



**AIG Uzbekinvest Limited**

**Annual Report and Financial Statements  
for the year ended 31 December 2014**

**Registered Number: 2997371**

## **AIG Uzbekinvest Limited**

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# **AIG Uzbekinvest Limited**

## **Company Information for the year ended 31 December 2014**

### **Directors**

B B Ashrafkhanov  
F A Saidakhmedov  
J Hegeman  
R Antes

### **Secretary**

K Hillery

### **Registered office**

The AIG Building  
58 Fenchurch Street  
London, United Kingdom  
EC3M 4AB

### **Registered auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory  
Auditors  
7 More London Riverside  
London  
SE1 2RT

### **Principal bankers**

Citibank N A  
Citigroup Centre  
Canada Square  
London  
E14 5LB

# **AIG Uzbekinvest Limited**

## **Strategic report for the year ended 31 December 2014**

### **Review of the business**

#### **Results and Performance**

The results of the Company for the year, as shown on page 8, show a profit on ordinary activities before tax of \$36,921 (2013: profit of \$34,020).

At 31 December 2014, the shareholders' funds of the Company, as shown on page 9, total \$266,512 (2013: \$237,529).

#### **Business Environment and Strategy**

The directors consider the level of business and year-end financial position of the Company to be satisfactory and expect the present level of activity to improve in the future.

Uzbekinvest International Insurance Company Limited (UIIC) intends to continue offering insurance policies. The Company depends on this business development, and therefore these intentions suggest that the Company will continue with its principal activity, to act as an underwriting agent.

#### **Key Performance Indicators**

The Board monitors the progress of the Company in light of the following key performance indicators:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Turnover</b>	628,368	393,777
<b>Profit on ordinary activities before taxation</b>	<u>36,921</u>	<u>34,020</u>

#### **Approach to Risk**

#### **Principal Risks and Uncertainties**

The principal risks and uncertainties are unchanged and laid out below:

##### **Financial Risk**

The Company is exposed to financial risks through its financial assets and financial liabilities. In particular, the key financial risks may arise:

## **AIG Uzbekinvest Limited**

### **Strategic report for the year ended 31 December 2014**

#### **Principal Risks and Uncertainties (continued)**

**Liquidity risk** - Liquidity risk is the risk that cash may not be available to pay obligations when due, at a reasonable cost. In this regard, the amounts receivable from third parties and group companies are monitored regularly by management.

**Credit risk** - Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The key areas where the Company is exposed to credit risk are:

- amounts due from group companies
- amounts due from third parties (insurance contract holders and intermediaries).

Bad debts are monitored on a monthly basis, and appropriate adjustments are made where collection of an amount is doubtful or unlikely.

**Interest rate risk** – Interest rate risk arises mainly from the changes in the rate of return on cash held at bank.

**Foreign exchange risk** - The reporting currency of the Company is United States dollars. Although the majority of the Company's transactions are denominated in United States dollars, certain administrative expenses are transacted in UK Sterling. As a result, the Company is exposed to currency risk on fluctuations in the rate of exchange from the receipt of the supplier invoice to the date of its settlement.

#### **Future Outlook**

The future outlook of the Company is closely linked to the business strategy of the UIIC, for which it acts as an underwriting agent. Currently UIIC is developing and implementing strategies to improve the overall development and growth of its business to ensure that it is able to continue its operation for the foreseeable future. Part of the UIIC action plan is to ensure that there is premium growth for the company. The effectiveness of these strategies will ensure that the future outlook of the Company is stable.

#### **By the order of the board**

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**R Antes - Director**

**Date: 27 March 2015**

## **AIG Uzbekinvest Limited**

### **Directors' Report for the year ended 31 December 2014**

The directors have pleasure in presenting their annual report and the audited financial statements of AIG Uzbekinvest Limited (the 'Company') for the year ended 31 December 2014.

#### **Principal Activities**

The principal activity of the Company is to act as an underwriting agent and managing general agent ('MGA') for Uzbekinvest International Insurance Company Limited ('UIIC') in the United Kingdom. The Company also acts as a service company in which it incurs expenses on behalf of UIIC and then recharges these costs back to them.

#### **Dividends**

No dividends were declared or paid during the years ended 31 December 2014 and 31 December 2013.

#### **Directors**

The names of the current directors are listed on page 1.

#### **Qualifying third party indemnity provisions**

During the year the Company had in place qualifying third party indemnity provisions for the directors of the Company.

#### **Statement of disclosure of information to auditors**

Each of the persons who is a director at the date of this report confirms that:

- so far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2014 of which the auditors are unaware; and
- the directors have taken all steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Statement of directors' responsibilities**

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

## **AIG Uzbekinvest Limited**

### **Directors' Report for the year ended 31 December 2014**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

In accordance with Section 418 of the Companies Act 2006, each of the persons who is a director at the date of this report confirms that:

- so far as each of them is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Auditors**

Pursuant to section 487(2) of the Companies Act 2006 the Company has, by elective resolution, dispensed with the appointment of auditors annually and, subject to the terms of their appointment, PricewaterhouseCoopers LLP are deemed to continue in office until the said resolution is revoked.

#### **By the order of the board**

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**R Antes - Director**

**Date: 27 March 2015**

## **AIG Uzbekinvest Limited**

### **Independent Auditors' Report to the members of AIG Uzbekinvest Limited for the year ended 31 December 2014**

#### **Report on the financial statements**

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##### **Our opinion**

In our opinion, AIG Uzbekinvest Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit and cash flows for the year then ended;
  - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
  - have been prepared in accordance with the requirements of the Companies Act 2006.
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##### **What we have audited**

AIG Uzbekinvest Limited's financial statements comprise:

- The Balance Sheet as at 31 December 2014;
- The Profit and Loss Account for the year then ended;
- The Cash Flow Statement for the year then ended;
- The Reconciliation of movements in shareholders' funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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##### **Opinion on other matter prescribed by the Companies Act 2006**

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In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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##### **Other matters on which we are required to report by exception**

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##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.



**Independent Auditors' Report to the members of AIG Uzbekinvest Limited  
for the year ended 31 December 2014**

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**Responsibilities for the financial statements and the audit**

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**Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Matt S Nichols (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
27 March 2015

# AIG Uzbekinvest Limited

## Profit and Loss Account for the year ended 31 December 2014

Turnover	Notes	2014 \$	2013 \$
Income	2	628,368	393,777
Administrative expenses		(568,549)	(367,721)
		59,819	26,056
Other Income / (Charges)	5	(21,728)	8,976
<b>Profit on ordinary activities before interest and taxation</b>		38,091	35,032
Interest receivable and similar income		15	23
Interest payable and similar charges	6	(1,185)	(1,035)
<b>Profit on ordinary activities before taxation</b>		36,921	34,020
Tax on profit on ordinary activities	7	(7,938)	3,540
<b>Retained profit for the financial year</b>		28,983	37,560

The accounting policies and notes on pages 11 to 15 form an integral part of these financial statements.

All of the Company's activities arise from continuing operations.

The Company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented.

There are no material differences between the profit on ordinary activities before tax or the profit for the financial years stated above and their historical cost equivalent.

# AIG Uzbekinvest Limited

## Balance Sheet as at 31 December 2014

	Notes	2014 \$	2013 \$
<b>Current Assets</b>			
Debtors	9	903,676	343,705
Cash at bank		-	52,713
<b>Total Current Assets</b>		903,676	396,418
<b>Current Liabilities</b>			
Creditors	10	(637,164)	(158,889)
<b>Net Current Assets</b>		266,512	237,529
<b>Net Assets</b>		266,512	237,529
<b>Capital and Reserves</b>			
Called up share capital	11	200,000	200,000
Profit and loss account	12	66,512	37,529
<b>Shareholders' Funds</b>	13	266,512	237,529

The accounting policies and notes on pages 11 to 15 form an integral part of these financial statements.

The financial statements on pages 8 to 15 were approved by the Board of Directors on 27 March 2015 and were signed on its behalf by:

R Antes  
Director

Registered number: 2997371

# AIG Uzbekinvest Limited

## Cash Flow Statement for the year ended 31 December 2014

	Notes	2014 \$	2013 \$
	A	(52,713)	(154,356)
<b>Net cash inflow / (outflow)</b>		(52,713)	(154,356)
<b>Cash flows were applied as follows:</b>			
Increase / (decrease) in net cash in the period	B	(52,713)	(154,356)
<b>Net application of cash flows</b>		(52,713)	(154,356)

	2014 \$	2013 \$
<b>Note A</b>		
<b>Reconciliation of retained profit to net cash inflow / (outflow) from continuing activities</b>		
Profit on ordinary activities after taxation	28,983	37,560
Decrease / (increase) in debtors	(559,971)	(279,311)
(Decrease) / increase in creditors	478,275	87,395
<b>Net cash inflow / (outflow) from continuing operating activities</b>	(52,713)	(154,356)

<b>Note B</b>		
<b>Movement in cash and financing</b>		
	2014 \$	2013 \$
At the beginning of the period	52,713	207,069
Cash flow	(52,713)	(154,356)
<b>At 31 December 2014</b>	0	52,713

The accounting policies and notes on pages 11 to 15 form an integral part of these financial statements

**AIG Uzbekinvest Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2014**

## **1 Statement of Accounting Policies**

### **A) Basis of Preparation**

The financial statements have been prepared in accordance with the historical cost convention, the Companies Act 2006 and the applicable UK accounting standards. The accounts are prepared on a going concern basis. The financial statements have been drawn up in United States dollars as the majority of the assets, liabilities and Company's transactions are denominated in that currency.

### **B) Accounting Policies**

A summary of the significant accounting policies is set out below:

#### **Turnover**

Turnover represents commission and management fee receivable in respect of the Company's services as an underwriting agent for Uzbekinvest International Insurance Company Limited (UIIC). Since the Company has no ongoing obligation in respect of this income, it is recognised when the premium to which the income relates is notified to the Company by UIIC. As the Company also acts as a service company on behalf of UIIC all expenses incurred are recharged back to the Company.

Turnover also includes a 7% mark up on all intercompany invoices paid on behalf of UIIC. This is per the amended service agreement dated 16 May 2011 between the Company and UIIC.

#### **Tax**

The charge for taxation is based on the results for the year adjusted for disallowable items and items not chargeable to tax. Deferred tax is provided in full on all material timing differences. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is calculated at the enacted or substantially enacted rate. Deferred tax balances are not discounted.

#### **Insurance balances**

The Company acts as an underwriting agent on behalf of a group company, UIIC. It is not liable, as an agent, either for premiums due to the insurer or for claims payable to its policyholders. Notwithstanding the legal relationship with clients and insurers and since in practice premium and claim monies are ordinarily accounted for by insurance intermediaries as if they were principals in the insurance contracts, cash balances, debtors and creditors relating to insurance business are treated as the Company's assets and liabilities.

#### **Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into US dollars at the mid-market rates of exchange ruling on the balance sheet date. Transactions during the year are translated into US dollars using the rates of exchange prevailing at the date of the transaction. The exchange gains and losses are included in the profit and loss account, under other expenses.

#### **Administration expenses**

Administration expenses consist mainly of expenses incurred in relation to the Company's role as a service company, on behalf of UIIC. Expenses also include legal and professional fees, and brokerage fees payable in relation to any premiums written, when acting as an underwriting agent.

**AIG Uzbekinvest Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2014**

**2 TURNOVER**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Management fees recharged	375,013	250,836
Service fees	125,004	95,343
Commission Received and other income	<u>128,350</u>	<u>47,598</u>
	<u><u>628,368</u></u>	<u><u>393,777</u></u>

**3 STAFF COSTS**

The Company had no employees during the year and therefore incurred no staff costs (2013: US\$ Nil). Any staff costs which relate to the Company are paid by UIIC. Although the Company does not have any direct employees of its own, the finance team and tax team who are involved in producing the financial statements are employed by AIG Europe (Services) Limited.

**Directors' Remuneration**

No fees or emoluments were paid directly by the Company to the directors in respect of their services to the Company (2013: US\$ Nil).

**4 AUDITORS' REMUNERATION**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Fee payable to the Company's auditors for the audit of the Company	<u>9,070</u>	<u>12,604</u>

The auditors remuneration is expensed and paid by UIIC.

**5 OTHER OPERATING INCOME / CHARGES**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Foreign exchange gains / (losses)	<u>(21,728)</u>	<u>8,976</u>

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Bank charges and interest	<u>1,185</u>	<u>1,035</u>

**AIG Uzbekinvest Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2014**

**7 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

**Analysis of tax charge in the year**

The tax charge on the profit on ordinary activities for the year was as follows:

**A) Analysis of charge for the year**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Current tax:		
UK corporation tax on profit for the year	7,938	6,058
Adjustment in respect of prior years	-	(9,598)
Tax charge on profit on ordinary activities	<u>7,938</u>	<u>(3,540)</u>

**B) Factors affecting tax charge for year**

Profit on ordinary activities before tax	36,921	33,599
Profit multiplied by standard rate of CT in the UK of 21.50% (2013: 23.25%)	7,938	7,812
Effects of:		
Permanent differences	-	(1,754)
Prior Year Adjustment	-	(9,598)
Current Tax Charge for the period	<u>7,938</u>	<u>(3,540)</u>

\* The standard rate of Corporation Tax in the UK changed from 23% to 21% with effect from 1 April 2014. The rate will change to 20% on 1 April 2015. Accordingly the company's profits for this accounting period are taxed at an effective rate of 21.50%, and deferred tax is recognised at a rate of 20%.

**8 DIVIDENDS**

No dividends were declared or paid during the years ended 31 December 2014 and 31 December 2013.

**9 DEBTORS**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Amounts owed by group undertakings	720,154	333,873
Other Debtor	172,416	-
VAT	<u>11,106</u>	<u>9,832</u>
	<u>903,676</u>	<u>343,705</u>

\$557,614 of the debtors balance contains receivables due from Uzbekinvest International Insurance Company and \$162,540 intercompany loans. \$172,416 of debtors balance is due from the insurance companies and brokers.

**AIG Uzbekinvest Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2014**

<b>10 CREDITORS</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Amounts owed to group undertakings	600,080	136,214
Other creditors	9,295	-
Accruals and deferred income	<u>27,789</u>	<u>22,675</u>
	<u>637,164</u>	<u>158,889</u>

Other creditors consist of corporate tax payable to HMRC.

<b>11 CALLED-UP SHARE CAPITAL</b>	<b>Nominal Value / Number</b>	<b>2014</b>	<b>2013</b>
		<b>\$</b>	<b>\$</b>
Allotted, issued and fully paid up	\$500 / 400	<u>200,000</u>	<u>200,000</u>

<b>12 RESERVES</b>	<b>Profit and Loss account</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
At 1 January	37,529	(31)
Profit for the financial year	<u>28,983</u>	<u>37,560</u>
<b>At 31 December</b>	<u>66,512</u>	<u>37,529</u>

<b>13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
As at 1 January	237,529	199,969
Profit for the year	<u>28,983</u>	<u>37,560</u>
<b>At 31 December</b>	<u>266,512</u>	<u>237, 529</u>



**AIG Uzbekinvest Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2014**

**14 RELATED PARTY TRANSACTIONS**

UIIC is an insurance company incorporated in Great Britain. The Company has entered into a managing general agency agreement with UIIC whereby the Company is appointed as an exclusive agent worldwide, with the authority to do all things necessary for or incidental to the transaction of all types of authorised insurance and reinsurance business.

The compensation receivable by the Company under the agreement comprises commission at 25% of the gross premium written plus reimbursement of expenses necessarily incurred.

The commission under the agreement for the year ended 31 December 2014 amounted to US\$ 83,420 (2013: US\$ 9,119).

Under an agreement with a group company, AIG Europe (Services) Limited ("Services"), the Company incurs operating costs on behalf of UIIC and recharges such costs to UIIC. The contribution to turnover and administrative expenses in respect of this for the year ended 31 December 2014 amounted to \$125,004 for service fees and \$375,013 for management fees. (2013: \$95,343 and \$250,836 respectively). The total debtor and creditor balance outstanding at year end amounts to \$720,154 and \$600,080 respectively (2013: \$333,873 and \$136,214 respectively).

Services is a related party by virtue of common control. During the year expenses of \$500,018 were recharged by Services. At 31 December 2014, there was a balance of US\$ 600,080 which was due to Services and UIIC is disclosed within amounts owed to related parties.

**15 ULTIMATE PARENT COMPANY**

At 31 December 2014 and 2013, the ordinary shares in the Company were held by:

- American International Overseas Limited, a wholly owned subsidiary of American International Group, Inc., a company incorporated in the State of Delaware, United States of America - 51%; and
- Uzbekinvest National Export-Import Insurance Company, a company incorporated in the Republic of Uzbekistan and wholly owned by the Government of the Republic of Uzbekistan - 49%.

The ultimate parent company of American International Overseas Limited is AIG Inc., a company incorporated in the State of Delaware, United States of America. Copies of the ultimate parent company's consolidated financial statements may be obtained from the Company Secretary, AIG Europe Limited, The AIG Building, 58 Fenchurch Street, London EC3M 4AB.