

COMPANY REGISTRATION NUMBER 05636081

LV INSURANCE MANAGEMENT LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2014

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LV INSURANCE MANAGEMENT LIMITED

REPORT AND FINANCIAL STATEMENTS 2014

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LV INSURANCE MANAGEMENT LIMITED

DIRECTORS, OFFICERS AND REGISTERED OFFICE

Directors

P M Bunker
S V Castle
J B O'Roarke
M J Rogers
P W Moore
S R Haynes

Company secretary

R S Small

Registered office

County Gates
Bournemouth
BH1 2NF

Tel 01202 292333
Fax 01202 751825

STRATEGIC REPORT

1. Results and dividends

The loss for the year after taxation was £31,000 (2013 £503,000) as set out on page 6. The Directors proposed and paid no dividends in the current year (2013 £45,700,000).

2. Principal activities

The principal activity of LV Insurance Management Limited ('LVIM') is the provision of management services to other companies within Liverpool Victoria General Insurance Group ('LVGIG').

3. Business review and developments

(a) Results and performance

During 2014 LVIM has continued to support LVGIG in its long term strategic objectives.

(b) Strategy

The long term objective of LVGIG and its subsidiaries ('Group') is as follows:

"To maintain its position as a top five general insurer in its target markets and to be active in all major channels: direct, broker, affinity and white-label. It will be focused on three core products, namely Motor, Home and Commercial supported by minor offerings such as Road Rescue, Travel and Pet and will utilise a range of strong brands including LV=, Highway, ABC and Britannia Rescue. The Group will operate best-practice processes and technology in order to provide superior customer service through a people-focused and empowered culture. The Group will ultimately deliver attractive and consistent returns to members."

The Company is the main service company within this group and supports the main operating entities in achieving the overall objective. The Directors do not anticipate any change in this status in the near future.

(c) Principal risks and uncertainties

Given the nature of the operations the Directors do not consider there are any significant risks and uncertainties facing the Company.

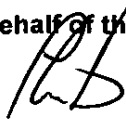
(d) Significant post statement of financial position events.

There have been no events of significance affecting the Company since the statement of financial position date.

(e) Key performance indicators ('KPIs')

Given the nature of LVIM's operations the Directors do not consider the use of KPIs to be appropriate.

On behalf of the Board of Directors



S V Castle
Director

26 March 2015

DIRECTORS' REPORT

As permitted by section 414C(11) of the Companies Act 2006, certain information is not included in the Directors' Report because it has instead been shown in the Strategic Report. This information is

- Results and dividends,
- Principal activities of the Company,
- Business review and future prospects,
- Principal risks and uncertainties

1. Directors and their interests

The present members of the Board and the members who were in office during the year and up to the date of signing the financial statements are listed on page 2

2. Parent company

The ultimate parent company is Liverpool Victoria Friendly Society Limited ('LVFS'), a friendly society incorporated under the Friendly Societies Act 1992. The immediate parent company is LVGI

3. Employees

The Company did not directly employ any staff during 2014. Instead it utilised the staff and premises of LVFS in carrying out its activities and incurred the cost of staff through management charges.

4. Directors' indemnity statement

The Directors have the benefit of an indemnity which constitutes a "qualifying third party indemnity provision" as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. LVFS, the ultimate parent company, also purchased and maintained throughout the financial year on behalf of its subsidiaries Directors' and Officers' liability insurance in respect of the Company and its Directors. It is available for inspection at the registered office of the Company, details of which are provided on page 2.

5. Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

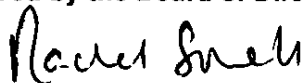
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. Under company law the Directors must 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

DIRECTORS' REPORT

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.

Approved by the Board of Directors and signed by order of the Board



R S Small
Company Secretary

26 March 2015

LV INSURANCE MANAGEMENT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £000	2013 £000
Other income	4	269,433	280,125
Total income		269,433	280,125
Other operating and administrative expenses	5	(269,433)	(280,125)
Total expenses		(269,433)	(280,125)
Profit before tax		-	-
Income tax expense	7	(31)	(503)
Loss for the financial year		(31)	(503)
Total comprehensive loss for the year		(31)	(503)

All balances relate to continuing business

The notes on pages 10 to 22 are an integral part of the financial statements

LV INSURANCE MANAGEMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	Attributable to equity holders of the Company			Total equity
		Share capital	Share premium	Accumulated profits/ (losses)	
		£000	£000	£000	£000
Balance at 1 January 2014		1,045	-	15	1,060
Loss for the year	20	-	-	(31)	(31)
Balance at 31 December 2014		1,045	-	(16)	1,029

	Note	Attributable to equity holders of the Company			Total equity
		Share capital	Share premium	Accumulated profits	
		£000	£000	£000	£000
Balance at 1 January 2013		10,045	40,000	(2,782)	47,263
Reduction of share capital		(9,000)		9,000	-
Reduction of share premium			(40,000)	40,000	-
Dividends paid				(45,700)	(45,700)
Loss for the year	20	-	-	(503)	(503)
Balance at 31 December 2013		1,045	-	15	1,060

The notes on pages 10 to 22 are an integral part of the financial statements

LV INSURANCE MANAGEMENT LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Note	2014 £000	Restated 2013 £000
Assets			
Intangible assets	8	10,502	4,218
Property, plant and equipment	9	8,049	8,368
Deferred tax assets	10	1,352	1,269
Current tax asset	11	-	28
Trade and other receivables	12	8,374	10,371
Cash and cash equivalents	13	2	1
Total assets		28,279	24,255
Liabilities			
Current tax liability	11	114	-
Trade and other payables	14	26,806	23,032
Provisions	17	330	163
Total liabilities		27,250	23,195
Equity			
Share capital	18	1,045	1,045
Accumulated losses	20	(16)	15
Total equity		1,029	1,060
Total liabilities and equity		28,279	24,255

The notes on pages 10 to 22 are an integral part of the financial statements

Audit exemption statement

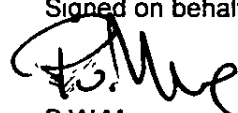
For the year ended 31 December 2014 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476, and
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These financial statements were approved by the Board of Directors on 26 March 2015

Signed on behalf of the Board of Directors


P W Moore
Director

LV INSURANCE MANAGEMENT LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014**

		2014	Restated 2013
	Note	£000	£000
Cash and cash equivalents at 1 January	13	1	-
Cash flows arising from:			
Operating activities			
Cash generated from operating activities	22	8,050	51,906
Group tax relief	11	28	(220)
Net cash flows generated from operating activities		8,078	51,686
Investing activities			
Proceeds from sale/transfer of property and equipment	9	19	-
Purchase of property and equipment	9	(1,673)	(1,767)
Purchase of intangibles	8	(6,423)	(4,218)
Net cash flows used in investing activities		(8,077)	(5,985)
Financing activities			
Dividends payable from retained earnings	20	-	(45,700)
Net cash flows used in financing activities		-	(45,700)
Net increase in cash and cash equivalents		1	1
Cash and cash equivalents at 31 December	13	2	1

The notes on pages 10 to 22 are an integral part of the financial statements

LV INSURANCE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. General information

The Company is a company limited by shares, domiciled and incorporated in the United Kingdom

2. Basis of presentation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as endorsed by the European Union ('EU') and the International Financial Reporting Interpretations Committee ('IFRIC') and also with those parts of the Companies Act 2006 applicable to companies reporting under IFRS

The financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivatives) at fair value through income

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The Company has not used any significant estimates or judgements in preparing the financial statements in conformity with IFRS. The principal accounting policies adopted are listed below. These policies have been consistently applied to all years presented, unless otherwise stated.

Restatement

Intangible assets and property and equipment have been restated to reflect the updated IT capitalisation policy separating IT equipment and software. Intangible assets have been increased by £4.2m and property and equipment have been decreased by £4.2m.

3. Accounting policies

Other operating income

Management charges for the provision of services are recognised as income when due for payment.

Operating lease payments

Operating lease payments are accounted for on a straight line basis over the term of the lease.

IT Software

IAS 38 Intangible Assets requires the capitalisation of certain expenditure relating to software costs. Software costs are capitalised if it is probable that the asset created will generate future economic benefits. Costs incurred to establish technological feasibility or to maintain existing levels of performance are recognised as an expense.

Software costs, including computer application software licences, are recognised as intangible fixed assets and amortised using the straight line method over their useful lives (three to six years). The amortisation periods used are reviewed annually.

Software values are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount is not recoverable the asset is written down immediately to the estimated recoverable amount, based on value in use calculations.

LV INSURANCE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

3. Accounting policies (continued)

Property and equipment

Operational property and equipment is held at accumulated cost less depreciation. Both are depreciated on a straight line basis over their estimated useful lives. The periods used are as follows:

Land*	Not depreciated
Freehold buildings*	50 years
Leasehold property*	10 years or lease term if shorter
Fixtures, fittings and motor vehicles	3 to 10 years
IT hardware	3 years

Provision is made for any impairments in property and equipment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

*These are properties used by the Company for operational purposes and are not investment properties which are dealt with below.

Assets under construction represent the cost of assets under development. These assets are not depreciated; the total cost is transferred to the appropriate asset class on completion and then depreciated over their estimated useful lives.

Fair value gains and losses on financial assets

Realised gains and losses on financial assets are calculated as the difference between net sales proceeds and purchase price.

Unrealised gains and losses on financial assets represent the difference between the valuation of fair value investments at the statement of financial position date and their purchase price or, if they have been previously re-valued, their valuation at the last statement of financial position date. An adjustment is made to unrealised gains and losses for the prior year's unrealised element included in the current year's realised gains and losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

3. Accounting policies (continued)

Income taxes

The income tax expense reflects the movement in current and deferred income tax in respect of income, gains, losses and expenses

- Current income tax

Current income tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

- Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not recognised. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Company controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets at fair value through income

All investments of the Company classified as fair value are designated as fair value through income at inception. Such assets are valued at market prices, or prices consistent with market ratings should no price be available. Any unrealised or realised gains or losses are taken to the statement of comprehensive income, as fair value gains or losses, or realised gains or losses respectively, as they occur.

Trade and other payables

Trade and other payables are recognised when due and include amounts due to group undertakings and accruals. They are initially recognised at fair value and subsequently held at amortised cost.

LV INSURANCE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

3. Accounting policies (continued)

Loans and other receivables

Loans and other receivables are recognised when due and comprise amounts due to the Company from group undertakings and other receivables. Where there is objective evidence that the carrying value is impaired then the impairment loss will be recognised in the statement of comprehensive income. Loans and other receivables are initially recognised at fair value and then subsequently held at amortised cost.

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets.

Share premium

Share premium account includes any premium received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium account, net of any related income tax benefits.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and short term deposits with an original maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents are as defined above but are shown net of outstanding bank overdrafts.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Where the Company expects some or all of a provision to be reimbursed it is recognised as a separate asset when the reimbursement is certain.

Provisions are measured at the present value of the expenditure required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

CHANGES IN ACCOUNTING POLICIES

(i) New and amended standards adopted by the Company

No new standards have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2014 and have a material impact on the Company.

(ii) New standards and interpretations not yet adopted

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

4. Other income

	2014	2013
	£000	£000
Management charges	269,433	280,125
	269,433	280,125

LV INSURANCE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

5. Other operating and administrative expenses

	2014 £000	2013 £000
Depreciation on property, plant and equipment – owned	1,974	2,035
Operating lease rental charge on land and buildings	1,211	1,154
Administrative expenses	209,139	218,078
Management charges	56,970	58,858
Amortisation of intangible assets	139	-
	269,433	280,125

6. Directors emoluments

The emoluments of the Directors are paid by the ultimate parent company. The Directors are also Directors of LVGIG (and a number of fellow subsidiaries) and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments. Total emoluments for the relevant Directors are included in the aggregate of Directors' emoluments disclosed in the financial statements of LVGIG.

7. Income tax expense

a) Current year tax expense

	2014 £000	2013 £000
Current year tax expense:		
Current tax		
Group relief	(27)	28
Adjustment to tax charge in respect of prior years	(87)	(8)
Total current tax	(114)	20
Deferred tax		
Adjustment to deferred tax in respect of prior years	262	60
Deferred tax charge	(179)	(583)
Total deferred tax	83	(523)
Total income tax expense	(31)	(503)

b) Reconciliation of tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 21.5%. The differences are explained below:

	2014 £000	2013 £000
Effects of:		
Expenses not deductible for tax purposes	(206)	(344)
Impact of change in UK tax rate on deferred tax	-	(211)
Adjustment to current tax in respect of prior years	(87)	(8)
Adjustment to deferred tax in respect of prior years	262	60
Total income tax expense for the year	(31)	(503)

The standard rate of corporation tax in the UK changed from 23.0% to 21.0% with effect from 1 April 2014. Accordingly, the profits for this accounting period are taxed at an effective rate of 21.5%.

LV INSURANCE MANAGEMENT LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014****8. Intangible assets**

	Software and licence costs Restated - see Note 2 £000	Total £000
Cost		
At 1 January 2014	4,218	4,218
Additions	6,423	6,423
At 31 December 2014	10,641	10,641
Accumulated amortisation		
Amortisation charge for the year	139	139
At 31 December 2014	139	139
Net book value at 31 December 2014	10,502	10,502
Net book value at 31 December 2013	4,218	4,218

LV INSURANCE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

9. Property, plant and equipment

	Leasehold property enhancements	Fixtures, fittings and IT equipment	Total
	£000	£000	£000
Cost			
At 1 January 2014	7,022	6,295	13,317
Intragroup transfers	-	(28)	(28)
Additions	1,265	408	1,673
At 31 December 2014	8,287	6,675	14,962
Accumulated depreciation:			
At 1 January 2014	2,260	2,688	4,948
Intragroup transfers	-	(9)	(9)
Provided in the year	794	1,180	1,974
At 31 December 2014	3,054	3,859	6,913
Net book value at 31 December 2014	5,233	2,816	8,049

	Leasehold property enhancements	Fixtures, fittings and IT equipment - restated see Note 2	Total
	£000	£000	£000
Cost			
At 1 January 2013	5,913	5,637	11,550
Additions	1,109	658	1,767
At 31 December 2013	7,022	6,295	13,317
Accumulated depreciation			
At 1 January 2013	1,591	1,323	2,914
Provided in the year	670	1,365	2,035
At 31 December 2013	2,261	2,688	4,949
Net book value at 31 December 2013	4,761	3,607	8,368

LV INSURANCE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

10. Deferred tax asset

	2014 £000	2013 £000
At 1 January	1,269	1,792
Current year charge	83	(523)
At 31 December	1,352	1,269

Analysis of deferred taxation temporary differences

	£000	£000
Accelerated capital allowances	1,352	1,269
	1,352	1,269

The analysis of the deferred tax balance is as follows

	£000	£000
Deferred tax asset expected to be recovered after more than 12 months	1,180	1,323
Deferred tax asset expected to be recovered within 12 months	172	(54)
Net deferred tax asset	1,352	1,269

The valuation and recoverability of deferred tax assets relating to capital allowances in excess of depreciation is dependent on the availability of future taxable profits within the company. Management forecasts currently support the future recoverability of the deferred tax asset recognised in the balance sheet as at 31 December 2014.

The calculation of deferred tax balances at the year-end also takes into account the reduction in the UK main corporation tax rate to 21.0%, effective from 1 April 2014, and a further reduction to 20.0% substantively enacted on 2 July 2013 that will be effective from 1 April 2015.

LV INSURANCE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

11. Current tax liability/(asset)

	2014 £000	2013 £000
At 1 January	(28)	(212)
Amounts recorded in the statement of comprehensive income	114	(20)
Payments made in respect of group relief	28	(220)
At 31 December	114	(28)

12. Trade and other receivables

	2014 £000	2013 £000
Amounts owed from group undertakings	3,045	-
Other receivables	5,329	10,371
	8,374	10,371

13. Cash and cash equivalents

	2014 £000	2013 £000
Bank balances	2	1
	2	1

14. Trade and other payables

	2014 £000	2013 £000
Amounts owed to group undertakings	-	2,437
Accruals and deferred income	26,744	20,460
Other payables	62	135
	26,806	23,032

15 Maturity profile of financial assets

	Note	Within 1 year £000	Over 1 year £000	Total £000
Maturity profile of financial assets 2014				
Trade and other receivables	12	8,374	-	8,374
Cash and cash equivalents	13	2	-	2
		8,376	-	8,376
	Note	Within 1 year £000	Over 1 year £000	Total £000
Maturity profile of financial assets 2013				
Trade and other receivables	12	10,371	-	10,371
Cash and cash equivalents	13	1	-	1
		10,372	-	10,372

LV INSURANCE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

16. Maturity profile of financial liabilities

Maturity profile of financial liabilities 2014	Note	Within 1 year £000	Over 1 year £000	Total £000
Trade and other payables	14	26,806	-	26,806
Provisions	17	330	-	330
		27,136	-	27,136

Maturity profile of financial liabilities 2013	Note	Within 1 year £000		Total £000
Trade and other payables	14	23,032	-	23,032
Provisions	17	163	-	163
		23,195	-	23,195

17. Provisions

	2014 £000	2013 £000
Balance at 1 January	163	191
Utilised during the year	(86)	(73)
Created during the year	253	45
Balance at 31 December	330	163

The provision relates to the closure of discontinued branches and restructuring costs

18. Share capital

	2014 £000	2013 £000
Authorised		
Ordinary shares of £1 each	1,045	1,045
	1,045	1,045

	2014 £000	2013 £000
Issued and fully paid		
Ordinary shares of £1 each	1,045	1,045
	1,045	1,045

LV INSURANCE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

19. Share premium

	2014 £000	2013 £000
Balance at 1 January	-	40,000
Reduction of share premium	-	(40,000)
Balance at 31 December	-	-

During 2013 the Company reduced its share premium by £40,000,000

20. Accumulated (losses)/profits

	2014 £000	2013 £000
Balance at 1 January	15	(2,782)
Loss for the year	(31)	(503)
Transfer from share capital	-	9,000
Transfer from share premium	-	40,000
Dividends payable	-	(45,700)
Balance at 31 December	(16)	15

This amount is distributable in future periods, subject to the provisions of the Companies Act 2006

21. Annual lease commitments

As at 31 December 2014, the Company had aggregate commitments under non-cancellable operating leases in respect of buildings as follows

	2014 £000	2013 £000
Operating leases which expire		
Within 1 year	1,161	1,161
In 2 to 5 years	3,546	4,578
Greater than 5 years	-	113
	4,707	5,852

LV INSURANCE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

22. Cash generated from operating activities

	2014	2013
	£000	£000
Profit before tax	-	-
Disposal of investments at fair value through income	-	40,000
Non-cash items		
Amortisation of intangibles	139	-
Depreciation on property, plant and equipment	1,974	2,035
Changes in working capital		
Decrease in trade and other receivables	1,997	6,670
Increase in provisions	167	(28)
Increase in trade and other payables	3,773	3,229
Cash generated from operating activities	8,050	51,906

23. Related party transactions

The Company enters into transactions with key management personnel in the normal course of business. All transactions are carried out on an arm's length basis. Details of significant transactions carried out during the year with related parties are as follows:

The following transactions have taken place between the Company and other Group companies:

	2014	2013
	£000	£000
Management charge income (with LVIC* and HW*)	269,433	280,125
Management charge expense (with LVFS)	(56,970)	(58,858)
Dividends payable (to LVFS)	-	(40,000)
Dividends payable (to LVGIG)	-	(5,700)
	212,463	175,567

*Liverpool Victoria Insurance Company Limited (LVIC)

*Highway Insurance Company Limited (HW)

Balances outstanding between the Company and LVFS

	2014	2013
	£000	£000
Receivable from/(payable to) the Company	3,045	(2,437)
	3,045	(2,437)

LV INSURANCE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

24. Ultimate parent company

The ultimate parent company and ultimate controlling party is Liverpool Victoria Friendly Society Limited, a UK incorporated Friendly Society registered under the Friendly Societies Act 1992

The immediate parent company is Liverpool Victoria General Insurance Group Limited, a limited liability company, incorporated in the UK

Both the ultimate and immediate parent companies are registered at the below address

The largest company whose accounts this company is consolidated into is Liverpool Victoria Friendly Society Limited

The smallest company whose accounts this company is consolidated into is Liverpool Victoria General Insurance Group Limited

The consolidated financial statements of Liverpool Victoria Friendly Society Limited are available to the public and may be obtained from

The Company Secretary
County Gates
Bournemouth
BH1 2NF

or at www.lv.com/about-us/company-information/returns/reports-accounts