

**Longhawk Insurance Group Limited**  
**Annual Report and Financial Statements**  
**for the year ended 31 March 2018**



**Company Registration No. 05445532**

<b>Contents</b>	<b>Page</b>
<b>Officers and Advisers</b>	<b>2</b>
<b>Strategic Report for the year ended 31 March 2018</b>	<b>3</b>
<b>Directors' Report for the year ended 31 March 2018</b>	<b>5</b>
<b>Independent Auditors' Report to the members of Longhawk Insurance Group Limited</b>	<b>7</b>
<b>Statement of Comprehensive Income for the year ended 31 March 2018</b>	<b>10</b>
<b>Statement of Financial Position as at 31 March 2018</b>	<b>11</b>
<b>Statement of Changes in Equity for the year ended 31 March 2018</b>	<b>12</b>
<b>Notes to the Financial Statements for the year ended 31 March 2018</b>	<b>13</b>

**Officers and Advisers**

<b>Directors</b>	Mr R Skingle (appointed 20/09/2018) Mr T Smyth (appointed 12/04/2018)
<b>Secretary</b>	Miss L Brophy
<b>Principal bankers</b>	Santander UK Corporate Bank 44 Merrion Street Leeds LS2 8JQ
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square 29 Wellington Street Leeds LS1 4DL
<b>Tax advisors</b>	Rawlinson & Hunter 6 New Street Square New Fetter Lane London EC4A 3AQ
<b>Registered office</b>	The Hamlet Hornbeam Park Harrogate North Yorkshire HG2 8RE
<b>Company Registration number</b>	05445532
<b>Parent Company</b>	The immediate parent company is PBS Holdings Limited, and the ultimate parent company is Primary Group Holdings 1 Limited.

**Strategic Report for the year ended 31 March 2018****Principal activities**

The company was previously a parent company for companies that operate in the insurance industry providing underwriting agency, broking and service facilities. There are currently no plans for the company to acquire any new investments.

**Review of the business**

The results for the company as set out on page 10 shows a profit before taxation of £54,742 (2017: profit of £51,415). The equity of the company shows a surplus of £2,506,387 (2017: surplus of £2,451,645).

**Future outlook**

There are currently no plans for the company to acquire any new investments.

**Principal risks and uncertainties**

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by directors delegated with the appropriate responsibilities. Compliance with regulation, legal and ethical standards is a high priority for the company.

**Strategic Report for the year ended 31 March 2018 (continued)****Financial Risk Management****Liquidity risk**

Liquidity risk is the risk that cash may not be available to pay obligations when due. The primary liquidity risk of the company was the obligation to pay suppliers. Regular forecasts were performed to ensure that the company maintained an appropriate level of liquidity.

**Key performance indicators (KPI's)**

The company is a non trading entity, therefore key performance indicators are not monitored on a regular basis.

Approved by the Board and signed on its behalf by:

.....  
**Mr R Skingle**  
Director

Date: .....

3/10/18

**Directors' Report for the year ended 31 March 2018**

The directors present their report and the audited financial statements for the year ended 31 March 2018.

**Dividends**

An interim dividend of £nil (2017: £nil) was paid in the year. Directors do not recommend payment of a final dividend (2017: £nil).

**Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Mr P J Jewell (resigned 20/09/2018)  
Mr T Smyth (appointed 12/04/2018)  
Mr C A Nathan (resigned 06/04/2018)  
Mr R Skingle (appointed 20/09/2018)

**Qualifying third-party indemnity provisions**

The directors are protected by an indemnity insurance provision as defined by Section 234 of the Companies Act 2006. The indemnity cover has been in place for the last and current financial year and will still be in-force at the date of approval of the financial statements, with renewal due in April 2019.

**Statement of disclosure of information to auditors**

Each director at the date of approval of this report confirmed that there is no relevant audit information of which the company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Independent auditors**

The company has elected to dispense with the requirement to hold an Annual General Meeting and reappoint auditors annually. Accordingly, PricewaterhouseCoopers LLP, having indicated their willingness to do so, will continue as the company's auditors.

**Statement of directors' responsibilities for the year ended 31 March 2018**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom 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

**Directors' Report for the year ended 31 March 2018 (continued)**

- 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.

**Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken 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.

Approved by the Board and signed on its behalf by:

.....  
Mr R Skingle  
Director

Date: ..... 3/10/18 .....

**Independent Auditors' Report to the members of Longhawk Insurance Group Limited****Report on the audit of the financial statements****Our opinion**

In our opinion, Longhawk Insurance Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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 (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2018; the Statement of Comprehensive Income, 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**

We have nothing to report in respect of the following matters in relation to which 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.

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.



**Independent Auditors' Report to the members of Longhawk Insurance Group Limited (continued)****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.

***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 31 March 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 set out on pages 5 and 6, 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.

**Independent Auditors' Report to the members of Longhawk Insurance Group Limited (continued)***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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Use of this report*

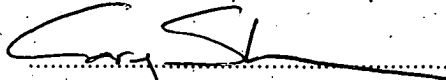
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other 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.

  
.....  
Gary Shaw (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors,  
Leeds

8 OCTOBER 2018  
.....

**Statement of Comprehensive Income for the year ended 31 March 2018**

	Note	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Turnover		-	-
Administrative expenses		(5,647)	(5,251)
Operating loss	4	(5,647)	(5,251)
Interest receivable and similar income	5	60,389	56,666
<b>Profit on ordinary activities before taxation</b>		<b>54,742</b>	<b>51,415</b>
Tax on profit on ordinary activities	6	-	(5,305)
<b>Profit for the financial year</b>		<b>54,742</b>	<b>46,110</b>

The notes to the financial statements on pages 13 to 16 form an integral part of these financial statements.

There were no gains or losses other than those reflected in the profit for the financial year.

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

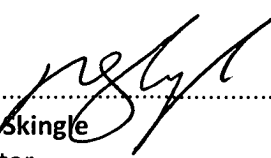
**Statement of Financial Position as at 31 March 2018**

	Note	As at 31 March 2018 £	As at 31 March 2017 £
<b>Current assets</b>			
Debtors	7	2,512,360	2,455,477
<b>Creditors: amounts falling due within one year</b>	8	(5,973)	(3,832)
<b>Net current assets</b>		<u>2,506,387</u>	<u>2,451,645</u>
<b>Total assets less current liabilities</b>		<u>2,506,387</u>	<u>2,451,645</u>
<b>Net assets</b>		<u>2,506,387</u>	<u>2,451,645</u>
<b>Capital and reserves</b>			
Called up share capital	9	2,300,001	2,300,001
Retained Earnings		<u>206,386</u>	<u>151,644</u>
<b>Total shareholders' funds</b>		<u>2,506,387</u>	<u>2,451,645</u>

The notes to the financial statements on pages 13 to 16 form an integral part of these financial statements.

The financial statements on pages 10 to 16 were approved by the Board of Directors on

3/10/18 and signed on its behalf by:

  
 .....  
 Mr R. Skingle  
 Director

Longhawk Insurance Group Limited  
 Company registration number: 05445532

**Statement of Changes in Equity for the year ended 31 March 2018**

	<b>Called up share capital £</b>	<b>Retained Earnings £</b>	<b>Shareholders Funds £</b>
Balance as at 1 April 2016	<u>2,300,001</u>	<u>105,534</u>	<u>2,405,535</u>
Profit for the Financial Year	-	46,110	46,110
Balance as at 31 March 2017	<u>2,300,001</u>	<u>151,644</u>	<u>2,451,645</u>
<b>Balance as at 1 April 2017</b>	<u><b>2,300,001</b></u>	<u><b>151,644</b></u>	<u><b>2,451,645</b></u>
<b>Profit for the Financial Year</b>	-	<b>54,742</b>	<b>54,742</b>
<b>Balance as at 31 March 2018</b>	<u><b>2,300,001</b></u>	<u><b>206,386</b></u>	<u><b>2,506,387</b></u>

The notes to the financial statements on pages 13 to 16 form an integral part of these financial statements.

**Notes to the Financial Statements for the year ended 31 March 2018****1. General Information**

Longhawk Insurance Group Limited ("the Company") operated to act as a parent company for companies that operate in the insurance industry. The Company sold these investments to UK General Insurance Limited in December 2014, and there are currently no plans for the company to acquire any new investments.

The Company is a private company, limited by shares, and is incorporated and domiciled in England. The address of its registered office is The Hamlet, Hornbeam Park, Harrogate, HG2 8RE.

**2. Statement of Compliance**

The 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.

**3. 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.

**Basis of preparation**

These financial statements have been prepared on the going concern basis, under the historical cost convention.

The financial statements contain information about Longhawk Insurance Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. Information on parent companies can be found in note 11.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

**Taxation**

Taxation for the period comprises current and deferred tax recognised in the reporting period. Current or deferred taxation assets and liabilities are not discounted.

**(i) Current tax**

Current tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

**Notes to the Financial Statements for the year ended 31 March 2018 (continued)****3. Accounting Policies (continued)****Taxation (continued)****(ii) Deferred tax**

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**Exemptions for qualifying entities under FRS 102**

The company is a subsidiary of Rural & Commercial Holdings Limited and is included in the consolidated financial statements of Rural & Commercial Holdings Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement and from disclosing related party transactions with entities that are part of the Primary Group Limited group or investors of Primary Group Limited.

**4. Operating Loss**

Fees payable to the Company's auditors for the audit of the Company financial statements at 31 March 2018 were £3,828 (2017: £2,894).

No employees were employed by the Company in the year (2017: nil) other than the directors listed. No emoluments were paid to the directors for their services to the Company during the year (2017: £nil). The charge for directors' emoluments and contributions to money purchase pension schemes totaling £2,607 (2017: £8,182) was borne by another group company, in respect of their services to the group as a whole.

**5. Other Interest receivable and similar income**

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Interest receivable from group undertakings	<u>60,389</u>	<u>56,666</u>

**Notes to the Financial Statements for the year ended 31 March 2018 (continued)****6. Tax on Profit****(a) Analysis of charge in the year**

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Group relief and similar payments/(credits)	-	-
Adjustments to tax in respect of prior years	-	5,305
Total tax charge for the period (note 6b)	-	5,305

**(b) Factors affecting total tax charge for the year:**

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Profit on ordinary activities before taxation	54,742	51,415
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 19% (2017: 20%)	10,401	10,283
<u>Effects of:</u>		
Permanent Differences	(520)	(1,718)
Unrecognised deferred tax	(9,881)	(8,565)
Adjustment to tax in respect of prior periods - group relief	-	5,305
Total tax charge for the period (Note 6(a))	-	5,305

**(c) Tax rates**

The main rate of corporation tax reduced to 19% from 01 April 2017. This change was substantively enacted as part of Finance Act (No.2) 2015.

Further reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Act 2016. These reduce the main rate to 17% from 1 April 2020.

The deferred tax assets and liabilities reflect the above substantively enacted rates as at the balance sheet date.

**(d) Deferred tax**

There is an unrecognised deferred tax asset of £31,677 at 17% (2017: £40,518 at 17%) in respect of carried forward tax losses.



**Notes to the Financial Statements for the year ended 31 March 2018 (continued)****7. Debtors**

	31 March 2018 £	31 March 2017 £
Amounts owed by group undertakings	<u>2,512,360</u>	<u>2,455,477</u>

**8. Creditors: amounts falling due within one year**

	31 March 2018 £	31 March 2017 £
Accruals and deferred income	<u>5,973</u>	<u>3,832</u>
	<u>5,973</u>	<u>3,832</u>

**9. Called up share capital**

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Allotted, called up and fully paid 2,300,001,000 (2017: 2,300,001,000) Ordinary shares of 0.1 pence each (2017: 0.1 pence each)	<u>2,300,001</u>	<u>2,300,001</u>
	<u>2,300,001</u>	<u>2,300,001</u>

**10. Related party disclosures**

As permitted under FRS 102, paragraph 33.1A, transactions between group companies which are wholly owned have not been disclosed.

**11. Ultimate parent undertaking**

The ultimate trading parent company is Primary Group Limited, a company incorporated in Bermuda.

The ultimate parent company is Primary Group Holdings 1 Limited, which is a company incorporated in Bermuda. In the opinion of the directors, at the date on which the financial statements were approved, the ultimate controlling party is Mr P W H James.

Primary Group Limited, incorporated in Bermuda, is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2018. The registered address of Primary Group Limited is Canon's Court, 22 Victoria Street, Hamilton, HM EX, Bermuda.

Rural & Commercial Holdings Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements.