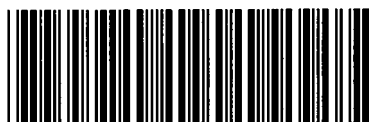


## Directors' Report and Accounts 2017

# Three Pillars Business Solutions Limited

WEDNESDAY



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COMPANIES HOUSE

**Directors:** S C McGinn  
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, 2017.

### 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.

The results for the year are set out in the Statement of Comprehensive Income on page 6. The loss for the year amounted to £10,000 (2016: £14,000 loss). The Company's net assets at December 31, 2017 were £4.7m (2016: £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 Group's business operations, 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.

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 23, 2018

## Directors' Report

The Directors present their Directors' Report and the audited financial statements for the year ended December 31, 2017.

### 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, 2017 (2016: £nil).

### Directors

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

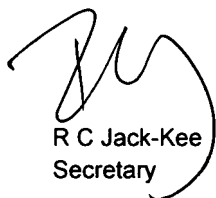
### Directors' responsibility to the auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's 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.

### Auditor

Pursuant to the 2017 Allianz UK group audit tender process, KPMG LLP will resign as auditor of the Company following completion of their statutory and regulatory audits of the Allianz UK group for the financial year ended December 31, 2017, and PricewaterhouseCoopers LLP will be appointed as auditor of the Company for the financial year ending December 31, 2018 in their place.

By order of the Board



R C Jack-Kee  
Secretary

March 23, 2018

## **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, the 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 as adopted by the European Union (IFRSs as adopted by the 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, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

### **Responsibility Statement**

We confirm that to the best of our knowledge:

- the financial statements on pages 6 to 12, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the financial position of the Company and loss of the Company; and
- the Strategic Report on page 1 includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the Company face.

## **Independent auditor's report**

### **to the members of Three Pillars Business Solutions Limited**

#### **Opinion**

We have audited the financial statements of Three Pillars Business Solutions Limited ("the Company") for the year ended December 31, 2017 which comprise the Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at December 31, 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

#### **Strategic report and directors' report**

The Directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required 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

## **Independent auditor's report**

### **to the members of Three Pillars Business Solutions Limited**

#### **Directors' responsibilities**

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Salim Tharani (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London E14 5GL  
United Kingdom

March 23, 2018

## Statement of comprehensive income

for the year ended December 31, 2017

	Notes	2017 £'000	2016 £'000
Revenue	2	–	(6)
<b>Loss from continuing operations before taxation</b>	3	–	(6)
Tax charge	5	(10)	(8)
<b>Loss for the year wholly attributable to the equity holders</b>		<u>(10)</u>	<u>(14)</u>

There has been no other comprehensive income in the year ended December 31, 2017.

## Statement of changes in equity

for the year ended December 31, 2017

	Share capital £'000	Retained earnings £'000	Fair value reserve £'000	Total £'000
Balance as at January 1, 2016	1	4,703	–	4,704
Loss for the year	–	(14)	–	(14)
Balance as at December 31, 2016	<u>1</u>	<u>4,689</u>	<u>–</u>	<u>4,690</u>
Loss for the year	–	(10)	–	(10)
Balance as at December 31, 2017	<u>1</u>	<u>4,679</u>	<u>–</u>	<u>4,680</u>

The notes on pages 9 to 12 are an integral part of these financial statements.

**Balance sheet**

as at December 31, 2017

	Notes	2017 £'000	2016 £'000
<b>Current assets</b>			
Trade and other receivables	6	6,188	7,020
<b>Total assets</b>		<u>6,188</u>	<u>7,020</u>
<b>Current liabilities</b>			
Trade and other payables	8	1,475	2,248
Bank overdraft	7	33	82
<b>Total liabilities</b>		<u>1,508</u>	<u>2,330</u>
<b>Net assets</b>		<u>4,680</u>	<u>4,690</u>
<b>Issued capital and reserves attributable to equity holders of the parent</b>			
Equity share capital	9	1	1
Retained earnings		<u>4,679</u>	<u>4,689</u>
<b>Total equity</b>		<u>4,680</u>	<u>4,690</u>

These financial statements were approved by the Board of Directors on March 23, 2018 and signed on its behalf by:



M J Churchlow  
Director

The notes on pages 9 to 12 are an integral part of these financial statements.



# Statement of cash flows

For the year ended December 31, 2017

		2017	2016
	Notes	£'000	£'000
<b>Operating activities</b>			
Loss before taxation		–	(6)
<i>Adjustments to reconcile operating loss to net cash inflows from operating activities</i>			
Decrease in trade and other receivables	6	832	2,724
Decrease in trade and other payables	8	(775)	(2,607)
Cash generated from operations		57	111
Income taxes paid	5	(8)	(5)
<b>Net cash flow from operating activities</b>		49	106
<b>Net cash flow from financing activities</b>		–	–
<b>Increase in cash and cash equivalents</b>		49	106
Cash and cash equivalents at the beginning of the year	7	(82)	(188)
<b>Cash and cash equivalents at the year end</b>	7	(33)	(82)

The notes on pages 9 to 12 are an integral part of these financial statements.

# Notes to the financial statements

at December 31, 2017

## 1. Accounting policies

### *Company and its operations*

The financial statements of Three Pillars Business Solutions Limited (the 'Company') for the year ended December 31, 2017 were authorised for issue by the Board of Directors on March 23, 2018 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.

### *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.

	2017	2016
	£'000	£'000
Policy administration and claims handling fees	—	(6)

## Notes to the financial statements

at December 31, 2017

### 3. Loss from continuing operations before tax

The audit fee for the 2017 audit was £4,000 and was paid and borne by the Company's parent company.

### 4. Staff costs and Directors' emoluments

The Company has no employees for which it bears employment costs (2016: £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 2017 (2016: £nil).

### 5. Income taxes relating to continuing operations

#### *(a) Income tax recognised in profit or loss*

	2017 £'000	2016 £'000
<i>Current income tax:</i>		
In respect of the current tax	10	8
Total current income tax (income)/expense recognised in the current year relating to continuing operations	10	8

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

	2017 £'000	2016 £'000
Loss before tax from continuing operations	–	(6)
Income tax expense calculated at 19.25% (2016: 20%)	–	(1)
Effect of imputed transfer pricing adjustments	10	9
Income tax expense recognised in profit or loss (relating to continuing operations)	10	8

#### *(a) Income tax recognised in profit or loss (continued)*

The tax rates used for the 2017 and 2016 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 19% for 2018.

#### *(b) Income tax recognised in other comprehensive income*

	2017 £'000	2016 £'000
Current tax liabilities	10	8

## Notes to the financial statements

at December 31, 2017

### 5. Income taxes relating to continuing operations (continued)

#### (c) Tax paid for cash flow purposes

	2017 £'000	2016 £'000
<b>Current tax payable at January 1</b>	8	5
Amounts charged to the income statement	10	8
Tax paid during the year	(8)	(5)
<b>Current tax payable at December 31</b>	<u>10</u>	<u>8</u>

### 6. Trade and other receivables

	2017 £'000	2016 £'000
Trade receivables	–	110
Amounts owed by group undertakings	6,188	6,910
	<u>6,188</u>	<u>7,020</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

	2017 £'000	2016 £'000
Bank overdraft	(33)	(82)
<b>Total cash and cash equivalents</b>	<u>(33)</u>	<u>(82)</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.

# Notes to the financial statements

at December 31, 2017

## 8. Trade and other payables

	2017 £'000	2016 £'000
Trade payables	1,465	2,240
Tax Payable	10	8
	<u>1,475</u>	<u>2,248</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.

## 9. Share capital

	2017 £000	2016 £000
<i>Allotted, called up and fully paid</i>		
1,000 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

## 10. 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.

## 11. 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:

	2017 £'000	2016 £'000
<i>Amounts owed by related parties – fellow subsidiary company</i>		
As at January 1,	6,910	8,337
Decrease during the year	(722)	(1,427)
As at December 31,	<u>6,188</u>	<u>6,910</u>
<i>Amounts owed to related parties – fellow subsidiary company</i>		
As at January 1,	–	3,139
Decrease during the year	–	(3,139)
As at December 31,	<u>–</u>	<u>–</u>