



**European Insurance and Reinsurance
Brokers Limited**

Annual report

31 December 2014

FRIDAY



A45HPS68

A20

17/04/2015

#357

COMPANIES HOUSE

European Insurance and Reinsurance Brokers Limited

Annual report

Year ended 31 December 2014

Contents	Page
Officers and professional advisers	1
Directors' report	2
Independent auditor's report to the shareholders	4
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9

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

European Insurance and Reinsurance Brokers Limited

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.

European Insurance and Reinsurance Brokers Limited

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 26/03/2015

European Insurance and Reinsurance Brokers Limited

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.



European Insurance and Reinsurance Brokers Limited

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

Year ended 31 December 2014

Chantrey Vellacott DfK LLP

MARK LAMB (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
London

26 March 2015

European Insurance and Reinsurance Brokers Limited

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		57	249
Interest payable and similar charges	6	(969)	(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.


European Insurance and Reinsurance Brokers Limited

Balance sheet

As at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Investments	9	<u>16,413</u>	<u>16,413</u>
Current assets			
Debtors	10	2,088,024	3,547,938
Cash at bank		663,330	634,716
		<u>2,751,354</u>	<u>4,182,654</u>
Creditors: amounts falling due within one year	11	<u>2,502,672</u>	<u>3,890,761</u>
Net current assets		<u>248,682</u>	<u>291,893</u>
Total assets less current liabilities		<u>265,095</u>	<u>308,306</u>
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	<u>265,095</u>	<u>308,306</u>

These financial statements were approved by the directors and authorised for issue on 26/03/2015, and are signed on their behalf by:


.....
Mr R I Yantchev

Company Registration Number: 914492

The notes on pages 9 to 15 form part of these financial statements.

European Insurance and Reinsurance Brokers Limited

Cash flow statement

Year ended 31 December 2014

	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	<u>28,614</u>	<u>(238,437)</u>

European Insurance and Reinsurance Brokers Limited

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.

European Insurance and Reinsurance Brokers Limited

Notes to the financial statements

Year ended 31 December 2014

2. Turnover

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

An analysis of turnover is given below:

	2014 £	2013 £
United Kingdom	<u>1,220,396</u>	<u>1,315,378</u>

3. Operating profit

Operating profit is stated after charging/(crediting):

	2014 £	2013 £
Net profit on foreign currency translation	(6,176)	(29,232)
Auditor's remuneration - audit of the financial statements	12,000	15,000
Auditor's remuneration - other fees	<u>2,000</u>	<u>2,000</u>
	2014 £	2013 £
Auditor's remuneration - audit of the financial statements	<u>12,000</u>	<u>15,000</u>
Auditor's remuneration - other fees:		
- Taxation services	<u>2,000</u>	<u>2,000</u>

4. Particulars of employees

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

	2014 No	2013 No
Administrative	3	3
Management	<u>1</u>	<u>1</u>
	<u>4</u>	<u>4</u>

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
	<u>695,452</u>	<u>657,100</u>



European Insurance and Reinsurance Brokers Limited

Notes to the financial statements

Year ended 31 December 2014

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2014 £	2013 £
Remuneration receivable	421,852	399,374
Value of company pension contributions to money purchase schemes	40,000	40,000
	<u>461,852</u>	<u>439,374</u>

Remuneration of highest paid director:

	2014 £	2013 £
Total remuneration (excluding pension contributions)	409,852	387,374
Value of company pension contributions to money purchase schemes	40,000	40,000
	<u>449,852</u>	<u>427,374</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2014 No	2013 No
Money purchase schemes	<u>1</u>	<u>1</u>

6. Interest payable and similar charges

	2014 £	2013 £
Other similar charges payable	<u>969</u>	<u>1,644</u>

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	<u>41,624</u>	<u>78,655</u>



European Insurance and Reinsurance Brokers Limited

Notes to the financial statements

Year ended 31 December 2014

7. Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>158,045</u>	<u>313,147</u>
Profit on ordinary activities multiplied by rate of tax	36,353	72,806
Expenses not deductible for tax purposes	5,271	5,849
Total current tax (note 7(a))	<u>41,624</u>	<u>78,655</u>

8. Dividends

Equity dividends

	2014 £	2013 £
Paid Equity dividends on ordinary shares	<u>159,632</u>	<u>347,391</u>

9. Investments

	Shares in group undertakings £
Cost At 1 January 2014 and 31 December 2014	<u>16,413</u>
Net book value At 31 December 2014 and 31 December 2013	<u>16,413</u>

The company owns 51% of the issued share capital of the companies listed below, both of which are registered in Russia:

EIRB LLC, which trades as insurance and reinsurance brokers, has capital and reserves and profit for the year of \$126,714 and \$6,198 respectively.

EIRB Insurance Agents LLC is not trading.

10. Debtors

	2014 £	2013 £
Trade debtors	2,051,136	3,455,899
Other debtors	36,888	92,039
	<u>2,088,024</u>	<u>3,547,938</u>

European Insurance and Reinsurance Brokers Limited

Notes to the financial statements

Year ended 31 December 2014

11. Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	2,164,568	3,563,063
Amounts owed to group undertakings	5,975	-
Corporation tax	41,139	77,796
Other taxation	174,264	158,010
Dividends payable	78,882	51,621
Accruals and deferred income	37,844	40,271
	<u>2,502,672</u>	<u>3,890,761</u>

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
	<u>764</u>	<u>4,585</u>

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).

European Insurance and Reinsurance Brokers Limited

Notes to the financial statements

Year ended 31 December 2014

14. Share capital

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
'A' ordinary shares of £1 each	21,250	21,250	21,250	21,250
'B' ordinary shares shares of £1 each	3,750	3,750	3,750	3,750
	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

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	<u>240,095</u>	<u>283,306</u>

16. Reconciliation of movements in shareholders' 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	<u>265,095</u>	<u>308,306</u>

17. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2014	2013
	£	£
Operating profit	158,957	314,542
Decrease/(increase) in debtors	1,459,914	(1,461,852)
(Decrease)/increase in creditors	(1,378,693)	1,271,581
Net cash inflow from operating activities	<u>240,178</u>	<u>124,271</u>



European Insurance and Reinsurance Brokers Limited

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	57	249
Interest paid	(969)	(1,644)
Net cash outflow from returns on investments and servicing of finance	<u>(912)</u>	<u>(1,395)</u>

Taxation

	2014 £	2013 £
Taxation	<u>(78,281)</u>	<u>(65,543)</u>

Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
Increase/(Decrease) in cash in the period	<u>28,614</u>	<u>(238,437)</u>
Movement in net funds in the period	<u>28,614</u>	<u>(238,437)</u>
Net funds at 1 January 2014	<u>634,716</u>	<u>873,153</u>
Net funds at 31 December 2014	<u>663,330</u>	<u>634,716</u>

Analysis of changes in net funds

	At 1 Jan 2014 £	Cash flows £	At 31 Dec 2014 £
Net cash:			
Cash in hand and at bank	<u>634,716</u>	<u>28,614</u>	<u>663,330</u>
Net funds	<u>634,716</u>	<u>28,614</u>	<u>663,330</u>

18. Ultimate parent company

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