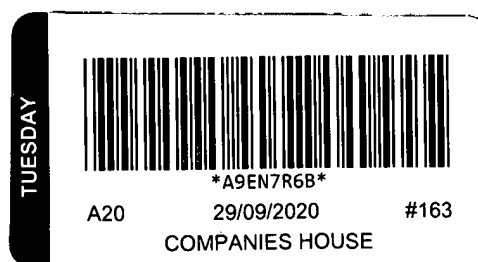


Company Registration No. 02306320 (England and Wales)

**ZURICH HOLDINGS (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



# **ZURICH HOLDINGS (UK) LIMITED**

## **COMPANY INFORMATION**

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### **Directors**

R Cremin (Appointed 5 December 2019)  
T J Grant

### **Secretary**

Zurich Corporate Secretary (UK) Limited

### **Company number**

02306320

### **Registered office**

The Zurich Centre  
3000 Parkway  
Whiteley  
Fareham  
Hampshire  
PO15 7JZ

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
2 Glass Wharf  
Bristol  
BS2 0FR

# **ZURICH HOLDINGS (UK) LIMITED**

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# **ZURICH HOLDINGS (UK) LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

---

The directors present the strategic report and audited financial statements for Zurich Holdings (UK) Limited ("the Company") for the year ended 31 December 2019.

### **Review of the business**

The principal activity of the Company is to act as a holding company. The principal activity of its subsidiary undertakings is the provision of services to other group companies and businesses, to support the group's insurance business.

On 3 April 2019, the Company acquired a holding of 57,129 shares in Lyons Davidson Limited for £260,000 from its subsidiary ZPC Capital Limited ("ZPCC") as settlement of the remainder of the interim dividend due to the Company declared on 17 December 2018 by ZPCC.

On 14 June 2019, the Company received an interim dividend of £6,000,000 from its subsidiary Zurich Management Services Limited ("ZMS").

On 14 June 2019, the Company issued 38,000,000 ordinary shares of £1 each totalling £38,000,000 to Zurich Insurance Company Ltd ("ZIC").

On 17 June 2019, the Company subscribed for 42,543,601 ordinary shares of £1 each in a subsidiary, Zurich UK General Services Limited ("ZUKGS"), for a consideration of £42,543,601.

On 9 August 2019, the Company received an interim dividend of £1,000,000 from its subsidiary Tennyson Insurance Limited ("TI"), following approval on 30 July 2019.

On 12 September 2019 the Company entered into a new loan agreement for £15,000,000 with Allied Zurich Holdings Limited ("AZH") with a maturity date of 16 October 2020. On the same date the previous loan of £15,000,000, together with accrued interest, was repaid.

On 12 September 2019, the Company entered into a new loan agreement for £7,000,000 with ZMS with a maturity date of 16 October 2020.

On 27 November 2019, the Company received an interim dividend of £7,300,000 from its subsidiary, Oak Underwriting Plc ("Oak") following approval on 4 November 2019 and subsequent notification to the Financial Conduct Authority ("FCA").

On 12 December 2019, the Company repaid the £15,000,000 loan entered into on 12 September 2019 with AZH early together with accrued interest of £36,937.27.

On 17 December 2019, the Company repaid the £28,900,000 Zurich Finance (Luxembourg) SA ("ZFLux") loan early together with accrued interest of £64,057.

# ZURICH HOLDINGS (UK) LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### *Key Performance Indicators*

The results for the Company show a loss before taxation of £37,224,000 (2018: loss before taxation of £16,028,000) for the year. After taking taxation into account, the amount transferred from reserves was £36,895,000 (2018: £15,845,000 transferred from reserves).

The Company has total shareholders' funds of £4,462,000 (2018: £3,357,000).

Given the nature of the business, the company's directors are of the opinion that no additional key performance indicators are necessary for an understanding of the development, performance and position of the business other than the performance and position shown in the statement of comprehensive income, and the statement of financial position on pages 12 and 13.

### *Future Outlook*

The directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, it is appropriate to continue to use the going concern basis in preparing the financial statements.

### **Principal risks and uncertainties**

The Company's operations expose it to credit and liquidity risk. The directors do not consider there to be a material exposure as a result of these risks. The Company is not subject to any material risks or uncertainties of its own, over and above those stated, although the directors' note the impact of both Brexit and the emerging situation with respect to COVID-19 as potential but immaterial business risks.

#### *Credit risk*

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company closely manages its exposure to a single counterparty, or groups of counterparties.

#### *Liquidity risk*

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Company is financed with the appropriate term finance to match its needs. The Company aims to mitigate liquidity risk by managing cash generation from investments.

#### *Business risk*

Following the decision by the UK in June 2016 to leave the European Union ("EU") and the subsequent passing of the Withdrawal Agreement Bill by the UK Parliament on 22 January 2020, the UK left the EU on 31 January 2020. There continues to be an underlying level of uncertainty in the UK regarding the financial and economic impact from this action. However, the risk to the Company is not considered to be significant.

The directors recognise the possible consequences arising from COVID-19 and have considered the operational impact on the business. The company has well established business continuity plans and as such the directors believe that the company is well positioned to cope with any changes in circumstances as they may arise.

The above information regarding the possible impact of COVID-19 on the business relevant to the company is accurate at the time of writing but as a result of ongoing developments, may not reflect the developed situation at the time of reading.

# ZURICH HOLDINGS (UK) LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### **Duty to Promote the Success of the Company in accordance with s172(1) Companies Act 2006**

The Company is a wholly owned subsidiary entity of Zurich Insurance Group AG and is subject to policies and governance arrangements set by the Zurich Group as well as local statutory and regulatory requirements, which take precedence. In accordance with The Companies (Miscellaneous Reporting) Regulations 2018, the Company is required to make disclosures in respect of s.172 of the Companies Act 2006 "Duty to promote the success of the Company" and stakeholder engagement.

During the course of the financial year, the Board consider, both individually and together, that they have acted in a way they consider would be most likely to promote the success of the Company for the benefit of its shareholder and customers. In particular, the Board has given consideration to the:

- Likely consequences of any decision in the long term;
- Interests of employees;
- Need to foster the Company's business relationships with suppliers, customers and others;
- Impact of the Company's operations on the community and the environment;
- Desirability of the Company maintaining a reputation for high standards of business conduct.

#### Long term decisions

The Board continually assesses the long term strategy of the Company and its long term value to its shareholder. In doing so it oversees the UK Property and Casualty Business to ensure the fair treatment of its customers whilst enhancing its long-term value to its shareholder through the sustainable and compliant delivery of financial performance targets and the fair treatment of its customers within a framework of prudent and effective controls.

#### Interests of employees

The Company does not have any direct employees and accordingly the company does not incur direct staff or pension costs. The principal disclosures in respect of these staff, including the approach to employee engagement, appear in the financial statements of Zurich UK General Employee Services Limited, Zurich UK General Services Limited and Zurich Global Corporate UK Limited, copies of which can be obtained from The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire, PO15 7JZ.

#### Stakeholder Relationships and Engagement

##### *Business relationships with suppliers, customers and others*

The principal activity of the Company is as a holding company to companies within the Zurich Group which provide services to other group companies and businesses such as the delivery of fee based engineering inspection services (through Zurich Engineering) and risk engineering consultancy services (through Risk Engineering) to both private and public sector organisations. The principal disclosures in relation to these activities can be found in the financial statements of these individual companies.

##### *Impact of operations on the community and environment*

The UK Corporate Affairs team are responsible for Diversity & Inclusion and Social Media and provide a weekly update on stakeholder engagement across the UK together with details on governmental consultation and inquiries.

# ZURICH HOLDINGS (UK) LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### Duty to Promote the Success of the Company in accordance with s172(1) Companies Act 2006 (continued)

#### Stakeholder Relationships and Engagement (continued)

##### *Impact of operations on the community and environment (continued)*

Zurich Group announced in July 2019 its commitment to the UN Climate Change targets to using only renewable energy by 2022. The Zurich Group has also taken a stance on single use plastics, i.e. to eliminate its use and to reduce internal paper usage by 80%. Zurich is part of a project to help financial institutions align lending and investment portfolios with the Paris Agreement targets. This commitment to climate change is driven down from the top level board and management through all jurisdictions and this commitment will come through as part of the company's long term strategy.

#### Business conduct

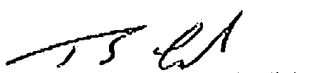
The Company has three overarching responsibilities:

1. To manage the capital funding requirements of its subsidiary companies within the UK Property and Casualty Business;
2. To maintain the company's business as a going concern in line with its strategic aims and targets for sustainable growth; and
3. To ensure that the company remains compliant with local law and meets the expectations of its regulators, paying due regard to jurisdictional best practice.

The Company is supported in delivering and executing the above responsibilities by reviewing considering and challenging reports submitted by the following stakeholders:

- A comprehensive overview of activity, financial performance, strategy and updates on regulatory matters are provided on a regular basis by the UK Branch Manager of the UK Property and Casualty business to the CEO of Zurich Insurance plc;
- Chief Risk Officer; and
- Chief Finance Officer.

By order of the Board



Name: T. J. Grant  
Director

Date: 9 June 2020

# **ZURICH HOLDINGS (UK) LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their annual report and financial statements for the year ended 31 December 2019.

### **Results and dividends**

The results for the year are set out on page 12.

No interim dividends in respect of ordinary shares of the Company were declared or paid during the year (2018: nil).

The directors do not propose the payment of a final dividend for the year (2018: £nil).

### **Subsequent events**

The directors recognise the possible consequences arising from COVID-19 and note this as a non-adjusting post balance sheet event. The directors have considered the possible economic impacts due to fluctuations in the market on the Company's profit and loss and projected cashflows (liquidity). There continues to be uncertainty around the full impact of COVID-19, therefore the directors' are unable to accurately quantify the impact to the company. However, there was no indication that the Company would have insufficient resources to pay its liabilities as they fall due (see note 21).

### **Directors**

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

R Cremin	(Appointed 5 December 2019)
T J Grant	
H A Pickford	(Resigned 5 December 2019)

### **Qualifying third party indemnity provisions**

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, have signified their willingness to continue in office and will be deemed to be reappointed under section 487 of the Companies Act 2006.

### **Future developments**

The directors have elected to include a description of the nature of the Company's exposure to financial risk and the future outlook, as required by regulations made under section 416(4) of the Companies Act 2006, within the Strategic Report (see section Future outlook on page 2) as permitted by section 414C(11) of the Companies Act 2006.

### **Going concern**

The directors are satisfied that the Company can continue to use the going concern basis in preparing the financial statements. In making this assessment the directors have considered the projected cash flows and profit and loss of the Company which show that the company has sufficient resources for the foreseeable future.



# **ZURICH HOLDINGS (UK) LIMITED**

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

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### **Financial instruments**

The directors consider that there is no material exposure to credit, foreign exchange, market or liquidity risk for the financial instruments held by the Company. The Company does not hold equity instruments; the financial assets and liabilities are mainly Sterling denominated. The Company actively manages its exposure to these risks as explained in principal risks and uncertainties in the Strategic Report.

### **Employee Relations**

We have two formal consultation bodies constituted in law. Both the UK Employee Consultation Board (all UK employees apart from Engineer Surveyors) and the National Partnership Group (for our 570+ Engineer Surveyors) go well beyond legal minimums in terms of engagement and seeking involvement of employees. Along with these groups we have a number of other engagement groups - social committees, wellbeing and D&I groups, Zurich Community Trust committees, as well as our Organisational Health Groups (OHI) in each location and a group to represent Homeworkers and Mobile worker. Zurich's aim is to encourage our 'employee's voice' in the topics that interest them.

In 2019 we established the People Hub – a generalist service to all employees and managers in the UK to gain quick and expert advice on all employee related topics. Since September 2019 we give our employees a range of access points via our People Portal to advice, guidance and coaching in order that we address any employment matters in a fair way upholding our Zurich Behaviours.

### **Performance management and reward**

In 2019, the Group introduced a fresh approach to performance management called My Performance Development Cycle (MyPDC). The benefits of MyPDC include an improved focus on goal setting to make sure the organisations strategic goals are reflected at the individual level as well as making sure team and individual goals drive the best outcomes for our customers. Further benefits include the adoption of continuous performance conversations and feedback throughout the year with additional flexibility to differentiate performance assessments and reward outcomes at the end of the performance year. The implementation of MyPDC was accompanied by all employee and leadership training both on the culture and behaviour shift expected as well as the process and system guidance.

The annual bonus construct changed slightly resulting in the removal of the Commercial Insurance bonus pool with all UK employees forming one UK bonus pool. With the exception of those employees working within Group Functions. For example, Legal, Risk and Compliance.

Work continues in 2020 to look at how the bonus pools can be designed to drive a greater sense of team across the differing lines of business, improve engagement and motivate for success.

### **Employment involvement**

Communication initiatives such as regular meetings with employee representatives, employee surveys, team meetings, financial results updates, presentations and workshops continued to be key actions in 2019. In January, the UK Executive Team invited employees to year-start roadshows in all our major locations, covering topics such as business performance, customer stories, investment plans, our work with the Zurich Community Trust and more. These roadshows also provide employees with a face to face opportunity to ask questions of the Executive team.

OHI Councils continued to give employees the chance to participate in ongoing dialogue with the aim of improving life at work at Zurich. Whilst employee survey information from the Occupational Health Index and employee Net Promoter Score gives Zurich feedback, the OHI Councils both at local and National levels are an important ongoing channel to create this conversation, as well as take actions itself in improving all aspects of working at Zurich.

# **ZURICH HOLDINGS (UK) LIMITED**

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

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### **Employment involvement (continued)**

In 2019, the employee recognition scheme, #Legend, continued to be both successful and popular with employees. The scheme provides employees with the opportunity to recognise their peers and winners are decided by a panel of employee representatives, #Legend recognises both individuals and teams in line with the principles of our defined company values: customer focus, innovation and simplification.

Each quarter, a winners' week is held designed to build excitement and pride for - with multiple opportunities to celebrate both winners and nominees and share success stories from around the business.

During 2019, Workplace was embedded as the new internal social media tool to replace Yammer. Workplace gives all employees the ability to share news, business updates and ideas and to discuss with colleagues, both in the UK and around the globe. Workplace enables people to make connections across all functions, countries and levels of the organisation and has proved to be a successful forum for more informal dialogue between colleagues. The overall goal is to modernise the way the business communicates – to reflect a more informal, straightforward and, wherever possible, face to face style and approach. In 2019, Pulse, an employee app, was launched to bring news and information from a number of sources together in one place that can be accessed on employees' mobile devices.

Across the business, senior leaders came together at four events in order to discuss strategic priorities, challenges progress and achievements. Between these events, a number of call took place to update leaders with business news.

ZIG operated bonus schemes during 2019 based on business and individual performance.

### **Employee Share Schemes**

The Company encourages both awareness of ZIG's financial performance and participation in its success through the Reward Share scheme. The principal disclosures in respect of these schemes, appear in the financial statements of Zurich UK General Services Limited, copies of which can be obtained from The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire, PO15 7JZ.

The Reward Share scheme is an element of a HM Revenue & Customs Approved Share Incentive Plan (SIP) operated by ZIG. Shares in ZIG are allocated to eligible employees based on the performance of business units for the year ended 31 December 2019.

### **Employment of Staff with disabilities in the United Kingdom**

The ZIG group's policy on recruitment and promotion is based on an individual's ability to do the job. Full and fair consideration is given to experience, qualifications and overall competence to perform the job. The ZIG group's training functions are equipped to meet any special needs of individuals with disabilities and favourable consideration is given to the modification of facilities and provision of special aids or equipment. The ZIG group have actively worked with an external advisory party, the ENEI (Employee Network for Equality and Inclusion) to ensure support of candidates with a disability is in line with best practice.

The Company actively monitors recruitment, development and promotion to ensure ZIG provides career development opportunities to employees with disabilities and the Company remains satisfied that policy and practice meets and in some cases exceeds statutory requirements.

For those employees who develop a disability during the course of their employment, every effort is made to ensure they remain with the ZIG Group by finding them suitable alternative employment, whether through making appropriate adjustments, retraining or redeployment, or, where this is not possible, financial provision is made for such employees through the operation of long-term sickness cover, and ill health early retirement provision's.

# ZURICH HOLDINGS (UK) LIMITED

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

---

### Employment of Staff with disabilities in the United Kingdom

Zurich in the UK has an employee network for disability – the Disability Inclusion Group (DIG) – which works to promote equal opportunities for all so that employees, customers and other stakeholders, irrespective of disability, find Zurich to be a caring and understanding employer and insurer.

Zurich UK is a Signatory of The Valuable 500 initiative, committing to put disability on the board's agenda. Zurich UK also holds the status of 'leader' in the Government's Disability Confident scheme.

### 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:

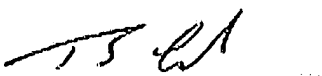
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 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.

By order of the Board



Name: T. J. Grant  
Director

Date: 9 June 2020

# **ZURICH HOLDINGS (UK) LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZURICH HOLDINGS (UK) LIMITED**

---

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Zurich Holdings (UK) 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 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 statement of financial position as at 31 December 2019; the statement of comprehensive income 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.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a 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.

# ZURICH HOLDINGS (UK) LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF ZURICH HOLDINGS (UK) LIMITED

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### **Reporting on other information (continued)**

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 Strategic Report and 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.

### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and 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 Strategic Report and 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 in respect of the financial statements set out on page 8 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

# ZURICH HOLDINGS (UK) LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF ZURICH HOLDINGS (UK) LIMITED

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### *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.



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

Date: 9 June 2020

## ZURICH HOLDINGS (UK) LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £'000	2018 £'000
Administrative expenses	7	(120)	(180)
Operating loss		(120)	(180)
Income from subsidiary undertakings	8	14,560	40,104
Amounts written off fixed asset investments	12	(50,155)	(64,725)
Gain on sale of fixed asset investment		-	9,931
<b>Loss before interest and taxation</b>		<b>(35,715)</b>	<b>(14,870)</b>
Interest receivable and similar income	9	241	718
Interest payable and similar expenses	10	(1,750)	(1,876)
<b>Loss before taxation</b>		<b>(37,224)</b>	<b>(16,028)</b>
Tax on loss	11	329	183
<b>Loss for the financial year</b>		<b>(36,895)</b>	<b>(15,845)</b>
<b>Other comprehensive (expense)/income:</b>			
Revaluation of affiliated bonds	12	-	(1,312)
Movement in deferred tax relating to affiliated bonds	11	-	223
<b>Total comprehensive expense for the financial year</b>		<b>(36,895)</b>	<b>(16,934)</b>

All figures relate to continuing operations.

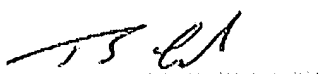
There is no material difference between the loss as reported and on an historical cost basis.

# ZURICH HOLDINGS (UK) LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019 £'000	2018 £'000
<b>Fixed Assets</b>			
Investments	12	12,938	20,289
<b>Current assets</b>			
Debtors	13	8	46
Current tax recoverable		173	155
Other financial investments	14	-	15,000
Cash and cash equivalents	15	2,949	6,541
		<u>3,130</u>	<u>21,742</u>
<b>Creditors: amounts falling due within one year</b>			
Creditors	16	11,606	9,274
<b>Net current (liabilities) / assets</b>		<u>(8,476)</u>	<u>12,468</u>
<b>Total assets less current liabilities</b>		<u>4,462</u>	<u>32,757</u>
<b>Creditors: amounts falling after more than one year</b>			
Creditors	16	-	29,400
<b>Provisions for liabilities</b>			
Deferred tax liabilities	17	-	0
<b>Net assets</b>		<u>4,462</u>	<u>3,357</u>
<b>Capital and reserves</b>			
Called up share capital	18	200,800	162,800
Capital reserve		70,044	70,044
Revaluation reserve		-	-
Profit and loss account		(266,382)	(229,487)
<b>Total shareholders' funds</b>		<u>4,462</u>	<u>3,357</u>

The financial statements on pages 12 to 25 were approved and authorised for issue by the Board on 9 June 2020 and were signed on its behalf by:



Name: T. J. Grant  
Director

Company Registration No. 02306320



## ZURICH HOLDINGS (UK) LIMITED

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

	Called up share capital £'000	Capital reserve £'000	Revaluation reserve £'000	Profit and loss account £'000	Total shareholders' funds £'000
<b>Balance as at 1 January 2018</b>	147,800	70,044	1,089	(213,642)	5,291
<b>Year ended 31 December 2018:</b>					
Loss for the financial year	-	-	-	(15,845)	(15,845)
Other comprehensive expense	-	-	(1,089)	-	(1,089)
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>-</b>	<b>(1,089)</b>	<b>(15,845)</b>	<b>(16,934)</b>
Issue of ordinary shares of £1 each	15,000	-	-	-	15,000
<b>Balance as at 31 December 2018</b>	<b>162,800</b>	<b>70,044</b>	<b>-</b>	<b>(229,487)</b>	<b>3,357</b>
<b>Year ended 31 December 2019:</b>					
Loss for the financial year	-	-	-	(36,895)	(36,895)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(36,895)</b>	<b>(36,895)</b>
Issue of ordinary shares of £1 each	38,000	-	-	-	38,000
<b>Balance as at 31 December 2019</b>	<b>200,800</b>	<b>70,044</b>	<b>-</b>	<b>(266,382)</b>	<b>4,462</b>

Capital contributions that the Company has received from the Zurich Insurance Company Ltd ("the Parent Company") are shown above in the capital reserve. The directors consider the capital reserve to be distributable.

# ZURICH HOLDINGS (UK) LIMITED

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

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### 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 are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments, 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.

The Company has taken advantage of the exemptions contained within section 401 of the Act and has not produced consolidated financial statements for the year ended 31 December 2019, since it is a wholly-owned subsidiary undertaking of a parent company that is not established under the law of an EEA state, which prepares consolidated financial statements in which the Company and its subsidiaries are included. The parent company information has been disclosed in note 20.

#### 2.2 Administrative expenses

Administrative expenses relate to deferred investment consideration for the purchase of a direct subsidiary undertaking and are charged to the profit and loss account on an accruals basis. All adjustments to the deferred investment consideration are credited or charged, as appropriate, to Administrative expenses.

#### 2.3 Interest receivable and similar income

Interest receivable and similar income includes income from investments and net realised and unrealised investment and foreign exchange gains and are recognised in the profit and loss account on an accruals basis.

#### 2.4 Interest payable and similar expenses

Interest payable and similar expenses includes interest payable on loans, related expense charges and net realised and unrealised investment and foreign exchange losses and are recognised in the profit and loss account on an accruals basis.

# ZURICH HOLDINGS (UK) LIMITED

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

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### 2 Accounting policies (continued)

#### 2.5 Investments

Investments include investments in subsidiaries and other group undertakings, affiliated bonds and forward contracts. Investments in subsidiaries and other group undertakings are valued at cost less any provision that may be required for impairment. Affiliated bonds are classified as available-for-sale financial assets, stated at fair value and denominated in a currency other than that of the base currency of the company. Changes in the fair value of affiliated bonds classified as available-for-sale are recognised in other comprehensive income.

#### 2.6 Financial instruments

The Company has elected to apply the recognition and measurement provision of IAS 39 (as adopted for use in the EU) and the disclosure requirements of Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### *Financial assets*

Financial assets, including trade, intra group and other receivables, cash and bank balances, derivatives 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. Included within other creditors is the deferred consideration relating to the purchase of a subsidiary undertaking. The deferred consideration is recognised in the profit and loss account on an accruals basis. The payment of the deferred consideration is triggered when certain targets are met by the subsidiary as agreed in the amendment to the sale and purchase agreement.

#### 2.7 Foreign Exchange

The company's functional and presentation currency is the pound sterling. Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions, and at each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

#### 2.8 Taxation

The taxation expense for the period comprises current and deferred 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 shareholders' funds respectively.

# ZURICH HOLDINGS (UK) LIMITED

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

### 2.8 Taxation (continued)

#### *Current tax*

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 the 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.

#### *Deferred tax*

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### 3 **Critical accounting judgements and estimates**

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 areas where assumptions and estimates could have an impact on the carrying value of assets and liabilities, are outlined below.

#### Investments in subsidiaries

The Company makes an estimate of the recoverable value of its material investments in subsidiary undertakings by considering a number of factors including forecasted cashflows and/or profits of the subsidiary. These forecasts contain assumptions in relation to income and expense growth. In taking into account these factors, the following estimates and assumptions are made:

- The expected future cashflows are based on Plan information provided by the business over a period of 5 years from the year end date;
- The expected future cashflows are discounted over this period at a rate of 5.71% representing the UK Weighted Average Cost of Capital ("WACC").

### 4 **Auditors remuneration**

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

£000	2019	2018
Fees payable to the Company's auditors for the audit of the Company's financial statements	13	5
<b>Total</b>	<b>13</b>	<b>5</b>

In 2019 and 2018, the audit fees have been borne by another group company, Zurich Insurance plc and not recharged to the company.

# ZURICH HOLDINGS (UK) LIMITED

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

### 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 Employment Services Limited, copies of which can be obtained from The Secretary, Zurich UK General Employment Services Limited, The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire, PO15

### 6 Directors' remuneration

There was no directors' remuneration paid by the Company (2018: £nil). The services of the directors of the Company are of a non-executive nature and their remuneration is deemed to be wholly attributable to their services to other group companies.

### 7 Administrative expenses

	2019 £'000	2018 £'000
Deferred consideration - Tennyson Insurance plc	120	120
Other - stamp duty land tax	-	60
<b>Total</b>	<b>120</b>	<b>180</b>

### 8 Income from subsidiary undertakings

	2019 £'000	2018 £'000
<b>Dividends</b>		
ZPC Capital Limited	-	2,104
ZPC Capital Limited (in-specie)	260	-
Zurich Management Services Limited	6,000	30,000
Zurich Specialties London Limited	-	6,500
Zurich Transitional Services Limited	1,000	1,500
Oak Underwriting plc	7,300	-
<b>Total</b>	<b>14,560</b>	<b>40,104</b>

### 9 Interest receivable and similar income

	2019 £'000	2018 £'000
Interest receivable and similar income	241	470
Gains on bonds available for sale	-	248
<b>Total</b>	<b>241</b>	<b>718</b>

# ZURICH HOLDINGS (UK) LIMITED

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

### 10 Interest payable and similar expenses

	2019 £'000	2018 £'000
Interest payable and similar expenses	1,750	1,824
Net losses on foreign exchange	-	52
<b>Total</b>	<b>1,750</b>	<b>1,876</b>

### 11 Tax on loss

	2019 £'000	2018 £'000
<b>Current tax</b>		
UK corporation tax on loss for the year	(287)	153
Adjustments in respect of prior years	(42)	(3)
<b>Total UK Current Tax</b>	<b>(329)</b>	<b>150</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	(373)
Impact of change in tax rate	-	39
Adjustments in respect of prior years	-	-
<b>Total UK Deferred Tax</b>	<b>-</b>	<b>(333)</b>
<b>Total tax credit</b>	<b>(329)</b>	<b>(183)</b>

Tax expense/(income) included in other comprehensive income was as follows:

	2019 £'000	2018 £'000
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	(223)
Impact of change in tax rate	-	-
<b>Tax income included in other comprehensive income</b>	<b>-</b>	<b>(223)</b>

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 this measure was not substantively enacted at the balance sheet date. Hence is not reflected in the Financial Statements for the year ended 31 December 2019.

# ZURICH HOLDINGS (UK) LIMITED

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

### 11 Tax on loss (continued)

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

	2019 £'000	2018 £'000
Loss on ordinary activities before tax	(37,224)	(16,028)
Profit on ordinary activities multiplied by standard rate of corporate tax in the UK of 19% (2018: 19%)	(7,073)	(3,045)
Income not chargeable for taxation purposes	(2,766)	(9,506)
Expenses not deductible for taxation purposes	9,552	12,332
Remeasurement of deferred tax - change in UK tax rate	-	39
Adjustments in respect of prior years	(42)	(3)
<b>Tax credit for the year</b>	<b>(329)</b>	<b>(183)</b>

### 12 Investments

	2019 £'000	2018 £'000
Shares in subsidiary undertakings	12,678	20,289
Unlisted shares - Available for sale	260	-
<b>Total</b>	<b>12,938</b>	<b>20,289</b>

Movements during the year consisted of:

	Unlisted shares - AfS £'000	Shares in subsidiary undertaking s £'000	Total £'000
Net assets value at 1 January 2019	-	20,289	20,289
Additions	260	42,544	42,804
Amounts received on contracts settled in year	-	-	-
Impairments	-	(50,155)	(50,155)
<b>Net assets value at 31 December 2019</b>	<b>260</b>	<b>12,678</b>	<b>12,938</b>

#### Additions

On 3 April 2019, the Company received a holding of 57,129 shares in Lyons Davidson Limited for £260,000 as part of the settlement of the remainder of the ordinary dividend declared by ZPCC on 17 December 2018.

On 17 June 2019, the Company subscribed for 42,543,601 ordinary shares of £1 each in a subsidiary, Zurich UK General Services Limited.

## ZURICH HOLDINGS (UK) LIMITED

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

#### 12 Investments (continued)

##### Lyons Davidson Limited

The company's unlisted shares comprises 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.

The value of the Company's investments in the following group undertakings was impaired in the year as follows:

	2019 £'000	2018 £'000
Zurich UK General Services Limited	42,544	42,544
Zurich Building Control Services Limited	-	341
ZPC Capital Limited	260	840
EFS Financial Services Limited	-	21,000
Oak Underwriting plc	7,351	-
Impairment of investments in subsidiary undertakings	<u>50,155</u>	<u>64,725</u>

The directors have considered the value of each of the Company's investments in subsidiary undertakings as at 31 December 2019 and are satisfied that the value of each investment is not less than the amount at which it is stated in the statement of financial position.

The following is a list of the Company's direct subsidiary undertakings as at 31 December 2019 and particulars of the percentage of nominal value of issued shares then held:

Company and country of incorporation and registration	Class of share capital	Nominal value held %	Nature of business
<b>England and Wales</b>			
Zurich Specialties London Limited*	Ordinary	100	Non-trading company
Zurich Management Services Limited*	Ordinary	100	Strategic risk management and risk services
Zurich UK General Services Limited*	Ordinary	100	Provision of employment services
Zurich Building Control Services Limited*	Ordinary	100	Inspection and risk management services
Zurich Transitional Services Limited**	Ordinary	100	Administration services
ZPC Capital Limited*	Ordinary	100	Investment company



## ZURICH HOLDINGS (UK) LIMITED

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

#### 12 Investments (continued)

The following is a list of the Company's direct subsidiary undertakings as at 31 December 2019 and particulars of the percentage of nominal value of issued shares then held:

Company and country of incorporation and registration	Class of share capital	Nominal value held %	Nature of business
<b>England and Wales</b>			
EFS Financial Services Limited (formerly Endsleigh Financial Services Limited)**	Ordinary	100	Provision of financial services
Endsleigh Pension Trustee Limited**	Ordinary	100	Dormant
Tennyson Insurance Limited*	Ordinary	100	Specialist insurance services
Zurich Global Corporate UK Limited*	Ordinary	100	Provision of employment services
Zurich GSH Limited*	Ordinary	100	Dormant Holding company of Zurich GSG Limited
Zurich International (UK) Limited*	Ordinary	100	Dormant
Zurich Professional Limited*	Ordinary	100	Dormant

The following is a list of the Company's indirect subsidiary undertakings as at 31 December 2019 and particulars of the percentage of nominal value of issued shares then held:

Company and country of incorporation and registration	Class of share capital	Nominal value held %	Nature of business
<b>England and Wales</b>			
Zurich UK General Employee Services Limited*	Ordinary	100	Management administration services
Zurich GSG Limited*	Ordinary	100	Dormant

Company and country of incorporation and registration	Class of share capital	Nominal value held %	Nature of business
<b>Malaysia</b>			
Zurich Risk Services Asia Pacific Sdn. Bhd.***	Ordinary	100	Provision of risk engineering services

The principal country in which each of the above named subsidiary undertakings operates is its country of registration or incorporation.

The above companies listed are registered at the following address:

\* The Zurich Centre, 3000 Parkway Whiteley, Fareham, Hampshire, PO15 7JZ

\*\* The Grange, Bishops Cleeve, Cheltenham, Gloucestershire, GL52 8XX

\*\*\* Level 8 Symphony House, Block D13 Pusat Dagangan Dana 1, Jalan Pju 1a/4b, 47301 Petaling Jaya, Selangor, Malaysia

# ZURICH HOLDINGS (UK) LIMITED

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

### 13 Debtors

	2019 £'000	2018 £'000
Prepayments and accrued income	8	46
<b>Total</b>	<b>8</b>	<b>46</b>

### 14 Other financial investments

	2019 £'000	2018 £'000
Loans to group undertakings	-	15,000
<b>Total</b>	<b>-</b>	<b>15,000</b>

The loan to group undertakings in the previous year relates to a loan provided to Allied Zurich Holdings Limited of £15,000,000 which had a maturity date of 31 October 2019. On 12 September 2019 this was renewed until 16 October 2020. However this loan was repaid early on 12 December 2019 including accrued interest of £36,937.

### 15 Cash and cash equivalents

	2019 £'000	2018 £'000
Units in unit trusts	2,949	6,541
<b>Total</b>	<b>2,949</b>	<b>6,541</b>

### 16 Creditors

	Due within one year		Due after one year	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Amounts owed to group undertakings	3,985	9,136	-	-
Amounts owed to subsidiary undertakings	-	-	-	-
Loan from a fellow subsidiary	-	-	-	28,920
Loans from group undertakings	7,000	-	-	-
Other creditors	600	-	-	480
Accruals and deferred income	21	138	-	-
<b>Total</b>	<b>11,606</b>	<b>9,274</b>	<b>-</b>	<b>29,400</b>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

On 23 May 2011, the Company entered into a Subordinated Loan Agreement with Zurich Finance (Luxembourg) S.A. The outstanding loan amount of £28,920,000, that was due to mature on 30 June 2020 with interest charged at 6.22%, was repaid early on 17 December 2019 including accrued interest of £64,057.

The loan to group undertakings relates to a loan with Zurich Management Services Limited of £7,000,000 which has a maturity date of 16 October 2020.

Other creditors represent amounts accrued in relation to the secondary deferred consideration agreed as part of the sale and purchase agreement ("SPA") dated 20 March 2015.

# ZURICH HOLDINGS (UK) LIMITED

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

### 17 Deferred taxation

The provisions for deferred taxation comprised:

	2019 £'000	2018 £'000
Unrealised gains on affiliated bonds	-	-
<b>Provision for deferred tax</b>	<b>-</b>	<b>-</b>
Movement during the year:		
Provision at start of year	-	(556)
Deferred tax credit in profit and loss account for the year	-	333
Deferred tax credit/(charge) in other comprehensive income for the year	-	223
<b>Provision for deferred tax</b>	<b>-</b>	<b>-</b>

### 18 Called up share capital

	2019 £'000	2018 £'000
Allotted, called up and fully paid:		
200,800,000 (2018: 162,800,000) ordinary shares of £1 each	200,800	162,800
<b>Total</b>	<b>200,800</b>	<b>162,800</b>

### 19 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 Ltd ("the Zurich Insurance Group undertakings"). Balances with Zurich Insurance Group undertakings are shown in notes 12, 13, 14 and 16. 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.

## **ZURICH HOLDINGS (UK) LIMITED**

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

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#### **20 Controlling party**

The parent company of Zurich Holdings (UK) Limited is Zurich Insurance Company Ltd and its registered office is Mythenquai 2, 8002 Zurich, Switzerland.

##### **Ultimate Parent Company**

The Company's ultimate parent company and ultimate controlling party is Zurich Insurance Group AG which is incorporated in Switzerland. Copies of the consolidated financial statements of Zurich Insurance Group AG can be obtained from The Secretary, Zurich Insurance Group AG, Mythenquai 2, 8002 Zurich, Switzerland.

Zurich Insurance Company Ltd 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 prepared. Copies of the financial statements of this company can be obtained from The Secretary, Zurich Insurance Company Ltd, Mythenquai 2, 8002 Zurich, Switzerland.

#### **21 Subsequent events**

The directors recognise the possible consequences arising from COVID-19 and note this as a non-adjusting post balance sheet event. The directors have considered the possible economic impacts due to fluctuations in the market on the company's profit and loss and projected cashflows (liquidity). The main impact to the Company from market fluctuations and the wider impacts of COVID-19 are likely to occur through the reduction of dividend capacity within its subsidiaries and as a result could result in a reduction in profit and loss and projected cashflows (liquidity) or result in delays to the receipt of such income whilst the subsidiary companies understand and mitigate the impacts on their business. However there was no indication that the company would have insufficient resources to pay its liabilities as they fall due. While the situation is highly fluid at present, the impact of the COVID-19 outbreak on the company is considered accurate at the time of writing.