

**BRIT INVESTMENT HOLDINGS LIMITED**  
**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL**  
**STATEMENTS**

**31 DECEMBER 2021**



**Registered Number: 03217813**

# **BRIT INVESTMENT HOLDINGS LIMITED**

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# **BRIT INVESTMENT HOLDINGS LIMITED**

## **Company Information**

### **Directors**

Brit Corporate Services Limited  
A E Usher  
M Allan (resigned on 23 March 2022)  
D Dixon  
G Wilkinson (appointed on 23 March 2022)

### **Secretary**

Brit Corporate Secretaries Limited

### **Registered Office**

The Leadenhall Building  
122 Leadenhall Street  
London  
England  
EC3V 4AB

# **BRIT INVESTMENT HOLDINGS LIMITED**

## **Strategic Report**

The Directors present their Strategic Report on the Brit Investment Holdings Limited (the "Company") for the year ended 31 December 2021.

### **Business review**

The Company's principal activity is to act as a company holding specific assets on behalf of the Brit Limited Group (the "Brit Group" or "Group"). While the Company does not currently hold any specific assets, it remains ready to do so. The net assets of the Company remained constant – it stood at £3,120,203 as at 31 December 2020 and as at 31 December 2021.

The Directors do not envisage any changes to the current business model in 2022.

### **Coronavirus (COVID-19) outbreak**

The Coronavirus (Covid-19) pandemic originated in Hubei Province in China and has since spread across the globe. Governments have taken various actions to contain the pandemic, including social distancing measures, travel restrictions and lockdowns, resulting in the closure of certain businesses. Whilst 2021 has seen the relaxation of some measures, there continues to be heightened uncertainty compared to prior to the pandemic. COVID-19 has caused significant volatility in financial markets. Further outbreaks or variants may cause further financial market volatility in future.

The Company has net current assets, and remains in an overall net asset position. As such, there are no concerns around future cash flows or liquidity of the Company.

The Company has managed the risks posed by the pandemic in line with the Brit Limited Group's Risk Management Framework. Management has focused on ensuring staff wellbeing, launching a number of initiatives following the introduction of mandatory working from home. Risk Management provided reports on the impact of the pandemic on the business throughout 2021 to the Board and Risk Committee. Covid-19 will continue to be an area of focus with the key risks going forward being further financial market volatility and uncertainty over the ultimate claims arising from Covid-19. The wellbeing of staff also remains a priority.

### **Russia-Ukraine conflict**

The Russia-Ukraine conflict arising from the Russian invasion of Ukraine is a cause for uncertainty. This uncertainty may have an impact on the operational costs of the Company attributable to the downstream effects of high inflation and commodity prices. At this time, it is too early to make any informed assessments or judgements on what effect, or effects, that this may have on the Company. The Company will continue to monitor developments closely.

### **Result**

The profit for the financial year after taxation is £nil (2020: £nil).

## **Section 172(1) Statement**

### **Introduction**

As Directors, our key responsibility is to promote the success of the Company. This principle is the cornerstone of our discussions and our decision making. Each Director is cognisant that in discharging this key responsibility, they must have regard to matters set out in s172(1)(a-f) of the Companies' Act. The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company.

### **Our strategy**

The Board is responsible for a number of key strategic decisions and on-going performance monitoring. The Directors' assessment of long-term value creation considers the Company's resilience. They determine and monitor risk appetites and tolerances, and they ensure the Company has an effective risk management framework in place.

# **BRIT INVESTMENT HOLDINGS LIMITED**

## **Strategic Report (continued)**

### ***Board information***

The Board receives information on a range of relevant topics, and receives information on other areas as requested by the Directors from time to time.

### ***Our policies and practices***

All relevant factors are appropriately addressed by the Board when considering matters reserved for it, as set out in its terms of reference. It ensures that all relevant considerations to assist it discharge its responsibilities are embedded in the key operations of the business, in order to help promote the long-term success of the Company.

### ***Training***

To assist the Directors discharge their responsibilities, they are provided with on-going training and development opportunities. For the wider workforce who provide operational services under outsourcing arrangements with other Brit Limited Group companies, there is a comprehensive staff development program tailored to meet individual needs. Elements of this training are mandatory, with all staff required to successfully complete e-learning modules on key areas such as money laundering, bribery and corruption, data protection, fraud and cyber risk.

### ***Our culture***

Building and maintaining the Company's reputation and its high standards of business conduct are essential to the future success of the Company. This is embedded in our culture. The wider group also maintains a 'Code of Conduct' setting out the standard we expect from all of our staff. This is regularly reviewed and updated, and compliance is attested to by each employee on an annual basis.

### ***Our stakeholders***

The Board recognises the importance of engaging with its broader stakeholder base. The Company's primary stakeholder is its sole shareholder, Brit Insurance Holdings Limited. The Board is also mindful of the interests of the wider Brit Limited Group.

### ***Key decisions made by the Directors during the year***

The key decisions made by the Directors during the year were:

- The 2020 financial statements of Brit Investment Holdings Limited were approved on 2 July 2021.

In making these decisions, the Directors considered the Company's immediate and longer-term strategic priorities, together with the needs and expectations of its stakeholders and the wider Brit Group. The Directors concluded that the decisions were in the Company's and its key stakeholders' best interests, met its overall objectives and were consistent with their key responsibility of promoting the success of the Company.

On behalf of the Board



**S Dawes**

On behalf of Brit Corporate Services Limited

Director

21 September 2022

# **BRIT INVESTMENT HOLDINGS LIMITED**

## **Directors' Report**

The Directors present their report and financial statements of the Company for the year ended 31 December 2021.

### **Principal activities**

The Company's principal activity is to act as a company holding specific assets on behalf of the Brit Limited Group. While the Company does not currently hold any specific assets, it remains ready to do so.

### **Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

### **Result, dividend and future developments**

The profit for the financial year after taxation is £nil (2020: £nil).

The Directors do not recommend the payment of a dividend for the year ended 31 December 2021 (2020: £nil).

The Directors do not envisage any changes to the current business model in 2022.

### **Directors**

The names of the Directors of the Company who held office during the financial year and up to the date of signing the financial statements are listed on page 2. Subsequent to the year-end, on 23 March 2022, Mark Allan resigned as a director and Gavin Wilkinson was appointed as a director.

### **Statement of Directors' responsibilities**

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 the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland', and applicable law (United Kingdom Generally Accepted Accounting Practice).

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;
- state whether applicable UK Accounting Standards comprising FRS 102 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 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.

## **BRIT INVESTMENT HOLDINGS LIMITED**

### **Directors' Report (continued)**

#### **Political donations**

The Company has not made any political donations during the year.

#### **Independent Auditors**

For the year ended 31 December 2021, the Company was entitled to an exemption from audit under section 480(2) of the Companies Act 2006 (the "Act"), and the member has not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The review of the business, principal risks and uncertainties, stakeholder engagement information and subsequent events is not shown in the Directors' Report because it is shown in the Strategic Report instead under s414C(11) and Note 9.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'S Dawes'.

**S Dawes**

On behalf of Brit Corporate Services Limited

Director

21 September 2022

# **BRIT INVESTMENT HOLDINGS LIMITED**

## **Income Statement**

**For the Year Ended 31 December 2021**

The Company did not trade during the current or prior year.



# BRIT INVESTMENT HOLDINGS LIMITED

## Statement of Financial Position

As at 31 December 2021

		31 December 2021 £	31 December 2020 £
	Note		
<b>Current assets</b>			
Debtors	4	3,120,203	3,120,203
		<b>3,120,203</b>	<b>3,120,203</b>
<b>Net current assets</b>		<b>3,120,203</b>	<b>3,120,203</b>
<b>Net assets</b>		<b>3,120,203</b>	<b>3,120,203</b>
<b>Capital and reserves</b>			
Called up share capital	5	6,000,002	6,000,002
Retained earnings		(2,879,799)	(2,879,799)
<b>Total shareholder's funds</b>		<b>3,120,203</b>	<b>3,120,203</b>

For the year ended 31 December 2021 the Company was entitled to exemption from audit under section 480(2) of the Companies Act 2006 (the "Act").

The member has not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Directors acknowledge their responsibility for:

- (a) Ensuring the Company keeps accounting records which comply with section 475(3) of the Act; and
- (b) Preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 394 of the Act, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the Company.

The financial statements on pages 7 to 12 were approved by the Board of Directors on 21 September 2022 and signed on their behalf by:



**S Dawes**

On behalf of Brit Corporate Services Limited  
Director

The notes on pages 10 to 12 form part of these financial statements.

Registered Number: 03217813

# BRIT INVESTMENT HOLDINGS LIMITED

## Statement of Changes in Equity

For the year ended 31 December 2021

	Called up share capital £	Retained earnings £	Total shareholder's funds £
<b>At 1 January 2021</b>	<b>6,000,002</b>	<b>(2,879,799)</b>	<b>3,120,203</b>
Profit for the financial year	-	-	-
<b>At 31 December 2021</b>	<b>6,000,002</b>	<b>(2,879,799)</b>	<b>3,120,203</b>

  

	Called up share capital £	Retained earnings £	Total shareholder's funds £
At 1 January 2020	6,000,002	(2,879,799)	3,120,203
Profit for the financial year	-	-	-
At 31 December 2020	6,000,002	(2,879,799)	3,120,203

The notes on pages 10 to 12 form part of these financial statements.

# BRIT INVESTMENT HOLDINGS LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 1. Accounting policies

#### (a) Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value, and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) and the Companies Act 2006. No income statement is presented because the Company did not trade during the current or prior year.

The Company is a private company, limited by shares and is incorporated in the United Kingdom. The address of its registered office is The Leadenhall Building, 122 Leadenhall Street, London, England, EC3V 4AB.

The financial statements for the year ended 31 December 2021 were approved for issue by the Board on 21 September 2022.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are presented in Sterling (GBP) and all values are rounded to the nearest £ except where otherwise indicated.

#### (b) Foreign currencies

Transactions in foreign currencies other than Sterling, United States dollars, Canadian dollars and Euros are translated at the rate of exchange ruling at the date the transaction is processed. Unless otherwise stated, transactions in United States dollars, Canadian dollars and Euros are translated at the average rates of exchange for the period. Assets and liabilities in currencies other than Sterling are translated at the rate of exchange ruling at 31 December of each year. Exchange differences arising on translation are dealt with in the income statement.

#### (c) Current Taxation and Deferred Taxation

##### (i) Current Taxation

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

##### (ii) Deferred Taxation

Where relevant deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, if the deferred income tax arises from initial recognition of an asset or liability, it is not recognised.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax relating to items recognised in other comprehensive income is also recognised in other comprehensive income.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Deferred tax assets and liabilities are not discounted.

# BRIT INVESTMENT HOLDINGS LIMITED

## Notes to the Financial Statements (continued)

For the Year Ended 31 December 2021

### 1. Accounting policies (continued)

#### (d) Financial Assets and Financial Liabilities

##### (i) Financial assets

Basic financial assets, including debtors and cash at bank and in hand balances, are initially recognised at transaction price.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### (ii) Financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest rate method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Some financial liabilities are measured at fair value. Fair value is normally determined by reference to the fair value of the proceeds received. Any difference between the initial carrying amount and the redemption value is recognised in the income statement over the period of the financial liability using the effective interest rate method.

#### (e) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

### 2. Auditors' remuneration

For the year ended 31 December 2021 the Company was entitled to exemption from audit under section 480(2) of the Companies Act 2006 (the "Act"). The auditors' remuneration in respect of statutory audit fees for the year ended 31 December 2020 was paid by a fellow Brit Limited Group company and amounted to £5,490.

### 3. Directors' remuneration

The Directors were not remunerated for their services to the Company during the year ended 31 December 2021 (2020: £nil).

### 4. Debtors

	31 December 2021 £	31 December 2020 £
<b>Amounts falling due within one year:</b>		
Amounts owed by Group undertakings	3,120,203	3,120,203

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

## BRIT INVESTMENT HOLDINGS LIMITED

### Notes to the Financial Statements (continued)

For the Year Ended 31 December 2021

#### 5. Called up share capital

	31 December 2021 £	31 December 2020 £
Allotted, issued and fully paid:		
6,000,002 ordinary shares of £1 each	6,000,002	6,000,002

There is a single class of shares. There are no restrictions on the distribution of dividends and the repayment of capital.

#### 6. Disclosure exemptions

The Company has taken advantage of the disclosure exemptions provided by paragraph 1.12 of FRS 102. Accordingly, these financial statements do not include the following:

- Statement of cash flows;
- A reconciliation of shares outstanding at the beginning and end of the period;
- Specific information relating to financial instruments that is included within equivalent disclosures for the Group; and
- Disclosure of key management personnel compensation.

The Company has been consolidated into the group financial statements of Brit Limited. The Brit Limited consolidated Financial Statements and accompanying notes provide further detail in respect of these areas, copies of whose financial statements can be obtained from The Leadenhall Building, 122 Leadenhall Street, London, England, EC3V 4AB.

#### 7. Related party transactions

The Company has taken advantage of the exemption afforded by Financial Reporting Standard 102, paragraph 33.1A, in not disclosing transactions with other entities wholly owned within the Brit Limited Group.

#### 8. Controlling parties

The immediate parent undertaking is Brit Insurance Holdings Limited, a company registered in the United Kingdom.

The ultimate parent undertaking is Fairfax Financial Holdings Limited (Fairfax), a company which is incorporated and domiciled in Ontario, Canada. Copies of Fairfax consolidated financial statements can be obtained by writing to 95 Wellington Street West, Suite 800, Toronto, Ontario, Canada, M5J 2N7, or from the website at [www.fairfax.ca](http://www.fairfax.ca).

The intermediate holding company, in which Brit Investment Holding Limited's result is consolidated, is Brit Limited, details for which are provided in Note 6 above.

#### 9. Subsequent events

##### Russia-Ukraine conflict

The Russia-Ukraine conflict arising from the Russian invasion of Ukraine is a cause for uncertainty. This uncertainty may have an impact on the operational costs of the Company attributable to the downstream effects of high inflation and commodity prices. At this time, it is too early to make any informed assessments or judgements on what effect, or effects, that this may have on the Company. The Company will continue to monitor developments closely.