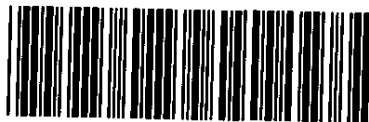


Company registration number: 02368571

# **Ecclesiastical Underwriting Management Limited**

## **2022 Annual Report & Financial Statements**

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# **Ecclesiastical Underwriting Management Limited**

## **2022 Annual Report**

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# **Ecclesiastical Underwriting Management Limited**

## **Officers and Professional Advisers**

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<b>Directors</b>	Mark Christopher John Hews    Chair Mrs Denise Patricia Cockrem
<b>Company Secretary</b>	Mrs Rachael Jane Hall
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 2 Glass Wharf, Bristol, BS2 0FR United Kingdom
<b>Registered Office</b>	Benefact House 2000 Pioneer Avenue Gloucester Business Park Brockworth Gloucester GL3 4AW
<b>Company Registration Number</b>	02368571

# **Ecclesiastical Underwriting Management Limited**

## **Strategic Report**

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The directors present the strategic report of the Ecclesiastical Underwriting Management Limited (the Company) for the year ended 31 December 2022.

### **Objective and strategy**

The principal activity of the Company was to provide claims management and ancillary services to Ecclesiastical Insurance Office plc in relation to its London Market business, which was placed in run-off on 30 September 2010. The Company will continue to manage the run-off for this business on behalf of Ecclesiastical Insurance Office plc and the directors therefore have no intention to cease trading at this time.

### **Review of the business**

The results of the Company for the year are shown on page 9 and the Balance Sheet at the year-end is shown on page 10.

Turnover represents the reimbursement of expenses incurred during the year and generated an operating result of £nil (2021: £nil). Further detail can be found in the Statement of Income and Retained earnings on page 9.

The directors consider the level of business and the year-end financial position to be satisfactory. The Company's directors believe that key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance and position of the business.

### **Principal risks and uncertainties**

The Company is exposed to financial risk through its financial assets and financial liabilities. The most important components of financial risk are interest rate risk, credit risk and liquidity risk. The Company does not have any hedging arrangements in place.

#### **Interest rate risk**

The Company is exposed to interest rate risk in respect of its cash at bank and in hand. This risk is not significant to the company.

#### **Credit risk**

The Company's principal financial asset is cash at bank, for which the carrying amount represents the company's maximum exposure to credit risk. Cash balances are regularly reviewed to identify the credit quality of the counterparty.

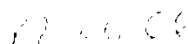
#### **Liquidity risk**

The Company has robust processes in place to manage liquidity risk and has adequate available funds to pay obligations when due. This is monitored through regular cashflow forecast reviews.

### **Section 172 Statement**

This section describes how the directors have had regard to the matters set out in section 172(1) (a) to (f) and forms the directors' voluntary statement required under section 414CZA of the Companies Act 2006 where relevant to the Company. The directors recognise that the long-term success of the Company is dependent on having regard to the interests of its stakeholders. Decisions and policies in relation to shareholders, employees, customers, community and environment are determined at a Group level and set out in the Annual Report and Accounts of Ecclesiastical Insurance Office plc. The directors are in agreement with these policies and operate the company in accordance with them.

Approved and Authorised for issue by the Board of Directors and signed by its order by



Rachael Hall  
Company Secretary  
23 May 2023

# **Ecclesiastical Underwriting Management Limited**

## **Directors' Report**

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The directors present their report for the year ended 31 December 2022.

### **Ownership**

The entire equity share capital of the Company is owned by Benefact Group plc. The ultimate parent company is Benefact Trust Limited.

### **Future prospects and going concern**

The Company provides claims management and ancillary services to Ecclesiastical Insurance Office plc in relation to its London Market business, which was placed in run-off on 30 September 2010. The Company will continue to manage the run-off for this business on behalf of Ecclesiastical Insurance Office plc and the directors therefore have no intention to cease trading at this time. The Company has adequate resources to meet its obligations as they fall due for at least twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

### **Dividend**

The directors do not recommend the payment of a dividend for the year ended 31 December 2022 (2021: Nil).

### **Board of directors**

The directors of the Company at the date of this report are stated on page 2. All the directors were in office during the year and up to the date of signing the financial statements.

The Company has made qualifying third party indemnity provisions for the benefit of its directors and the directors of associated companies which were in place throughout the year and remain in force at the date of approval of the financial statements.

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the Company are disclosed in the Strategic Report on page 3.

### **Directors' responsibilities statement**

The directors are responsible for preparing the 2022 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 United Kingdom Accounting Standards, comprising FRS102 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 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.

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.

# **Ecclesiastical Underwriting Management Limited**

## **Directors' Report**

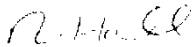
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### **Auditors and the disclosure of information to the auditors**

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 auditors are unaware. Having made enquiries of fellow directors and the Company's auditors, each director has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

and authorised for issue by the Board of Directors and signed by its order by



Rachael Hall  
*Company Secretary*  
23 May 2023

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

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## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Ecclesiastical Underwriting Management Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the 2022 Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2022; Statement of Income and Retained Earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

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

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## **Reporting on other information (continued)**

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

## **Responsibilities for the financial statements and the audit**

### **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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to non-compliance with the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Enquiries of group compliance, risk, internal audit, and the legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes;
- Risk based journal testing with a focus on journals which had attributes which could be indicative of a fraudulent posting; and
- Performing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.



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

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## **Auditor's responsibilities for the audit of the financial statements (continued)**

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Andrew Pye (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol  
23 May 2023

## Ecclesiastical Underwriting Management Limited

### Statement of Income and Retained Earnings

for the year ended 31 December 2022	Notes	2022 £	2021 £
<b>Continuing operations</b>			
Turnover	3	13,674	39,382
Administrative expenses		(13,674)	(39,382)
<b>Result on ordinary activities before interest</b>		-	-
Interest receivable and similar income		2,411	100
<b>Profit before taxation</b>		2,411	100
Tax (charge)/credit on profit	7	(437)	8
<b>Profit for the financial year</b>		1,974	108
Retained earnings brought forward		126,605	126,497
<b>Retained earnings carried forward</b>		128,579	126,605

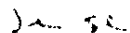
The Company has taken advantage of the provision within Financial Reporting Standard 102 allowing the presentation of a statement of income and retained earnings in place of a statement of comprehensive income and separate statement of changes in equity. All the amounts above are in respect of continuing operations.

# Ecclesiastical Underwriting Management Limited

## Balance Sheet

at 31 December 2022	Notes	2022 £	2021 £
<b>Current assets</b>			
Cash at bank and in hand		<u>1,112,920</u>	<u>1,120,702</u>
		<b>1,112,920</b>	<b>1,120,702</b>
<b>Creditors: amounts falling due within one year</b>			
Amounts owed to group undertakings	8	<u>484,341</u>	<u>494,097</u>
		<b>484,341</b>	<b>494,097</b>
<b>Net current assets</b>		<u><b>628,579</b></u>	<u>626,605</u>
<b>Capital and reserves</b>			
Called up share capital	9	<b>500,000</b>	500,000
Profit and loss account		<u><b>128,579</b></u>	<u>126,605</u>
<b>Total Shareholders' funds</b>		<u><b>628,579</b></u>	<u>626,605</u>

The financial statements of Ecclesiastical Underwriting Management Limited, registered number 02368571, on pages 9 to 13, were approved and authorised for issue by the Board of Directors on 23 May 2023 and signed on their behalf by:



Mrs Denise Cockrem

Director

# **Ecclesiastical Underwriting Management Limited**

## **Notes to the Financial Statements**

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### **1 Accounting policies**

The principal accounting policies adopted in preparing the company's financial statements are set out below.

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to presenting a reconciliation of the opening and closing number of shares, the presentation of a cash flow statement and financial instrument disclosures.

#### **Going concern**

As stated in the Director's Report, the directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

#### **Foreign currency translation**

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.

#### **Turnover**

Turnover arises from the supply of services to other group companies and is a recharge of expenses incurred. It is recognised to the extent that there is a right to consideration and recorded at the value of the consideration due.

#### **Administration expenses**

Administration expenses are a recharge of expenses incurred providing services to other group companies.

#### **Interest receivable**

Interest receivable is accounted for on a received basis.

#### **Offset of assets and liabilities**

Assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### **Taxation**

Income tax comprises current and deferred tax.

Current tax is the expected tax (charge)/credit on the taxable profit/(loss) for the period and any adjustment to the tax payable in respect of previous periods.

#### **Financial instruments**

As permitted by FRS 102, the company has chosen to account for its financial instruments using the recognition and measurement provisions of IAS 39, Financial Instruments: Recognition and Measurement as adopted for use in the European Union.

# Ecclesiastical Underwriting Management Limited

## Notes to the Financial Statements

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### 1 Accounting policies (continued)

IAS 39 requires certain financial assets and liabilities to be classified into separate categories, for which the accounting treatments differ.

The classification depends on the nature and purpose of the financial assets and liabilities, and is determined at the time of initial recognition. Financial instruments are initially measured at fair value. Their subsequent measurement depends on their classification:

- Financial instruments designated at fair value through profit and loss and those held for trading are subsequently carried at fair value. Changes in fair value are included in the Statement of Income and Retained Earnings in the period in which they arise.

- All other financial assets and liabilities are held at amortised cost, using the effective interest method (except for short-term debtors and creditors when the recognition of interest would be immaterial).

The directors consider that the carrying value of those financial assets and liabilities not carried at fair value in the financial statements approximates to their fair value.

### 2 Critical accounting judgements and key sources of estimation uncertainty

There have been no critical judgements made by management in applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements. There are no key sources of estimation uncertainty at the year-end date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 3 Turnover

Turnover represents the UK revenue receivable by the company for underwriting management and ancillary services.

### 4 Employee information

The average number of employees during the year was Nil (2021: Nil) .

### 5 Directors' emoluments

Mr Hews and Mrs Cockrem were employed by Ecclesiastical Insurance Office plc, a subsidiary of the company's immediate parent company, and received emoluments from that company during the current and prior year. It is not practicable to allocate their remuneration between the group companies of which they were directors during the year.

### 6 Auditors' remuneration

	2022	2021
	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	<u>11,865</u>	<u>10,500</u>

# Ecclesiastical Underwriting Management Limited

## Notes to the Financial Statements

### 7 Taxation on profit

The charge/(credit) for taxation in the company's Statement of Income and Retained Earnings is in respect of UK corporation tax for the year.

	2022	2021
	£	£
UK corporation tax charge/(credit)	437	(8)
Total current tax charge/(credit)	437	(8)

Tax on the company's profit before tax differs from the United Kingdom standard rate of corporation tax for the reasons set out in the following reconciliation:

	2022	2021
	£	£
Profit before tax	2,411	100
Tax calculated at the UK rate of 19% (2021: 19%).	458	19
Factors affecting charge for the year:		
Capital allowances for the year in excess of depreciation	(21)	(27)
Total actual amount of current tax charge/(credit)	437	(8)

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 £130 (2021: £158). The asset would be recovered if the allowances were to be realised in future accounting periods where the company makes suitable taxable profits.

### 8 Amounts owed to group undertakings

The balance represents a loan between the Company and Ecclesiastical Insurance Office Plc, a subsidiary of the company's immediate parent company. The loan is interest free and repayable on demand.

### 9 Called up share capital and reserves

	2022	2021
	£	£
Share capital:		
Allotted, issued and fully paid		
500,000 Ordinary shares of £1 each	500,000	500,000

The company has one class of ordinary shares which carry no right to fixed income.

The profit and loss reserve represents the company's cumulative profits or losses.

### 10 Ultimate parent company and controlling party

The Company is a private limited company, limited by shares, incorporated and domiciled in England. It is a wholly-owned subsidiary of Benefact Group plc. The Company's ultimate parent and controlling company is Benefact Trust Limited. Both companies are incorporated and operate in the United Kingdom and copies of their financial statements are available from the registered office of the company as shown on page 2. The parent companies of the smallest and largest groups for which group financial statements are drawn up are Benefact Group plc and Benefact Trust Limited.

### 11 Related party transactions

In accordance with the exemption permitted under Section 33 of FRS 102, available to companies which are wholly-owned within a group, no disclosure is given of transactions with group companies.