

Ruxley Management Services Limited

Registered number: 04437337

Directors' report and financial statements

For the year ended 31 December 2016

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RUXLEY MANAGEMENT SERVICES LIMITED

COMPANY INFORMATION

Directors	John H Winter Juliette L Winter
Company secretary	Juliette L Winter
Registered number	04437337
Registered office	Ashcombe Court Woolsack Way Goldaming Surrey GU7 1LQ
Independent auditor	James Cowper Kreston Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS

RUXLEY MANAGEMENT SERVICES LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditor's Report	4 - 5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 15

RUXLEY MANAGEMENT SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

Ruxley Management Services is a member of the Ruxley Group "Ruxley", the overall parent company being Ruxley Enterprises Limited.

Business review

Ruxley Management Services Limited is a wholly owned indirect subsidiary of Ruxley Enterprises Limited, the parent company of the 'Ruxley Group' ("Ruxley"), which comprises the following companies:

Ruxley Enterprises Limited
Ruxley Ventures Limited
Ruxley Management Services Limited
City General Insurance Company Limited ('CG')
Aviation & General Insurance Company Limited ('A&G')

Ruxley was established in December 2001 as a specialist insurance business to acquire insurance companies in run-off and portfolios of discontinued insurance business with a high proportion of long tail US based Asbestos, Pollution and Health Hazard liabilities ('APH').

Principal risks and uncertainties

The group regularly assesses the following business risks:

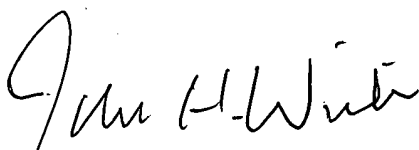
- Credit worthiness of investment counterparties and adequacy of investment return; and
- Cash flow requirements to ensure its liquidity needs are met.

Financial key performance indicators

The group reviews the following two key financial performance indicators to monitor and manage its financial performance

- Rate of investment returns; and
- Level of net operating expenses against prior years.

This report was approved by the board and signed on its behalf.



John H Winter
Director

Date: 28 September 2017

RUXLEY MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activities

Ruxley Management Services Limited is engaged in the provision of consultancy services to the insurance industry.

Results and dividends

The loss for the year, after taxation, amounted to £215,000 (2015 :£153,000).

The company has not paid or approved a dividend during the year.

Directors' and officers' liability insurance

During the period the Company effected liability insurance for the directors and officers of the Company as permitted by the Companies Act 2006.

Matters covered in the Strategic report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 1-2. These matters relate to the business review, principal risks and uncertainties and key performance indicators.

Directors

The directors who served during the year were:

John H Winter
Juliette L Winter

Political contributions

There were no political or charitable contributions made in the year (2015: £nil).

RUXLEY MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless satisfied that they 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 for the Company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

Provision of information to auditor

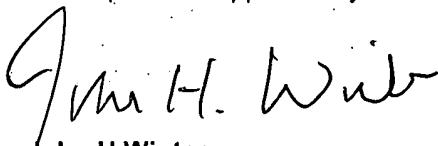
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Auditors

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



John H Winter
Director

Date: 28 September 2017

RUXLEY MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUXLEY MANAGEMENT SERVICES LIMITED

We have audited the financial statements of Ruxley Management Services Limited for the year ended 31 December 2016 which comprise as the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 16. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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 website at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

RUXLEY MANAGEMENT SERVICES LIMITED

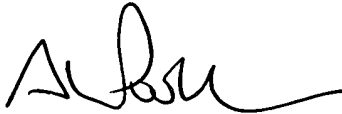
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RUXLEY MANAGEMENT SERVICES LIMITED

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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



Alan Poole BA (Hons) FCA (Senior Statutory Auditor)

for and on behalf of James Cowper Kreston
Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

28 September 2017

RUXLEY MANAGEMENT SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £000	2015 £000
Turnover		59	59
Gross profit		<u>59</u>	<u>59</u>
Administrative expenses		(274)	(212)
Operating loss		<u>(215)</u>	<u>(153)</u>
Tax on loss	7	-	-
Loss for the year		<u><u>(215)</u></u>	<u><u>(153)</u></u>

There was no other comprehensive income for 2016 (2015: £nil).

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

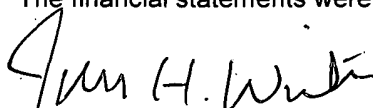
RUXLEY MANAGEMENT SERVICES LIMITED

Registered number: 04437337

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	2016 £000	2015 £000
Current assets			
Debtors: amounts falling due within one year	8	79	16
Cash at bank and in hand	9	8	19
		<u>87</u>	<u>35</u>
Creditors: amounts falling due within one year	10	(769)	(502)
Net current liabilities		<u>(682)</u>	<u>(467)</u>
Total assets less current liabilities		<u>(682)</u>	<u>(467)</u>
Net liabilities		<u>(682)</u>	<u>(467)</u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account	12	(683)	(468)
Shareholders' deficit		<u>(682)</u>	<u>(467)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


John H Winter
Director

Date: 28 September 2017

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

RUXLEY MANAGEMENT SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2015	1	(315)	(314)
Comprehensive income for the year			
Loss for the year	-	(153)	(153)
At 1 January 2016	1	(468)	(467)
Comprehensive income for the year			
Loss for the year	-	(215)	(215)
At 31 December 2016	1	(683)	(682)

The notes on pages 10 to 17 form part of these financial statements.

RUXLEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

1.1 General Information

Ruxley Management Services Limited ("the Company") is a limited company incorporated in the United Kingdom. The address of its registered office is Ashcombe Court, Woolsack Way, Godalming, Surrey, GU7 1LQ.

These financial statements have been presented in Pounds (£) as this is the Company's functional currency, being the primary economic environment in which the Company operates.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Ruxley Enterprises Limited as at 31 December 2016 and these financial statements may be obtained from Ashcombe Court, Woolsack Way, Godalming, Surrey, GU7 1LQ.

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

RUXLEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.8 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income Statement within 'other operating income'.

1.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

RUXLEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.9 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.10 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors do not believe that any critical judgement has been made in the process of applying the company's accounting policies that would have a material effect in the statutory financial statements.

3. Analysis of turnover

Analysis of turnover by country of destination:

	2016 £000	2015 £000
United Kingdom	59	59
	<u>59</u>	<u>59</u>

All turnover arose within the United Kingdom.

RUXLEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

4. Operating loss

The operating loss is stated after charging:

	2016 £000	2015 £000
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	5	12
Exchange differences	4	20
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2015: £nil).

5. Auditor's remuneration

	2016 £000	2015 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	5	12
	<u> </u>	<u> </u>

6. Employees

No directors were remunerated by the company during the year (2015: £nil).

The company has made no pension contributions in respect of directors. No pension benefits were paid to current or previous directors in the year.

Emoluments paid to the directors by the company's parent and ultimate parent company totalled £200,000 (2015: £200,000) of which £100,000 (2015: £100,000) relates to the highest paid director. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

The average monthly number of employees not including the directors, during the year were nil (2015: nil).

7. Taxation

	2016 £000	2015 £000
Total current tax	-	-
	<u> </u>	<u> </u>

RUXLEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £000	2015 £000
Loss on ordinary activities before tax	(215)	(153)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	(43)	(31)
Effects of:		
Adjust closing deferred tax to average rate of 20%	24	13
Adjust opening deferred tax to average rate of 20%	(12)	(1)
Deferred tax not recognised	31	19
Total tax charge for the year	-	-

Factors that may affect future tax charges

There are also tax losses carried forward of approximately £818,000 (2015: £599,000) which are available to offset against future profits. The company is not recognising a potential deferred tax asset of £139,000 (2015: £108,000) in respect of these losses because the availability of future profits to recover the deferred tax asset is uncertain. A reduction in the UK corporation tax rate from 20% to 19% was substantively enacted in July 2015 and takes effect from 1 April 2017. A further reduction in the UK corporation tax rate to 17% from 1 April 2020, was substantively enacted in September 2016.

8. Debtors

	2016 £000	2015 £000
Trade debtors	55	-
Amounts owed by group undertakings	5	-
Other debtors	3	-
Prepayments and accrued income	16	16
	79	16

The amounts owed by group undertakings are interest free and repayable on demand.

RUXLEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

9. Cash and cash equivalents

	2016 £000	2015 £000
Cash at bank and in hand	8	19
	<u>8</u>	<u>19</u>

10. Creditors: Amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	-	37
Amounts owed to group undertakings	686	407
Taxation and social security	-	6
Accruals and deferred income	83	52
	<u>769</u>	<u>502</u>

The amounts owed to group undertakings are interest free and repayable on demand.

11. Financial instruments

	2016 £000	2015 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	87	34
	<u>87</u>	<u>34</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(769)	(496)
	<u>(769)</u>	<u>(496)</u>

Financial assets measured at amortised cost comprise of accrued income, other debtors and cash and cash equivalents.

Financial Liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings and accruals.

RUXLEY MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

12. Reserves

Profit & loss account

The profit and loss accounts represents cumulative profits available for distribution.

13. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
800 ordinary A shares of £1 each	800	800
200 ordinary B shares of £1 each	200	200
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>

14. Related party transactions

The Company is a wholly owned subsidiary of Ruxley Ventures Limited and as such has taken advantage of the exemption permitted by Section 33 'Related party disclosures' not to provide disclosures of transactions entered into with other wholly owned members of the group.

15. Controlling party

The company's immediate parent undertaking is Ruxley Ventures Limited.

At 31 December 2016, the company's ultimate parent undertaking was Ruxley Enterprises Limited, which is registered in England & Wales. Copies of its group financial statements, which will include the company, are available from Ashcombe Court, Woolsack Way, Godalming, Surrey, GU7 1LQ.

The company is controlled by John H Winter, a Director by virtue of his shareholding in Ruxley Enterprises Limited.