

Company Registration Number: 00838358



B V F (Underwriting Management) Limited

Annual Report and Financial Statements

For the year ended

31 December 2015

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B V F (UNDERWRITING MANAGEMENT) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

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B V F (UNDERWRITING MANAGEMENT) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

T P C Oliver
S E Bruna

Company secretary

Hampden Legal Plc

Registered office

Hampden House
Great Hampden
Great Missenden
Buckinghamshire
England
HP16 9RD

Registered number

00838358 (England & Wales)

Registered auditor

Carter Backer Winter LLP
Chartered Accountants & Statutory Auditor
66 Prescott Street
London
E1 8NN

B V F (UNDERWRITING MANAGEMENT) LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2015

The directors present their strategic report for the year ended 31 December 2015.

The purpose of this report is to inform the members of the company and help them to assess how the directors have performed their duties under s172 of the Companies Act 2006, in promoting the success of the company.

BUSINESS REVIEW

The company has continued the administration of the run-off business transacted as underwriting managers for a group of international insurance companies who accepted business in the name of the BVF Excess Loss Pool.


FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company does not accept new business and is in the process of running-off its historic operations. The directors have reviewed the risk profile of the company and are of the opinion that due to the nature of the company's operations, it is not exposed to significant price, credit or interest rate cash flow risks and that liquidity risks are limited to the recoverability of debtor balances, the payment of creditor balances and cash balances. The directors have reviewed the recoverability of debtor balances and are satisfied that they are recoverable in full. The directors have reviewed the likely payment of creditors and have minimized the risk of non-payment by securing financial support from the ultimate holding company, should it be required. The directors are satisfied that the company minimises any credit or liquidity risks by holding cash balances only with regulated UK banks.

KEY PERFORMANCE INDICATORS

The directors consider the turnover of the company to be the only key performance indicator, as shown in note 3.

Signed on behalf of the directors



Stephen Harris For and on behalf of Hampden Legal Plc
Company secretary

Approved by the directors on 27 April 2016

B V F (UNDERWRITING MANAGEMENT) LIMITED

DIRECTORS REPORT

YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements of the company for the year ended 31 December 2015.

DIRECTORS

The directors who served the company during the year were as follows:

T P C Oliver
S E Bruna

During the year the company maintained liability insurance for its directors and officers.

RESULTS AND DIVIDENDS

The loss for the year amounted to £7,759. The directors have not recommended a dividend.

FUTURE DEVELOPMENTS

Details of future developments are disclosed within the strategic report on page 2 of the financial statements.

FINANCIAL INSTRUMENTS

Details in relation to the financial risk management objectives and policies are disclosed within the strategic report on page 2 of the financial statements.

DIRECTORS RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, 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 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 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.

B V F (UNDERWRITING MANAGEMENT) LIMITED

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2015

PROVISION OF INFORMATION TO THE AUDITOR

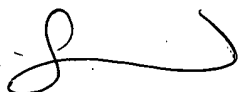
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Carter Backer Winter LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors



Stephen Harris For and on behalf of Hampden Legal Plc
Company secretary

Approved by the directors on 27 April 2016

B V F (UNDERWRITING MANAGEMENT) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B V F
(UNDERWRITING MANAGEMENT) LIMITED
YEAR ENDED 31 DECEMBER 2015

We have audited the financial statements of B V F (Underwriting Management) Limited for the Year ended 31 December 2015 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and related notes. 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), including Financial Reporting Standard 102.

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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 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.

B V F (UNDERWRITING MANAGEMENT) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B V F
(UNDERWRITING MANAGEMENT) LIMITED *(continued)***

YEAR ENDED 31 DECEMBER 2015

OPINION ON OTHER MATTER 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.

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 the 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.

Carter Backer Winter LLP

PAUL SMETHURST BA FCA (Senior Statutory Auditor)
For and on behalf of
CARTER BACKER WINTER LLP
Chartered Accountant & Statutory Auditor

66 Prescott Street
London
E1 8NN

27 April 2016

B V F (UNDERWRITING MANAGEMENT) LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS****YEAR ENDED 31 DECEMBER 2015**

| | | 2015 | 2014 |
|---|-------------|----------------|-----------------|
| | Note | £ | £ |
| TURNOVER | 4 | 72,092 | 75,416 |
| GROSS PROFIT | | 72,092 | 75,416 |
| Administrative expenses | | 79,871 | 86,147 |
| OPERATING LOSS | 5 | (7,779) | (10,731) |
| Interest receivable | 7 | 20 | 20 |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (7,759) | (10,711) |
| Taxation on ordinary activities | 8 | — | — |
| LOSS FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME | | (7,759) | (10,711) |
| RETAINED EARNINGS AT THE START OF THE YEAR | | 71,385 | 82,096 |
| RETAINED EARNINGS AT THE END OF THE YEAR | | 63,626 | 71,385 |

All the activities of the company are from continuing operations.

The notes on pages 10 to 15 form part of these financial statements.

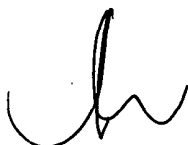
B V F (UNDERWRITING MANAGEMENT) LIMITED

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2015

| | Note | 2015 £ | 2014 £ |
|---|------|----------------|---------------|
| CURRENT ASSETS | | | |
| Debtors | 9 | 27,534 | 55,323 |
| Cash at bank and in hand | | 98,381 | 23,912 |
| | | <u>125,915</u> | <u>79,235</u> |
| CREDITORS: Amounts falling due within one year | 10 | <u>62,189</u> | <u>7,750</u> |
| NET CURRENT ASSETS | | <u>63,726</u> | <u>71,485</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>63,726</u> | <u>71,485</u> |
| NET ASSETS | | <u>63,726</u> | <u>71,485</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 11 | 100 | 100 |
| Profit and loss account | 12 | 63,626 | 71,385 |
| SHAREHOLDERS FUNDS | | <u>63,726</u> | <u>71,485</u> |

These financial statements were approved by the board of directors and authorised for issue on 27 April 2016, and are signed on behalf of the board by:



T P C Oliver
Director

Company registration number: 00838358

The notes on pages 10 to 15 form part of these financial statements.

B V F (UNDERWRITING MANAGEMENT) LIMITED**STATEMENT OF CASH FLOWS****YEAR ENDED 31 DECEMBER 2015**

| | 2015 | 2014 |
|---|-----------------|-----------------|
| | £ | £ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss for the financial year | (7,759) | (10,711) |
| <i>Adjustments for:</i> | | |
| Interest receivable | (20) | (20) |
| Accrued expenses | – | 250 |
| <i>Changes in:</i> | | |
| Trade and other debtors | (17,681) | 6,911 |
| Trade and other creditors | 54,439 | – |
| Cash generated from operations | 28,979 | (3,570) |
| Interest received | 20 | 20 |
| Net cash from/(used in) operating activities | 28,999 | (3,550) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| (Increase)/decrease in loans to group undertakings | 45,470 | 5,458 |
| Net cash from investing activities | 45,470 | 5,458 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase/(decrease) in loans from group undertakings | – | (1,512) |
| Net cash used in financing activities | – | (1,512) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 74,469 | 396 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 23,912 | 23,516 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 98,381 | 23,912 |

The notes on pages 10 to 15 form part of these financial statements.

B V F (UNDERWRITING MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. GENERAL INFORMATION

B V F (Underwriting Management) Limited is a limited liability company incorporated in England. The address of the registered office and principal place of business is disclosed on the officers and professional advisors' page.

The principal activity of the company during the year continued to be the administration of the run-off business transacted as underwriting managers to a group of international insurance companies.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statement are rounded to the nearest £ unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain items as specified in the accounting policies below.

Going concern

The company made a net loss of £7,759 during the period ended 31 December 2015. The financial statements have been prepared on the going concern basis.

The company meets its day to day working capital requirements through intra group support and banking facilities. The directors consider that the company will continue to operate within the current facilities.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 15.

Revenue recognition

Turnover represents the amounts (excluding Value Added Tax) derived from the provision of services to clients.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

B V F (UNDERWRITING MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2015

2. ACCOUNTING POLICIES *(continued)*

Foreign currency presentation currency

The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency), as such, the results and statement of financial position are presented in Sterling (£).

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised, only when it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted by the balance sheet date.

Underwriting debtors and creditors

The company acts as an underwriting agent on behalf of the pool members and is not liable as principal for Premiums due to pool members or claims due to cedants. The company has not therefore included in its balance sheet cash, debtors and creditors arising from insurance transactions with the exception of the amounts owed to pool members.

Financial instruments

The company has applied the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' of FRS 102 to all of its financial instruments.

Financial instruments are classified and accounted for, according to the substance of the contractual agreement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the statement of income and retained earnings. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distribution relating to equity instruments are debited direct to equity.

B V F (UNDERWRITING MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2015

2. ACCOUNTING POLICIES *(continued)*

Impairment of financial assets

At each period end date, the company reviews the carrying amounts of its financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount, with the impairment recognised immediately in the statement of income and retained earnings.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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, if the revision affects both current and future periods.

The areas for which estimation has been applied are considered to be in calculating impairments and provisions. Although these areas are subject to judgement, they are not considered to be subject to significant estimation.

4. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

| | 2015 | 2014 |
|----------------|---------------|---------------|
| | £ | £ |
| United Kingdom | <u>72,092</u> | <u>75,416</u> |

5. OPERATING PROFIT

Operating profit or loss is stated after charging:

| | 2015 | 2014 |
|--|--------------|--------------|
| | £ | £ |
| Foreign exchange differences | (76) | (83) |
| Fees payable for the audit of the financial statements | <u>7,750</u> | <u>7,750</u> |

B V F (UNDERWRITING MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2015

6. STAFF COSTS

No salaries or wages have been paid to employees, including the directors, during the year.

7. INTEREST RECEIVABLE

| | 2015 | 2014 |
|---------------------------------------|-----------|-----------|
| | £ | £ |
| Interest on cash and cash equivalents | <u>20</u> | <u>20</u> |

8. TAXATION ON ORDINARY ACTIVITIES

Reconciliation of tax credit

The tax assessed on the loss on ordinary activities for the year is higher than (2014: higher than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%).

| | 2015 | 2014 |
|---|----------------|-----------------|
| | £ | £ |
| Loss on ordinary activities before taxation | <u>(7,759)</u> | <u>(10,711)</u> |
| Loss on ordinary activities by rate of tax | <u>(1,571)</u> | <u>(2,303)</u> |
| Group relief | <u>1,571</u> | <u>2,303</u> |
| Tax on loss on ordinary activities | <u>—</u> | <u>—</u> |

9. DEBTORS

| | 2015 | 2014 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 17,594 | — |
| Amounts owed by group undertakings | 9,853 | 55,323 |
| Other debtors | 87 | — |
| | <u>27,534</u> | <u>55,323</u> |

10. CREDITORS: Amounts falling due within one year

| | 2015 | 2014 |
|------------------------------|---------------|--------------|
| | £ | £ |
| Accruals and deferred income | 7,750 | 7,750 |
| Other creditors | 54,439 | — |
| | <u>62,189</u> | <u>7,750</u> |

B V F (UNDERWRITING MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2015

11. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

| | 2015 | | 2014 | |
|----------------------------|------------|------------|------------|------------|
| | No | £ | No | £ |
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

12. RESERVES

Called-up share capital - This represents the nominal value of shares that have been issued.

Profit and loss account - This reserve records retained earnings and accumulated losses.

13. RELATED PARTY TRANSACTIONS

Disclosure of transactions with entities that are part of the group is not required as 100% of the voting rights of the company are controlled within the group. No other material related party transactions were undertaken during the year.

14. CONTROLLING PARTY

The directors consider Hampden Insurance Group Limited to be the company's immediate holding company and Hampden Holdings Limited to be the company's ultimate parent company.

The largest and smallest group in which this company's information is consolidated, is that of Hampden Holdings Limited which is incorporated in England and Wales and will be drawing up consolidated financial statements to 31 December 2015. The principal place of business for Hampden Holdings Limited is:

Hampden House
Great Hampden
Great Missenden
Buckinghamshire
HP16 9RD

Copies of the consolidated financial statements of Hampden Holdings Limited can be obtained from:

Hampden House
Great Hampden
Great Missenden
Buckinghamshire
HP16 9RD

B V F (UNDERWRITING MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2015

15. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

No transitional adjustments were required in equity or profit or loss for the year.

16. SUPPLEMENTARY INFORMATION - POOL MEMBERS' ASSETS AND LIABILITIES

A summary of the pool members' assets and liabilities is set out below. All currencies have been translated into sterling using the rates ruling at the statement of financial position date.

Provisions for outstanding losses and claims which have been incurred but not reported at the statement of financial position date have not been included.

| | 2015 £ | 2014 £ |
|------------------------------|----------------|----------------|
| Amounts due from: | | |
| Brokers | 6,586 | 6,448 |
| Reinsurers | 97,993 | 93,562 |
| | <u>104,579</u> | <u>97,859</u> |
| Cash at bank | 600,377 | 592,894 |
| | <u>704,956</u> | <u>692,905</u> |
| Amounts due to: | | |
| Brokers | 577,804 | 549,878 |
| Reinsurers | - | - |
| | <u>577,804</u> | <u>549,878</u> |
| Net assets | <u>127,152</u> | <u>143,027</u> |
| Represented by: | | |
| Amounts due to pool members | 1,128,175 | 1,083,976 |
| Amount due from pool members | 1,001,023 | 940,949 |
| | <u>127,152</u> | <u>143,027</u> |

This supplementary information does not form part of the audited financial statements.