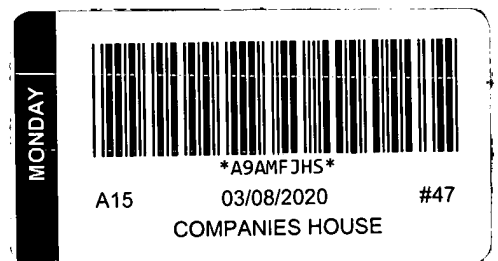


Registered Number: 1593580

Annual Report and Financial Statements 2019

Three Pillars Business Solutions Limited



Directors: S C McGinn
J M Dye
F K Dyson (appointed 07.01.19)

Secretary: R C Jack-Kee
Registered Office: 57 Ladymead, Guildford, Surrey, GU1 1DB
Registered No: 01593580

Directors' Report

The Directors present their report and audited financial statements for the year ended December 31, 2019.

Directors

The Directors of the Company who were in office during the financial year are shown above.

Principal activity

The Company provides administration services to third parties. From January 1, 2016, Allianz Insurance plc took over the supply of all new services that would previously have been provided by the Company. No new contracts are expected to go live in the foreseeable future.

Business review

The impact of the Coronavirus disease ('COVID-19') is noted in Principal risks and uncertainties below.

The results for the year are set out in the Statement of Comprehensive Income on page 7. The loss for the year amounted to £8k (2018: £35k) as a result of the write off of previously recognised creditor balances that are now deemed to be no longer due.

Results and dividends

The results for the year set out in the Statement of Comprehensive Income on page 7.

No interim dividend was paid for the year ended December 31, 2019 (2018: £nil). The Directors do not recommend the payment of a final dividend for the year ended December 31, 2019 (2018: £nil).

Key performance indicators

The financial key performance indicator monitored by the Company is net asset value. The net assets as at the end of the year were £4,854k (2018: £4,862k).

Principal risks and uncertainties

The principal risk facing the Company is that unforeseen costs arise relating to services provided in the past.

On March 11, 2020 the World Health Organisation confirmed that the outbreak of COVID-19 is a global pandemic and is a new and significant source of uncertainty for the Company in 2020. Preventative actions are being taken by the UK government such as restricting the public on non-essential travel, working from home, closure of businesses, postponing events and public gatherings. This has had an immediate impact to the domestic and global economies and financial markets, creating uncertainty for people and businesses. Consequently, companies like the Allianz Holdings plc Group (which the Company is a wholly-owned subsidiary of), are assessing the impact of COVID-19 as explained below.

The Company is closely monitoring the situation as it develops to manage both operational and economic risk. There is close alignment and interaction to ensure the Company is operating in accordance with government advice and benefiting from the wider Allianz SE Group response.

Our values will drive our decision making as the Company works through this challenging time, with a focus on putting our people first and prioritising existing and emerging customer needs.

Directors' Report (continued)

Principal risks and uncertainties (continued)

The Company is responding to the COVID-19 situation using well established business resilience and crisis management procedures. A crisis team meets daily ensuring that clear communication and quick decision making is enabled. The key risks this crisis presents are operational. These risks are being actively monitored and managed on a daily basis. The risks have largely come to the fore from late February onwards as new information has emerged and the government response has developed.

The Company is regularly assessing the disruption from risks posed by the COVID-19 pandemic. The operational and financial impacts are being closely monitored in light of these emerging risks. The Company's existing Risk Management framework is designed to cope with stresses and is responding to the current crisis.

The impact of COVID-19 is continuing to evolve at a fast pace, and therefore it is not practicable to quantify the potential financial impact on the Company at the time of writing but it is expected to be low.

Future outlook

No changes in the principal activity are anticipated in the foreseeable future. The uncertainties surrounding Brexit and the COVID-19 pandemic are noted.

Brexit

The United Kingdom ("UK") formally left the European Union ("EU") on January 31, 2020. There will now be a period of transition until December 31, 2020 where the UK and EU continue to negotiate, there remains a risk that a trade deal is not reached. This scenario could lead to inflationary pressure driven by exchange rate movements and labour shortages. As a result, the outcome of Brexit remains uncertain and management continue to monitor the potential impacts on the business. With operations based in the UK and minimal risk exposure outside the UK, management feel that the Company is well placed to respond to any potential outcome.

Going concern

The Directors intention is to commence winding up the Company once any remaining receivables have been collected and any obligations have been settled. The Company is not expected to continue trading for the next 12 months. As a result the financial statements have been prepared on a basis other than that of a going concern. Using this basis of preparation, the Directors are satisfied that no adjustments were necessary in these Financial Statements to reduce assets to their realisable values or to provide for liabilities arising from the decision.

Strategic Report

The Company has taken an exemption from preparing a Strategic Report in accordance with section 414B of the Companies Act 2006.

Directors' responsibility to the auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware. The Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' Report (continued)

Auditor

Pursuant to section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been re-appointed as auditor at the end of 28 days beginning with the day on which copies of these report and accounts are sent to Members.

By order of the Board



R C Jack-Kee

Secretary

Three Pillars Business Solutions Limited

Company Number: 01593580

June 29, 2020

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 IFRSs as adopted by the European Union 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
- 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.

By order of the Board



F K Dyson
Director

June 29, 2020

Independent auditors' report to the members of Three Pillars Business Solutions Limited

Report on the audit of the financial statements

Opinion

In our opinion, Three Pillars Business Solutions Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; 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 2019 (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended 31 December 2019; 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

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 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.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2019 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 Directors' Report.

Independent auditors' report to the members of Three Pillars Business Solutions Limited

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 in Respect of the Directors' Report and the Financial Statements set out on page 4, 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.

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. 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.
-

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Zahid Khan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 June 2020

Statement of Comprehensive Income

For the year ended December 31, 2019

	<i>Note</i>	<i>2019</i> £'000	<i>2018</i> £'000
Other income		2	19
Expenses		-	(48)
Profit/(loss) before tax		<u>2</u>	<u>(29)</u>
Income tax expense	5(a)	(10)	(6)
Loss for the year wholly attributable to the equity holders		<u>(8)</u>	<u>(35)</u>

There has been no other comprehensive income in the year ended December 31, 2019.

Statement of Changes in Equity

For the year ended December 31, 2019

	<i>Share capital</i> £'000	<i>Retained earnings</i> £'000	<i>Total</i> £'000
Balance as at January 1, 2018	1	4,896	4,897
Loss for the year	-	(35)	(35)
Balance as at December 31, 2018	1	4,861	4,862
Loss for the year	-	(8)	(8)
Balance as at December 31, 2019	<u>1</u>	<u>4,853</u>	<u>4,854</u>

The accounting policies and notes on pages 10 to 14 are an integral part of these financial statements.

Balance Sheet

As at December 31, 2019

		2019	2018
Assets	<i>Note</i>	<i>£'000</i>	<i>£'000</i>
Amounts due from related parties	9	5,940	6,042
Cash and cash equivalents		121	33
Total assets		<u>6,061</u>	<u>6,075</u>
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	8	1	1
Retained earnings		<u>4,853</u>	<u>4,861</u>
Total equity		<u>4,854</u>	<u>4,862</u>
Liabilities			
Trade and other payables	10	1,143	1,152
Current tax liabilities	5(b)	<u>64</u>	<u>61</u>
Total liabilities		<u>1,207</u>	<u>1,213</u>
Total equity and liabilities		<u>6,061</u>	<u>6,075</u>

The accounting policies and notes on pages 10 to 14 are an integral part of these financial statements.

These financial statements on pages 7 to 14 were approved by the Board of Directors on June 29, 2020 and signed on its behalf by:



F. K. Dyson
Director

Statement of Cash Flows

For the year ended December 31, 2019

		2019	2018
	<i>Note</i>	<i>£'000</i>	<i>£'000</i>
Cash flows from operating activities			
Profit/(loss) before tax		2	(29)
Decrease in amounts due from related parties	9	102	146
Decrease in trade and other payables	10	(9)	(41)
Cash generated from operations		<u>95</u>	<u>76</u>
Income taxes paid	5(c)	(7)	(10)
Net cash flow from operating activities		<u>88</u>	<u>66</u>
Increase in cash and cash equivalents		88	66
Cash and cash equivalents at the beginning of the year		33	(33)
Cash and cash equivalents at the year end		<u><u>121</u></u>	<u><u>33</u></u>

The accounting policies and notes on pages 10 to 14 are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended December 31, 2019

1. ACCOUNTING POLICIES

1.1. Company and its operations

Three Pillars Business Solutions Limited ("the Company") is a private limited company incorporated and domiciled in England and Wales.

1.2. Statement of compliance

The financial statements of Three Pillars Business Solutions Limited have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee as adopted by the European Union and with the Companies Act 2006 as applicable to companies reporting under IFRS.

1.3. Basis of preparation

The financial statements have been prepared on the historical cost basis. The functional and presentational currency is British Pounds.

Going concern

The fact that the Directors intend to commence winding up the Company has resulted in the financial statements being prepared on a basis other than that of a going concern. Using this basis of preparation, the Directors are satisfied that no adjustments were necessary in these Financial Statements to reduce assets to their realisable values or to provide for liabilities arising from the decision.

New standards and interpretations adopted by the Company

The following standard has been adopted by the EU and is mandatorily effective from January 1, 2019.

- IFRS 16: Leases – IFRS 16 Leases replaces IAS 17 Leases. The Company has determined that there will be no impact on the financial statements as there are no leasing arrangements in place.

1.4. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the financial statements are set out below.

(a) Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the Balance Sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charge to equity. Otherwise income tax is recognised in the Statement of Comprehensive Income.

(b) Trade and other receivables

Trade and other receivables are initially recognised and subsequently re-measured at fair value after taking into account any impairment losses. Trade and other receivables shall be derecognised when the contractual right to receive cash flows expire or when the asset is transferred.

An expected credit loss (ECL) provision is assessed as at the Balance Sheet date and the carrying amount of the receivables balance is reported after deduction of any ECL. The Company has adopted the "General approach" in determining the ECL. Under this approach, the calculation is based on an appropriate probability of default (PD) and a loss given default (LGD) to determine 12 month credit losses.

(c) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. They are initially recognised and subsequently measured at cost because they are expected to be settled within twelve months and their carrying value is a reasonable approximation of fair value. Trade and other payables are derecognised when it is no longer probable that an outflow of resources will be required to discharge the obligation.

(d) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

An expected credit loss (ECL) provision is calculated as at the Balance Sheet date. The cash and cash equivalents are reported after deduction of any ECL amount.

Notes to the Financial Statements

For the year ended December 31, 2019

2. USE OF CRITICAL ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Company makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities. Estimates, assumptions and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company does not consider any particular accounting policy or estimate to be susceptible to significant changes in estimates and assumption.

3. EMPLOYEE RELATED COSTS

Three Pillars Business Solutions Limited has no employees and as such incurs no employee related costs.

4. AUDITOR'S REMUNERATION

The total remuneration payable by the Company excluding VAT, to its auditors in respect of the audit of these financial statements, is shown below. The Company's audit fees are borne by Allianz Management Services Limited. Other services supplied pursuant to legislation were £nil (2018: £nil).

	2019	2018
	£'000	£'000
Fees payable for the audit of the Company's financial statements	<u>3</u>	<u>3</u>

5. INCOME TAX

(a) Income tax recognised in profit or loss

	2019	2018
	£'000	£'000
Current income tax expense	10	6

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2019	2018
	£'000	£'000
Profit/(loss) before tax	2	(29)
Income tax expense calculated at 19% (2018: 19%)	-	(6)
Effect of imputed transfer pricing adjustments	<u>10</u>	<u>12</u>
Income tax expense recognised in profit or loss	<u>10</u>	<u>6</u>

The tax rate used for the 2019 and 2018 reconciliations above is the corporate tax rate payable by corporate entities in the UK on taxable profits under tax law in that jurisdiction. The standard rate of UK corporation tax will be 19% for 2020. Deferred tax on temporary timing differences which are expected to unwind after April 1, 2020 have been recognised at 17%, the rate which was substantially enacted in law as at December 31, 2019. The 17% rate has since been repealed from law in the March Budget resulting in the tax rate for 2020 onwards remaining at 19%. Management have assessed the impact and concluded that it is not significant.

Notes to the Financial Statements

For the year ended December 31, 2019

5. INCOME TAX (CONTINUED)

(b) Current tax liabilities

	2019	2018
	£'000	£'000
Current tax liabilities	<u>64</u>	<u>61</u>

(c) Tax paid for cash flow purposes

	2019	2018
	£'000	£'000
Current tax liabilities at January 1	61	65
Amounts charged to the Statement of Comprehensive Income	10	6
Tax paid during the year	<u>(7)</u>	<u>(10)</u>
Current tax liabilities at December 31	<u>64</u>	<u>61</u>

6. DIRECTORS' EMOLUMENTS

S C McGinn, F K Dyson and J M Dye were not directly remunerated for their roles as Directors of Three Pillars Business Solutions Limited as the amount of time spent performing their duties was incidental to their roles as key management personnel of the Allianz Holdings plc Group.

7. DIVIDENDS

No interim dividend was paid for the year ended December 31, 2019 (2018: £nil). The Directors do not recommend the payment of a final dividend for the year ended December 31, 2019 (2018: £nil).

8. SHARE CAPITAL

	2019	2018
	£'000	£'000
1,000 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

9. AMOUNTS DUE FROM RELATED PARTIES

	2019	2018
	£'000	£'000
Amounts due from related parties	<u>5,940</u>	<u>6,042</u>
	<u>5,940</u>	<u>6,042</u>

All trade and other receivables are due within 12 months of the Balance Sheet date. The Company has concluded that the expected credit loss model has had no material impact on the valuation of trade and other receivables reported in the financial statements.

10. TRADE AND OTHER PAYABLES

	2019	2018
	£'000	£'000
Trade payables	<u>1,143</u>	<u>1,152</u>
	<u>1,143</u>	<u>1,152</u>

All trade payables are payable within 12 months of the Balance Sheet date.

Notes to the Financial Statements

For the year ended December 31, 2019

11. RISK MANAGEMENT POLICIES

Capital management

Whilst the Company has no active administration contracts in place, it is actively seeking to settle the remaining balances both receivable and payable relating to its previous operations. Its operations were primarily based in the United Kingdom hence any risk exposure would be almost entirely confined within the United Kingdom.

Financial Risk

The key financial risk is that proceeds from the realisation of assets are insufficient to meet obligations as they fall due. The most important aspects of financial risk comprise market risk, credit risk and liquidity risk.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the value of the Company's assets and income. The Company is not directly exposed to market risk.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts due to the Company in full when they fall due. The Company is exposed to credit risk through its cash balances and amounts due from group undertakings. The Company deems the risk associated with amounts due from Group undertakings to be low as the amounts are due from fellow Allianz SE Group subsidiaries and as such are 'A' rated. The cash balances are held with a financial institution with an A+ credit rating. All amounts due from related parties are due within 1 year and cash can be drawn upon immediately.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. Liquidity risk for the Company is mitigated as the Company has sufficient liquid assets to settle trade and other payables and current tax liabilities when they fall due and would be able to draw down from the liquid assets held elsewhere in the Allianz Holdings plc Group should the need arise. Trade and other payables and current tax liabilities are due within 1 year of the Balance Sheet date.

12. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Allianz Holdings plc, a company registered in England and Wales.

The ultimate parent undertaking, Allianz Societas Europaea ("Allianz SE"), is incorporated in Germany and is the parent of the largest group of undertakings for which Allianz SE group accounts are drawn up and of which the Company is a member.

Copies of the Allianz SE Group accounts are available on request from Allianz Societas Europaea, Königinstrasse 28, 80802 München, Germany.

13. RELATED PARTY TRANSACTIONS

During the year an intercompany balance of £102k (2018: £142k) with a fellow group undertaking was settled.

Year end balances arising from transactions carried out with related parties are as follows:

	2019	2018
	£'000	£'000
Due from related parties		
Other related party	<u>5,940</u>	<u>6,042</u>

The Company considers its key management personnel to be the Directors only. Further information is disclosed in note 6.

Notes to the Financial Statements

For the year ended December 31, 2019

14. SUBSEQUENT EVENTS

The outbreak of COVID-19 has resulted in a pandemic causing significant disruption across the globe. COVID-19 has been classified as a non-adjusting event for accounting purposes. At December 31, 2019, a very limited number of cases had been reported to the World Health Organisation. Since then the spread of the virus has been rapid and the number of reported cases and deaths has increased significantly.

The impact on society is reflected in business closures, restrictions on movement, home working and cancellations of sporting and other events. This is expected to lead to an economic downturn.

The recent volatility in financial markets and the impact on asset and liability values is being monitored with management plans in place to mitigate financial and operational risks. However, whilst there is still a significant degree of uncertainty the Company remains in a robust position. The impact of COVID-19 is continuing to evolve at a fast pace, and therefore it is not practicable to quantify the potential financial impact on the Company at the time of writing but it is expected to be low.