

Company Registration No. 02306067 (England and Wales)

ZPC CAPITAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



ZPC CAPITAL LIMITED

COMPANY INFORMATION

Directors

T J Grant
R J Hine

Secretary

Zurich Corporate Secretary (UK) Limited

Company number

02306067

Registered office

The Zurich Centre
3000 Parkway
Whiteley
Fareham
Hampshire
PO15 7JZ

Independent Auditors

PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol
BS2 0FR

ZPC CAPITAL LIMITED

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ZPC CAPITAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and audited financial statements for ZPC Capital Limited (the "Company") for the year ended 31 December 2019.

The Directors' report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The Company has not prepared a strategic report as it has taken advantage of the exemption in this respect available for small companies (as defined in Section 414B of the Companies Act 2006).

Review of the business

The principal activity of the Company was that of an investment company, whose primary purpose is to make investments within the Zurich Insurance Group Ltd predominantly to support the activities of those entities based in the UK.

The Company is a private company limited by shares and is domiciled and incorporated in England and Wales. The registered office is The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire, PO15 7JZ.

On 3 April 2019, the Company disposed of its holding of 57,129 shares in Lyons Davidson Limited for £260,000 by transferring this shareholding to ZHUK in order to settle the remainder of the ordinary dividend declared on 17 December 2018. No gain or loss arose as a result.

On 11 May 2019, the Company bank account held with HSBC was closed. The Company became dormant from this date.

Key performance indicators

The results for the Company show a result before taxation of £nil (2018: £30,000) for the year. After taking taxation into account, the amount transferred to reserves was £nil (2018: £30,000).

The Company has total shareholders' funds of £2 (2018: £260,000).

Future developments

The directors do not intend for the Company to hold any investments once the transfer of its remaining investment has been completed.

Principal risks and uncertainties

The directors have considered the Company's financial risk and have deemed it is not exposed to any material financial or other risks.

Going concern

During the year, the directors made the decision to commence on a plan to liquidate the Company and as such the financial statements have been prepared on a basis other than going concern.

ZPC CAPITAL LIMITED

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2019**

Results and dividends

The results for the year are set out on page 7.

No interim dividends in respect of ordinary shares of the Company were declared or paid during the year (2018: £2,363,571 ordinary dividends declared, of which £2,103,571 was paid). During the year, the £260,000 outstanding from the prior year was paid by way of an in-specie transfer of the remaining investment of the Company on 3 April 2019 (2018: £nil). The directors do not recommend payment of a final dividend for the year (2018: £nil).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

T J Grant
R J Hine

Directors' indemnity

Qualifying third party indemnity provisions (as defined in Section 234(2) of the Companies Act 2006) have been in force for the benefit of directors during the year and remain in force as at the date of this Directors' report.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that

ZPC CAPITAL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

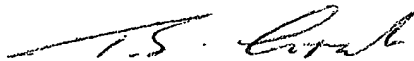
Statement of directors' responsibilities (continued)

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. 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.

Statement of disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the Board



Name: T J Grant
Director

Date 23 September 2020

ZPC CAPITAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ZPC CAPITAL LIMITED

Report on the audit of financial statements

Opinion

In our opinion, ZPC Capital 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 result 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 balance sheet as at 31 December 2019; the profit and loss account and 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.

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 2.8 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.

ZPC CAPITAL LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBER OF ZPC CAPITAL LIMITED

Reporting on other information

(continued)

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.

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 page 2, 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.

ZPC CAPITAL LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBER OF ZPC CAPITAL LIMITED

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: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Nick Muzzlewhite (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

Date 23 September 2020

ZPC CAPITAL LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £'000	2018 £'000
Administrative expenses	7	-	(6)
Operating result / (loss)		-	(6)
Interest receivable and similiar income	8	-	36
Result / profit before taxation		-	30
Tax on result / profit	9	-	-
Result / profit for the financial year		-	30

The profit and loss account has been prepared on the basis that all operations are discontinued operations.

The Company has no other comprehensive income in either year other than the result stated above, therefore no Statement of Comprehensive Income has been prepared.

ZPC CAPITAL LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2019

	Note	2019 £'000	2018 £'000
Fixed Assets			
Investments	11	-	-
Current assets			
Investments	11	-	260
Debtors	12	0	-
		<u>-</u>	<u>260</u>
Net current assets		<u>-</u>	<u>260</u>
Total assets less current liabilities		<u>-</u>	<u>260</u>
Capital and reserves			
Called up share capital	13	0	0
Profit and loss account		-	260
Total shareholders' funds		<u>-</u>	<u>260</u>

The notes on pages 10 to 15 are an integral part of these financial statements.

The financial statements on pages 7 to 15 were authorised for issue by the board of directors on 23 September 2020 and were signed on its behalf by:



Name: T J Grant
Director

Company Registration No. 02306067

ZPC CAPITAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Share capital £'000	Profit and loss £'000	Total £'000
Balance at 1 January 2018		5,000	2,333	7,333
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	30	30
Dividends	10	-	(2,103)	(2,103)
Capital reduction		(5,000)	-	(5,000)
Balance at 31 December 2018		-	260	260
Year ended 31 December 2019:				
Result and total comprehensive income for the year		-	-	-
Dividends	10	-	(260)	(260)
Balance at 31 December 2019		-	-	-

ZPC CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including FRS 102 and the Companies Act 2006.

2 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.

2.1 Basis of preparation

These financial statements have been prepared under the historical cost convention, and in accordance with United Kingdom Accounting Standards, including FRS 102 and the Companies Act 2006.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the following disclosure exemptions under FRS 102:

- (a) a reconciliation of the number of shares outstanding at the beginning and end of the period, FRS 102.4.12(a)(iv).
- (b) the requirement to prepare a statement of cash flows, Section 7 of FRS102 and FRS 102.3.17(d).
- (c) the non-disclosure of key management personnel compensation in total, FRS 102.33.7.
- (d) certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated, FRS 102.11.39-48A and FRS 102.12.26-29.

2.2 Administrative expenses

Administrative expenses relates to fees for the provision of Investment Accounting services from a Group Undertaking and are charged to the profit and loss account on an accruals basis.

2.3 Interest receivable and similar income

Interest receivable and similar income includes income from loans and interest on cash balances and is recognised in the profit and loss account on an accruals basis.

2.4 Investments

Investments are valued at cost, being deemed cost or, where there has been an impairment in value, at their recoverable amount being the higher of fair value less costs of disposal or value in use. Reversals in previous impairments are limited to the value of deemed cost.

2.5 Dividends

Interim dividends on the ordinary shares of the Company are recognised once settled due to the ability of the directors to revoke their resolution at any time before settlement is completed; no contractual obligation is created by the declaration of the interim dividend. Final dividends on the ordinary shares of the company are recognised as a liability in the company's financial statements in the period in which the dividends are declared by the company's directors.

ZPC CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

2.6 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade, intra group and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Financial liabilities

Financial liabilities, including trade, intra group and other payables, bank overdrafts, bank loans, loans from fellow Group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

2.7 Taxation

Taxation expense for the period comprises current tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.8 Going concern

During the prior year, the directors made the decision to commence on a plan to liquidate the Company and as such the financial statements have been prepared on a basis other than going concern. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify long-term liabilities as current liabilities.

3 Critical accounting judgements and estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The Company currently does not have any critical judgements or estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

ZPC CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

4 Auditors' remuneration

During the year the Company obtained the following services from the Company's auditors at costs as detailed below:

	2019 £'000	2018 £'000
Fees payable to the Company's auditors for the audit of the Company's financial statements	2	2
Total	2	2

In 2019 and 2018, the audit fees have been borne by another group company, Zurich Insurance plc.

5 Employee information

Staff are not employed directly by the Company and accordingly the Company does not incur direct staff or pension costs. The costs of staff working for the Company in 2019 and 2018 have been borne by another group undertaking.

The principal disclosures in respect of these staff appear in the financial statements of Zurich UK General Services Limited, copies of which can be obtained from The Secretary, Zurich UK General Services Limited, The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire, PO15 7JZ.

6 Directors' remuneration

The remuneration of the directors for services to the Company as directors during the year was £nil (2018: £nil).

No advances or credits granted to any director subsisted during the year. Also, no guarantees on behalf of any director subsisted during the year.

7 Administrative expenses

	2019 £'000	2018 £'000
Investment management fees	-	6

8 Interest receivable and similar income

	2019 £'000	2018 £'000
Income from loans	-	23
Income from cash and cash equivalents	-	13
Total	-	36

ZPC CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

9 Tax on result / profit

	2019 £'000	2018 £'000
Current tax:		
UK corporation tax on profits for the current year	-	-
Adjustments in respect of prior periods	-	-
	<u>-</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

The tax for the year is the same as (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2019 £'000	2018 £'000
Profit before taxation	<u>-</u>	<u>30</u>
Expected tax charge based on a corporation tax rate of 19% (2018: 19%)	-	7
Losses surrendered for no consideration	-	(7)
Adjustments in respect of prior periods	-	-
Gain on sale of associated undertaking	-	-
Total tax charge for the year	<u>-</u>	<u>-</u>

The tax rate for the current year is the same as the prior year. A reduction in the UK corporation tax rate from 19% to 17% (with effect from 1 April 2020) was substantively enacted by the Finance Act 2016 in September 2016.

The Budget Statement on 11 March 2020 announced the reversal of the proposed reduction in the UK Corporation Tax rate from 19% to 17%. However, as this measure was not substantively enacted at the balance sheet date the impact is not reflected in the Financial Statements for the year ended 31 December 2019.

10 Dividends

	2019 per share	2018 per share	2019 £'000	2018 £'000
Amounts recognised as distributions to equity holders:				
Ordinary shares				
Interim dividend in specie - April 2019	130	-	260	-
Interim dividend - May 2018	-	1,000	-	2,000
Interim dividend - December 2018	-	52	-	103

ZPC CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

11 Investments

	2019 £'000	2018 £'000
At 1 January	260	260
Disposals - in-specie transfer	(260)	-
At 31 December	<u>-</u>	<u>260</u>
Analysed as :		
Lyons Davidson Limited	<u>-</u>	<u>260</u>
	<u>-</u>	<u>260</u>

Investments comprises of unlisted shares in Lyons Davidson Limited, which are not publicly traded. The investment was reclassified as a current asset following the directors' decision to commence on a plan to wind up the Company.

Lyons Davidson Limited

The Company's unlisted shares comprised of a subscription to 57,129 ordinary shares in Lyons Davidson Limited. The address of the registered office of Lyons Davidson is 43 Queen Square, Bristol, BS1 4QP. On 3 April 2019, the company disposed of its holding of 57,129 shares in Lyons Davidson Limited for £260,000 by transferring this shareholding to Zurich Holdings (UK) Limited in order to settle the remainder of the ordinary dividend declared on 17 December 2018.

12 Debtors

	2019 £'000	2018 £'000
Amounts owed by group undertakings	<u>0</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>

Amounts owed by group undertakings includes £2 (2018: £nil) owed by Zurich Holdings (UK) Limited and are unsecured, interest free and have no fixed date of repayment.

13 Share capital

	2019 £'000	2018 £'000
Ordinary share capital		
<i>Issued and fully paid</i>		
2 (2018: 2) shares of £1 each	<u>0</u>	<u>0</u>

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights, they do not confer any rights of redemption.

ZPC CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

14 Related party transactions

The Company is a wholly owned subsidiary and has taken advantage of an exemption from within FRS 102.33.1A not to disclose transactions with undertakings which are part of the group of companies of which the ultimate parent is Zurich Insurance Group AG ("Zurich Insurance Group undertakings"). Balances with Zurich Insurance Group undertakings are shown in note 12.

There were no material transactions with any other related party.

The directors of the Company and its key management had no material transactions with the Company or any of the Zurich Insurance Group undertakings. The terms 'director' and 'key management' includes members of their close families.

15 Controlling party

The immediate parent company of ZPC Capital Limited is Zurich Holdings (UK) Limited and its registered office is The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire, PO15 7JZ.

Ultimate parent company

The Company's ultimate parent company and ultimate controlling party is Zurich Insurance Group AG, which is incorporated in Switzerland. Zurich Insurance Group AG is the parent company of the largest group of companies, of which the Company is a wholly owned subsidiary, for which group financial statements are drawn up. Zurich Insurance Company Ltd, which is incorporated in Switzerland, is the parent company of the smallest group of companies, of which the Company is a wholly owned subsidiary, for which group financial statements are drawn up.

Copies of the consolidated financial statements of Zurich Insurance Group AG and Zurich Insurance Company Ltd can be obtained from the Secretary of that company at the following address:

Mythenquai 2
8002 Zurich
Switzerland