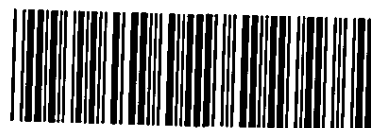


Ecclesiastical Underwriting Management Limited
2007 Annual Report

THURSDAY



A13 01/05/2008 206
COMPANIES HOUSE

Ecclesiastical Underwriting Management Limited

2007 Annual Report

Page	Contents
2	Officers and Professional Advisers
3	Directors' Report
5	Independent Auditors' Report
6	Financial Statements
8	Notes to the Financial Statements

Ecclesiastical Underwriting Management Limited

Officers and Professional Advisers

Directors	M H Tripp BSc, ARCS, FIA <i>Chairman</i> K P Cannon FCII G A Prescott BA, FCA S A Wood BSc, FCII
Company Secretary	Mrs R J Hall ACIS
Auditors	Deloitte & Touche LLP, London
Bankers	National Westminster Bank Plc
Solicitors	Speechly Bircham LLP
Registered Office	Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

Ecclesiastical Underwriting Management Limited

Directors' Report

The directors present their annual report and audited financial statements for the year ended 31 December 2007

Principal activity

The principal activity of the company is the provision of underwriting management and ancillary services

Results and review

The results of the company for the year are shown on page 6 and the position at the year end is shown on the balance sheet on page 7

The directors consider the level of business and the year end financial position to be satisfactory

Future prospects

The directors consider that the company is well placed to perform satisfactorily in the future

Dividend

The directors do not recommend the payment of a dividend for the year ended 31 December 2007 (2006 £nil)

Directors

The directors of the company at the date of this report are stated on page 2

Mr S A Wood was appointed to the board on 8 February 2008

The company has made qualifying third party indemnity provisions for the benefit of its directors which were in place throughout the year and remain in force at the date of this report

Ecclesiastical Underwriting Management Limited

Directors' Report

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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). The financial statements are required by law to 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 estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, 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 proper accounting records that 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 1985. 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.

Auditor and the disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985.

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Deloitte & Touche LLP be re-appointed as auditors of the company will be put to the annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

By order of the board



Mrs R J Hall
Secretary
21 April 2008

Ecclesiastical Underwriting Management Limited

Independent Auditors' Report

Independent auditors' report to the members of Ecclesiastical Underwriting Management Limited

We have audited the financial statements of Ecclesiastical Underwriting Management Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London, United Kingdom

21 April 2008

Ecclesiastical Underwriting Management Limited

Financial Statements

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2007

	Notes	2007 £	2006 £
Continuing operations			
Turnover	2	1,054,722	1,189,616
Administrative expenses		<u>(1,054,722)</u>	<u>(1,189,616)</u>
Result on ordinary activities before interest		-	-
Interest receivable		<u>40,920</u>	<u>24,378</u>
Profit on ordinary activities before taxation		<u>40,920</u>	<u>24,378</u>
Tax on profit on ordinary activities	6	<u>(44,779)</u>	<u>(13,669)</u>
(Loss)/profit for the financial year	8	<u>(3,859)</u>	<u>10,709</u>

The company had no recognised gains or losses during the current financial year and preceding financial year other than those included in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses has been presented.

Ecclesiastical Underwriting Management Limited

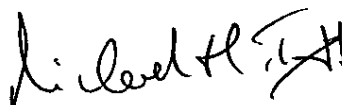
Financial Statements

BALANCE SHEET

at 31 December 2007

	Notes	2007 £	2006 £
Current assets			
Prepayments and accrued income		19,521	38,540
Cash at bank and in hand		<u>1,293,648</u>	<u>1,624,512</u>
		<u>1,313,169</u>	<u>1,663,052</u>
Creditors, amounts falling due within one year			
Amounts due to group undertakings		481,384	807,677
Other creditors including taxation	7	24,000	45,731
Accruals and deferred income		<u>73,716</u>	<u>71,716</u>
		<u>579,100</u>	<u>925,124</u>
Net current assets		<u>734,069</u>	<u>737,928</u>
Capital and reserves			
Called up share capital	8	500,000	500,000
Profit and loss account	8	<u>234,069</u>	<u>237,928</u>
Total shareholders' funds	9	<u>734,069</u>	<u>737,928</u>

The financial statements on pages 6 to 10 were approved by the board of directors on 21 April 2008 and signed on their behalf by



M H TRIPP Director

Ecclesiastical Underwriting Management Limited

Notes to the Financial Statements

1 Accounting policies

(a) The financial statements of the company are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards

(b) The company is a wholly owned subsidiary of Ecclesiastical Insurance Group plc, and has taken advantage of the provisions of Financial Reporting Standard 1 (revised) Accordingly there is no cash flow statement in these financial statements

(c) Assets and liabilities in overseas currencies are translated at the rate of exchange ruling at the balance sheet date Revenue in overseas currencies is stated at the rate ruling on the balance sheet date or, where appropriate, at the actual rate obtained on exchanging each currency remittance for sterling Resultant gains or losses are included in balances owed to parent and fellow subsidiary undertakings

(d) Pension costs represent contributions to a group defined benefit scheme In accordance with FRS 17, *Retirement Benefits*, these contributions are accounted for as defined contribution scheme contributions, as the employer cannot identify the company's share of the underlying assets and liabilities of the defined benefit scheme

(e) Debit and credit balances are reported as separate assets or liabilities unless there is a legal right of offset

2 Turnover

Turnover represents the UK revenue receivable by the company for underwriting and administrative services

3 Employee information

The average number of employees during the year was 4 (2006 4) Staff costs during the year amounted to

	2007	2006
	£	£
Wages and salaries	358,904	447,211
Social security costs	39,211	50,411
Pension costs	53,674	50,875
	<u>451,789</u>	<u>548,497</u>

Pension liabilities are dealt with by payment to the Ecclesiastical Insurance Office plc Staff Retirement Benefit Fund in accordance with group policy The group operates a defined benefit scheme the details of which are disclosed in the accounts of Ecclesiastical Insurance Office plc At 31 December 2007 there was a surplus in the scheme In accordance with the actuary's recommendation, the employer's contribution rate is 22% The employer cannot, however, identify the company's share of the underlying assets and liabilities

Ecclesiastical Underwriting Management Limited

Notes to the Financial Statements

4 Directors' emoluments

Mr K P Cannon received emoluments from the company amounting to £242,444 (2006 £266,453) including pension contributions of £24,200 (2006 £23,958). He was a member of the group's defined benefits pension scheme during the current and prior year.

Messrs Tripp and Prescott, who were employed by Ecclesiastical Insurance Office plc, a subsidiary of the company's immediate parent company, received emoluments from that company in the current and prior year. It is not practicable to allocate their remuneration between the companies of which they were directors during the year. Mr Tripp was a member of the group's defined contribution scheme during the current year. Mr Prescott was a member of the group's defined benefit pension scheme during the current and prior year.

5 Auditors' remuneration

The remuneration of the auditors amounted to £1,850 (2006 £2,500) in respect of audit work.

6 Taxation

The charge for taxation in the company's profit and loss account is in respect of UK corporation tax for the current year.

	2007 £	2006 £
Corporation tax charge	24,000	16,500
Adjustments to tax charge in respect of prior periods	20,779	(2,831)
Total actual amount of current tax	44,779	13,669

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30% (2006 30%). The actual tax charge for the current and the previous year exceeds the standard rate for the reasons set out in the following reconciliation.

	2007 £	2006 £
Profit on ordinary activities before tax	40,920	24,378
Tax on profit on ordinary activities at standard rate	12,276	7,314
Factors affecting charge for the period		
Capital allowances for the period in excess of depreciation	(1,150)	(1,534)
Expenses not deductible for tax purposes	13,726	10,720
Adjustments to tax charge in respect of prior periods	20,779	(2,831)
Tax paid at non-standard rate	(852)	-
Total actual amount of current tax	44,779	13,669

A deferred tax asset has not been recognised in respect of unclaimed capital allowances as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £3,221 (2006 £4,602). The asset would be recovered if the losses are realised in an accounting period where the company makes suitable taxable profits.

The reduction in the standard UK corporation tax rate to 28% will have no material impact on the financial position of the company.

7 Other creditors including taxation

	2007 £	2006 £
Corporation tax	24,000	16,500
Other creditors	-	29,231
	24,000	45,731

Ecclesiastical Underwriting Management Limited

Notes to the Financial Statements

8 Share capital and reserves	2007	2006
	£	£
Share capital		
Authorised, allotted, issued and fully paid		
500,000 Ordinary shares of £1 each	500,000	500,000
Profit and loss account		
Balance 1 January	237,928	227,219
(Loss)/profit for the financial year	(3,859)	10,709
Balance 31 December	234,069	237,928
9 Reconciliation of movements in shareholders' funds	2007	2006
	£	£
(Loss)/profit for the financial year	(3,859)	10,709
Opening shareholders' funds	737,928	727,219
Closing shareholders' funds	734,069	737,928

10 Capital commitments

The company had no capital commitments at 31 December 2007 (2006 £nil)

11 Ultimate parent company and controlling party

The company is a wholly owned subsidiary of Ecclesiastical Insurance Group plc. Its ultimate parent company and controlling party is Allchurches Trust Limited. The parent companies of the smallest and largest groups for which group accounts are drawn up are Ecclesiastical Insurance Group plc and Allchurches Trust Limited respectively. Both companies are incorporated and operate in Great Britain.

Copies of the group accounts for both companies are available from the registered office of the company as shown on page 2.

12 Related party transactions

In accordance with the exemption under Financial Reporting Standard 8 'Related Party Disclosures' available to companies of which 90% or more of the issued shares are held within a group, no disclosure is given of transactions with group companies.