

# **PURELY INSURANCE LIMITED**

## **Strategic report, directors report and financial statements**

**For the year ended 31 December 2017**

**Registered Number 07695429**



# **PURELY INSURANCE LIMITED**

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## STRATEGIC REPORT

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31st December 2017.

### 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 27th September 2018

and signed on behalf of the Board by

A handwritten signature in black ink, appearing to read 'S Reid', with a long horizontal line extending from the end of the signature.

S Reid  
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 (2016: £nil). No dividends were paid during the year (2016: £nil).

**Directors**

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

J A Masterton (appointed 29th August 2017)  
M P Donegan (resigned 29th August 2017)  
A G G Forman (resigned 29th August 2017)  
S D Reid (appointed 29th August 2017)  
M S Mugge (appointed 29th August 2017) (resigned 2nd March 2018)  
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**

On 15 November 2017 PricewaterhouseCoopers LLP resigned as auditors of the Company and KPMG LLP were appointed as auditors at that date.

The Ardonagh Group Limited Board has approved the proposed appointment of Deloitte LLP as external auditor for the financial year ending 31 December 2018.

The financial statements on pages 6 to 10 were approved by the Board of Directors on 27th September 2018 and signed on behalf of the Board by



S Reid  
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**

We have audited the financial statements of Purely Insurance Limited ("the company") for the year ended 31 December 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and related notes, including the accounting policies in note 1.

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 profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

**Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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

**PURELY INSURANCE LIMITED**

- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



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**Rees Aronson (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E15 5GL

27th September 2018

**STATEMENT OF COMPREHENSIVE INCOME****For the year ended 31 December 2017**

	2017 £	2016 £
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 9-10 forms part of the financial statements.



## STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

31st December  
2017  
£31st December  
2016  
£

Notes

## FIXED ASSETS

Investments	3	1	1
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## CURRENT ASSETS

Debtors	4	<u>1,950,265</u>	<u>704,663</u>
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## CURRENT LIABILITIES

Creditors		<u>(1,950,166)</u>	<u>(704,564)</u>
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NET CURRENT ASSETS		99	99
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NET ASSETS		<u>100</u>	<u>100</u>
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## CAPITAL AND RESERVES

Called up share capital	5	100	100
Profit and loss account		-	-

TOTAL SHAREHOLDERS' FUNDS		<u>100</u>	<u>100</u>
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Notes from pages 9-10 forms part of the financial statements.

Approved by the board on 27th September 2018

and signed on its behalf by:



S Reid

Registered Number 07695429

**STATEMENT OF CHANGES IN EQUITY****For the year ended 31 December 2017**

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

	<b>Called up Share capital £</b>	<b>Profit and loss account £</b>	<b>Capital Reserve £</b>	<b>Total share- holders' funds £</b>
At 1 January 2016	100	-	-	100
At 31 December 2016	100	-	-	100

Notes from pages 9-10 forms part of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 December 2017****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.

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 2017****2. ADMINISTRATIVE EXPENSES**

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

**3. FIXED ASSET INVESTMENTS**

	<b>Shares in subsidiary undertakings</b>	
	<b>2017</b>	<b>2016</b>
<b>COST</b>	<b>£</b>	<b>£</b>
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 and

**4. DEBTORS**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Loan to group undertaking	<u>1,950,265</u>	<u>704,663</u>
	<u>1,950,265</u>	<u>704,663</u>

**5. CREDITORS**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertaking	<u>1,950,166</u>	<u>704,564</u>
	<u>1,950,166</u>	<u>704,564</u>

**6. CALLED UP SHARE CAPITAL**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Allotted, called up and not paid		
100 (2016: 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**7. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The Group's majority shareholder is HPS Investment Partners LLC. At 31 December 2017, the ultimate parent company was The Ardonagh Group Limited (incorporated in Jersey, registered office address, 47 Esplanade, St Helier, Jersey, JE1 0BD).

The Ardonagh Group Limited is the largest group in which the results are consolidated and its financial statements are available upon request from:

Towergate House  
Eclipse Park  
Sittingbourne Road  
Maidstone  
Kent  
ME14 3EN