

# **Entertainment Risks LLP**

Members' report and financial statements

31 March 2014

Registered number OC375455

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**Officers and professional advisers**

Designated Members	KA Crawford JS Green Entertainment Risk Management Limited
Registered address	Suffolk House George Street Croydon CR0 0YN
Business address	2nd Floor 120 Fenchurch Street London EC3M 5BA
Communication details	Telephone +44 (0)20 7553 5979 Email: <a href="mailto:john.green@erm-ins.co.uk">john.green@erm-ins.co.uk</a> Website: <a href="http://www.entertainmentriskmanagement.co.uk">http://www.entertainmentriskmanagement.co.uk</a>
LLP registered number	OC375455
FCA registered number	582651
Appointed Representative of	Entertainment Risk Management Limited FCA registered number 311659

## **Members' report**

The Members present their annual report and financial statements for the year ended 31 March 2014.

### **Principal activities**

The LLP is an Appointed Representative of Entertainment Risk Management Limited which is Authorised and Regulated by the Financial Conduct Authority. During the year the LLP continued to operate and developed event and media insurance business in the United Kingdom which is underwritten on behalf of authorised insurers.

### **Results and dividends**

The result for the period available for distribution to members amounted to £238,436.

The members consider the performance of the LLP for the period to have been satisfactory and they are confident that growth will be achieved in the future.

The members consider that its delegated underwriting authorities from leading insurers provide an excellent basis for successfully developing a profitable portfolio of insurance business despite the highly competitive condition of the markets.

### **Financial instruments and treasury operations**

The LLP has various financial assets and liabilities, such as trade receivables and trade payables, arising directly from its operations. These assets and operating cash arising are actively managed to avoid unnecessary credit exposure.

### **Liquidity risk**

The LLP manages its own cash and borrowings to maximise interest income and minimise interest expense, whilst ensuring that sufficient liquid resources are available to meet operating needs. The LLP does not hold client money while insurers' funds are held in premium trust funds with approved banks in currencies appropriate to the settlement requirements of the business.

### **Interest rate risk**

The LLP is exposed to interest rate risk on bank deposits.

### **Foreign currency risk**

Current and anticipated insurance business is predominantly denominated in sterling.

### **Credit risk**

The LLP acts as an agent for insurers; while suitable vetting arrangements are operated to verify the credit worthiness of insurance brokers from whom business predominantly comes, the risk of non-payment rests largely with others. Investment of cash surpluses are made with banks which are considered by the Board to have adequate credit ratings to achieve the prudential standards appropriate in our business.

### **Legal and regulatory risk**

As an Appointed Representative of a firm which is Authorised and Regulated by the Financial Conduct Authority, Entertainment Risks LLP is exempt from direct regulation and regulatory compliance has been contracted to the Principal. However, the LLP monitored compliance with regulatory requirements during the period, especially systems and controls, financial crime and its policy towards customers.

### **Members**

The members who held capital shares during the period were as follows:

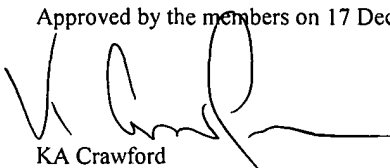
KA Crawford	30.0%
JS Green	30.0%
Entertainment Risk Management Limited	25.0%
S Crawford	7.5%
RF Green	7.5%

**Members' report (continued)**


**Statement of Members' Responsibilities**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 to small LLPs.

Approved by the members on 17 December 2014



KA Crawford  
Designated member



JS Green  
Designated member

17 December 2014

**Profit and loss account  
for the period year ended 31 March 2014**

	<i>Note</i>	<b>31 March 2014 12 months</b>	<b>31 March 2013 Since incorporation</b>
<b>Retained commission income</b>		<b>379,376</b>	<b>190,184</b>
Administrative expenses	3	(140,940)	(86,030)
<b>Operating profit</b>		<b>238,436</b>	<b>104,154</b>
Other interest receivable and similar income		-	-
<b>Profit on ordinary activities for the period available for division among members</b>		<b>238,436</b>	<b>104,154.</b>

The LLP has no recognised gains or losses other than the loss for the period. All results relate to continuing operations.

**Balance sheet  
at 31 March 2014**

	<i>Note</i>	<b>31 March 2014 £</b>	<b>31 March 2013 £</b>
<b>Current assets</b>			
Amounts due from members		37,727	17,292
 <b>Creditors: amounts falling due within one year</b>			
Other creditors		-	1,125
<b>Total assets less current liabilities/Net assets attributable to members</b>		<u>37,727</u>	<u>16,167</u>
 Loans and other amounts due to members		37,627	16,067
<b>Members' other interests – capital accounts</b>		100	100
		<u>37,727</u>	<u>16,167</u>
 <b>Total members interests</b>			
Members' capital classified as a liability	4	100	100
Loans and other debts to members	4	37,627	16,067
 <b>Total members' funds</b>	6	<u>37,727</u>	<u>16,167</u>

The LLP is entitled to exemption from audit under Section 477 of the Companies Act 2006 as applied to LLPs by the Limited Liability LLPs (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 for the period ended 31 March 2013.

The members acknowledge their responsibilities for:

(a) Ensuring that the LLP keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 as applied to LLPs by the Limited Liability LLPs (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, and

(b) preparing financial statements which give a true and fair view of the state of affairs of the LLP as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 as applied to LLPs by the Limited Liability LLPs (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 relating to financial statements, so far as applicable to the LLP.

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 as applied to LLPs by the Limited Liability LLPs (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 relating to small LLPs and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the members of the LLP on October 2014 and were signed by:

KA Crawford  
Designated member



JS Green  
Designated member



17 December 2014

**Notes (forming part of the financial statements)**

**1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the LLP's financial statements.

***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability LLPs' issued in March 2006 (SORP 2006).

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Small Entities (effective April 2008).

***Insurance assets and liabilities***

The LLP acts as an Appointed Representative of Entertainment Risk Management Limited which is Authorised and Regulated by the Financial Conduct Authority and acts as an agent in the underwriting of insurance risks. The LLP is not liable as principal for premiums due to underwriters or for claims payable to clients. In recognition of these relationships, insurance cash, debtors and creditors ("fiduciary assets") relating to insurance underwriting are not shown as assets and liabilities of the LLP itself.

***Turnover***

Commission and fees income is recognised when the LLP's obligations to introduce and administer the respective insurance policy have been substantially completed and the income due is reasonably certain. In respect of income earned or returned out of periodic income statements from insurance brokers and other intermediaries, adjustment premiums or declarations of turnover, income is recognised when the amount has been determined. Obligations can arise for the performance of subsequent activities and where these are not covered by additional income, a relevant portion of commission can be deferred and recognised in the periods in which these activities take place.

***Expenses***

The cost of Appointed Representative services is charged when incurred. No provision is made for the future cost of handling the run off of business, which is largely the responsibility of third parties funded by underwriters.

***Pension costs***

Contributions payable to defined contribution pension arrangements for staff are charged to the profit and loss account in the period to which they relate.

**2. Analysis of turnover**

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>12 months</b>	<b>since</b>
	<b>£</b>	<b>incorporation</b>
		<b>£</b>
Turnover represents commission earned on insurance underwriting activities	<b>379,376</b>	<b>190,184</b>

**Notes (forming part of the financial statements)**

**3. Staff numbers and costs**

Staff are employed jointly with Entertainment Risk Management Limited. Salaries in the period amounted to £25,552 (period to 31 March 2013: £10,733), social security costs were £2,466 (period to 31 March 2013: £885) and pension contributions were £Nil (period to 31 March 2013: £Nil). The average number of employees in the period was one.

**4. Members interests / Amounts due to/(from) members**

	Members' capital	Amounts due (from) / to corporate member	Amounts due (from) / to individual members
	£	£	£
At 31 March 2013	100	16,067	(17,292)
Profits in the period credited to members	-	52,229	186,207
Profits paid to members in the period	-	-	(128,000)
Other amounts paid for members	-	3,288	(3,288)
Trading balances with members	-	(109,311)	-
At 31 March 2014	<u>100</u>	<u>(37,727)</u>	<u>37,627</u>

**5. Commitments**

The LLP had no capital commitments at the balance sheet date.

**6. Related party transactions**

During the period the LLP entered into the following transactions with related parties and the amounts outstanding at year end were as shown.

	Transactions in the period	Due from related party at year end
	£	£
Commission from Entertainment Risk Management Limited	379,376	34,804
	<u>379,376</u>	<u>34,804</u>

**7. Ultimate parent undertaking and controlling party**

In the opinion of the Members there is no ultimate controlling party. Copies of the accounts of the parent company can be obtained from Companies House Crown Way Cardiff CF14 3UZ.