

CINCINNATI GLOBAL DEDICATED NO 5 LIMITED

(FORMERLY KNOWN AS BEAUFORT DEDICATED NO 5 LIMITED)

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 December 2018

Company number: 05934469



CINCINNATI GLOBAL DEDICATED NO 5 LIMITED
DIRECTORS AND ADVISERS

Directors	A Hoffmann C Niebuhr (resigned 7th February 2018) D C Eales R J Betzler (appointed 7th February 2018, resigned 28th February 2019) T C Cracas (appointed 28th February 2019)
Company Secretary	A Hoffmann (appointed 13th June 2019) L R Crust (resigned 26th September 2018) P S O'Neill (appointed 26th September 2018, resigned 13th June 2019)
Registered Office and Business Address	Third Floor One Minster Court Mincing Lane London EC3R 7AA
Banker	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
Auditor	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL
Solicitor	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ
Company Number	05934469

CINCINNATI GLOBAL DEDICATED NO 5 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present the Strategic Report for the year ended 31 December 2018 for Cincinnati Global Dedicated No 5 Limited (formerly known as Beaufort Dedicated No 5 Limited) (registered number 05934469).

Principal activities and review of the business

The Company has presented its results under FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The date of transition was 1 January 2014.

The principal activities of the Company are that of a corporate underwriting member of Lloyd's. The Company commenced underwriting with effect from 1 January 2007.

Until 2013 the Financial Statements incorporated the annual accounting results of Syndicate 1318 on which the Company participated on for the 2011 year of account. The 2011 year of account was the final underwriting year for Syndicate 1318 and was closed into Syndicate 318 at 31 December 2013.

Key Performance Indicators

There is no profit or loss for the year before tax, as shown in the Profit and loss account on page 8 (2017: loss £1).

Following the closure of Syndicate 1318 the Company results for 2014 onwards no longer reflect the participation on the Syndicate.

Future developments

There is currently no intention for the Company to participate on any other syndicates following the closing of Syndicate 1318 into Syndicate 318 at 31 December 2013.

Principal risks and uncertainties

Since the Company has ceased all its underwriting activities after the closing of the 2011 underwriting year of account, and now undertakes very few transactions of its own, the Company has limited systems and operational requirements. The Directors do not therefore consider the Company's remaining risks to be significant.

Approved by the Board of Directors and signed on behalf of the Board:



D C Eales

Director

Third Floor One Minster Court

Mincing Lane

London EC3R 7AA

28 June 2019

CINCINNATI GLOBAL DEDICATED NO 5 LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their Report together with the Financial Statements for the year ended 31 December 2018 for Cincinnati Global Dedicated No 5 Limited (formerly known as Beaufort Dedicated No 5 Limited) (registered number 05934469).

Future developments

The future developments of the company are set out in the Strategic report on page 3.

Results and Dividends

The results for the year are shown in profit and loss account on page 8.

During the year no dividends were paid to Cincinnati Global Underwriting Limited (formerly known as MSP Underwriting Ltd) (2017: £Nil)

Going Concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Directors

The Directors of the Company in office during the year were as follows:

DC Eales

C Niebuhr

A Hoffmann

Financial risk management objectives and policies

The directors consider that there is no material exposure to market, currency, liquidity or interest rate risk for the Company.

The Company does not hold equity instruments and any financial assets and liabilities are in Sterling.

CINCINNATI GLOBAL DEDICATED NO 5 LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, Directors' Report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Disclosure of Information to the Auditor

In the case of each of the persons who is a director of the company at the date when this report is approved:

- so far each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the company's auditor is aware of that information.

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

Auditor

KPMG LLP will continue in office in accordance with section 487 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board:



D C Eales

Director

Third Floor One Minster Court

Mincing Lane

London EC3R 7AA

28 June 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CINCINNATI GLOBAL DEDICATED NO 5 LIMITED

Opinion

We have audited the financial statements of Cincinnati Global Dedicated No 5 Limited (formerly known as Beaufort Dedicated No 5 Limited) ("the Company") for the year ended 31 December 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its results for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CINCINNATI GLOBAL DEDICATED NO 5 LIMITED (continued)

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

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.



David Maddams (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
28 June 2019

CINCINNATI GLOBAL DEDICATED NO 5 LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Notes	£	£
Interest receivable		-	-
Other charges		-	(1)
Operating loss on Ordinary Activities before taxation	1	<u>-</u>	<u>(1)</u>
Taxation on loss on ordinary activities	2	(101,911)	-
Loss retained for the year		<u>(101,911)</u>	<u>(1)</u>

All items relate only to discontinued operations.

The Accounting Policies and notes on pages 10 to 12 form part of these Financial Statements.

There were no recognised gains and losses in the year other than those reported in the Statement of Profit or Loss and hence no Statement of Other Comprehensive Income has been presented.

CINCINNATI GLOBAL DEDICATED NO 5 LIMITED

BALANCE SHEET

At 31 December 2018

	Note	2018	2017
		£	£
Assets			
Cash at bank	3	269,221	269,251
Debtors recoverable within one year	4	23	-
Total Assets		<u>269,244</u>	<u>269,251</u>
Liabilities and Reserves			
Capital reserves			
Called-up share capital	6	1	1
Profit and Loss Account	7	<u>167,332</u>	<u>269,243</u>
Shareholders funds	8	167,333	269,244
Creditors falling due within one year	5	<u>101,911</u>	<u>7</u>
Total Liabilities		<u>269,244</u>	<u>269,251</u>

These financial statements were approved by the board of directors on 28 June 2019 and signed on its behalf by:



D C Eales

The Accounting Policies and notes on pages 10 to 12 form part of these Financial Statements.

CINCINNATI GLOBAL DEDICATED NO 5 LIMITED

ACCOUNTING POLICIES

Basis of Preparation

The Financial Statements are prepared under the historical cost basis of accounting, modified to include the revaluation of investments, and comply with applicable Accounting Standards.

The Financial Statements are prepared in compliance with the provisions of section 396 of the Companies Act 2006 applying the requirements set out in Schedule 3 of the Large and Medium-sized Companies and Group (Accounts and Reports) regulations 2008 relating to insurance companies and in accordance with applicable accounting standards on the going concern basis.

These financial statements have been prepared by the Company in accordance with Financial Reporting Standards 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

The company is exempt from preparing a cash flow statement under Financial Reporting Standard 102.1.12(b) as it is a wholly owned subsidiary undertaking, the results of which are included in the consolidated Financial Statements of the group in which the Company is included, are publicly available from the address in note 10.

The financial statements are presented in Pound Sterling ("GBP"), which is the Company's functional currency.

Going Concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferral because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is provided in full on timing differences which result in an obligation at the Balance Sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax assets and liabilities have not been discounted.

CINCINNATI GLOBAL DEDICATED NO 5 LIMITED
NOTES TO THE FINANCIAL STATEMENTS

	2018 £	2017 £
1 Loss on Ordinary Activities before Taxation		
This is stated after charging:		
Auditor's remuneration - audit of the company annual financial statements	2,328	2,328
	<u>2,328</u>	<u>2,328</u>
The Company has no employees (2017: Nil).		
The auditors remuneration has been accounted for within Cincinnati Global Underwriting Agency Limited (formerly known as Beaufort Underwriting Agency Limited) a fellow group company.		
The directors received no remuneration from the company for their services during the current or prior year.		
2 Taxation		
Analysis of charge in year		
Current tax:		
UK corporation tax on profits for the period	53,311	-
Double Tax Relief	(53,311)	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax:		
Adjustment in respect of previous periods	101,911	-
Total deferred tax	<u>101,911</u>	<u>-</u>
Factors affecting tax charge for year		
Loss for the period	-	(1)
	<u>-</u>	<u>(1)</u>
Tax on loss at standard UK tax rate of 19% (2017: 19.25%)	-	-
Effects of:		
Adjustment from previous periods	101,911	-
Tax charge for the period	<u>101,911</u>	<u>-</u>
The Finance Act 2016 (enacted on 15 September 2016) reduces the UK tax rate from 19% to 17% from 1 April 2020. Accordingly, the effects of these changes were reflected in the financial statements for the year ended 31 December 2018. The Company has provided for deferred tax in respect of a claims equalisation reserve provision and unrelieved foreign tax credits.		
3 Cash at bank		
Cash at bank	269,221	269,251
	<u>269,221</u>	<u>269,251</u>

CINCINNATI GLOBAL DEDICATED NO 5 LIMITED
NOTES TO THE FINANCIAL STATEMENTS

			2018	2017
			£	£
4	Debtors recoverable within one year			
	Amounts due from group undertakings		23	-
			<u>23</u>	<u>-</u>
5	Creditors: Falling due within one year			
	Amounts due to group undertakings		-	7
	Deferred Tax Liability		101,911	-
			<u>101,911</u>	<u>7</u>
6	Called-up Share Capital	2018	2018	2017
		Authorised	Allotted called-up and fully paid	Allotted called-up and fully paid
	Ordinary shares of £1 each	1,000	1	1,000
		<u>1,000</u>	<u>1</u>	<u>1,000</u>
7	Profit and Loss Account		2018	2017
			£	£
	At 1 January		269,243	269,244
	Loss for the financial period		<u>(101,911)</u>	<u>(1)</u>
	At 31 December		<u>167,332</u>	<u>269,243</u>
8	Reconciliation of Movements in Shareholders' Funds			
	Loss for the financial period		(101,911)	(1)
	Opening shareholders' funds		269,244	269,245
	Closing shareholders' funds		<u>167,333</u>	<u>269,244</u>

9 Related Parties

The company has taken advantage of provisions in Financial Reporting Standard 102.33.1A which allow the company not to disclose transactions with other group companies qualifying as related parties.

10 Intermediate and Ultimate Parent Company

The intermediate holding company Cincinnati Global Underwriting Limited (formerly known as MSP Underwriting Limited) is registered in England and Wales. The ultimate parent company is Münchener Rucksversicherungs-Gesellschaft Aktiengesellschaft in München ("Munich Re"). Munich Re is incorporated in Germany. Group accounts for Cincinnati Global Underwriting Limited and Munich Re are available from the Company Secretary of Cincinnati Global Underwriting Agency Limited (formerly known as Beaufort Underwriting Agency Limited), One Minster Court, Mincing Lane, London EC3R 7AA, or at www.munichre.com

11 Statement of Cash Flows

The company has taken advantage of the exemption, under FRS 102.1.12(b), from preparing Statement of Cash Flows, on the basis that it is a qualifying entity and its ultimate parent company, Munich Re AG includes the company's cash flows in its own consolidated financial statements.

12 Post balance sheet events

On 28 February 2019, MSP Underwriting Limited and its subsidiaries including Beaufort Dedicated No 5 Limited, were acquired by Cincinnati Financial Corporation from Münchener Rucksversicherungs-Gesellschaft Aktiengesellschaft. On 23 April 2019, MSP Underwriting Limited was renamed to Cincinnati Global Underwriting Limited. On 10 April 2019, Beaufort Dedicated No 5 Limited was renamed to Cincinnati Global Dedicated No 5 Limited.