

Company number 08745318

BHL Eurasia Limited

Annual report and financial statements

Year ended 30 June 2018



BHL Eurasia Limited

Year ended 30 June 2018

Annual Report and financial statements

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Directors

S James
S Klinkert
I R Leech

Company secretary

L Sinfield

Registered office

Bath House
16 Bath Row
Stamford
Lincolnshire
PE9 2QU

BHL Eurasia Limited

Year ended 30 June 2018

Strategic Report

The directors present their strategic report for the year ended 30 June 2018.

Results and dividends

The results of BHL Eurasia Limited, company number 08745318, (the "Company") are set out on page 7 and show a profit before taxation of £8,091k (2017: loss of £1,105k).

No dividends have been paid during the year (2018: £0; 2017: £0).

Principal activities, trading review and future developments

The Company's main activity is as a holding company for an investment into a foreign subsidiary, Telesure Sigorta ve Reasurans Brokerliği A.Ş (Telesure Sigorta). The improving performance and forecasts of Telesure Sigorta since 1 July 2017 are such that as at 30 June 2018 the directors have reversed part of the previous impairment of this investment (amount reversed is £5,140k).

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 key performance indicator is the performance of the investment in Telesure Sigorta ve Reasurans Brokerliği A.Ş (Telesure Sigorta). The value of the investment is £5,909k (2017: £nil).

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.

BHL Eurasia Limited

Year ended 30 June 2018

Strategic Report (continued)

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



I R Leech
Director

Date: 18 October 2018

BHL Eurasia Limited

Year ended 30 June 2018

Report of the directors

The directors present their report together with the audited financial statements for the year ended 30 June 2018.

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 9 and shows net liabilities of £8,173k. 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 indication 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 indication 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.

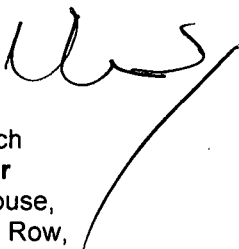
Directors' indemnity provision

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
Bath House,
16 Bath Row,
Stamford,
Lincolnshire,
PE9 2QU

Date:

18 October 2018

BHL Eurasia Limited

Year ended 30 June 2018

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' 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 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use 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.

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 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, and 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 (continued)

Opinion

We have audited the financial statements of BHL Eurasia Limited ("the company") for the year ended 30 June 2018 which comprise profit and loss account, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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 4, 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

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

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.

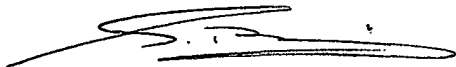
Auditor's responsibilities

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.



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

Date: 18 October 2018

BHL Eurasia Limited
Year ended 30 June 2018
Profit and loss account

	Note	2018 £000s	2017 £000s
Operating income/ (expenses)	2	8,085	(1,036)
Operating income/ (loss)		8,085	(1,036)
Finance income	3	6	21
Profit before tax		8,091	(1,015)
Tax	4	-	22
Profit/ (loss)for the year		8,091	(993)

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 10 to 16 form part of these financial statements.

BHL Eurasia Limited**Year ended 30 June 2018****Statement of changes in equity**

	Share capital £000s	Retained losses £000s	Total equity £000s
At 30 June 2016	0	(15,271)	(15,271)
Loss for the year	0	(993)	(993)
At 30 June 2017	0	(16,264)	(16,264)
Profit/ (loss) for the year	0	8,091	8,091
At 30 June 2018	0	(8,173)	(8,173)

The notes on pages 10 to 16 form part of these financial statements.

BHL Eurasia Limited**Year ended 30 June 2018****Balance Sheet**

Company Registered Number 08745318

	Note	2018 £000s	2017 £000s
Fixed assets			
Investment in subsidiaries	6	5,909	11
Current assets			
Loans receivable short term	7	1,699	310
Taxation receivable	7	-	22
Cash at bank		14	15
Creditors: amount falling due within one year	8	(15,795)	(16,622)
Net current liabilities		(14,082)	(16,275)
Total net liabilities		(8,173)	(16,264)
Capital and reserves			
Share capital	9	-	-
Retained losses		(8,173)	(16,264)
Total equity		(8,173)	(16,264)

The financial statements were approved by the board of directors on 18 October 2018
and signed on its behalf by:



I R Leech
Director

The notes on pages 10 to 16 form part of these financial statements.

BHL Eurasia Limited

Year ended 30 June 2018

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.

BHL Eurasia Limited

Year ended 30 June 2018

Notes to the accounts (continued)

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 9. The financial statements have been prepared on the going concern basis, notwithstanding the net liabilities of £8,173k (2017: £16,264k) 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 indication 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 indication 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.

Investments in subsidiaries

Investments in subsidiaries are valued at cost less provision for impairment.

Impairment is measured based on the present value of expected future cash flows of the subsidiary. When a subsidiary is considered to be impaired, the profit and loss account is charged with the difference between the carrying value and the estimated recoverable amount. Reversals of impairments are only recognised where the decrease in the impairment can be objectively related to an event occurring after the write down.

Non derivative financial instruments

Non derivative financial instruments comprise other debtors and other creditors.

Other debtors

Other debtors are recognised initially at cost then, if a non-Sterling debtor, retranslated at year end.

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 other debtors are assessed on a case by case basis and provisions are recognised where appropriate.

Other creditors

Other creditors are recognised initially at cost then, if a non-Sterling creditor, retranslated at year end. Gains or losses on retranslation are recognised in the profit and loss account.

BHL Eurasia Limited

Year ended 30 June 2018

Notes to the accounts (continued)

IFRS 9 Financial Instruments

The standard is effective for accounting periods commencing on or after 1 January 2018. The new standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

IFRS 9 also introduces a new hedge accounting model and an 'expected credit loss' model for the measurement of impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised.

Current practice under IAS 39 uses an incurred loss model which assumes collectability until a loss or trigger event is identified. Under IFRS 9 lifetime expected credit losses are to be recognised upfront. IFRS 9 will have minimal impact to the Company.

2. Operating profit/ (loss)

Operating profit/ (loss) is stated after crediting/ charging the following:

	2018 £000s	2017 £000s
Auditor fees – fees for the audit of the company	(9)	(10)
Auditor fees – fees for non-audit services	-	(2)
Reversal of impairment of subsidiary	5,140	-
Impairment of subsidiary	-	(3,194)
Other operating income	2,954	2,170
	8,085	(1,036)

3. Finance income

	2018 £000s	2017 £000s
Interest on loans to related parties	6	21
	6	21

Interest on the loan to a related party was charged at the Turkish legal interest rate (9%).

BHL Eurasia Limited**Year ended 30 June 2018****Notes to the accounts (continued)****4. Taxation**

	2018 £000s	2017 £000s
Current tax		
UK corporation tax (credit)	-	(22)

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 19% (2017: 19.75%). 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 credit for the current period	2018 £000s	2017 £000s
(Profit)/ Loss for the year before tax	(8,091)	1,015
Tax at the weighted average corporate tax rate of 19% (2017: 19.75%)	1,537	(200)
Adjustments in respect of prior years	-	-
(Income not taxable)/ expenses not deductible	(1,554)	178
Current year deferred tax not recognised	17	-
Total tax credit	-	(22)

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

No deferred tax provided or unprovided.

5. Employees

The Company did not directly employ any staff during the year (2018: 0; 2017: 0).

BHL Eurasia Limited**Year ended 30 June 2018****Notes to the accounts (continued)****6. Investment in subsidiaries**

	2018 £000s	2017 £000s
Value at start of the year	11	11
Disposals	(11)	-
Additions	769	3,194
Reversal of impairment/ (impairment)	5,140	(3,194)
Value at end of the year	5,909	11

During the year BHL Eurasia Limited made a further investment of £769k in Telesure Sigorta ve Reasurans Brokerliği A.Ş (Telesure Sigorta), a Turkish insurance broker incorporated in Turkey, by way of additional paid in capital. At 30 June 2018 BHL Eurasia continues to hold 85% of the number of shares totalling 6,310,120 shares (2017: 6,309,035 shares).

During the year, following improved performance and prospects, management has considered the valuation of its investment in Telesure Sigorta, including obtaining valuations from two third party valuers. These valuations support a reversal of impairment of £5,140k (the £3,194k impairment recorded during the year ended 30 June 2017 and £1,946k of the impairment recorded during the year ended 30 June 2016). For more information on the valuations see note 11.

During 2018, BHL Eurasia sold its 100% shareholding in Beybostani, Pazarlama Hizmetleri AS (Beybostani) for £0 consideration.

Telesure Sigorta is incorporated in Turkey and registered at İçerenköy Mahallesi Değirmenyolu Cad. No:27 D:9 Ataşehir, İstanbul.

7. Debtors

	2018 £000s	2017 £000s
Corporation tax receivable	-	22
Amounts receivable from group undertakings	1,644	240
Other short term loan receivable	55	70
	1,699	332

8. Creditors: amounts falling due within one year

	2018 £000s	2017 £000s
Accruals and deferred income	9	9
Amounts payable to group undertakings	15,786	16,613
	15,795	16,622

BHL Eurasia Limited

Year ended 30 June 2018

Notes to the accounts (continued)

9. Share Capital

	Authorised 2018 £	Authorised 2017 £
Opening share capital	1	1
Ordinary shares of £1 each issued in year	0	0
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.

10. 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.

11. 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 has made the judgement that a portion of the impairment in the value of the investment in Telesure Sigorta in prior periods should be reversed.

Key sources of estimation uncertainty

At 30 June 2018, management has valued the investment in Telesure Sigorta at £5,909k. This comprises the cost of additional investment in shares during the year of £769k and a reversal of impairment of £5,140k. The valuation of £5,909k is at the lower end of the range of valuations performed by two third party valuers.

12. 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.

There were no related party transactions outside the BHL (UK) Holdings Group during the year ended 30 June 2018.

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.

BHL Eurasia Limited

Year ended 30 June 2018

Notes to the accounts (continued)

13. Events after the reporting date

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

14. 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.