

PURELY INSURANCE LIMITED

Annual report and
financial statements

For the year ended 31 December 2020

Registered Number 07695429

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PURELY INSURANCE LIMITED

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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

STRATEGIC REPORT

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31st December 2020.

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

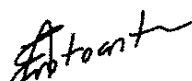
As a holding company, the greatest risk and uncertainty the company faces is market risk associated with the value of its investment in subsidiaries which are held at cost. Deterioration in the performance of these underlying businesses could reduce the value of the company's investments.

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 17 September 2021

and signed on behalf of the Board by



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 (2019: £nil). No dividends were paid during the year (2019: £nil).

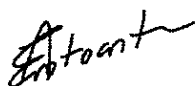
Directors

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

J A Masterton

A Erotocritou

The financial statements on pages 5 to 10 were approved by the Board of Directors on 17 September 2021 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.

STATEMENT OF COMPREHENSIVE INCOME**For the year ended 31 December 2020**

	Notes	2020 £	2019 £
TURNOVER		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Gain on disposal of business		1,014,178	-
Tax on profit on ordinary activities	5	-	-
PROFIT FOR THE FINANCIAL YEAR		<u>1,014,178</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,014,178</u>	<u>-</u>

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 8-10 forms part of the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	31st December 2020 £	31st December 2019 £
FIXED ASSETS			
Investments	3	1	1
CURRENT ASSETS			
Debtors	4	<u>1,014,277</u>	<u>99</u>
CURRENT LIABILITIES			
Creditors		<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>1,014,277</u>	<u>99</u>
NET ASSETS		<u><u>1,014,278</u></u>	<u><u>100</u></u>
CAPITAL AND RESERVES			
Called up share capital	6	100	100
Profit and loss account		<u>1,014,178</u>	<u>-</u>
TOTAL SHAREHOLDERS' FUNDS		<u><u>1,014,278</u></u>	<u><u>100</u></u>

Notes from pages 8-10 forms part of the financial statements.

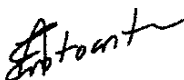
For the year ending 31 December 2020, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the board on 17 September 2021

and signed on its behalf by:



A Erotocritou

Registered Number 07695429

STATEMENT OF CHANGES IN EQUITY**For the year ended 31 December 2020**

	Called up Share capital £	Profit and loss account £	Total share- holders' funds £
At 1 January 2020	100	-	100
Total comprehensive income for the financial year	-	1,014,178	1,014,178
At 31 December 2020	100	1,014,178	1,014,278

	Called up Share capital £	Profit and loss account £	Total share- holders' funds £
At 1 January 2019	100	-	100
At 31 December 2019	100	-	100

Notes from pages 8-10 forms part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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, Ardonagh Midco 2 plc, a company incorporated in England and Wales. 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.

(d) Related party disclosures

As the Company is a wholly owned subsidiary of Ardonagh Midco 2, 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 Ardonagh Midco 2 plc, 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.

2. ADMINISTRATIVE EXPENSES

The company has no employees.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

3. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings	
	2020	2019
	£	£
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.

The shareholding in Solis Re was transferred to another company within the Ardonagh Group on 17th June 2020 and the profit on disposal was calculated as £1,014,178.

4. DEBTORS

	2020	2019
	£	£
Amounts owed by Group companies		
Loan to group undertaking	<u>1,014,277</u>	<u>99</u>
	<u>1,014,277</u>	<u>99</u>

5. INCOME TAX

	2020	2019
	£	£
Current taxation		
UK corporation tax	-	-
Adjustments in respect of prior periods	<u>-</u>	<u>-</u>
Total current taxation	-	-
Deferred taxation		
Origination and reversal of temporary differences	-	-
Adjustments in respect of prior periods	-	-
Effect of tax rate change on opening balances	<u>-</u>	<u>-</u>
Total deferred taxation	-	-
Income tax charge in the Statement of Comprehensive Income	<u>-</u>	<u>-</u>
The differences are reconciled below:		
	2020	2019
	£	£
Profit before tax	<u>1,014,178</u>	<u>-</u>
Corporation tax at standard rate of 19% (2019: 19%)	192,694	
Income not taxable for tax purposes	<u>(192,694)</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

In the March 2021 Budget, it was announced that the UK Corporation Tax Rate will rise from its current rate of 19% to 25% with effect from April 2023.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2020

6.	CALLED UP SHARE CAPITAL	2020	2019
		£	£
	Allotted, called up and not paid		
	100 (2019: 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 2020, the ultimate parent company was The Ardonagh Group Limited (incorporated in Jersey, registered office address, 3rd Floor, 47 Esplanade, St Helier, Jersey, JE4 9WG) and is the largest group in which the results are consolidated. Ardonagh Midco 2 plc (incorporated in United Kingdom, registered office address, 2 Minster Court, London, England, EC3R 7PD) is the smallest group in which the results are consolidated. The financial statements for the companies noted above are available upon request from 2 Minster Court, Mincing Lane, London, EC3R 7PD.