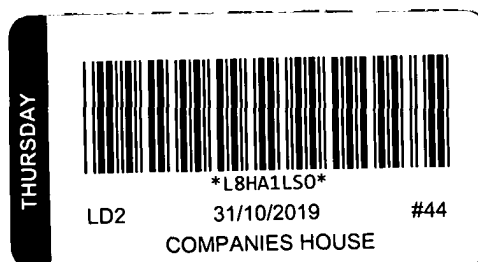


PURELY INSURANCE LIMITED

Annual report and
financial statements

For the year ended 31 December 2018

Registered Number 07695429



PURELY INSURANCE LIMITED

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PURELY INSURANCE LIMITED

1

COMPANY INFORMATION AND PROFESSIONAL ADVISORS

DIRECTORS: J A Masterton
A Erotocritou

REGISTERED OFFICE: 2 Minster Court
Mincing Lane
London
EC3R 7PD

BANKERS: The Royal Bank of Scotland
280 Bishopsgate
London
EC2M 4RB

SOLICITORS: Freshfields
65 Fleet Street
London
EC4Y 1HS

INDEPENDENT AUDITORS: Deloitte LLP
Statutory Auditor
Hill House, 1 Little New Street
London
EC4A 3TR

STRATEGIC REPORT

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31st December 2018.

Key Performance Indicators

Given the nature of the business the Directors are of the opinion that KPIs are not relevant in monitoring the performance of the business.

Principal Risks and Uncertainties

As a holding company, the greatest risk and uncertainty the company faces is market risk associated with the value of its investment in subsidiaries which are held at cost. Deterioration in the performance of these underlying businesses could reduce the value of the company's investments.

The directors do not anticipate any significant change in the Company's activities in the foreseeable future as it will continue to be a holding company.

The company has minimal risk in respect of liquidity, credit and operational risk.

Approved by the Board of Directors on 29th October 2019

and signed on behalf of the Board by

A handwritten signature in black ink, appearing to read 'A Erotocritou', written over a horizontal line.

A Erotocritou
Director

DIRECTORS' REPORT

Principal Activities

The principal activity of the Company during the year was that of a intermediary holding company for Equinox Underwriting North America and Solis Re, which act as managing general agents in insurance and reinsurance in North America.

Results and Dividend

The Company received no dividends during the year (2017: £nil). No dividends were paid during the year (2017: £nil).

Directors

The directors who served during the year, unless otherwise stated, were:

J A Masterton

S D Reid (appointed 29th August 2017) (resigned 22nd July 2019)

A Erotocritou (appointed 2nd March 2018)

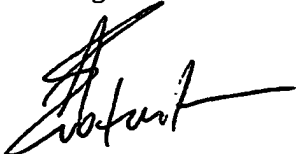
Disclosure of Information to Auditors

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Deloitte LLP, the Company's independent auditor, has expressed its willingness to continue in office.

The financial statements on pages 7 to 11 were approved by the Board of Directors on 29th October 2019 and signed on behalf of the Board by



A Erotocritou
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PURELY INSURANCE LIMITED

Opinion

In our opinion the financial statements of Purely Insurance Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 7.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other 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 opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the accounts, 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 respect of these matters.

PURELY INSURANCE LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.



Andrew Downes (Senior Statutory Auditor)

For and on behalf of Deloitte LLP, Statutory Auditor

London

United Kingdom

29th October 2018

STATEMENT OF COMPREHENSIVE INCOME**For the year ended 31 December 2018**

	2018	2017
	£	£
TURNOVER	-	-
	<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	-	-
Tax on profit on ordinary activities	-	-
	<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	-	-
	<hr/>	<hr/>
Other comprehensive income for the year, net of tax	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-
	<hr/>	<hr/>

All activities derive from continuing operations. There are no gains and losses other than those recognised above, which are calculated on the historical cost basis.

Notes from pages 10-11 forms part of the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	31st December 2018 £	31st December 2017 £
FIXED ASSETS			
Investments	3	1	1
CURRENT ASSETS			
Debtors	4	<u>99</u>	<u>1,950,265</u>
CURRENT LIABILITIES			
Creditors		<u>-</u>	<u>(1,950,166)</u>
NET CURRENT ASSETS		99	99
NET ASSETS		<u>100</u>	<u>100</u>
CAPITAL AND RESERVES			
Called up share capital	5	100	100
Profit and loss account		-	-
TOTAL SHAREHOLDERS' FUNDS		<u>100</u>	<u>100</u>

Notes from pages 10-11 forms part of the financial statements.

Approved by the board on 29th October 2019

and signed on its behalf by:



A Erotocritou

Registered Number 07695429

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2018

	Called up Share capital £	Profit and loss account £	Capital Reserve £	Total share- holders' funds £
At 1 January 2018	100	-	-	100
At 31 December 2018	100	-	-	100

	Called up Share capital £	Profit and loss account £	Capital Reserve £	Total share- holders' funds £
At 1 January 2017	100	-	-	100
At 31 December 2017	100	-	-	100

Notes from pages 10-11 forms part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. ACCOUNTING POLICIES

Purely Insurance Limited ("the Company") acts as an immediate parent for its subsidiaries which act as brokers in insurance and reinsurance markets.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 2 Minster Court, Mincing Lane, London. EC3R 7PD.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

(a) Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and UK applicable accounting standards under the historical cost convention.

The directors have a reasonable expectation that the Company and Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

There are no critical accounting judgements and estimates made in applying the Group's accounting policies.

(b) Consolidated financial statements

Consolidated financial statements have not been prepared in accordance with section 9 of FRS 102 as the Company is entitled to the exemption conferred by Section 400 of the Companies Act 2006 not to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Price Forbes Holdings Limited, a company incorporated in the Cayman Islands. Accordingly, these financial statements present financial information about the Company as an individual undertaking and not about its group.

(c) Cash flow statement

The Company has taken advantage of the exemption conferred by Section 7 of FRS 102 from presenting a cash flow statement on the grounds that consolidated group financial statements are prepared by the parent undertaking PFIH Limited.

(d) Related party disclosures

As the Company is a wholly owned subsidiary of Price Forbes Holdings Limited, the Company has taken advantage of the exemption contained in Section 33 of FRS 102 and has therefore not disclosed transaction or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of PFIH Limited, within which this Company is included, can be obtained from the address given in note 7.

(e) Investments

Investment held as fixed assets are shown at cost less provision for impairment.

Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable impairments are calculated such that the carrying value of the fixed asset investment is the lower of its cost or recoverable amount.

Recoverable amount is the higher of its net realisable value and its value in use.

(f) Turnover

Turnover represents dividends from subsidiary companies that are declared during the period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2018

2. ADMINISTRATIVE EXPENSES

The company has no employees. Auditors remuneration is borne by a fellow group undertaking.

3. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings	
	2018	2017
	£	£
COST		
Brought forward	1	1
Additions during year	-	-
Net book value	<u>1</u>	<u>1</u>

The principal trading subsidiary companies, which are owned directly by Purely Insurance Limited, are Equinox Underwriting North America and Solis Re, which are both Insurance Brokers.

4. DEBTORS

	2018	2017
	£	£
Loan to group undertaking	<u>99</u>	<u>1,950,265</u>
	<u>99</u>	<u>1,950,265</u>

5. CREDITORS

	2018	2017
	£	£
Amounts owed to group undertaking	<u>-</u>	<u>1,950,166</u>
	<u>-</u>	<u>1,950,166</u>

6. CALLED UP SHARE CAPITAL

	2018	2017
	£	£
Allotted, called up and not paid		
100 (2017: 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

7. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's controlling party is HPS Investment Partners LLC. At 31 December 2018, The Ardonagh Group Limited (incorporated in Jersey, registered office address, 44 Esplanade, St Helier, Jersey, JE1 0BD) is the largest group in which the results are consolidated. Ardonagh Midco 3 Limited (incorporated in United Kingdom, registered office address, 1 Minster Court, London, England. EC3R 7AA) is the smallest group in which the results are consolidated. The financial statements for the companies noted above are available upon request from:

1 Minster Court
London
United Kingdom
EC3R 7AA