



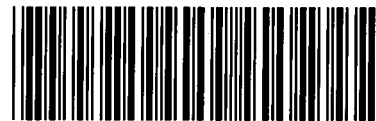
**TOKIO MARINE**  
**HCC**

## **HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED**

### **FINANCIAL STATEMENTS**

**Year ended 31 December 2017**

THURSDAY



\*A79IYN21\*

A09

05/07/2018

#136

COMPANIES HOUSE



**TOKIO MARINE**  
**HCC**

**HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED**  
**COMPANY INFORMATION**

	<b>PAGE</b>
Company information	2
Directors' report	3
Independent auditor's report	5
Profit and loss account and other comprehensive income	7
Balance sheet	8
Statement of changes in shareholder's equity	9
Notes to the financial statements	10-15



**TOKIO MARINE**  
**HCC**

**HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED**  
**COMPANY INFORMATION**

**DIRECTORS**

B J Cook (chairman)  
K L Letsinger  
R D Rinicella

**COMPANY SECRETARY**

J L Holliday

**REGISTERED NUMBER**

03671966

**REGISTERED OFFICE**

1 Aldgate  
London EC3N 1RE

**INDEPENDENT AUDITORS**

Moore Stephens LLP  
150 Aldersgate Street  
London EC1A 4AB



## **HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED**

### **DIRECTORS' REPORT**

The directors present their Directors' Report and the audited financial statements of HCC Insurance Holdings (International) Limited ('the Company') for the year ended 31 December 2017. The Company registered number is 03671966.

#### **Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements, unless where otherwise indicated, were:

B J Cook

K L Letsinger

R D Rinicella

#### **Principal activity**

The Company acts as a UK investment holding company. Its ultimate parent company is Tokio Marine Holdings, Inc. (TMHD) whose head office is located in Tokyo, Japan. TMHD is a leading international insurance group with offices worldwide. As of 31 December 2017, TMHD had total assets of YEN ¥23.3 trillion (2016: YEN ¥22.1 trillion) and shareholders' equity of YEN ¥3.9 trillion (2016: YEN ¥3.4 trillion). TMHD and its subsidiary insurance companies have a financial strength rating of A+ (Stable) from Standard & Poor's Financial Services LLC.

The Company's principal subsidiaries are:

- HCC International Insurance Company PLC ('HCCI'); an international insurance company authorised under the Financial Services and Markets Act (2000) to transact general insurance business including the following classes of business: Property Treaty, Property Direct and Facultative, Accident and Health, Energy, General Liability, Marine Hull, Financial Lines, Credit and Political Risk and Contingency.
- HCCI Credit Services Limited; a data and information provider to the credit insurance market.

#### **Business Review**

##### **Results and dividends**

The Company made a loss for the financial year of \$12,713 (2016: \$39,786 profit), as stated on page 7. Shareholder's funds as at 31 December 2017 totalled \$278,898,661 (2016: \$278,911,374). No dividend was declared as payable during the year (2016: \$nil).

##### **Key performance indicators**

The Company itself is inactive. The directors monitor the ongoing performance of the Company's subsidiary companies.

##### **Risk management**

The directors oversee the effective operation of the risk management framework and set the risk appetite for the Company (see Note 4).

##### **Future outlook**

The Company's subsidiaries continue to generate a satisfactory rate of return thereby justifying the cost of the Company's investments. Whether or not dividends will be declared in the future is a strategic decision resting with the Company's ultimate parent company. At this time there are no known circumstances which would result in a material change to the present operations of this Company, although the directors will continue to review opportunities to develop the business through the acquisition of suitable existing businesses.

##### **Disclosure in the strategic report**

The directors consider that the Company is entitled to an exemption from the requirement to present a Strategic Report under section 414A (2) of the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 and, accordingly, have not prepared a Strategic Report.

##### **Independent auditors**

Moore Stephens LLP have expressed their willingness to continue as the Company's auditors and the directors have approved their reappointment.



**TOKIO MARINE**  
**HCC**

## **HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

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

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

- so far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2017 of which the auditors are unaware; and
- each of them has taken all steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

The directors are responsible for preparing 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Post balance sheet events**

See Note 14 on Page 15.

On behalf of the board

J L Holliday  
Company Secretary  
1 Aldgate  
London EC3N 1RE  
25 June 2018

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED**

### **Opinion**

We have audited the financial statements of HCC International Holdings (International) Limited (the 'company') for the year ended 31 December 2017 which comprise the Profit and Loss account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Shareholders Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- 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.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED (CONTINUED)**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

### **Auditor's 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 auditor's 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 Financial Reporting Councils website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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.



Rupert Livingstone, *Senior Statutory Auditor*  
For and on behalf of Moore Stephens LLP, Statutory Auditor  
150 Aldersgate Street  
London  
EC1A 4AB

27 June 2018



**TOKIO MARINE**  
**HCC**

**HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED**  
**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME**  
**For the year ended 31 December 2017**

	Note	2017 \$	2016 \$
Foreign exchange (loss)/gain		(5,110)	55,313
Administrative expenses		(7,603)	(5,580)
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>7</b>	<b>(12,713)</b>	<b>49,733</b>
Tax on (loss)/profit on ordinary activities	<b>8</b>	-	(9,947)
<b>(Loss)/profit for the financial year</b>		<b>(12,713)</b>	<b>39,786</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the financial year</b>		<b>(12,713)</b>	<b>39,786</b>

All amounts relate to continuing operations.

The notes on pages 10 to 15 form part of these financial statements.





**TOKIO MARINE**  
**HCC**

## **HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED**

### **BALANCE SHEET**

**As at 31 December 2017**

	<b>Note</b>	<b>2017</b> \$	<b>2016</b> \$
<b>Fixed assets</b>			
Investment in subsidiary undertakings	9	<u>274,704,722</u>	<u>274,704,723</u>
<b>Current assets</b>			
Debtors	10	1,658,302	4,082,557
Cash at bank		2,536,539	690,412
<b>Creditors: amounts falling due within one year</b>	11	(902)	(566,318)
<b>Net current assets</b>		<u>4,193,939</u>	<u>4,206,651</u>
<b>Total assets less current liabilities</b>		278,898,661	278,911,374
<b>Net assets</b>		<u>278,898,661</u>	<u>278,911,374</u>
<b>Capital and reserves</b>			
Called up share capital	12	249,237,373	249,237,373
Profit and loss account		29,661,288	29,674,001
<b>Total shareholder's funds</b>		<u>278,898,661</u>	<u>278,911,374</u>

The financial statements on pages 7 to 15 were approved by the board of directors and were signed on its behalf by:

KL Letsinger  
Director

25 June 2018

The notes on pages 10 to 15 form part of these financial statements



**TOKIO MARINE**  
**HCC**

**HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED**  
**STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY**  
**As at 31 December 2017**

	Called up share capital	Profit and loss account	Total shareholder's funds
Capital and reserves	\$	\$	\$
At 1 January 2017	249,237,373	29,674,001	278,911,374
Loss for the financial year	-	(12,713)	(12,713)
At 31 December 2017	<u>249,237,373</u>	<u>29,661,288</u>	<u>278,898,661</u>

	Called up share capital	Profit and loss account	Total shareholder's funds
Capital and reserves	\$	\$	\$
At 1 January 2016	249,237,373	29,634,215	278,871,588
Profit for the financial year	-	39,786	39,786
At 31 December 2016	<u>249,237,373</u>	<u>29,674,001</u>	<u>278,911,374</u>

The notes on pages 10 to 15 form part of these financial statements



## **HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. General information**

The Company acts as an UK investment holding company. The Company is a private company limited by shares and is incorporated in England. The address of its registered office is 1 Aldgate, London EC3N 1RE.

The Company's ultimate parent company is Tokio Marine Holdings, Inc. ('TMHD') whose head office is located in Tokyo, Japan. TMHD is a leading international insurance group with offices worldwide. TMHD's major insurance companies have a financial strength rating of A+ (Stable) from Standard & Poor's Financial Services LLC.

#### **2. Statement of compliance**

The individual financial statements of the Company have been prepared in compliance 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. There are no areas of the Company's accounting which involve a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

#### **3. Summary of significant accounting policies**

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.

##### **a) Basis of preparation**

The financial statements have been prepared in accordance with UK GAAP and the Companies Act 2006 and on the historical cost basis. The financial statements have been prepared in US Dollars which is the functional currency of the Company.

The Company has obtained its shareholder approval to take advantage of the exemptions conferred by FRS 102 listed in (b) below, as the Company is a wholly owned subsidiary and the ultimate parent company's financial statements, in which the Company and its subsidiary undertakings are included, are publicly available.

##### **b) Exemptions for qualifying entities**

As allowed by FRS 102, the Company has applied certain exemptions as follows:

- i. preparing group financial statements. The financial statements present information about the Company as an individual undertaking and not about its group, except for the disclosure of directors' remuneration in Note 5 and audit fees in Note 7. The Company accounts for its investment in subsidiary undertakings at cost (see Note 9)
- ii. preparing a statement of cash flows
- iii. related party disclosures.

##### **c) Going concern**

Having assessed the principal risks, the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

##### **d) Dividends**

Dividends are accounted for in the year in which they are approved and declared as payable.

##### **e) Interest receivable**

Interest on deposits and fixed interest investments is credited as it is earned. Dividends receivable during the year from holdings of preference shares are reported as interest receivable.



## **HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**f) Functional currency**

The Company's income and certain expenses are paid in US Dollars. The Company and its subsidiaries are financed largely in US Dollars and pay dividends in US Dollars. Additionally the Company's intermediate holding company is based in the USA and all group reporting is in US Dollars. In the opinion of the directors, the functional currency is US Dollars as it is the currency of the primary economic environment in which the group operates. Accordingly the financial statements are prepared US Dollars.

**g) Exchange rates**

The Company records transactions in both original currency and functional currency, which is US Dollars, at the rate of exchange at the date of transaction. Monetary assets and liabilities in foreign currencies are revalued into the functional currency at the balance sheet date which for US Dollars was \$1.3494 = £1 (2016: \$1.2305 = £1). Gains or losses arising from the revaluation of foreign currencies into the functional currency, together with the settlement of foreign currency transactions, are included in the profit and loss account and other comprehensive income.

**h) Taxation**

Corporation tax is provided at the current rate of taxation on the result for the year as adjusted for items of income and expenditure which are disallowed for taxation purposes.

**i) Investments in group undertakings**

Investments in group undertakings are stated in the balance sheet at cost, less any provision for impairment.

**j) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

**k) Provisions and contingencies**

**Provisions**

Provisions are recognised when:

- the Company has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation, and
- the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small. Provisions for levies are recognised on the occurrence of the event identified by legislation that triggers the obligation to pay the levy.

**Contingencies**

Contingent liabilities arise as a result of past events when:

- it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date, or
- when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control.

Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote. Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable. Contingent assets stop being recognised as contingent at the point it is determined the benefit is virtually certain.



## **HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1) Financial Instruments**

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds basic financial instruments, which comprise cash at bank and in hand, other debtors and other creditors. The Company has chosen to apply the measurement and recognition provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' in full.

##### **Financial assets – classified as basic financial instruments**

###### *Other debtors*

Other debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Amounts that are receivable within one year are measured at the undiscounted amount of the amount expected to be receivable, net of any impairment. Where a financial asset constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

At the end of each reporting year, the Company assesses whether there is objective evidence that any financial asset amount may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due to it according to the original terms of the financial assets. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the provision is recognised immediately in profit or loss.

##### **Financial liabilities - classified as basic financial instruments**

###### *Other creditors*

Other creditors are initially measured at the transaction price, including any transactions costs, and subsequently measured at amortised cost using the effective interest method.

Amounts that are payable within one year are measured at the undiscounted amount of the amount expected to be payable.

Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

#### **4. Risk management**

The directors oversee the effective operation of the risk management framework and set the risk appetite for the Company. The directors have assessed the risks to which the Company is exposed and consider the following as the material risks:

- *Investment risk*

The Company is exposed to investment risk in respect of impairment of investments held in subsidiary undertakings. The risk is controlled by regular management review and monitoring of the trading results of the subsidiaries.

- *Liquidity risk*

Liquidity risk arises where cash may not be available to pay obligations when due at reasonable cost. The Company's policy is to hold sufficient liquid assets, or assets that can be converted into liquid assets at short notice and without any significant capital loss to settle its liabilities as they fall due thus minimising its exposure to liquidity risk.

- *Currency risk*

The Company is exposed to currency risk in respect of assets and liabilities denominated in currencies other than US Dollars. The risk is controlled by holding an appropriate level of assets in the relevant currency to match liabilities.



## **HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **5. Directors' remuneration**

Aggregate emoluments of directors, which are all borne by the Company's subsidiaries, are as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Aggregate emoluments	2,171,821	2,334,867
Pension contributions	Nil	10,189

#### **Highest paid director**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Aggregate emoluments	1,492,450	1,630,659

#### **6. Staff costs**

All staff are employed by HCC Service Company Inc. (UK branch), a group service company, and all staff costs are incurred by HCC International Insurance Company PLC. No recharge was made to the Company (2016: \$nil).

#### **7. (Loss)/profit on ordinary activities before taxation**

This is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Fees payable for the audit of the Company's financial statements	7,254	5,400
Fees payable for tax compliance services	1,248	738

Fees payable by the Company's subsidiary undertakings to the Company's auditors for services provided to the Company's subsidiary undertakings are as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Fees payable for the audit of the Company's subsidiaries' financial statements	26,988	17,550
Fees payable for tax compliance services in the subsidiaries	4,773	2,707

#### **8. Tax on (loss)/profit on ordinary activities**

The tax assessed for the year is equal to (2016: equal) the standard rate of corporation tax in the UK.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>(12,713)</b>	<b>49,733</b>
Tax on (loss)/profit on ordinary activities at standard rate of 19.25% (2016: 20%)	-	(9,947)

#### **9. Investment in subsidiary undertakings**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cost at 1 January	274,704,723	274,704,725
Adjustment to cost of investment	(1)	(2)
Cost at 31 December	<u>274,704,722</u>	<u>274,704,723</u>

During 2016, in preparation to dissolution, the net assets of HCC Specialty Holdings (No.1) Ltd were reduced to \$1 and its investment in Pepys Holdings Limited was transferred to HCC Insurance Holdings (International) Limited.



## **HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **Investment in subsidiary undertakings (continued)**

Investment in subsidiary undertakings comprises the equity holdings at cost, less any provision for impairment, in the following subsidiary companies:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Effective %</b>
Pepys Holdings Limited	Holding Company	Ordinary	100%
HCC International Insurance Company PLC*	Insurance Company	Ordinary	100%
HCCI Credit Services Limited*	Information provider	Ordinary	100%
Radius Underwriting Limited*	Insurance mediator	Ordinary	55%
HCC Diversificación y Soluciones S.L. *, incorporated in Spain	Dormant	Ordinary	100%
Rattner Mackenzie Limited (Jordan Exempt Company)*, incorporated in Jordan	Dormant	Ordinary	100%

\* Indirect holding via subsidiary

All subsidiary companies are incorporated in England unless otherwise stated above.

#### **10. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Amounts owed by group undertakings	1,646,874	4,082,557
Other debtors	11,428	-
	<u>1,658,302</u>	<u>4,082,557</u>

All amounts fall due within one year.

#### **11. Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Amounts owed to group undertakings	902	556,371
Corporation tax payable	-	9,947
	<u>902</u>	<u>566,318</u>

#### **12. Called up share capital**

<b>Allotted called up and fully paid ordinary shares</b>	<b>2017</b>		<b>2016</b>	
	<b>Number of shares</b>	<b>\$</b>	<b>Number of shares</b>	<b>\$</b>
Balance brought forward				
Ordinary shares of £1 each	10,049,385	16,252,870	10,049,385	16,252,870
Ordinary shares of \$1 each	232,984,503	232,984,503	232,984,503	232,984,503
Balance carried forward	<u>243,033,888</u>	<u>249,237,373</u>	<u>243,033,888</u>	<u>249,237,373</u>

The £1 ordinary shares are translated to US\$ at the rates of exchange ruling on the dates the shares were issued.

#### **13. Ultimate parent company**

Tokio Marine Holdings, Inc. (TMHD), incorporated in Japan and with its head office in Tokyo, is regarded by the directors as the Company's ultimate parent company and controlling party. HCC Insurance Holdings Inc. is the immediate parent company. Copies of the consolidated financial statements of TMHD can be obtained from its website at [http://www.tokiomarinehd.com/en/ir/library/annual\\_report](http://www.tokiomarinehd.com/en/ir/library/annual_report)



**TOKIO MARINE**  
**HCC**

## **HCC INSURANCE HOLDINGS (INTERNATIONAL) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **14. Post balance sheet events**

The Directors are considering the transfer of the shareholding in Pepys Holdings Limited to HCC Insurance Holdings Inc., which is the immediate parent of the Company. At the date of approving these financial statements, no decision has been made.