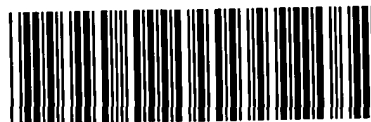


Registered Number: 1593580

Directors' Report and Accounts 2015

Three Pillars Business Solutions Limited

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COMPANIES HOUSE

Directors: N D Brettell
M J Churchlow
J M Dye

Secretary: R C Jack-Kee

Registered Office: 57 Ladymead, Guildford, Surrey, GU1 1DB

Registered No: 01593580

Strategic Report

The Directors present their Strategic Report for the year ended December 31, 2015.

Principal activity and review of the business

The Company provides administration services for both general insurance business and other business requiring third party administration services. From January 1, 2016, Allianz Insurance plc took over the supply of all services provided by the Company as at December 31, 2015. No new contracts are expected to go live in the foreseeable future where the Company will provide the services.

During the year a contract for supplying administration and claims handling services to a large financial services organisation went live and increased the revenue in 2015 to £2.0m (2014: £0.8m).

The results for the year are set out in the Statement of Comprehensive Income on page 6. The loss for the year amounted to £42,000 (2014: £30,000 profit). The Company's total assets at December 31, 2015 were £4.7m (2014: £4.7m).

The Company is a wholly owned subsidiary of Allianz Holdings plc, whose Directors manage the Allianz Holdings plc Group's operations on a divisional basis. For this reason the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The performance of the Retail division, which includes the Company, is discussed in the Group's annual report, which does not form part of this Report.

Principal risks and uncertainties

The principal risk facing the Company is its failure to perform satisfactorily its administration services. The Company manages the risk by ensuring it complies with all of the policies and procedures of its immediate parent company Allianz Insurance plc. The Company also operates in a highly competitive market and is reliant on maintaining the existing deals as well as winning new deals to support its current structure

As a wholly owned subsidiary of Allianz Holdings plc, the Company's management of risk is set at Group level rather than at subsidiary company level. For this reason the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Allianz Holdings plc Group, which include those of the Company, are discussed in the Group's annual report, which does not form part of this Report.

By order of the Board



M J Churchlow
Director

March 11, 2016

Directors' Report

The Directors present their Directors' Report and the audited financial statements for the year ended December 31, 2015.

Results and dividends

The results for the year set out in the Statement of Comprehensive Income on page 6. A review of the Company's business activities and any likely future developments can be found in the Strategic Report.

The Directors do not recommend the payment of a dividend for the year ended December 31, 2015 (2014: £nil).

Directors

The names of the current Directors are shown on page 1. All served throughout this period.

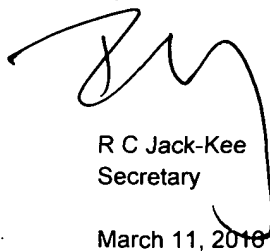
Directors' responsibility to the auditors

So far as the Directors are aware, there is no relevant audit information of which the Company auditor is unaware. The Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The Auditors KPMG LLP will be deemed to have been reappointed at the end of 28 days beginning with the day on which copies of these report and accounts are sent to Members.

By order of the Board



R C Jack-Kee
Secretary

March 11, 2016

Statement of Directors' responsibilities in respect of the Strategic Report, Directors' Report and the Financial Statements

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) 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 estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report

to the members of Three Pillars Business Solutions Limited

We have audited the financial statements of Three Pillars Business Solutions Limited for the year ended December 31, 2015 set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at December 31, 2015, and of its loss for the year ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Independent auditor's report

to the members of Three Pillars Business Solutions Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Murray Raisbeck (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

March 14, 2016

Statement of comprehensive income

for the year ended December 31, 2015

	Notes	2015 £'000	2014 £'000
Revenue	2	2,021	792
Administrative expenses		(2,058)	(737)
(Loss)/profit from continuing operations before taxation	3	(37)	55
Tax charge	5	(5)	(25)
(Loss)/profit for the year wholly attributable to the equity holders		(42)	30

There has been no other comprehensive income in the year ended December 31, 2015.

Statement of changes in equity

for the year ended December 31, 2015

	Share capital £'000	Retained earnings £'000	Fair value reserve £'000	Total £'000
Balance as at January 1, 2014	1	4,715	–	4,716
Profit for the year	–	30	–	30
Balance as at December 31, 2014	1	4,745	–	4,746
Loss for the year	–	(42)	–	(42)
Balance as at December 31, 2015	1	4,703	–	4,704

The notes on pages 9 to 13 are an integral part of these financial statements.

Balance sheet

as at December 31, 2015

	Notes	2015 £'000	2014 £'000
Current assets			
Trade and other receivables	6	9,744	8,268
Total assets		<u>9,744</u>	<u>8,268</u>
Non-current liabilities			
Policy administration and claims handling provision	8	—	83
Current liabilities			
Trade and other payables	9	4,852	2,960
Bank overdraft	7	188	479
Total liabilities		<u>5,040</u>	<u>3,522</u>
Net assets		<u>4,704</u>	<u>4,746</u>
Issued capital and reserves attributable to equity holders of the parent			
Equity share capital	10	1	1
Retained earnings		4,703	4,745
Total equity		<u>4,704</u>	<u>4,746</u>

These financial statements were approved by the Board of Directors on March 11, 2016 and signed on its behalf by:



M J Churchlow
Director

The notes on pages 9 to 13 are an integral part of these financial statements.

Statement of cash flows

For the year ended December 31, 2015

	Notes	2015 £'000	2014 £'000
Operating activities			
Operating (loss)/profit		(37)	55
<i>Adjustments to reconcile operating loss to net cash inflows from operating activities</i>			
(Decrease)/increase in claims handling provision	8	(83)	3
Increase in trade and other receivables	6	(1,476)	(1,347)
Increase in trade and other payables	9	1,913	931
Cash generated from operations		317	(358)
Income taxes recovered	5	(26)	17
Net cash flow from operating activities		291	(341)
Net cash flow from financing activities		-	-
Increase/(decrease) in cash and cash equivalents		291	(341)
Cash and cash equivalents at the beginning of the year	7	(479)	(138)
Cash and cash equivalents at the year end	7	(188)	(479)

The notes on pages 9 to 13 are an integral part of these financial statements.

Notes to the financial statements

at December 31, 2015

1. Accounting policies

Company and its operations

The financial statements of Three Pillars Business Solutions Limited (the 'Company') for the year ended December 31, 2015 were authorised for issue by the Board of Directors on March 11, 2016 and the balance sheet was signed on the Board's behalf by M J Churchlow. Three Pillars Business Solutions Limited is a private limited company incorporated and domiciled in England & Wales.

Statement of compliance

The financial statements of Three Pillars Business Solutions Limited have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Basis of preparation

The financial statements have been prepared on the historical cost basis except for the following:

Available-for-sale financial assets

The financial statements are compiled on a going concern basis.

Financial assets

The Company classifies its investments as available for sale financial assets.

All purchases of financial assets are recognised on the trade date i.e. the date the Company commits to purchase the assets. All sales of financial assets are recognised on the settlement date i.e. the date the asset is delivered to the counterparty.

All investments are initially recognised at fair value plus the transaction costs that are directly attributable to the acquisition of the investment. A financial asset shall be derecognised when the contractual right to receive cash flows expire or when the asset is transferred.

Available for sale financial assets, after initial recognition, are measured at fair value. Unrealised gains and losses are reported as a separate component of equity until the investment is derecognised or the investment is determined to be impaired. On derecognition or impairment, the cumulative gain or loss previously reported in equity is transferred to the statement of comprehensive income.

Impairments

The carrying value of all financial assets is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The identification of impairment and the determination of recoverable amounts is an inherently uncertain process involving various assumptions and factors, including the financial condition of the counterparty, expected future cash flows, observable market prices and expected net selling prices.

In order to determine whether negative revaluations on investment securities correctly represent impairment, all investment securities for which the market value has either fallen significantly below cost price or been below cost price for a considerable period of time, are individually reviewed.

A distinction is made between negative revaluations due to general market fluctuations and due to issuer specific developments. The impairment review focuses on issuer specific developments regarding financial condition and future prospects, taking into account the intent and ability to hold the securities under the Company's long term investment strategy.

For available for sale financial assets, a significant prolonged decline in the fair value indicates an impairment. For available for sale financial assets the impairment loss is the difference between its current fair value and its original cost.

Notes to the financial statements

at December 31, 2015

1. Accounting policies (continued)

Fair value reserve

The fair value reserve relates to the changes in the fair value of available for sale financial assets.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other receivables

Trade and other receivables are stated at their costs less impairment losses.

Trade and other payables

Trade and other payables are stated at their costs.

Revenue

Revenue represents administration fees and is recognised over the period to which the business is handled.

Investment income

Interest income is recognised in the statement of comprehensive income as it accrues, taking into account the effective yield of the asset. Interest income includes the amortisation of any discount or premium.

Realised gains and losses recorded in the income statement

Realised gains and losses on the sale of available for sale financial assets are calculated as the difference between net sales proceeds and the original or amortised cost. Realised gains and losses are recognised in the statement of comprehensive income when the sale transaction occurred.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charge to equity. Otherwise income tax is recognised in the statement of comprehensive income.

2. Revenue

Revenue disclosed in the statement of comprehensive income is analysed as follows.

	2015 £'000	2014 £'000
Policy administration and claims handling fees	2,021	792

3. Profit/(loss) from continuing operations before tax

This is stated after charging:

	2015 £'000	2014 £'000
Auditor's remuneration for audit services	4	4

The above were wholly attributable to the Company's auditors, KPMG LLP.

Notes to the financial statements

at December 31, 2015

4. Staff costs and Directors' emoluments

The Company has no employees for which it bears employment costs (2014: £nil). Allianz Management Services Limited holds the contracts and provides employee management services for the Company.

Directors' emoluments

No Directors received emoluments from the Company during 2015 (2014: £nil).

5. Income taxes relating to continuing operations

(a) Income tax recognised in profit or loss

	2015 £	2014 £
<i>Current income tax:</i>		
In respect of the current tax	5	25
Total current income tax (income)/expense recognised in the current year relating to continuing operations	5	25

The income tax (income)/expense for the year can be reconciled to the accounting profit as follows:

	2015 £	2014 £
Profit before tax from continuing operations	(37)	55
Income tax expense calculated at 20.25% (2014: 21.5%)	(8)	12
Effect of imputed transfer pricing adjustments	13	13
Income tax expense recognised in profit or loss (relating to continuing operations)	5	25

The tax rates used for the 2015 and 2014 reconciliations above is the corporate tax rate payable by corporate entities in the UK on taxable profits under tax law in that jurisdiction. The standard rate of UK corporation tax will be 20% for 2016.

(b) Income tax recognised in other comprehensive income

	2015 £	2014 £
Current tax assets	-	-
Current tax liabilities	5	25

Notes to the financial statements

at December 31, 2015

6. Trade and other receivables

	2015 £'000	2014 £'000
Trade receivables	1,407	1,007
Amounts owed by group undertakings	8,337	7,261
	<u>9,744</u>	<u>8,268</u>

Trade and other receivables approximate to fair value. The maximum exposure is limited with reference to the Group counterparty exposure limits. All of the Company trade and other receivables are due within 12 months of the balance sheet date. The Company's maximum exposure to credit risk is the value of trade and other receivables and cash.

7. Cash and cash equivalents

	2015 £'000	2014 £'000
Bank overdraft	(188)	(479)
Total cash and cash equivalents	<u>(188)</u>	<u>(479)</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirement of the Company, and earn interest at the respective short-term deposit rates.

8. Policy administration and claims handling provision

	2015 £'000	2014 £'000
At January 1	83	80
(Decrease)/increase in provision during the year	(83)	3
At December 31	<u>–</u>	<u>83</u>

9. Trade and other payables

	2015 £'000	2014 £'000
Amounts owed to related party	3,139	699
Trade payables	1,709	2,236
Tax Payable	4	25
	<u>4,852</u>	<u>2,960</u>

Trade and other payables approximate to fair value. The Company manages its liquidity risk to ensure, as far as possible that it will always have sufficient liquidity to settle its liabilities as they fall due. All of the liabilities are payable within 12 months of the balance sheet date.

Notes to the financial statements

at December 31, 2015

10. Share capital

	2015	2014
	£000	£000
<i>Allotted, called up and fully paid</i>		
1000 Ordinary shares of £1 each	1	1

11. Ultimate parent undertaking

The ultimate parent undertaking, Allianz Societas Europaea, is incorporated in Germany and is the parent of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member. Copies of the group accounts are available on request from Allianz Societas Europaea, Königinstrasse 28, 80802 München, Germany.

Allianz Holdings plc is the immediate parent undertaking and the parent undertaking of the smallest group of undertakings of which the Company is a member and for which group accounts are drawn up. Allianz Holdings plc is incorporated in England and Wales and group accounts are available from the Company Secretary, 57 Ladymead, Guildford, Surrey GU1 1DB.

12. Other related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at December 31 with other related parties, are as follows:

	2015	2014
	£'000	£'000
<i>Transactions entered into with related parties – fellow subsidiary company.</i>		
Sales and administration services provided	4,672	713
<i>Amounts owed by related parties – fellow subsidiary company</i>		
As at January 1,	7,261	6,132
Increase during the year	1,076	1,129
As at December 31,	8,337	7,261
<i>Amounts owed to related parties – fellow subsidiary company</i>		
As at January 1,	699	–
Increase during the year	2,440	699
As at December 31,	3,139	699