Registered Number: 1593580

Annual Report and Financial Statements 2018

Three Pillars Business Solutions Limited

Directors:	S C McGinn	
	J M Dye	
	M J Churchlow	(resigned 31.12.18)

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, 2018.

Principal activity

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 new services provided by the Company. No new contracts are expected to go live in the foreseeable future.

Business review

The results for the year are set out in the Statement of Comprehensive Income on page 6. The loss for the year amounted to £35k (2017: £15k loss) as a result of the write off of previously recognised debtor and creditor balances that are now deemed to be irrecoverable or no longer due.

Key performance indicators

The financial key performance indicator monitored by the Company is net asset value. The net assets as at the end of the year were £4,862k (2017: £4,897k).

Future outlook

No changes in the principal activity are anticipated in the foreseeable future.

Brexit

The outcome and timing of Brexit remains uncertain and the Company continues to monitor the potential impacts on our business. With operations based in the UK and minimal risk exposure outside the UK the Directors feel that the Company is well placed to respond to any potential outcome.

Going concern

The Directors are confident in the Company's ability to continue as a going concern and to meet its financial obligations as they fall due. The business is well placed in managing the principal risks and uncertainties and is backed by one of the largest property and casualty insurers in the world.

Principal risks and uncertainties

The principal risk facing the Company is that unforeseen costs arise relating to services provided in the past.

By order of the Board

F K Dyson
Director
August 8, 2019

Directors' Report

The Directors present their Directors' Report and the audited financial statements for the year ended December 31, 2018.

Directors

The Directors of the Company who were in office during the financial year are shown on page 1. Following the year end F K Dyson was appointed as a Director with effect from January 7, 2019.

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, 2018 (2017: £nil).

Future outlook

The future outlook for the Company is outlined in the Strategic Report on page 1.

Going concern

The Directors going concern assessment has been outlined in the Strategic report on page 1.

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 resigned as auditor of the Company during the year and was replaced by PricewaterhouseCoopers LLP. Pursuant to section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been re-appointed as auditor 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
Three Pillars Business Solutions Limited
Company Number: 1593580

August 8, 2019

Statement of Directors' Responsibilities in Respect of the Strategic Report, the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

By order of the Board

F K Dyson
Director

August 8, 2019

Independent Auditors' Report

to the members of Three Pillars Business Solutions Limited

Report on the audit of the financial statements

Opinion

In our opinion, Three Pillars Business Solutions Limtied's financial statements:

- give a true and fair view of the state of the company's affairs as at December 31, 2018 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements 2018 (the "Annual Report"), which comprise: the balance sheet as at December 31, 2018; the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent Auditors' Report

to the members of Three Pillars Business Solutions Limited

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended December 31, 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Strategic Report, the Directors' Report and the Financial Statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 (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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Zahid Khan

Zahid Khan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
8 August 2019

Statement of Comprehensive Income

For the year ended December 31, 2018

	Notes	2018 £'000	Restated [1] 2017 £'000
Other income		19	–
Expenses		(48)	(6)
Loss before tax		(29)	(6)
Income tax charge	5	(6)	(9)
Loss for the year attributable to the equity holders		(35)	(15)

(1) Refer to note 10

There has been no other comprehensive income in the year ended December 31, 2018.

Statement of Changes in Equity

For the year ended December 31, 2018

	Share capital £'000	Restated [1] Retained earnings £'000	Restated [1] Total £'000
Balance as at January 1, 2017	1	4,911	4,912
Loss for the year	–	(15)	(15)
Balance as at December 31, 2017	1	4,896	4,897
Loss for the year	–	(35)	(35)
Balance as at December 31, 2018	1	4,861	4,862

(1) Refer to note 10

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

Balance Sheet

As at December 31, 2018

			Restated (1)	Restated (1)
		2018	*2017*	*2016*
Assets	*Notes*	*£'000*	*£'000*	*£'000*
Trade and other receivables	9	6,042	6,188	7,020
Cash and cash equivalents		33	–	-
Total assets		6,075	6,188	7,020
Equity and liabilities				
Equity attributable to equity holders of the parent				
Share capital	8	1	1	1
Retained earnings		4,861	4,896	4,911
Total equity		4,862	4,897	4,912
Liabilities				
Trade and other payables	10	1,152	1,193	1,962
Current tax payable		61	65	64
Bank overdraft		–	33	82
Total liabilities		1,213	1,291	2,108
Total equity and liabilities		6,075	6,188	7,020

(1) Refer to note 10

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

These financial statements on pages 6 to 13 were approved by the Board of Directors on August 8, 2019 and signed on its behalf by:

F K Dyson
Director

Statement of Cash Flows

For the year ended December 31, 2018

			Restated (1)
		2018	*2017*
Cash flows from operating activities	*Notes*	*£'000*	*£'000*
Loss before tax		(29)	(6)
Decrease in trade and other receivables	9	146	832
Decrease in trade and other payables	10	(41)	(769)
Cash generated from operations		76	57
Income taxes paid	5	(10)	(8)
Net cash flow from operating activities		66	49
Increase in cash and cash equivalents		66	49
Cash and cash equivalents at the beginning of the year		(33)	(82)
Cash and cash equivalents at the year end		33	(33)

(1) Refer to note 10

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

Notes to the Financial Statements

For the year ended December 31, 2018

1. ACCOUNTING POLICIES

1.1. Company and its operations

Three Pillars Business Solutions Limited ("the Company") is a private limited company incorporated and domiciled in the United Kingdom.

1.2. Statement of compliance

The financial statements of Three Pillars Business Solutions Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union and with the Companies Act 2006 as applicable to companies reporting under IFRS.

1.3. Basis of preparation

The financial statements have been prepared on the historical cost basis.
The functional and presentational currency is British Pounds.

Going concern

These financial statements are compiled on a going concern basis.

New standards and interpretations adopted by the Company

A number of new standards and interpretations adopted by the EU are mandatorily effective from January 1, 2018. These have been adopted within this set of financial statements. Their impact is outlined below:

- IFRS 9: Financial Instruments (EU effective date January 1, 2018) – IFRS 9 Financial Instruments replaces IAS 39 'Financial Instruments: Recognition and Measurement', and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting. The impact assessment and implementation project has been carried out at the Allianz Holdings plc group level. The Company has opted to apply all aspects of IFRS 9 from January 1, 2018. The Company has opted not to restate comparative figures. Differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in retained earnings as at January 1, 2018. Accordingly, the information presented for the comparative period does not reflect the requirements of IFRS 9 and is not comparable to the information presented in the current period under IFRS 9.
  Under previous accounting standard IAS 39, Available for sale financial assets, after initial recognition, were measured at fair value. Unrealised gains and losses were reported as a separate component of equity until the investment was derecognised or the investment was determined to be impaired. On derecognition or impairment, the cumulative gain or loss previously reported in equity was transferred to the statement of comprehensive income. Under IFRS 9 available for sale financial assets continue to be measured at fair value. Unrealised gains and losses are reported in the statement of comprehensive income. IFRS 9 replaces the 'incurred loss model' under IAS 39 with an 'expected credit loss model'. Under IFRS 9, credit losses are recognised earlier than under IAS 39.
  The Company holds financial instruments in the form of cash and cash equivalents and receivables.

- IFRS 15 Revenue from Contracts with Customers – (EU effective date January 1, 2018) – IFRS 15 Revenue from Contracts with Customers replaces IAS 18 Revenue. The Company has determined that there will be no impact due to the Company not deriving revenue from contracts with customers.

New standards and interpretations not yet adopted by the Company

A new standard and interpretation adopted by the EU which is not mandatorily effective has not been applied in preparing these financial statements. The Company does not plan to adopt this standard early; instead it will apply the standard from the effective date as determined by the date of EU endorsement:

- IFRS 16: Leases (EU effective date January 1, 2019) – IFRS 16 Leases replaces IAS 17 Leases. The Company has determined that there will be no impact on the financial statements as there are no leasing arrangements in place.

Notes to the Financial Statements

For the year ended December 31, 2018

1. ACCOUNTING POLICIES (CONTINUED)

1.4. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the financial statements are set out below.

(a) 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.

(b) Trade and other receivables

Trade and other receivables are initially recognised and subsequently re-measured at fair value after taking into account any impairment losses. Trade and other receivables shall be derecognised when the contractual right to receive cash flows expire or when the asset is transferred.

An expected credit loss (ECL) provision is assessed as at the balance sheet date and the carrying amount of the receivables balance is reported after deduction of any ECL. The Company has adopted the "General approach" in determining the ECL. Under this approach, the calculation is based on an appropriate probability of default (PD) and a loss given default (LGD) to determine 12 month credit losses.

The Company has concluded that the ECL has no material impact on the valuation of trade and other receivables reported in the financial statements.

(c) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. They are initially recognised and subsequently measured at cost because they are expected to be settled within twelve months and their carrying value is a reasonable approximation of fair value.

(d) 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.

An expected credit loss (ECL) provision is calculated as at the balance sheet date. The cash and cash equivalents are reported after deduction of any ECL amount. The Company has concluded that the ECL has made no material impact on the valuation of cash and cash equivalents reported in the financial statements.

2. USE OF CRITICAL ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Company makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities. Estimates, assumptions and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company does not consider any particular accounting policy or estimate to be susceptible to significant changes in estimates and assumption.

3. EMPLOYEE RELATED COSTS

Three Pillars Business Solutions Limited has no employees and as such incurs no employee related costs.

4. AUDITOR'S REMUNERATION

The total remuneration payable by the Company excluding VAT, to its auditors (2017: KPMG LLP, 2018: PricewaterhouseCoopers LLP) in respect of the audit of these financial statements, is shown below. The Company's audit fees are borne by Allianz Management Services Limited. Other services supplied pursuant to legislation were £nil (2017: £nil).

	2018	*2017*
	£'000	*£'000*
Fees payable for the audit of the Company's financial statements	3	4

Notes to the Financial Statements

For the year ended December 31, 2018

5. INCOME TAX

(a) Income tax recognised in profit or loss

	2018	Restated (1) 2017
	£'000	£'000
Current income tax	6	9

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

	2018	Restated (1) 2017
	£'000	£'000
Loss before tax from continuing operations	(29)	(6)
Income tax expense calculated at 19% (2017: 19.25%)	(6)	(1)
Effect of imputed transfer pricing adjustments	12	10
Income tax expense recognised in profit or loss	6	9

The tax rates used for the 2018 and 2017 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 2019, changing to 17% with effect from April 1, 2020.

(b) Income tax recognised in other comprehensive income

	2018	Restated (1) 2017
	£'000	£'000
Current tax liabilities	61	65

(c) Tax paid for cash flow purposes

	2018	Restated (1) 2017
	£'000	£'000
Current tax liabilities at January 1	65	64
Amounts charged to the statement of comprehensive income	6	9
Tax paid during the year	(10)	(8)
Current tax liabilities at December 31	61	65

(1) Refer to note 10

6. DIRECTORS' EMOLUMENTS

S C McGinn, M J Churchlow and J M Dye were not directly remunerated for their roles as Directors of Three Pillars Business Solutions Limited as the amount of time spent performing their duties was incidental to their roles as key management personnel of the Allianz Holdings plc Group.

Details of compensation of key management personnel for the Allianz Holdings plc Group can be found in note 39 of the consolidated financial statements of Allianz Holdings plc.

7. DIVIDENDS

No dividend was paid during the year ended December 31, 2018 (2017: none).

Notes to the Financial Statements

For the year ended December 31, 2018

8. SHARE CAPITAL

	2018	2017
	£'000	£'000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1	1

9. TRADE AND OTHER RECEIVABLES

	2018	2017
	£'000	£'000
Amounts due from related parties	6,042	6,188
	6,042	6,188

All trade and other receivables are due within 12 months of the balance sheet date. The Company has concluded that the expected credit loss model has had no material impact on the valuation of trade and other receivables reported in the financial statements.

10. TRADE AND OTHER PAYABLES

		Restated [1]
	2018	2017
	£'000	£'000
Trade payables	1,152	1,193
	1,152	1,193

All trade payables are payable within 12 months of the Balance Sheet date.

(1) During the preparation of the 2018 statutory accounts, it became apparent that the trade and other payables balances had previously been overstated. As a result, trade and other payables, current tax liabilities, expenses and retained earnings have been restated. Trade and other payables have been restated from £1,465k to £1,193k. Expenses has been restated from £nil to £6k. Opening retained earnings have been restated from £4,689k to £4,911k. This results in current tax liabilities being restated from £10k to £65k.

11. RISK MANAGEMENT POLICIES

Capital management

The Company has been in an almost dormant state for a period of time. Its operations were primarily based in the United Kingdom hence any risk exposure would be almost entirely confined within the United Kingdom.

Financial Risk

The key financial risk is that proceeds from the realisation of assets are insufficient to meet obligations as they fall due. The most important aspects of financial risk comprise market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the value of the Company's assets and income. The Company is not directly exposed to market risk.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts due to the Company in full when the fall due. The Company is exposed to credit risk through its cash balances and amounts due from group undertakings. The Company deems the risk associated with amounts due from Group undertakings to be low as the amounts are due from fellow Allianz SE Group subsidiaries which are highly rated. The cash balances are held with a financial institution with an A+ credit rating. All amounts due from related parties are due within 1 year and cash can be drawn upon immediately.

Notes to the Financial Statements

For the year ended December 31, 2018

11. RISK MANAGEMENT POLICIES (CONTINUED)

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. Liquidity risk for the Company is mitigated as the Company has sufficient liquid assets to settle trade and other payables and current tax liabilities when they fall due and would be able to draw down from the liquid assets held elsewhere is the Allianz Holdings plc Group should the need arise. Trade and other payables and current tax liabilities are due within 1 year of the balance sheet date.

12. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Allianz Holdings plc, a company registered in England and Wales.

The ultimate parent undertaking, Allianz Societas Europaea ("Allianz SE"), is incorporated in Germany and is the parent of the largest group of undertakings for which Allianz SE group accounts are drawn up and of which the Company is a member.

Copies of the Allianz SE Group accounts are available on request from Allianz Societas Europaea, Königinstrasse 28, 80802 München, Germany.

13. RELATED PARTY TRANSACTIONS

During the year the Company did not enter into transactions, in the ordinary course of business, with other related parties.

Year end balances arising from transactions carried out with related parties are as follows:

	2018	*2017*
	£'000	*£'000*
Due from related parties		
Other related party	6,042	6,188

The Company considers its key management personnel to be the Directors only. Further information is disclosed in note 6.

14. SUBSEQUENT EVENTS

There have been no subsequent events after the balance sheet date.