

Company number 08745318

BHL Eurasia Limited

Annual report and financial statements

Year ended 30 June 2016

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Annual Report and financial statements

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Directors	S James S Klinkert I R Leech
Secretary and registered office	Bath House 16 Bath Row Stamford Lincolnshire PE9 2QU
Company number	08745318
Auditor	KPMG LLP 15 Canada Square London E14 5GL

Strategic Report

The directors present their strategic report for the year ended 30 June 2016.

Results and dividends

The results of BHL Eurasia Limited, company number 08745318, (the "Company") are set out on page 6 and show a loss on ordinary activities before taxation of £5,402,087 (2015: loss of £9,689,576).

No dividends have been paid during the year.

Principal activities, trading review and future developments

The Company's main activity is as a holding company for an investment into a foreign subsidiary. During the year the investment was fully impaired and the resulting loss for the Company for the year is in line with expectations and the directors are confident in the future of this new venture.

There have been no events since the reporting date that materially affect the position of the Company.

Risks of the Company are managed within the framework set by the BHL Group.

Key performance indicators

BHL Eurasia is a holding company and therefore its main KPI is the performance of the investment in BHL Eurasia. The value of the investment is £nil having been fully impaired during the year.

Risks and uncertainties

Risks of the Company are managed by the board of directors of the Company (the "Board").

Financial risks

The Board reviews its risk appetite annually and deems the risk to be minimal.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the Company by failing to pay its obligation.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulties in paying its financial liabilities. The Company has a capital line agreed with BHL (UK) Holdings Limited, the parent company, which is adequate to support the business.

Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks

Interest rate risk

The Company is exposed to minimal interest rate risk.

Non-financial risks

The Board has identified that in addition to the above, there are a number of non-financial risks to be considered.

Capital management

This is the risk that the Company will not maintain sufficient capital to meet its legal obligations, but also to take advantage of opportunities as they arise. Capital consists of retained earnings and share capital.

Operational risk

The Company recognises the need to maintain people, organisational structures, systems and infrastructure to support current operations and the on-going growth of the business. The Company's operations are simple and the Board considers that operational risk is minimal.

On behalf of the board

A handwritten signature in black ink, appearing to be 'I R Leech', with a long horizontal stroke extending to the right.

I R Leech

Director

Date: 16TH DECEMBER 2016

Report of the directors

The directors present their report together with the audited financial statements for the year ended 30 June 2016.

Results, dividends and future developments

Details of the Company's results, dividends and future developments are set out in the strategic report.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The financial position of the Company is disclosed on the balance sheet on page 8 and shows net liabilities of £15,271,037. The Company is dependent for its working capital on funds provided by BHL (UK) Holdings Limited. BHL (UK) Holdings Limited has provided the directors with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company. This should enable the Company to continue in operational existence for the foreseeable future by meeting its obligations as they fall due. The Directors acknowledge that the continuing support is required and whilst there can be no absolute certainty there is, at the date of approval of these financial statements, no reason to believe that it will not receive such support.

Directors

The directors who held office during the year were as follows:

S James
S Klinkert
I R Leech

Each of the persons who are directors at the time when this report is approved have confirmed that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

Directors' indemnity provision

In accordance with the Company's Articles of Association, the Company has indemnified the directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and is still in place as at the date of this report.

Auditor

In accordance with section 487 of the Companies Act 2006, the auditors will be deemed reappointed and KPMG LLP will therefore continue in office.

On behalf of the board



I R Leech
Director

Date: 16th December 2016

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the report of the directors 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are independent and reasonable;
- state whether applicable UK Accounting Standards have been followed, subject to an 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.

Independent Auditor's Report to the Members of BHL Eurasia Limited

We have audited the financial statements of BHL Eurasia Limited for the year ended 30 June 2016 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 statement of directors' responsibilities set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 30 June 2016 and of the loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

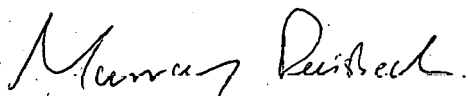
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the report of the directors 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.



Murray Raisbeck (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 10 December 2016

Profit and loss account

	Note	2016 £000s	2015 £000s
Other operating expense	2	(5,402)	(9,690)
Operating losses before taxation		(5,402)	(9,690)
Tax on ordinary activities	3	401	(404)
Loss for the financial year		(5,001)	(10,094)

All amounts relate to continuing activities.

There are no other items of comprehensive income other than those included above in the profit and loss account; accordingly loss for the year is also total comprehensive income for the year.

The notes on pages 9 to 13 form part of these financial statements.

Statement of changes in equity

	Share capital £000s	Retained losses £000s	Total equity £000s
At 1 July 2014	-	176	176
Loss for the period		10,094	10,094
At 30 June 2015	-	10,270	10,270
Loss for the year	-	5,001	5,001
At 30 June 2016	-	15,271	15,271

The notes on pages 9 to 13 form part of these financial statements.

Balance Sheet

Company Registered Number 08745318

	Note	2016 £000s	2015 £000s
Fixed Assets			
Investment in subsidiaries	5	11	3
Current assets			
Loans receivable short term	6	796	1,349
Cash at bank		27	529
Creditors: amount falling due within one year	7	(16,105)	(12,151)
Net current liabilities		<u>(15,282)</u>	<u>(10,273)</u>
Total Net liabilities		<u>(15,271)</u>	<u>(10,270)</u>
Capital and reserves			
Share capital	8	-	-
Retained earnings		(15,271)	(10,270)
Total equity		<u>(15,271)</u>	<u>(10,270)</u>

The financial statements were approved by the board of directors on behalf by:

and signed on its


I R Leech
Director

The notes on pages 9 to 13 form part of these financial statements.

Notes forming part of the financial statements

1. Accounting policies

BHL Eurasia Limited's (the "Company"), significant accounting policies relating to specific financial statement items, together with a description of the accounting estimates and judgements that were critical to preparing them, are set out below. Accounting policies have been applied consistently to all periods presented in these financial statements.

Basis of preparation

The Company, a private limited company incorporated in England and Wales, has elected to prepare its financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of key management personnel

The Company's parent undertaking BHL (UK) Holdings includes the Company in its consolidated financial statements. The consolidated financial statements of BHL (UK) Holdings Ltd are prepared in accordance with International Financial Reporting Standards as adopted by the EU and, as they include equivalent disclosures, the Company has also taken exemptions under FRS 101 available in respect of the following:

- certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The financial statements are stated in sterling, which is the Company's functional and presentation currency.

The financial statements have been prepared on the historical cost basis.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The financial position of the Company is disclosed on the balance sheet on page 8. The financial statements have been prepared on the going concern basis, notwithstanding the net current liabilities of £15,282,463 (2015: £10,272,582) in the balance sheet. The Company is dependent for its working capital on funds provided by BHL (UK) Holdings Limited. BHL (UK) Holdings Limited has provided the directors with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company. This should enable the Company to continue in operational existence for the foreseeable future by meeting its obligations as they fall due. The Directors acknowledge that the continuing support is required and whilst there can be no absolute certainty there is, at the date of approval of these financial statements, no reason to believe that it will not receive such support.

Changes in accounting standards

During the current year a number of new IFRS and amendments to existing IFRS became effective. None of these had a material impact on the amounts included or the disclosures made within these financial statements

Taxation

Current tax

The current tax expense is the expected tax payable based on the taxable profits for the year. The rates enacted or substantively enacted at the reporting date are used to determine the current tax.

Non derivative financial instruments

Non derivative financial instruments comprise other debtors and other creditors.

Other debtors

Trade and other debtors are recognised initially at fair value. Subsequently to initial recognition they are measured at amortised cost using the effective interest method, less any impairment for losses.

The Company policy is to write off doubtful debtors shortly after identification and then credit any recovered amounts to the profit and loss account when funds are received. Recoverability of non-insurance related debtors and financial assets are assessed on a case by case basis and provisions are recognised where appropriate.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequently to initial recognition they are measured at amortised cost using the effective interest method less any impairment losses.

2. Operating loss

Operating loss is stated after charging the following:

	2016 £000s	2015 £000s
Auditor fees – fees for the audit of the company	9	5
Impairment of subsidiary	4,053	11,638
Other operating expenses/(income)	1,340	(1,953)
	5,402	9,690

3. Taxation

	2016 £000s	2015 £000s
Current tax		
UK corporation tax charge	(401)	404

Group relief is used throughout the group to set off tax assets and tax liabilities where possible.

The standard rate of tax for the year, based on the UK rate of corporation tax, is 20.00% (2015: 20.75%). The reconciling items between actual tax charge and the tax charge at the standard rate are shown in the table below.

Factors affecting total tax charge for the current period	2016 £000s	2015 £000s
Loss for the year	5,402	9,690
Tax at the weighted average corporate tax rate of 20.00% (2015: 20.75%)	(1,080)	2,010
Adjustments in respect of prior years	(414)	1
Expenses not deductible	1,093	(2,415)
Total tax charge/(credit)	(401)	404

Reductions in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 16 March 2016, the Chancellor announced additional planned reductions to 17% by 2020. This will reduce the company's future current tax charge accordingly.

No deferred tax provided or un-provided.

4. Employees

The Company did not directly employ any staff during the year.

5. Investment in subsidiaries

	2016 £000s	2015 £000s
Value at start of the year	3	4,871
Additions	4,061	6,770
Impairment	(4,053)	(11,638)
Value at end of the year	11	3

During the year BHL Eurasia Limited made a further investment in Telesure Sigorta ve Reasurans Brokerliği A.Ş (Telesure Sigorta), a Turkish insurance broker incorporated in Turkey, of £4,240,894 by way of additional paid in capital. Subsequently, during the year the investment in this subsidiary was fully impaired. At 30 June 2016 BHL Eurasia continues to hold 85% of the number of shares totalling 361,335 shares (2015: 149,020).

During the year the Company made a further investment in Beybostani, Pazarlama Hizmetleri AS, a joint stock company in Turkey, of £8,341 by way of paid in capital. At 30 June 2016 BHL Eurasia continues to hold 100% of the issued shares totalling 50,000 (2015: 12,500).

6. Loans receivable short term

	2016 £000s	2015 £000s
Amounts receivable from group undertakings	285	1,349
Other short term loans receivable	511	-
	796	1,349

7. Creditors: amounts falling due within one year

	2016 £000s	2015 £000s
Accruals and deferred income	10	5
Amounts payable to group undertakings	16,095	11,742
Tax charge		404
	16,105	12,151

8. Share Capital

	Authorised 2016 £	Authorised 2015 £
Opening share capital	1	1
Ordinary shares of £1 each issued in year	-	-
Closing share capital	1	1

The Company has one class of ordinary shares, all of which carry equal voting rights and was issued to BHL (UK) Holdings limited on 22 November 2013.

9. Financial instruments

The directors are of the opinion that carrying value approximates to the fair value. The carrying value of financial assets at the reporting date represents the maximum credit exposure.

10. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to consider judgements, estimates and assumptions that affect the reported revenues, expenses and assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management have made the judgement that the value of the investment in Telesure Sigorta is fully impaired.

Key sources of estimation uncertainty

There are no key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

11. Related party transactions

The Company has taken the exemption available under paragraph 8(k) FRS 101 from the disclosure requirements of IAS 24 in relation to entities which are wholly owned members of the same group.

The Company is a wholly owned subsidiary of the BHL (UK) Holdings Group. As such exemption from disclosing related party transactions with BHL (UK) Holdings Group Limited has been taken in the current year. All intercompany transactions are charged at a rate comparable to prevailing market rates.

Transactions

During the year, the Company invested £4,052,599 in its subsidiary, Telesure Sigorta by way of share allotment and premium. Subsequently, at the year the investment in this subsidiary was fully impaired (see note 5).

During the year the Company made a short term loan totalling £510,880 to Alper Ziyal, a director of the Company's subsidiary Beybostani Pazarlama Hizmetleri A.S.

There were no other related party transactions outside the BHL (UK) Holdings Group during the year ended 30 June 2016.

Directors' emoluments and interests

None of the directors were remunerated primarily for their services to the company, and it is not possible to determine the proportion of remuneration which relates to the Company. The directors are remunerated by related parties of the Company and their remuneration is disclosed within the accounts of those companies.

12. Events after the reporting date

There have been no events since the reporting date that materially affect the position of the Company.

13. Ultimate and immediate parent companies

The Company is a subsidiary undertaking of BHL (UK) Holdings Limited which is a company incorporated in England and Wales. The ultimate controlling party is Reef Holdings Limited.

The largest group in which the results of the Company are consolidated is that headed by BHL Holdings Limited. The smallest group in which they are consolidated is that headed by BHL (UK) Holdings Limited, incorporated in England and Wales. No other group financial statements include the results of the Company.

The consolidated financial statements of BHL (UK) Holdings Limited are available to the public and may be obtained from BHL (UK) Holdings Limited, Bath House, 16 Bath Row, Stamford, Lincolnshire, PE9 2QU. The consolidated financial statements of BHL Holdings Limited are not available to the public.