

Chaucer Underwriting ApS

Kongens Nytorv 5
1050 København K
CVR No. 21240095

Annual report 2023

The Annual General Meeting adopted the annual report on 14.05.2024

Johnny Bøgelund Nielsen
Chairman of the General Meeting

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Entity details

Entity

Chaucer Underwriting ApS

Kongens Nytorv 5

1050 København K

Business Registration No.: 21240095

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Johnny Bøgelund Nielsen

David Clifford Bendle

Executive Board

Johnny Bøgelund Nielsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Chaucer Underwriting ApS for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 14.05.2024

Executive Board

Johnny Bøgelund Nielsen

Board of Directors

Johnny Bøgelund Nielsen

David Clifford Bendle

Independent auditor's report

To the shareholders of Chaucer Underwriting ApS

Opinion

We have audited the financial statements of Chaucer Underwriting ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 14.05.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Flemming Larsen

State Authorised Public Accountant
Identification No (MNE) mne27790

Management commentary

Primary activities

The Company's primary activity is to act as an insurance agent for Chaucer Insurance Company DAC Danish branch and Lloyd's Insurance Company SA.

Development in activities and finances

The net result of the year 2023 is 1.181 T.DKK, which is in line with managements expectatons.

Per 31.12.2023 equity amounts to 9.966 T.DKK compared to 8.785 T.DKK 31.12.2022

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Revenue	1	17,158,998	13,665,452
Other external expenses		(2,223,116)	(2,154,251)
Gross profit/loss		14,935,882	11,511,201
Staff costs	2	(13,301,431)	(10,166,315)
Depreciation, amortisation and impairment losses	3	(57,745)	(50,989)
Operating profit/loss		1,576,706	1,293,897
Other financial income		0	1,628
Other financial expenses		(16,798)	(53,209)
Profit/loss before tax		1,559,908	1,242,316
Tax on profit/loss for the year	4	(378,760)	(295,274)
Profit/loss for the year		1,181,148	947,042
Proposed distribution of profit and loss:			
Retained earnings		1,181,148	947,042
Proposed distribution of profit and loss		1,181,148	947,042

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Other fixtures and fittings, tools and equipment		104,312	78,252
Property, plant and equipment	5	104,312	78,252
Deposits		375,000	375,000
Deferred tax		10,340	8,733
Financial assets		385,340	383,733
Fixed assets		489,652	461,985
Receivables from group enterprises		4,029,574	2,649,681
Other receivables		531	698,766
Prepayments		0	16,622
Receivables		4,030,105	3,365,069
Cash		11,801,347	14,081,251
Current assets		15,831,452	17,446,320
Assets		16,321,104	17,908,305

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital	6	500,000	500,000
Retained earnings		9,466,480	8,285,332
Equity		9,966,480	8,785,332
Trade payables		253,249	211,812
Payables to group enterprises		0	3,500,000
Income tax payable		172,368	1,415,554
Other payables		5,929,007	3,995,607
Current liabilities other than provisions		6,354,624	9,122,973
Liabilities other than provisions		6,354,624	9,122,973
Equity and liabilities		16,321,104	17,908,305
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Group relations	9		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	8,285,332	8,785,332
Profit/loss for the year	0	1,181,148	1,181,148
Equity end of year	500,000	9,466,480	9,966,480

Notes

1 Revenue

Revenue comprises service income from group and third party companies.

2 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	9,740,432	7,391,838
Pension costs	1,020,046	1,024,662
Other social security costs	1,590,044	1,430,909
Other staff costs	950,909	318,906
	13,301,431	10,166,315
Average number of full-time employees	8	8

3 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Depreciation of property, plant and equipment	57,745	41,272
Profit/loss from sale of intangible assets and property, plant and equipment	0	9,717
	57,745	50,989

4 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	380,367	234,107
Change in deferred tax	(1,607)	61,167
	378,760	295,274

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	117,371
Additions	83,805
Cost end of year	201,176
Depreciation and impairment losses beginning of year	(39,119)
Depreciation for the year	(57,745)
Depreciation and impairment losses end of year	(96,864)
Carrying amount end of year	104,312

6 Share capital

	Number	Par value DKK	Nominal value DKK
Ordinary shares	5,000	100	500,000
	5,000		500,000

7 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Liabilities under rental or lease agreements until maturity in total	3,750,000	4,680,000

8 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

9 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
China Reinsurance (Group) Corporation

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
China Reinsurance (Group) Corporation

The largest and smallest group of undertakings for which group financial statements are prepared, and in which the results of the Company are included, is China Reinsurance (Group) Corporation. The Company considers China Reinsurance (Group) Corporation to be its ultimate parent company. A copy of the most recent consolidated financial statements is available from the website of China Reinsurance (Group) Corporation (www.chinare.com.cn)

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when earned, i.e. risk has passed to the buyer. Revenue is recognised net of duties and discounts and is measured at fair value. The Main source of income is related to a cost-plus model.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	5 years

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.