**Annual report** 

31 December 2014





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# > Chantrey Vellacott

# European Insurance and Reinsurance Brokers Limited

# **Annual report**

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# Chantrey Vellacott

# **European Insurance and Reinsurance Brokers Limited**

### Officers and professional advisers

The board of directors

Mrs R G Milanova Mr R I Yantchev Mr T T Major Mr J P Newcombe

Company secretary

Mr J P Newcombe

Registered office

8-11 Crescent London EC3N 2LY

**Auditor** 

Chantrey Vellacott DFK LLP
Chartered Accountants and Statutory Auditor
Russell Square House
10 - 12 Russell Square
London
WC1B 5LF



#### **Directors' report**

#### Year ended 31 December 2014

The directors present their report and the audited financial statements of the company for the year ended 31 December 2014.

#### Principal activities and business review

The company trades as an insurance and reinsurance broker with particular reference to Bulgarian trade.

The board is pleased with the increase in turnover and profit as compared with the prior year and looks forward to a continued increase in business.

#### **Directors**

The directors who served the company during the year were as follows:

Mrs R G Milanova Mr R I Yantchev Mr T T Major Mr J P Newcombe

#### Directors' responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- 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 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.

#### **Auditor**

Chantrey Vellacott DFK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.



#### **Directors' report** (continued)

#### Year ended 31 December 2014

#### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed by order of the directors

Mr J P Newcombe

**Company Secretary** 

Approved by the directors on 24-3/2015

# Independent auditor's report to the shareholders of European Insurance and Reinsurance Brokers Limited

#### Year ended 31 December 2014

We have audited the financial statements of European Insurance and Reinsurance Brokers Limited for the year ended 31 December 2014. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 set out on page 2, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
   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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemptions from the requirement to prepare a strategic report.



Independent auditor's report to the shareholders of European Insurance and Reinsurance Brokers Limited (continued)

Year ended 31 December 2014

Charley Vulacet Bh ul MARK LAMB (Senior Statutory Auditor) for and on behalf of CHANTREY VELLACOTT DFK LLP

**Chartered Accountants and Statutory Auditor** 

26 March 2015

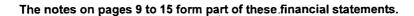
#### **Profit and loss account**

#### Year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	1,220,396	1,315,378
Administrative expenses		1,061,439	1,000,836
Operating profit	3	158,957	314,542
Interest receivable Interest payable and similar charges	6	57 (969)	249 (1,644)
Profit on ordinary activities before taxation		158,045	313,147
Tax on profit on ordinary activities	7	41,624	78,655
Profit for the financial year	•	116,421	234,492

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.



#### **Balance sheet**

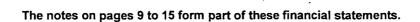
#### As at 31 December 2014

	Note	2014 £	2013 £
Fixed assets	_		
Investments	9	16,413	16,413
Current assets Debtors	10	2,088,024	3,547,938
Cash at bank		663,330	634,716
Creditors: amounts falling due within one year	11	2,751,354 2,502,672	4,182,654 3,890,761
Net current assets	٠.	248,682	291,893
Total assets less current liabilities		265,095	308,306
Comitted and recovery			
Capital and reserves Called up equity share capital	14	25,000	25,000
Profit and loss account	15	240,095	283,306
Shareholders' funds	16	265,095	308,306

These financial statements were approved by the directors and authorised for issue on 26/23/2215, and are signed on their behalf by:

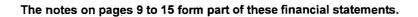
Mr R I Yantchev

Company Registration Number: 914492



#### **Cash flow statement**

	Note	2014 £	2013 £
Net cash inflow from operating activities	17	240,178	124,271
Returns on investments and servicing of finance	17	(912)	(1,395)
Taxation	17	(78,281)	(65,543)
Equity dividends paid		(132,371)	(295,770)
Increase/(decrease) in cash	17	28,614	(238,437)



#### Notes to the financial statements

#### Year ended 31 December 2014

#### 1. Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

#### Consolidation

The company was, at the end of the year, a subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

#### Turnover

Turnover represents commission due on insurance contracts and is recognised on the date that the underlying insurance is contracted.

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### Insurance broking assets and liabilities

The company acts as an agent in broking the insurance and reinsurance risks of its clients and, generally, is not liable as a principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the legal relationship with clients and underwriters, the company has followed generally accepted accounting practice for insurance intermediaries by showing debtors, creditors and cash balances relating to insurance business as assets and liabilities of the company itself.

In the ordinary course of insurance broking business, settlement is required to be made with certain market settlement bureau or insurance intermediaries on the basis of the net balance due to or from the bureau or intermediary in question rather than the amount due to or from the individual third parties which it represents, However, under the Financial Reporting Standard No. 5, assets and liabilities may not be offset unless net settlement is legally enforceable; insurance debtors and creditors are therefore shown gross within these financial statements.

#### Notes to the financial statements

#### Year ended 31 December 2014

#### 2. Turnover

3.

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

An analysis of turnover is given below:		
	2014 £	2013 £
United Kingdom	1,220,396	1,315,378
Operating profit		
Operating profit is stated after charging/(crediting):		
	2014 £	2013 £
Net profit on foreign currency translation Auditor's remuneration - audit of the financial statements Auditor's remuneration - other fees	(6,176) 12,000 2,000	(29,232) 15,000 2,000
	2014 £	2013 £
Auditor's remuneration - audit of the financial statements	12,000	15,000

#### 4. Particulars of employees

- Taxation services

Auditor's remuneration - other fees:

The average number of staff, including executive directors, employed by the company during the financial year can be analysed as follows:

2,000

2,000

	2014 No	2013 No
Administrative Management	3 1	3 1
	4	4
The aggregate payroll costs of the above were:		
	2014	2013
	£	£
Wages and salaries	571,477	536,624
Social security costs	70,853	68,180
Other pension costs	53,122	52,296
	695,452	657,100

# Notes to the financial statements

5.	Directors' remuneration		
	The directors' aggregate remuneration in respect of qualifying services were:		
		2014 £	2013 £
	Remuneration receivable Value of company pension contributions to money purchase schemes	421,852 40,000	399,374 40,000
		461,852	439,374
	Remuneration of highest paid director:	2014 £	2013 £
	Total remuneration (excluding pension contributions) Value of company pension contributions to money purchase schemes	409,852 40,000	387,374 40,000
		449,852	427,374
	The number of directors who accrued benefits under company pension scheme	s was as follows	<b>s:</b>
		2014 No	2013 No
	Money purchase schemes	1	1
6.	Interest payable and similar charges		
		2014 £	2013 £
	Other similar charges payable	969	1,644
-	•••		
7.	Taxation on ordinary activities		
	(a) Analysis of charge in the year		.•
		2014 £	2013 £
	Current tax:		
	UK Corporation tax based on the results for the year	41,624	78,655
	Total current tax	41,624	78,655

#### Notes to the financial statements

#### Year ended 31 December 2014

<b>7</b> .	Taxation on ordinary activities (continued)		
	(b) Factors affecting current tax charge		
		2014 £	2013 £
	Profit on ordinary activities before taxation	158,045	313,147
	Profit on ordinary activities multiplied by rate of tax Expenses not deductible for tax purposes	36,353 5,271	72,806 5,849
	Total current tax (note 7(a))	41,624	78,655
8.	Dividends		
0.	Equity dividends		
	Equity dividends	2014 £	2013 £
	Paid Equity dividends on ordinary shares	159,632	347,391
	•		
9.	Investments		
			Shares in group undertakings
			£
	Cost At 1 January 2014 and 31 December 2014		16,413
	Net book value At 31 December 2014 and 31 December 2013		16,413
	The company owns 51% of the issued share capital of the comparegistered in Russia:	nies listed below, both	of which are
	EIRB LLC, which trades as insurance and reinsurance brokers, has c year of \$126,714 and \$6,198 respectively.	apital and reserves an	d profit for the
	EIRB Insurance Agents LLC is not trading.		
10.	Debtors		
		2014	2013
	Trade debtors	£ 2,051,136 36,888	£ 3,455,899 92,039

2,088,024

3,547,938

#### Notes to the financial statements

#### Year ended 31 December 2014

#### 11. Creditors: amounts falling due within one year

2014	2013
£	£
2,164,568	3,563,063
5,975	-
41,139	77,796
174,264	158,010
78,882	51,621
37,844	40,271
2,502,672	3,890,761
	£ 2,164,568 5,975 41,139 174,264 78,882 37,844

#### 12. Commitments under operating leases

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets other than Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
Within one year	764	-
Within two to five years	•	4,585
	764	4,585

#### 13. Related party transactions

The ultimate parent company is Vienna Insurance Group AG Wiener Versicherung Gruppe, a company incorporated in Austria.

The immediate parent company is Bulstrad Vienna Insurance Group AD Sofia, a company which draws up consolidated accounts and is incorporated in Bulgaria and is the smallest group for which consolidated accounts are prepared and publicly available. Accounts are available from Bulstrad Vienna Insurance Group AD Sofia, 5 Positano Square, Sophia 1000, Bulgaria.

The standing insurance balance due from the immediate parent undertaking amounted to £203,392 (2013: £1,532,090) and amounts due to the immediate parent undertaking were £5,975 (2013: amounts due from the parent of 18,417).

During the year, a dividend of £159,632 (2013: £347,391). As a result of his 15% shareholding in the company, Mr T T Major was due £23,945 (2013: £52,109).



# Notes to the financial statements

14.	Share capital				
	Allotted, called up and fully paid:				
		2014		2013	3
		No	£	No	£
	'A' ordinary shares of £1 each 'B' ordinary shares shares of £1 each	21,250 3,750	21,250 3,750	21,250 3,750	21,250 3,750
		25,000	25,000	25,000	25,000
15.	Profit and loss account				
				2014	2013
	Balance brought forward			£ 283,306	£ 396,205
	Profit for the financial year			116,421	234,492
	Equity dividends			(159,632)	(347,391)
	Balance carried forward			240,095	283,306
16.	Reconciliation of movements in shareho	Iders' funds			
				2014 £	2013 £
	Profit for the financial year			116,421	234,492
	Equity dividends			(159,632)	(347,391)
	Net reduction of shareholders' funds	•		(43,211)	(112,899)
	Opening shareholders' funds		,	308,306	421,205
	Closing shareholders' funds			265,095	308,306
17.	Notes to the cash flow statement				
	Reconciliation of operating profit to net operating activities	cash inflow from			•
		•		2014 £	2013 £
	Operating profit			158,957	314,542
	Decrease/(increase) in debtors (Decrease)/increase in creditors			1,459,914 (1,378,693)	(1,461,852) 1,271,581
	Net cash inflow from operating activities			240,178	124,271

#### Notes to the financial statements

#### Year ended 31 December 2014

17.	Notes to the cash flow statement (continued)			
	Returns on investments and servicing of finance			
			2014	2013
,	Interest received Interest paid		£ 57 (969)	£ 249 (1,644)
	Net cash outflow from returns on investments and servicing of	inance	(912)	(1,395)
	Taxation			
			2014	2013
	Taxation		£ (78,281)	£ (65,543)
	Reconciliation of net cash flow to movement in net funds			
			2014 £	2013 £
	Increase/(Decrease) in cash in the period		28,614	(238,437)
	Movement in net funds in the period		28,614	(238,437)
	Net funds at 1 January 2014		634,716	873,153
	Net funds at 31 December 2014		663,330	634,716
1561	Analysis of changes in net funds			
		At 1 Jan 2014 £	Cash flows £	At 31 Dec 2014 £
	Net cash: Cash in hand and at bank	634,716	28,614	663,330
	Net funds	634,716	28,614	663,330

#### 18. Ultimate parent company

Th ultimate parent undertaking is Vienna Insurance Group AG Wiener Versicherung Gruppe, a company incorporated in Austria.