



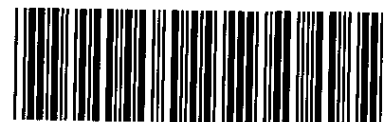
# **B V F (Underwriting Management) Limited**

## **Annual Report and Financial Statements**

*For the year ended*

*31 December 2016*

WEDNESDAY  
SA



A06	*A6EVBC36*	13/09/2017	#223
COMPANIES HOUSE			
A15	*A6DNR88W*	26/08/2017	#97
COMPANIES HOUSE			

# **B V F (UNDERWRITING MANAGEMENT) LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2016**

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# **B V F (UNDERWRITING MANAGEMENT) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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<b>The board of directors</b>	T P C Oliver S E Bruna
<b>Company secretary</b>	Hampden Legal Plc
<b>Registered office</b>	Hampden House Great Hampden Great Missenden Buckinghamshire England HP16 9RD
<b>Registered number</b>	00838358 (England & Wales)

# **B V F (UNDERWRITING MANAGEMENT) LIMITED**

## **DIRECTORS REPORT**

**YEAR ENDED 31 DECEMBER 2016**

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The directors present their report and the financial statements of the company for the year ended 31 December 2016.

### **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.

### **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 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:

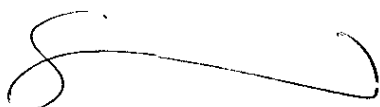
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

### **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed on behalf of the directors



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

Approved by the directors on 27 February 2017

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**B V F (UNDERWRITING MANAGEMENT) LIMITED****STATEMENT OF INCOME AND RETAINED EARNINGS****YEAR ENDED 31 DECEMBER 2016**

		<b>2016</b>	<b>2015</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>TURNOVER</b>	<b>4</b>	<b>67,890</b>	<b>72,092</b>
<b>GROSS PROFIT</b>		<b>67,890</b>	<b>72,092</b>
Administrative expenses		<b>(64,149)</b>	<b>(79,871)</b>
<b>OPERATING PROFIT/(LOSS)</b>	<b>5</b>	<b>3,741</b>	<b>(7,779)</b>
Interest receivable	<b>7</b>	<b>12</b>	<b>20</b>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>3,753</b>	<b>(7,759)</b>
Taxation on ordinary activities	<b>8</b>	<b>—</b>	<b>—</b>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b>		<b>3,753</b>	<b>(7,759)</b>
<b>RETAINED EARNINGS AT THE START OF THE YEAR</b>		<b>63,626</b>	<b>71,385</b>
<b>RETAINED EARNINGS AT THE END OF THE YEAR</b>		<b>67,379</b>	<b>63,626</b>

All the activities of the company are from continuing operations.

The notes on pages 6 to 11 form part of these financial statements.

# B V F (UNDERWRITING MANAGEMENT) LIMITED

## STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2016

	Note	2016 £	£	2015 £	£
<b>CURRENT ASSETS</b>					
Debtors	9	20,096		27,534	
Cash at bank and in hand		71,012		98,381	
		<u>91,108</u>		<u>125,915</u>	
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>(23,629)</u>		<u>(62,189)</u>	
<b>NET CURRENT ASSETS</b>			<u>67,479</u>		<u>63,726</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>67,479</u>		<u>63,726</u>
<b>NET ASSETS</b>			<u>67,479</u>		<u>63,726</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		100		100
Profit and loss account	12		67,379		63,626
<b>SHAREHOLDERS FUNDS</b>			<u>67,479</u>		<u>63,726</u>

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements were approved by the board of directors and authorised for issue on 27 February 2017, and are signed on behalf of the board by:



T P C Oliver  
Director

Company registration number: 00838358

The notes on pages 6 to 11 form part of these financial statements.

**B V F (UNDERWRITING MANAGEMENT) LIMITED****STATEMENT OF CASH FLOWS****YEAR ENDED 31 DECEMBER 2016**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) for the financial year	<b>3,753</b>	<b>(7,759)</b>
<i>Adjustments for:</i>		
Interest receivable	<b>(12)</b>	<b>(20)</b>
<i>Changes in:</i>		
Trade and other debtors	<b>17,292</b>	<b>(17,681)</b>
Trade and other creditors	<b>(20,004)</b>	<b>54,439</b>
Cash generated from operations	<b>1,029</b>	<b>28,979</b>
Interest received	<b>12</b>	<b>20</b>
Net cash from/(used in) operating activities	<b>1,041</b>	<b>28,999</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase)/decrease in loans to group undertakings	<b>(28,410)</b>	<b>45,470</b>
Net cash from investing activities	<b>(28,410)</b>	<b>45,470</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in loans from group undertakings	<b>-</b>	<b>-</b>
Net cash used in financing activities	<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(27,369)</b>	<b>74,469</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>98,381</b>	<b>23,912</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>71,012</b>	<b>98,381</b>

The notes on pages 6 to 11 form part of these financial statements.

# **B V F (UNDERWRITING MANAGEMENT) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2016**

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### **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 (effective September 2015) - '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.

#### **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.

#### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.



# **B V F (UNDERWRITING MANAGEMENT) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 DECEMBER 2016**

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### **2. ACCOUNTING POLICIES** *(continued)*

#### **Taxation** *(continued)*

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 (effective September 2015) 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.

#### **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.

# **B V F (UNDERWRITING MANAGEMENT) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 DECEMBER 2016**

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### **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 profit/(loss) before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
United Kingdom	<b><u>67,890</u></b>	<b><u>72,092</u></b>

### **5. OPERATING PROFIT / (LOSS)**

Operating profit/(loss) is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Foreign exchange differences	<b>(5,029)</b>	<b>(76)</b>
Fees payable for the audit of the financial statements	<b><u>-</u></b>	<b><u>7,750</u></b>

### **6. STAFF COSTS**

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

### **7. INTEREST RECEIVABLE**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Interest on cash and cash equivalents	<b><u>12</u></b>	<b><u>20</u></b>

# B V F (UNDERWRITING MANAGEMENT) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2016

#### 8. TAXATION ON ORDINARY ACTIVITIES

##### Reconciliation of tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016 £	2015 £
Profit/(loss) on ordinary activities before taxation	3,753	(7,759)
Profit/(loss) on ordinary activities by rate of tax	751	(1,571)
Group relief	(751)	1,571
Tax on Profit/(loss) on ordinary activities	-	-

##### Factors that may affect future tax charge

The decrease in the standard rate of corporation tax is caused by the impact of the reductions in the UK tax rate as follows:

From 1 April 2014 to 31 March 2015	21%
From 1 April 2015 to 31 March 2017	20%

During 2015, the government announced legislation setting the corporation tax main rate at 19% with effect from 1 April 2017 and furthermore to 18% from 1 April 2020. Finance Act 2016, further reduced the main rate of corporation tax to 17% with effect from 1 April 2020. As a result of the change, the relevant deferred tax balances have been measured using the effective rate of 19% that will apply in the UK.

#### 9. DEBTORS

	2016 £	2015 £
Trade debtors	20,096	17,594
Amounts owed by group undertakings	-	9,853
Other debtors	-	87
	20,096	27,534

#### 10. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Accruals and deferred income	-	7,750
Amounts owed to group undertakings	18,556	-
Other creditors	5,073	54,439
	23,629	62,189

# **B V F (UNDERWRITING MANAGEMENT) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 DECEMBER 2016**

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### **11. CALLED UP SHARE CAPITAL**

**Issued, called up and fully paid**

	2016		2015	
	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 distributable 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 2016. 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 the above address.

# **B V F (UNDERWRITING MANAGEMENT) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

### **YEAR ENDED 31 DECEMBER 2016**

#### **15. 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.

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Amounts due from:</b>		
Brokers	<b>6,483</b>	6,586
Reinsurers	<b>116,178</b>	97,993
	<b>122,661</b>	104,579
Cash at bank	<b>519,501</b>	600,377
	<b>642,162</b>	704,956
<b>Amounts due to:</b>		
Brokers	<b>717,066</b>	577,804
Reinsurers	-	-
	<b>717,066</b>	577,804
<b>Net assets/(liabilities)</b>	<b>(74,904)</b>	127,152
<b>Represented by:</b>		
Amounts due to pool members	<b>1,360,868</b>	1,128,175
Amount due from pool members	<b>1,435,772</b>	1,001,023
	<b>(74,904)</b>	127,152

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