)
Balance at 31 December	45	53

15. Trade and other payables	2017	Unaudited 2016
	£000	£000
Trade and other payables	5	3
	5	3

All trade and other payables are due within one year.
£5k (2016: £3k) of trade and other payables is held at amortised cost

16. Share capital	2017	Unaudited 2016
	£000	£000
Ordinary Shares, Allotted and fully paid		
21,709,054 (2016: 21,709,054) ordinary shares of £0.20 each	4,342	4,342
	4,342	4,342
Authorised shares total 75,978,665		

17. Share premium	2017	Unaudited 2016
	£000	£000
Balance at 1 January	701	701
Balance at 31 December	701	701

LV ASSISTANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

18. Capital reserve	2017	Unaudited 2016
	£000	£000
Balance at 1 January	710	710
Balance at 31 December	710	710

The reserve was created to receive capital contributions from its parent company. The capital reserve is distributable in future periods, subject to the provisions of the Companies Act 2006.

19. Accumulated losses	2017	Unaudited 2016
	£000	£000
Balance at 1 January	(5,425)	(5,638)
Profit for the year	188	213
Balance at 31 December	(5,237)	(5,425)

20. Cash generated from operating activities	2017	Unaudited 2016
	£000	£000
Profit before tax	233	266
Changes in working capital		
(Increase)/Decrease in trade and other receivables	(4)	11
Increase in trade and other payables	2	2
Cash generated from operating activities	231	279

21. Related party transactions

The Company did not enter into transactions with key management personnel. Details of significant transactions carried out during the year with related parties are as follows:

The following transactions have taken place between the Company and the LV= Group:

	2017	Unaudited 2016
	£000	£000
Sales to Liverpool Victoria Insurance Company	2,594	2,530
	2,594	2,530

There are no balances outstanding between the Company and LV= Group.

LV ASSISTANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

22. Ultimate parent company

The ultimate parent and controlling party is Liverpool Victoria Friendly Society Limited, a UK incorporated Friendly Society registered under the Friendly Societies Act 1992.

Both the ultimate (LVFS) and immediate parent (LVGIG) companies are registered at the below address.

LVGIG is a 51% owned subsidiary of LV Capital Plc (2016: 100%). During the year LV Capital Plc sold a 49% stake in LVGIG to Allianz Holdings Plc.

The largest company whose financial statements this company is consolidated into is Liverpool Victoria Friendly Society Limited. The smallest company whose financial statement this company is consolidated into is LVGIG.

The consolidated financial statements of the Liverpool Victoria Friendly Society Limited are available to the public and may be obtained from:

The Company Secretary
County Gates
Bournemouth
BH1 2NF

or at <http://www.lv.com/about-us/company-information/returns/reports-accounts>