

Company Registration No. 02306320 (England and Wales)

**ZURICH HOLDINGS (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

### **COMPANY INFORMATION**

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#### **Directors**

R Cremin

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 2020**

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The directors present the strategic report and audited financial statements for Zurich Holdings (UK) Limited ("the Company") for the year ended 31 December 2020.

#### **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 10 June 2020, the Company issued 37,000,000 ordinary shares of £1 each totalling £37,000,000 to Zurich Insurance Company Ltd ("ZIC").

On 12 June 2020, the Company entered into a new loan agreement for £4,000,000 with Zurich Management Services ("ZMS") with a maturity date of 12 July 2021.

On 17 June 2020, 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 16 October 2020, the Company received an interim dividend of £2,000,000 from its subsidiary Tennyson Insurance Limited ("TI").

On 16 October 2020, the Company received an interim dividend of £14,000,000 from its subsidiary ZMS.

On 16 October 2020, the Company repaid the £4,000,000 loan entered into on 12 June 2020 with ZMS early, together with accrued interest of £9,843.88.

On 16 October 2020, the Company repaid the £7,000,000 loan entered into on the 12 September 2019 with ZMS, together with accrued interest of £75,768.77.

On 20 November 2020, the Company received an interim dividend of £528,874 from its subsidiary, Zurich Specialities London Limited ("ZSL").

#### *Key Performance Indicators*

The results for the Company show a loss before taxation of £26,119,000 (2019: loss before taxation of £37,224,000) for the year. After taking taxation into account, the amount transferred from reserves was £26,119,000 (2019: £36,895,000 transferred from reserves).

The Company has total shareholders' funds of £15,343,000 (2019: £4,462,000).

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 Profit and Loss, and the Balance Sheet on pages 14 and 15.

#### *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.

# ZURICH HOLDINGS (UK) LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### **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. The directors' note the impact of both Brexit and 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*

The United Kingdom ("UK") left the European Union ("EU") on 31 January 2020. A transitional period, during which the UK was no longer a member of the EU but was still subject to EU rules and remained a member of the Customs Union, concluded at 11pm on 31 December 2020. The EU-UK Trade and Cooperation Agreement was agreed and is provisionally applicable from 1 January 2021, causing an underlying level of ongoing uncertainty in the UK of the financial and economic impact from this agreement. The risk to the Company as a result of leaving the EU is not considered to be significant as the principal activity of the Company does not involve the import or export of goods and services to and from other EU countries.

The directors recognise the possible consequences arising from the ongoing COVID-19 situation and have considered the operational impact on the business. The Company has well established business continuity plans and in 2020 implemented remote working for all office based staff and a full assessment of business critical processes to ensure operations could continue as normal or with suitable alternatives in place. As such the directors believe that the Company is well positioned to cope with any additional 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.

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

The Company is a wholly owned subsidiary entity of Zurich Insurance Group Ltd ("ZIG") and is subject to policies and governance arrangements set by the ZIG group as well as UK local statutory and regulatory requirements. The Board of Directors ("The Board") derives its collective authority by direct delegation from its shareholder. Its key purpose is to ensure the Company's prosperity by collectively directing the Company's affairs whilst meeting the appropriate interests of its shareholder and relevant stakeholders. The Board's principal activity of the Company is to act as a holding company and the principal activity of its subsidiary undertakings is the provision of services to other group companies and businesses, to support the ZIG group's insurance business.

## ZURICH HOLDINGS (UK) LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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

##### Our Commitment to Section 172

When making decisions to further the Company's strategic purpose, the Board of Directors has a duty to promote the success of the Company under s172 of the Companies Act 2006. During the course of the financial year, the Board has given consideration to this duty when making decisions, including the:

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

As a wholly owned subsidiary of the ZIG group the Company only has one member and therefore the directors do not need to consider the fairness between members.

##### Long term decisions

The Board continually assesses the long term strategy of the Company and its long term value to the shareholder. In doing so it oversees its subsidiary undertakings who support the group's insurance business 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, but a management charge is made to the Company from the UK employing entity, Zurich UK General Employee Services Limited, in respect of employees who work on behalf of the P&C business and have a responsibility for the Company. The principal disclosures in respect of these staff, including the approach to employee engagement and particularly support provided since the commencement of the Covid-19 pandemic, 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

The principal activity of the Company is as a holding company to companies within the Zurich Group which provides 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), collectively Zurich Management Services Limited, 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.

##### Community and Charities

A UK Public Affairs Team is in place which aims to make Zurich an influential and prominent voice in all aspects of the public policy process. Its primary focus is the identification and monitoring of key regulatory and legislative developments, and the communication of these to the wider business to determine whether to lead, drive, or support, on any external engagement activity.

## ZURICH HOLDINGS (UK) LIMITED

### STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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

##### Community and Charities (continued)

The Board is made aware of changes to policies and developments in relation to governmental consultations and enquiries that have an impact on the Company and considers these impacts and appropriate actions when making decisions.

In May 2020, the insurance and long-term savings industry set up the ABI COVID-19 Support Fund, to help those hardest hit by the COVID-19 crisis. It has reached its target of raising £100m for charity, making it the biggest sector fund in the UK. £84m has been raised through voluntary donations from firms within the sector and, from this amount, £20m has been granted to an initiative with The Charities Aid Foundation. Zurich UK made a £13m donation to the Fund.

##### Sustainability

The Head of Public Affairs also holds responsibility for Sustainability, which is at the centre of the Company, as part of the ZIG group's, ambition to be known as one of the most responsible and impactful businesses in the world. The ZIG group aims to be a responsible and sustainable business supporting customers and communities and managing its own environmental, social and governance risks. As a global insurance group, operating in the UK, the Zurich Insurance Group Ltd board and its sub-committees have clear responsibilities for managing the financial risks from climate change to ensure clear accountability and responsibility. Details on the ZIG group's position are reported on the global website ([www.zurich.com/en/sustainability](http://www.zurich.com/en/sustainability)).

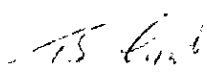
The Zurich Group has designed a sustainability strategy and the UK has developed its own strategy which is structured on the three themes used by the ZIG group which comprise our internal definition of Sustainability – our 1.5 degree future (supporting the transition to a low carbon economy and managing climate risks); work sustainability (preparing for new ways of working and the skills and solutions needed); and confidence in a digital society (inciting customer resilience against cyber-attacks by enabling confidence in our use of their data).

##### Reporting

Sustainability is growing in importance for many of Zurich's stakeholders and the organisations we do business with. The passing of the Social Value Act in 2012 has increased this demand and a number of Zurich's customers now require us to provide information about our corporate responsibility and sustainability activity and targets.

We measure our sustainability commitments thoroughly in order to ensure confidence in what we say we do, and these approaches are embedded throughout the organisation. There are a wide range of initiatives and activities that we have been involved with engaging with society and environmental issues. A complete description of these activities can be found at <https://www.zurich.co.uk/news-and-insight/sustainability>.

By order of the Board

  
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Name ... **T J Grant**.....  
Director

Date ..... **2 July 2021** .....

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

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their annual report and financial statements for the year ended 31 December 2020.

#### **Results and dividends**

The results for the year are set out on page 14.

No interim dividends in respect of ordinary shares of the Company were declared or paid during the year (2019: nil).

The directors do not propose the payment of a final dividend for the year (2019: £nil).

#### **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  
T J Grant

#### **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**

PricewaterhouseCoopers ("PwC") are the current auditor of the Company, and in accordance with legal and regulatory requirements, will be resigning as auditor following completion of the audit for the year ended 31 December 2020. Following all appropriate processes and approvals, Ernst & Young ("EY") will be appointed as the Company's auditor for the financial year beginning on 1 January 2021.

#### **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**

Taking into account all available information related to the future, including the consideration of the impact of leaving the EU and COVID-19 on the operations of the Company, the directors are satisfied that the Company has access to adequate resources to enable it to continue in operational existence for the foreseeable future.

#### **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.



## ZURICH HOLDINGS (UK) LIMITED

### DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Employees

##### Employee relations and involvement

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 workers. Zurich's aim is to encourage our 'employee's voice' in the topics that interest them.

Zurich has conducted both employee Net Promoter Score and Organisational Health Index surveys in 2020, the feedback from employees in both being discussed in all of our employee forums and used to *inform action to improve all aspects of working at Zurich*.

In January 2020, the UK Executive Team invited employees to year-start roadshows in all our major locations, covering topics such as business performance, customer stories, our work with Zurich Community Trust (UK) Limited ("ZCT") and more. These roadshows also provide employees with a face to face opportunity to ask questions of the Executive team.

The People Hub (a generalist service available to all employees and managers in the UK to gain quick and expert advice on all employee related topics) has focused this year on supporting employees and their managers through COVID-19 by providing advice and guidance particularly concerning welfare and mental health considerations.

Our People Portal which holds all our collateral in respect of employment matters has been through an update this year and we have enhanced this service this year by adding an automated chat facility which helps people find the material they are looking for whenever they log on.

##### Performance management and reward

Throughout 2020, COVID-19 has had a significant impact on performance management and reward principles across the ZIG group. Focus this year in the UK has therefore been on activity required in these areas.

Earlier in the year we introduced changes to our flexible benefits scheme, taking advantage of the additional lifestyle event implemented by HMRC. These changes allowed employees to amend benefit selections, maximise take home pay and adjust holiday to suit their personal circumstances.

Guidance provided to managers in relation to performance management was focused on ensuring that managers considered employees' personal circumstances during the year when evaluating performance, reducing the possibility of unfair assessment due to time away from work, or changes to working patterns during the year.

## ZURICH HOLDINGS (UK) LIMITED

### DIRECTOR'S REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

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##### Performance management and reward (continued)

As the pandemic has progressed and we have moved to year end activity, the impact of COVID-19 on bonus and salary has been considered. The UK business have confirmed to employees that there will be no budget for salary increases in 2021, an approach that is in line with other parts of the ZIG group and industry peers in the UK. This decision has been made due to the anticipated significant impact of COVID-19 on the 2020 results and the expected ongoing challenging economic environment into 2021. This approach has been discussed and agreed with both consultation bodies in the UK, taking into account feedback from employees as part of the consultation.

Following the introduction of the new approach to performance management in 2019, My Performance Development Cycle ("myPDC"), we have implemented the first full cycle in 2020. This has meant a renewed and improved focus on goal setting, ensuring that the organisation's strategic goals are reflected at all levels, as well as making sure that team and individual goals drive the best outcomes for our customers. A leadership goal was introduced for the UK Executive team and additional senior leaders across the business.

The construct of our Short Term Incentive plan ("STIP") changed slightly, with the creation of management pools under the overall UK pool. These sub pools allow for more consistent evaluation within functions and ensure teams are rewarded consistently, improving motivation and engagement. These changes apply to the UK business with the exception of those working within Group Functions such as compliance, legal and risk.

##### Employee relationships – Company response to COVID-19

COVID-19 has significantly impacted the workplace landscape since early March 2020. From the outset our Zurich UK workforce response has aimed to carefully balance the need to ensure our employees are working safely and are supported in a challenging work and home environment, alongside the need to serve our customers at a critical time for them.

- All employees have continued in their roles in the UK throughout 2020 and furlough has not been used. The UK has taken an approach of encouraging flexibility in working pattern where needed, helping employees to manage their work to the best of their ability whilst also dealing with the demands of childcare or other caring responsibilities and any other pressure created by the change in working environment. All employees had access to 2 weeks of emergency leave in 2020.
- Employees who are shielding or self-isolating continue to be remunerated as normal.
- 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.
- Physical safety – The majority of our UK employees moved to working from home in early March 2020, and all usual operational activity has continued. Employees have been provided with equipment, where requested, enabling them to successfully work from home (IT equipment, chairs, laptop stands etc). During 2020, where government regulation has allowed, offices have opened and employees have been able to return on a limited basis, adhering to COVID-19 safe guidelines. Priority has been given to employees where there is a welfare need to return to an office environment.
- The Engineer Surveyor population perform mandatory physical inspections of equipment at customer sites, much of which was deemed essential by the UK government. As a result, they have continued to work outside the home during the pandemic. Careful consideration was given to how this work could be continued as safely as possible, in conjunction with both Union and industry body. Safety of these employees has been continuously monitored during the pandemic and appropriate PPE has been provided.

## ZURICH HOLDINGS (UK) LIMITED

### DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Employee relationships – Company response to COVID-19 (continued)

• Mental Health and Wellbeing – employees have been provided with a wide range of support during 2020, focused on supporting employees in areas on financial hardship, dealing with physical challenges of working from home and supporting employees in the emotional challenges that the pandemic has brought for them and their families. Support has drawn on existing resources (EAP, financial wellbeing provider etc) alongside new interventions (newsletters with wellbeing materials and advice, webinars and podcasts from external providers). All material has been collated in a single 'wellbeing hub' providing employees with an easily accessible pool of resource and external support.

• Communication – During 2020, the Company has continued to ensure that there are regular opportunities for communication with employees at all levels and in a variety of formats. During the year the weekly newsletter was changed to a daily update, a COVID-19 Q&A site for employees was established and regular virtual all employee and leadership calls were implemented. In addition to these more formal methods, workplace has continued to be used for more informal communication between employees, sharing news, feedback and support.

#### Employee share schemes

The Company encourages both awareness of the ZIG group 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 the ZIG group. Shares are allocated in ZIG group based on the business performance of operating units for the year ended 31 December 2020 in which eligible employees worked.

#### Approach to Diversity and Inclusion

Our people are Zurich's most important asset. They enable us to achieve our strategy and deliver for our stakeholders. Their varied skills, perspectives and experiences drive innovation and they should reflect the breadth and diversity of our customers, suppliers, business partners, communities and investors across the UK.

We therefore aim to create a workplace where all employees can thrive, in an environment where everyone is treated as equally important. It enables us to attract and retain the best talent, reduces risk, and improves decision making. But we also do it because it is simply the right thing to do, it's part of how we achieve our purpose - to create a brighter future together.

In 2020 we have delivered on this commitment through numerous initiatives, which we capture under 5 pillars: Leadership, recruitment, development, measurement & reporting, and inclusion. Activities across these pillars are designed to address gender balance, representation of ethnic minorities, inclusion of disabled and LGBT+ employees. Zurich in the UK has employee networks covering each of these characteristics with a combined membership of more than a quarter of employees. In 2020 we have published our pay gaps for each of these areas, along with an action plan designed to reduce the each of those gaps. We have also established a UK D&I Council, chaired by the UK CEO, and made up of senior representatives from each of the business areas. This has been put in place in order to make each business area accountable for their diversity and inclusion performance, and in 2021 we will publish targets for gender and ethnicity.

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

### **DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### Approach to Diversity and Inclusion (continued)

In 2020 Zurich UK renewed its status as 'leader' in the Government's Disability Confident Scheme, and also signed up to the Race at Work charter and the 10,000 Black Interns initiative. We appeared in Working Families Top 30 Employers list and in Stonewall's Global Leaders list. In 2021 we intend to build on these successes, focusing particularly on increasing ethnic minority representation in our organisation and on ensuring that we maintain the upward trajectory of female senior appointments.

#### 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 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.

#### **Streamlined Energy and Carbon Reporting SECR 2018/1155**

Changes introduced by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ('SI 2018/1155'), require large unquoted companies and large LLPs to report their UK energy use and associated greenhouse gas ('GHG') emissions in their annual reports for the first time.

The Directors' of Zurich Holdings (UK) Limited have reviewed the changes introduced and confirm that the company is exempt from these disclosure requirements as their energy use is less than 40,000 kWh annually, and they are therefore classed as a low energy user.

Our ClimateWise report is available annually which details our Global and UKs sustainability targets, actions taken and planned, specifically detailing energy and carbon. This information is publicly available.

## ZURICH HOLDINGS (UK) LIMITED

### DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 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:

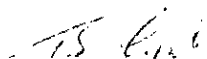
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether applicable UK Accounting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

  
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Name ... T J Grant .....  
Director

Date ..... 2 July 2021 .....

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

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

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#### **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 2020 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 balance sheet as at 31 December 2020; 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.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

##### **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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2020 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## ZURICH HOLDINGS (UK) LIMITED

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries, to manipulate the company's result for the year. Audit procedures performed by the engagement team included:

- identifying and testing journal entries, in particular any journal entries with unexpected account combinations to expenses.
- reviewing Board meeting minutes
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our
- discussions with the Board, management, internal audit, senior management involved in the Risk and Compliance functions and the Group's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

#### *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 obtained 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  
2 July 2021



## ZURICH HOLDINGS (UK) LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
Administrative expenses	7	-	(120)
Operating result/(loss)		-	(120)
Income from subsidiary undertakings	8	16,529	14,560
Amounts written off fixed asset investments	12	(42,588)	(50,155)
<b>Loss before interest and taxation</b>		<b>(26,059)</b>	<b>(35,715)</b>
Other interest receivable and similar income	9	8	241
Interest payable and similar expenses	10	(68)	(1,750)
<b>Loss before taxation</b>		<b>(26,119)</b>	<b>(37,224)</b>
Tax on loss	11	-	329
<b>Loss for the financial year</b>		<b>(26,119)</b>	<b>(36,895)</b>

The Company has no other comprehensive income in either year other than the profit stated above, therefore no statement of comprehensive income has been prepared.

All figures relate to continuing operations.

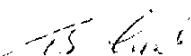
There is no material difference between the loss as reported and on an historical cost basis.

# ZURICH HOLDINGS (UK) LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
<b>Fixed Assets</b>			
Investments	12	12,893	12,938
<b>Current assets</b>			
Debtors	13	-	8
Current tax recoverable		287	173
Cash and cash equivalents	14	5,628	2,949
		<u>5,915</u>	<u>3,130</u>
<b>Creditors: amounts falling due within one year</b>			
Creditors	15	3,465	11,606
<b>Net current assets/ (liabilities)</b>		<u>2,450</u>	<u>(8,476)</u>
<b>Total assets less current liabilities</b>		<u>15,343</u>	<u>4,462</u>
<b>Creditors: amounts falling after more than one year</b>			
Creditors	15	-	-
<b>Provisions for liabilities</b>			
Deferred tax liabilities	16	-	-
<b>Net assets</b>		<u>15,343</u>	<u>4,462</u>
<b>Capital and reserves</b>			
Called up share capital	17	237,800	200,800
Capital reserve		70,044	70,044
Profit and loss account		(292,501)	(266,382)
<b>Total shareholders' funds</b>		<u>15,343</u>	<u>4,462</u>

The financial statements on pages 14 to 26 were approved and authorised for issue by the Board on 2 July 2021 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 2020

	Called up share capital £'000	Capital reserve £'000	Profit and loss account £'000	Total shareholders' funds £'000
<b>Balance as at 1 January 2019</b>	162,800	70,044	(229,487)	3,357
<b>Year ended 31 December 2019:</b>				
Loss for the financial year	-	-	(36,895)	(36,895)
<b>Total comprehensive expense for the year</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>(266,382)</b>	<b>4,462</b>
<b>Year ended 31 December 2020:</b>				
Loss for the financial year	-	-	(26,119)	(26,119)
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>-</b>	<b>(26,119)</b>	<b>(26,119)</b>
Issue of ordinary shares of £1 each	37,000	-	-	37,000
<b>Balance as at 31 December 2020</b>	<b>237,800</b>	<b>70,044</b>	<b>(292,501)</b>	<b>15,343</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 2020

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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 2020, 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 19.

##### 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 Other 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 2020

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#### 2 Accounting policies (continued)

##### 2.5 Investments

Investments include investments in subsidiaries and other group undertakings. Investments in subsidiaries and other group undertakings are valued at cost less any provision that may be required for impairment.

##### 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 tax expense represents the sum of the tax currently payable and deferred tax.

## ZURICH HOLDINGS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 2.8 Taxation (continued)

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the the liability is settled or the the asset is realised. Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 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 6.36% representing the UK Weighted Average Cost of Capital ("WACC").

## ZURICH HOLDINGS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### 4 Auditors remuneration

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

£000	2020	2019
Fees payable to the Company's auditors for the audit of the Company's financial statements	13	13
<b>Total</b>	<b>13</b>	<b>13</b>

In 2020 and 2019, the audit fees have been borne by another group company, Zurich Insurance plc and not recharged to the company.

#### 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 2020 and 2019 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 7JZ.

#### 6 Directors' remuneration

There was no directors' remuneration paid by the Company (2019: £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

	2020 £'000	2019 £'000
Deferred consideration - Tennyson Insurance Limited	-	120
<b>Total</b>	<b>-</b>	<b>120</b>

#### 8 Income from subsidiary undertakings

	2020 £'000	2019 £'000
<b>Dividends</b>		
ZPC Capital Limited (in-specie)	-	260
Zurich Management Services Limited	14,000	6,000
Zurich Specialties London Limited (in-specie)	529	-
Tennyson Insurance Limited	2,000	1,000
Oak Underwriting plc	-	7,300
<b>Total</b>	<b>16,529</b>	<b>14,560</b>

## ZURICH HOLDINGS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### 9 Other interest receivable and similar income

	2020 £'000	2019 £'000
Other interest receivable and similar income	8	241
<b>Total</b>	<b>8</b>	<b>241</b>

#### 10 Interest payable and similar expenses

	2020 £'000	2019 £'000
Interest payable and similar expenses	68	1,750
Net losses on foreign exchange	0	-
<b>Total</b>	<b>68</b>	<b>1,750</b>

#### 11 Tax on loss

	2020 £'000	2019 £'000
<b>Current tax</b>		
UK corporation tax on loss for the year	-	(287)
Adjustments in respect of prior years	-	(42)
<b>Total UK Current Tax</b>	<b>-</b>	<b>(329)</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	-
Impact of change in tax rate	-	-
Adjustments in respect of prior years	-	-
<b>Total UK Deferred Tax</b>	<b>-</b>	<b>-</b>
<b>Total tax credit</b>	<b>-</b>	<b>(329)</b>

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

	2020 £'000	2019 £'000
Deferred tax:		
Origination and reversal of timing differences	-	-
Impact of change in tax rate	-	-
<b>Tax income included in other comprehensive income</b>	<b>-</b>	<b>-</b>

The Budget Statement on 3 March 2021 announced an increase in the main UK Corporation Tax rate from 19% to 25% from 1 April 2023. 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 2020.



## ZURICH HOLDINGS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### 11 Tax on loss (continued)

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

	2020 £'000	2019 £'000
Loss on ordinary activities before tax	(26,119)	(37,224)
Expected tax charge/(credit) based on a corporation tax rate of 19% (2019: 19%)	(4,963)	(7,073)
Income not chargeable for taxation purposes	(3,140)	(2,766)
Expenses not deductible for taxation purposes	8,092	9,552
Tax losses not recognised	11	-
Adjustments in respect of prior years	-	(42)
<b>Tax credit for the year</b>	<b>-</b>	<b>(329)</b>

#### 12 Investments

	2020 £'000	2019 £'000
Shares in subsidiary undertakings	12,633	12,678
Unlisted shares - Available for sale	260	260
<b>Total</b>	<b>12,893</b>	<b>12,938</b>

Movements during the year consisted of:

	Unlisted shares - AfS £'000	Shares in subsidiary undertakings £'000	Total £'000
Net assets value at 1 January 2020	260	12,678	12,938
Additions	-	42,544	42,544
Amounts received on contracts settled in year	-	-	-
Impairments	-	(42,589)	(42,589)
<b>Net assets value at 31 December 2020</b>	<b>260</b>	<b>12,633</b>	<b>12,893</b>

#### Additions

On 17 June 2020, 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 2020

#### 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:

	2020 £'000	2019 £'000
Zurich UK General Services Limited	42,544	42,544
Zurich Building Control Services Limited	-	-
ZPC Capital Limited	-	260
EFS Financial Services Limited	-	-
Oak Underwriting plc	45	7,351
Impairment of investments in subsidiary undertakings	<u>42,589</u>	<u>50,155</u>

The directors have considered the value of each of the Company's investments in subsidiary undertakings as at 31 December 2020 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 2020 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
Oak Underwriting Plc	Ordinary	100	Specialist insurance services
Tennyson Insurance Limited*	Ordinary	100	Specialist insurance services
ZPC Capital Limited*	Ordinary	100	Dormant
Zurich Building Control Services Limited*	Ordinary	100	Inspection and risk management 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 HOLDINGS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### 12 Investments (continued)

The following is a list of the Company's direct subsidiary undertakings as at 31 December 2020 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 International (UK) Limited*	Ordinary	100	Dormant
Zurich Management Services Limited*	Ordinary	100	Strategic risk management and risk services
Zurich Professional Limited*	Ordinary	100	Dormant
Zurich Specialties London Limited*	Ordinary	100	Non-trading company
Zurich Transitional Services Limited**	Ordinary	100	Administration services
Zurich UK General Services Limited*	Ordinary	100	Provision of employment services

The following is a list of the Company's indirect subsidiary undertakings as at 31 December 2020 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 GSG Limited*	Ordinary	100	Dormant
Zurich UK General Employee Services Limited*	Ordinary	100	Management administration services

There has been no change in the year in the percentage of nominal value held by the Company, or by its subsidiary undertakings, in the subsidiary undertakings listed with the exception of:

- Zurich Risk Services Asia Pacific Sdn. Bhd.\*\*\* was liquidated as at 31 December 2020

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

## ZURICH HOLDINGS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### 13 Debtors

	2020 £'000	2019 £'000
Prepayments and accrued income	-	8
<b>Total</b>	<b>-</b>	<b>8</b>

#### 14 Cash and cash equivalents

	2020 £'000	2019 £'000
Units in unit trusts	5,628	2,949
<b>Total</b>	<b>5,628</b>	<b>2,949</b>

#### 15 Creditors

	Due within one year		Due after one year	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts owed to group undertakings	3,465	3,985	-	-
Amounts owed to subsidiary undertakings	-	-	-	-
Loan from a fellow subsidiary	-	-	-	-
Loans from group undertakings	-	7,000	-	-
Other creditors	-	600	-	-
Accruals and deferred income	-	21	-	-
<b>Total</b>	<b>3,465</b>	<b>11,606</b>	<b>-</b>	<b>-</b>

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

The loan to group undertakings in 2019 relates to a loan with Zurich Management Services Limited of £7,000,000 which was repaid on 16 October 2020.

#### 16 Deferred taxation

At 31 December 2020 the Company had unused tax losses of £59k (2019: £nil) for which no deferred tax asset has been recognised.

#### 17 Called up share capital

	2020 £'000	2019 £'000
Allotted, called up and fully paid:		
237,800,000 (2019: 200,800,000) ordinary shares of £1 each	237,800	200,800
<b>Total</b>	<b>237,800</b>	<b>200,800</b>

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

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2020**

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**18 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 15. There were no material transactions with any other related party.

**19 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 Ltd which is incorporated in Switzerland. Copies of the consolidated financial statements of Zurich Insurance Group Ltd can be obtained from The Secretary, Zurich Insurance Group Ltd, Mythenquai 2, 8002 Zurich, Switzerland.