TOKIO MARINE
HCC

# RADIUS UNDERWRITING LTD

## MANAGEMENT ACCOUNTS

## UNAUDITED

## Nine months Period Ended 31 December 2016

## Registered No: 10099600

FRIDAY

*A6KV0U7V*

A14 08/12/2017 #232

COMPANIES HOUSE

1 Aldgate
London EC3N 1RE

TOKIO MARINE
HCC

# RADIUS UNDERWRITING LTD
## CONTENTS

TOKIO MARINE
HCC

# RADIUS UNDERWRITING LTD
## COMPANY INFORMATION

| | |
|---|---|
| DIRECTORS | K L Letsinger<br>T Hervy<br>J Steedman |
| COMPANY SECRETARY | J L Holliday |
| REGISTERED NUMBER | 10099600 |
| REGISTERED OFFICE | 1 Aldgate<br>London EC3N 1RE |

TOKIO MARINE
HCC

# RADIUS UNDERWRITING LTD
## PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
## For the nine months ended 31 December 2016

| | 2016 |
|---|---|
| | £ |
| Turnover | - |
| **Total revenue** | - |
| Operating expenses | - |
| **Operating profit** | - |
| Interest receivable and similar income | - |
| **Profit on ordinary activities before taxation** | - |
| Tax on profit on ordinary activities | - |
| **Profit for the financial year** | - |
| Other comprehensive income | - |
| **Total comprehensive income for the financial year** | - |

TOKIO MARINE
HCC

# RADIUS UNDERWRITING LTD
## BALANCE SHEET
## As at 31 December 2016

| | Note | 2016 |
|---|---|---|
| | | £ |
| **Current assets** | | |
| Debtors | | 1 |
| Cash at bank | | - |
| | | 1 |
| **Net current assets** | | 1 |
| **Net assets** | | 1 |
| **Capital and reserves** | | |
| Called up share capital | 9 | 1 |
| Profit and loss account | | - |
| **Total shareholder's funds** | | 1 |

For the financial year in question the company was entitled to exemption under section 480 of the Companies Act 2006 relating to dormant companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The accounts were approved by:

K L Letsinger
Director

19 September 2017

TOKIO MARINE
HCC

## RADIUS UNDERWRITING LTD
### STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
### For the nine months ended 31 December 2016

| | Called up share capital | Capital contribution | Profit and loss account | Total shareholder's funds |
|---|---|---|---|---|
| **Capital and reserves** | **£** | **£** | **£** | **£** |
| At 4 April 2016 | - | - | - | - |
| Capital contribution | 1 | - | - | 1 |
| At 31 December 2016 | 1 | - | - | 1 |

TOKIO MARINE
HCC

# RADIUS UNDERWRITING LTD
## NOTES TO THE FINANCIAL STATEMENTS

**1. General information**

The Company's principal activity is to act as a mediator of insurance business. The Company is a joint venture with Brandex (Europe) Limited ('Brandex') for the provision of marketing insurance services to small and medium enterprises on a direct basis and to affinity groups/associations.

The Company was incorporated on 4 April 2016 under the Companies Act 2006 as a private company that is limited by shares in England and Wales.

The Company's ultimate parent company is Tokio Marine Holdings, Inc. (TMHD). TMHD's head office is located in Tokyo, Japan.

**2. Statement of compliance**

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Companies Act 2006. There are no areas of the Company's accounting which involve a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

**3. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Basis of preparation**

The financial statements have been prepared in accordance with UK GAAP and the Companies Act 2006 and on the historical cost basis. The financial statements have been prepared in pound sterling which is the functional currency of the Company. The Company has obtained its shareholder approval to take advantage of the exemptions conferred by FRS 102 listed in (b) below, as the Company is a wholly owned subsidiary and the ultimate parent company's financial statements, in which the Company is included, are publicly available.

**b) Exemptions for qualifying entities under FRS 102.**

As allowed by FRS 102, the Company has applied certain exemptions as follows:

i. preparing a statement of cash flows
ii. related party disclosures
iii. share based payments.

**c) Going concern**

Having assessed the principal risks, the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

**d) Turnover**

Turnover represents commission income, net of value added tax and discounts. Commission income is calculated based on a percentage of premiums written by the underwriting consortium, net of brokerage, and is recognised at the later of the date of inception of the policy or the date it is bound. Profit commission income is calculated as a percentage of the estimated profit, net of consortium expenses and is recognised on an accruals basis over the risk exposure period. Profit commission accruals are adjusted for subsequent experience up to four years after the start of the consortium year as estimates of consortium profitability are revised.

**e) Taxation**

Corporation tax is provided at the current rate of taxation on the result for the year as adjusted for items of income and expenditure which are disallowed for taxation purposes.

**f) Dividends**

Dividends are accounted for in the year in which they are approved and declared as payable.

**g) Provisions and contingencies**

**Provisions**

Provisions are recognised when:

- the Company has a present legal or constructive obligation as a result of past events
- it is probable that an outflow of resources will be required to settle the obligation, and
- the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small. Provisions for levies are recognised on the occurrence of the event identified by legislation that triggers the obligation to pay the levy.

**Contingencies**

Contingent liabilities arise as a result of past events when:

- it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date, or
- when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control.

Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote. Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable. Contingent assets stop being recognised as contingent at the point it is determined the benefit is virtually certain.

**h) Financial Instruments**

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds basic financial instruments, which comprise cash at bank and in hand, trade and other debtors, trade and other creditors. The Company has chosen to apply the measurement and recognition provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' in full.

**Financial assets – classified as basic financial instruments**

*Trade and other debtors*

Trade and other debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the amount expected to be receivable, net of any impairment.

Where a financial asset constitutes a financing transaction it is initially measured at the present value of the future payments, discounted at a market rate of interest.

At the end of each reporting year, the Company assesses whether there is objective evidence that any financial asset amount may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the financial assets. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the provision is recognised immediately in profit or loss.

*Trade and other creditors*

Trade and other creditors are initially measured at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the amount expected to be payable.

Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

# RADIUS UNDERWRITING LTD
## NOTES TO THE FINANCIAL STATEMENTS

**4. Risk management**

The directors oversee the effective operation of the risk management framework and set the risk appetite for the Company. The directors have assessed the risks to which the Company is exposed and consider the following as the material risks:

- *Credit risk*
  Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company acts as an agent, not principal, in its insurance transactions. The Company seeks to minimise credit risk by ensuring that its credit control procedures are applied effectively.
- *Currency risk*
  The Company is exposed to currency risk in respect of assets and liabilities denominated in currencies other than Sterling. The risk is controlled by matching assets with liabilities in the relevant currency.
- *Liquidity risk*
  Liquidity risk arises where cash may not be available to pay obligations when due at reasonable cost. The Company's policy is to hold sufficient liquid assets, or assets that can be converted into liquid assets at short notice and without any significant capital loss to settle its liabilities as they fall due thus minimising its exposure to liquidity risk.

**5. Turnover**

There was no turnover in 2016. Turnover represents the value of commission income earned, net of VAT. All turnover derives from services provided in the United Kingdom.

**6. Profit on ordinary activities before taxation**

| This is stated after charging: | **2016** |
|---|---|
| | **£** |
| Fees payable for the audit of the Company's financial statements | - |
| Fees payable to the Company's auditor for tax compliance services | - |

**7. Directors' emoluments**

All directors are remunerated by HCC Service Company Inc. (UK branch), a group service company. No recharge of their emoluments was made to the Company in respect of their services to the Company.

**8. Debtors**

| | **2016** |
|---|---|
| | **£** |
| Amounts owed by group undertakings | 1 |
| | 1 |

All amounts fall due within one year.

**9. Called up share capital**

| | **2016** |
|---|---|
| **Issued and fully paid** | **£** |
| 1 ordinary share of £1 each | 1 |

The ordinary share was issued to Pepys Holdings Limited on 01 November 2016.

**10. Ultimate parent company**

Tokio Marine Holdings, Inc. (TMHD), incorporated in Japan and with its head office in Tokyo, is regarded by the directors as the Company's ultimate parent company and controlling party. HCC Specialty Underwriters Inc., incorporated in the USA is the immediate parent company. Copies of the consolidated financial statements of TMHD can be obtained from its website at **http://www.tokiomarinehd.com/en/ir/library/annual_report**