

Company registration number 06317313

**South Essex Insurance Holdings Limited
2011 Annual Report**

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South Essex Insurance Holdings Limited

2011 Annual Report

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South Essex Insurance Holdings Limited

Officers and Professional Advisers

Directors	M H Tripp BSc, ARCS, FIA <i>Chairman</i> S A Wood BSc, FCII
Company Secretary	Mrs R J Hall FCIS
Auditor	Deloitte LLP, London
Solicitors	Speechly Bircham LLP, London
Registered Office	Beaufort House, Brunswick Road, Gloucester, GL1 1JZ
Company Registration Number	06317313

South Essex Insurance Holdings Limited

Directors' Report

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

Principal activity

The principal activity of the company is that of an investment holding company of a subsidiary, South Essex Insurance Brokers Limited. That company transacts insurance broking business, and is authorised and regulated by the Financial Services Authority.

Ownership

The company's parent undertaking is Ecclesiastical Insurance Office plc and its ultimate parent undertaking is Allchurches Trust Limited.

Business review

The company's primary financial transaction during the year was to account for dividends being remitted from the company's subsidiary to the parent company.

Any expenses incurred during the current and prior period were borne by Ecclesiastical Insurance Office plc, the company's immediate parent company.

The directors believe that an analysis of key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance and position of the business.

Principal risks and uncertainties

The directors consider that the company is not exposed to significant risks or uncertainties.

Future prospects

The directors have no plans to change the principal activity of the company.

Dividend

Dividends approved and paid were as follows:

	2011 £	2010 £
Prior year final dividend	500,000	500,000
Interim dividend	500,000	500,000
	<u>1,000,000</u>	<u>1,000,000</u>

As at the year end date the directors have not approved a final ordinary dividend in respect of the current year (2010: £nil).

Board of directors

The directors of the company at the date of this report and throughout the year are stated on page 2.

The company has 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.

South Essex Insurance Holdings Limited

Directors' Report

Directors' Responsibilities Statement

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern

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.

Going concern

The nature of the company's operations does not give rise to a need for external financing. The company has no liabilities and the directors believe the company is well placed to continue its operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Auditor and the disclosure of information to auditor

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 ought to have taken 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 418 of the Companies Act 2006.

By order of the board



Mrs R J Hall
Secretary
12 March 2012

South Essex Insurance Holdings Limited

Independent Auditor's Report

Independent auditor's report to the members of South Essex Insurance Holdings Limited

We have audited the financial statements of South Essex Insurance Holdings Limited for the year ended 31 December 2011 which comprise the income statement, the statement of changes in equity, the statement of financial position and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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. 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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in 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 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.



Colin Rawlings (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
20 March 2012

South Essex Insurance Holdings Limited

Income Statement

for the year ended 31 December 2011	Notes	2011 £	2010 £
Income from subsidiary	5	<u>1,000,002</u>	<u>1,000,001</u>
Profit before tax		1,000,002	1,000,001
Taxation	6	<u>-</u>	<u>-</u>
Profit attributable to equity holders	9	<u>1,000,002</u>	<u>1,000,001</u>

The company had no recognised income or expense during the current financial year or the preceding financial year other than that included in the income statement. Accordingly, no separate statement of comprehensive income and expense has been presented.

South Essex Insurance Holdings Limited

Statement of Changes in Equity

for the year ended 31 December 2011	Notes	2011 £	2010 £
Opening shareholders' equity		1,003	1,002
Total comprehensive income for the year		1,000,002	1,000,001
Dividends	7	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Closing shareholders' equity		<u>1,005</u>	<u>1,003</u>

South Essex Insurance Holdings Limited

Statement of Financial Position

at 31 December 2011	Notes	2011 £	2010 £
Non-current assets			
Investment in subsidiary undertaking	5	999	999
Other assets		<u>6</u>	<u>4</u>
Total assets		<u>1,005</u>	<u>1,003</u>
Equity			
Called up share capital	8	1,000	1,000
Retained earnings	9	<u>5</u>	<u>3</u>
Total shareholders' equity		<u>1,005</u>	<u>1,003</u>

The financial statements of South Essex Insurance Holdings Limited, registered number 06317313, on pages 6 to 10 were approved and authorised for issue by the board of directors on 12 March 2012 and signed on its behalf by



M H TRIPP *Chairman*

South Essex Insurance Holdings Limited

Notes to the Financial Statements

1 Accounting policies

The principal accounting policies adopted in preparing the company's International Financial Reporting Standards (IFRS) financial statements are set out below

(a) Basis of preparation

The company's financial statements have been prepared in accordance with IFRSs applicable at 31 December 2011 issued by the International Accounting Standards Board and endorsed by the European Union. The financial statements have been prepared on the historical cost basis.

The nature of the company's operations does not give rise to a need for external financing. The company has no liabilities and the directors believe the company is well placed to continue its operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

No cash flow statement has been presented as the company has not engaged in any cash transactions in either the current or prior period. Dividend income on ordinary shares held in South Essex Insurance Brokers Limited, the company's subsidiary, was transferred directly to Ecclesiastical Insurance Office plc, the company's immediate parent company, and therefore represents a non-cash movement for the company. Dividend income on preference shares held in the company's subsidiary has been accrued.

The company is not required to prepare consolidated financial statements by virtue of the exemption under IAS 27, *Consolidated and Separate Financial Statements*. The results of the company and its subsidiary are included within the financial statements of Ecclesiastical Insurance Office plc, a company registered in England and Wales, which will prepare consolidated financial statements for the year to 31 December 2011. The financial statements therefore present information about the company as an individual entity and not about its group.

In the current year amendments to IAS 24, *Related Party Disclosures*, IAS 32, *Financial Instruments: Presentation* and the IASB's 2010 annual improvements are applicable, with no impact on the current or any prior periods. The company has not adopted early any IFRSs that have been issued but are not yet effective. No newly issued or amended standards, or interpretations thereof, are expected to impact on the company.

(b) 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.

(c) Income from subsidiary

Ordinary dividends receivable from the company's subsidiary are recorded as income on the date declared. Preference dividends receivable from the company's subsidiary are accrued as income when there is a right to receive payment.

(d) Taxation

Current tax is the expected tax payable on the taxable profit for the period and any adjustment to the tax payable in respect of previous periods.

The company has no transactions which would give rise to a deferred tax asset or liability.

(e) Investment in subsidiary undertaking

Subsidiaries are accounted for at cost less any permanent diminution in value.

2 Ultimate parent company and controlling party

The company is a private limited company incorporated and domiciled in England, and is a wholly owned subsidiary of Ecclesiastical Insurance Office plc. Its ultimate parent company and controlling party is Allchurches Trust Limited. Both companies are incorporated and operate in Great Britain and copies of their financial statements are available from the registered office as shown on page 2. The parent companies of the smallest and largest groups for which group financial statements are drawn up are Ecclesiastical Insurance Office plc and Allchurches Trust Limited respectively.

South Essex Insurance Holdings Limited

Notes to the Financial Statements

3 Directors' emoluments

The directors of the company were employed by Ecclesiastical Insurance Office plc, 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 companies of which they were directors during the year. Mr Tripp was a member of the group's defined contribution pension scheme during the current and prior year. Mr Wood was a member of the group's defined benefit pension scheme during the current and prior year.

4 Auditor's remuneration

The remuneration of the auditor amounting to £1,500 (2010: £1,500) in respect of audit work was paid by Ecclesiastical Insurance Office plc, the company's immediate parent company.

5 Investment in subsidiary undertaking

The company holds all the issued ordinary and preference share capital of South Essex Insurance Brokers Limited, a company incorporated and operating in England, and engaged in insurance broking business. Dividend income from the subsidiary amounted to £1,000,002 (2010: £1,000,001).

6 Taxation

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:

	2011 £	2010 £
Profit before tax	1,000,002	1,000,001
Tax calculated at the UK standard rate of 26.5% (2010: 28%)	265,001	280,000
<i>Factors affecting charge for the year</i>		
Non-taxable franked investment income	(265,001)	(280,000)
Total actual amount of current tax	-	-

A change in the UK standard rate of corporation tax from 28% to 26% became effective from 1 April 2011. Current tax has been provided at the blended rate of 26.5%. A further 1% reduction in the rate of corporation tax, effective from 1 April 2012, was substantively enacted on 5 July 2011; this will not have a material impact on the company.

7 Dividends

	2011 £	2010 £
Prior year final dividend approved and paid of £500 per share (2010: £500)	500,000	500,000
Interim dividend approved and paid of £500 per share (2010: £500)	500,000	500,000
	1,000,000	1,000,000

8 Called up share capital

	2011 £	2010 £
Allotted, issued and fully paid 1,000 Ordinary shares of £1 each	1,000	1,000

9 Retained earnings

	2011 £	2010 £
Retained earnings brought forward	3	2
Profit for the year	1,000,002	1,000,001
Dividends	(1,000,000)	(1,000,000)
Retained earnings carried forward	5	3