

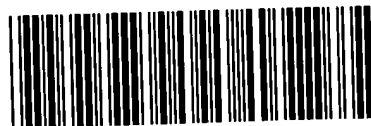
Registration number: 02548573

AXA ICAS Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020

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AXA ICAS Limited

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AXA ICAS Limited

Company Information

Directors	M. A. Vardy T. N. Garrad
Company secretary	K. A. Beggs
Registered office	20 Gracechurch Street London EC3V 0BG
Auditors	Mazars LLP Chartered Accountants and Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD

AXA ICAS Limited

Strategic Report for the Year Ended 31 December 2020

The directors present their strategic report on AXA ICAS Limited ("the Company") for the year ended 31 December 2020.

Principal activity

The principal activity of the Company is the provision of counselling and advisory services. In conjunction with AXA ICAS Occupational Health Services Limited, which provides occupational health and consultancy services, the two companies deliver wellbeing services to corporate clients in support of the wider health strategy of the AXA PPP Healthcare business as a whole.

During the year the Company also provided counselling and advisory services to global clients, under the trade name ICAS International. These services ceased to be provided at the point the international segment was transferred.

Fair review of the business

The loss before taxation for the financial year was £442k (2019: loss £880k), split between continuing operations £1,094k loss (2019: £150k loss) and discontinued operations £652k gain (2019: £730k loss). The loss for the year compared to prior year was due to significant reduction in turnover. This primarily reflects the transfer out of the international segment in the first quarter of the year, limiting the amount of revenue recognised in 2020 compared to 2019.

On 19 March 2020 the trade, assets and liabilities of the international segment of the business were transferred to ICAS International Holdings Limited at their net book value of £4.6m, resulting in no loss or gain. In addition the Dubai branch was sold in March 2020, for a consideration of £1. See note 22 for further details.

Business Environment

The EAP (Employee Assistance Programme) and wellbeing markets in the United Kingdom are highly competitive with evident opportunities to retain market share and pursue new related markets. These opportunities are constantly reviewed and targeted alongside improving the effectiveness and efficiency of the core services delivered.

Strategy

The Company follows the AXA Health group strategy that supports its members to live life well as a health partner rather than just a health payer; guiding members through their health & wellbeing journey. AXA Health's current strategy continues to be valid and implementation remains on track with a shift in focus and slight change of pace for certain initiatives in response to COVID-19.

The Company's key financial and other performance indicators during the year were as follows:

		2020	2019
Turnover	£'000	9,690	15,156
Loss on ordinary activities before taxation	£'000	(442)	(880)

Principal risks and uncertainties

The AXA UK group has established a group-wide process for risk acceptance and risk management, which is addressed through a framework of policies, procedures and internal controls. All policies are subject to ongoing review by management, risk management and group internal audit. Compliance with regulation, legal and ethical standards is a high priority for the Company and the compliance and finance teams take on an important oversight role in this regard. Line management is responsible for maintaining an internal control framework to manage financial and operational risks, which is monitored regularly to ensure the completeness, accuracy and integrity of the Company's financial information.

The principal risk, given the nature of the business and the competitive nature of the market, is client retention and failure to obtain further new business.

AXA ICAS Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

Brexit

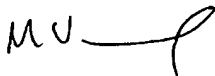
The implications to the Company of the United Kingdom's departure from the European Union have been considered, specifically the effects this could have on estimations and judgements made in the preparation of the financial statements. A trade deal between the UK and EU was signed into UK law on 30th December 2020, taking effect on 31st December 2020. The implications of this new trade deal are being worked through as part of the Company's robust and effective capital and risk management processes, and the risks arising there from are being managed alongside a range of risks inherent to its business. Mitigating actions have been taken in prior years with amendments made to international agreements where appropriate, thereby limiting any impact that could arise from (for example) the removal of reciprocal agreements within the financial services sector. The directors anticipate limited operational impacts and immaterial financial impacts, arising from Brexit.

Future Developments

In accordance with a rebranding and internal restructure of the AXA Health group of companies, the operations of the Company will be transferred to AXA Health Services Limited during 2021 and 2022, resulting in a central Health services company.

The impact of the COVID-19 pandemic has been monitored throughout the year, with plans implemented to manage the effects of the outbreak and assess disruptions and other risks to its operations. In particular the Company's management information flows, risk management processes and internal controls systems are being closely monitored and alternative mitigating controls are being introduced as appropriate. The directors are also monitoring potential adverse effects of the spread of COVID-19 on the Company's business activities, in particular, the scope and severity of Government restrictions that could impact the delivery of client services. To date the significant impact has been the restrictions put in place limiting the ability of Company to provide a full suite of services. Measures have been put in place to enable a number of client services to be delivered remotely. The ultimate financial impact of the pandemic on the UK economy and the Company is continually monitored, but the directors consider that it is not currently estimable with any degree of certainty.

Approved by the Board on 8 June 2021 and signed on its behalf on 7 September 2021 pursuant to delegated authority by:



.....
M. A. Vardy
Director

AXA ICAS Limited

Directors' Report for the Year Ended 31 December 2020

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

Future developments

Future developments are discussed within the Strategic report.

Going concern

The Company's business activities, together with the factors likely to affect its performance and position are set out in the Strategic Report.

In accordance with their responsibilities, the Directors have considered the appropriateness of the going concern basis for the preparation of the Financial Statements. The Directors intend to run the Company off within the next 12 months with the operations migrated to AXA Health Services Limited, resulting in the Company effectively ceasing to trade. Accordingly the directors have prepared the financial statements on a basis other than going concern.

Dividends

During the year the Company declared and paid an interim dividend of £4,572,721 (2019: £nil).

Directors of the company

The directors, who held office during the year, were as follows:

A. I. K. Davies (resigned 19 March 2020)

C. J. Horlick (resigned 29 March 2021)

G. Parkinson (resigned 31 December 2020)

M. A. Vardy

T. N. Garrad - Chairman (appointed 10 June 2020)

Indemnification of Directors

The Company is party to a group wide indemnity policy which benefits all of its current directors and is a qualifying third party indemnity provision for the purpose of the Companies Act 2006.

The indemnification was in force during the year and at the date of approval of the financial statements.

Employment of disabled persons

Full and fair consideration is also given to disabled persons, including the rehabilitation and retention of staff who become disabled, having regard to their particular aptitudes and abilities.

Employee involvement

The Company is committed to a policy of equal opportunity in recruitment, training, career development and promotion of staff, irrespective of gender, gender reassignment, marital status, ethnicity, sexual orientation, religion or belief of age, disability, pregnancy or any other protected ground.

Great importance is placed on good communication with employees and in seeking to inform and involve staff in the development of the AXA UK Group operations and in the achievement of the global business goals.

A full range of written, audio, video and regular face-to-face communications, including team briefings, regular appraisals, company news briefings and various bulletins are used. Regular consultation is maintained with independent and certified trade unions and other employee representative bodies on the complete range of employment and business issues.

AXA ICAS Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Branches outside the United Kingdom

The Company has a branch in Dubai which was opened on 26 February 2018 called AXA ICAS Limited (DMCC Branch). In March 2020, it was sold along with ICAS International Holding Ltd.

Political donations

The Company made no donations for political purposes.

Non-adjusting events after the financial period

In accordance with a rebranding and internal restructure a business transfer agreement has been put in place, in which certain trade, assets and liabilities of the Company will transfer to AXA Health Services Limited. The Company's customers are expected to migrate over a 12 month renewal period, commencing May 2021 and completing in April 2022.

The internal restructure of the Health Group resulted in the staff of the Company being transferred to AXA PPP Healthcare Group Limited on 1 January 2021.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Statements of Director' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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:

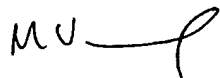
- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial 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.

Approved by the Board on 8 June 2021 and signed on its behalf on 7 September 2021 pursuant to delegated authority by:

AXA ICAS Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

A handwritten signature in black ink, appearing to be 'MV' followed by a stylized flourish.

.....
M. A. Vardy
Director

AXA ICAS Limited

Independent Auditor's Report to the Members of AXA ICAS Limited

Opinion

We have audited the financial statements of AXA ICAS Limited (the "Company") for the year ended 31 December 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 2 to the financial statements which explains that the directors intend to run-off the Company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 2. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

AXA ICAS Limited

Independent Auditor's Report to the Members of AXA ICAS Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, accounting standards, employment regulation and health and safety regulation, anti-bribery and data protection, 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 preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and 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 manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

AXA ICAS Limited

Independent Auditor's Report to the Members of AXA ICAS Limited (continued)

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance through-out our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Leanne Finch (Sep 7, 2021 21:43 GMT+1)

.....
Leanne Finch (Senior Statutory Auditor)
For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

7 September 2021

AXA ICAS Limited

Profit and Loss Account for the Year Ended 31 December 2020

		Continuing operations 2020 £ 000	Discontinued operations 2020 £ 000	Total 2020 £ 000	Continuing operations 2019 £ 000	Discontinued operations 2019 £ 000	Total 2019 £ 000
Note							
Turnover	4	8,661	1,029	9,690	9,045	6,111	15,156
Cost of sales		(8,068)	(624)	(8,692)	(7,701)	(4,199)	(11,900)
Gross profit		593	405	998	1,344	1,912	3,256
Administrative expenses		(1,685)	(255)	(1,940)	(1,485)	(2,387)	(3,872)
Other operating expenses	5	-	(62)	(62)	(6)	(255)	(261)
Operating (loss)/profit		(1,092)	88	(1,004)	(147)	(730)	(877)
Gain from disposal of branch		-	588	588	-	-	-
Interest payable and similar charges	6	(2)	(24)	(26)	(3)	-	(3)
		(2)	564	562	(3)	-	(3)
(Loss)/profit before tax		(1,094)	652	(442)	(150)	(730)	(880)
Tax on loss on ordinary activities	10	290	(239)	51	(204)	173	(31)
(Loss)/profit for the year		(804)	413	(391)	(354)	(557)	(911)

The notes on pages 14 to 32 form an integral part of these financial statements.

AXA ICAS Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	Note	2020 £ 000	2019 £ 000
Loss for the year		(391)	(911)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation (losses)/gains		<u>(5)</u>	<u>17</u>
Total comprehensive income for the year		<u><u>(396)</u></u>	<u><u>(894)</u></u>

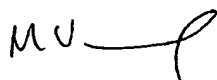
The notes on pages 14 to 32 form an integral part of these financial statements.

AXA ICAS Limited

(Registration number: 02548573)
Balance Sheet as at 31 December 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Intangible assets	11	-	136
Tangible assets	12	-	30
Right of use assets	12	80	109
		<u>80</u>	<u>275</u>
Current assets			
Debtors	13	2,854	7,988
Cash at bank and in hand		<u>1,383</u>	<u>1,979</u>
		4,237	9,967
Creditors: Amounts falling due within one year	14	<u>(2,572)</u>	<u>(3,402)</u>
Net current assets		<u>1,665</u>	<u>6,565</u>
Total assets less current liabilities		1,745	6,840
Creditors: Amounts falling due after more than one year		<u>(49)</u>	<u>(175)</u>
Net assets		<u>1,696</u>	<u>6,665</u>
Capital and reserves			
Called up share capital	17	1	1
Share premium reserve		41	41
Other reserves		-	17
Profit and loss account		<u>1,654</u>	<u>6,606</u>
Shareholders' funds		<u>1,696</u>	<u>6,665</u>

Approved by the Board on 8 June 2021 and signed on its behalf on 7 September 2021 pursuant to delegated authority by:



.....
M. A. Vardy
Director

AXA ICAS Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £ 000	Equity capital £ 000	Foreign currency translation £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2020	1	41	17	6,606	6,665
Loss for the year	-	-	-	(391)	(391)
Other comprehensive income	-	-	(5)	-	(5)
Total comprehensive income	-	-	(5)	(391)	(396)
Dividends	-	-	-	(4,573)	(4,573)
Transfer between reserves	-	-	(12)	12	-
At 31 December 2020	1	41	-	1,654	1,696

	Share capital £ 000	Equity capital £ 000	Foreign currency translation £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2019	1	41	-	7,516	7,558
Change in accounting policy	-	-	-	1	1
At 1 January 2019 (As restated)	1	41	-	7,517	7,559
Loss for the year	-	-	-	(911)	(911)
Other comprehensive income	-	-	17	-	17
Total comprehensive income	-	-	17	(911)	(894)
At 31 December 2019	1	41	17	6,606	6,665

The notes on pages 14 to 32 form an integral part of these financial statements.

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The Company provides counselling and advisory services to corporate clients in support of the wider health strategy of the AXA PPP Healthcare business as a whole.

The Company is a private limited company limited by shares under the Companies Act 2006, which is incorporated and domiciled in the United Kingdom ("UK").

The address of its registered office is:

20 Gracechurch Street

London

EC3V 0BG

UK

These financial statements were authorised for issue by the Board on 8 June 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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.

Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The financial statements have been prepared on a basis other than going concern basis under the historical cost convention, and in accordance with the Companies Act 2006.

The adoption of a basis other than going concern follows the decision to run-off the Company within the next 12 months, through the migration of all business to AXA Health Services Limited. The migration process is expected to be completed in April 2022 at which point the Company will effectively no longer be trading.

The directors consider that the financial impact of the COVID-19 virus on the UK economy and the Company is not currently estimable with any degree of certainty. In considering the potential impact on the Company, the directors have prepared various financial projections which incorporate the impact on trading, unemployment levels, financial markets and GDP, covering short, medium and longer-term time scales.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- (a) The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payment'; disclosing the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined.
- (b) The requirements of IFRS 7 Financial Instruments: Disclosures, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
- (c) The requirements of paragraph 52, 58 and paragraphs 90, 91 and 93 of IFRS 16 leases.
- (d) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

- (e) The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - i) paragraph 79(a)(iv) of IAS 1;
 - ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- (f) The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111, and 134 to 136 of IAS 1 Presentation of Financial Statements.
- (g) The requirements of IAS 7 Statement of Cash Flows.
- (h) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- (i) The requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures.
- (j) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- (k) The requirements of paragraph 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2020 have had a material effect on the financial statements.

Revenue recognition

Recognition

The Company earns revenue from the provision of services relating to occupational health and wellbeing. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

Fee arrangements

Below are details of fee arrangements and how these are measured and recognised, for revenue from the provision of services:

- Contract fee represent contracts for the provision of employees wellbeing services which is recognised evenly over the period of each contract. It is recognised on an accrual basis which means that revenue invoiced but yet to be earned is recognised as 'Deferred income' and revenue earned but not yet invoiced is recognised as 'Accrual income'.
- Ad hoc medical services are recognised on an accrual basis, in accordance with the provision of the service.

Performance obligations

The main performance obligations in contracts consist of the provision of occupational health services such as musculoskeletal, proactive, occupational and psychological health/ESP. For all contracts the stage of completion and delivery of performance obligations are measured at the balance sheet date on the basis of time elapsed.

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Contract assets and receivables

Where goods or services are transferred to the customer before the customer pays consideration, or before payment is due, Contract assets are recognised. Contract assets are included in the balance sheet and represent the right to consideration for products delivered.

Contract receivables (loans and advances) are recognised in the balance sheet when the company's right to consideration becomes unconditional.

Contract assets & receivables (loans and advances) are classified as current or non-current based on the company's normal operating cycle and are assessed for impairment at each reporting date.

Contract liabilities

Contract liabilities and customer deposits are recognised in the balance sheet when the company has received consideration but still has an obligation to deliver products and meet performance obligations for that consideration.

Impairment of contract related balances

For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a number of years and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Cost of Sales

Direct operational and clinical costs incurred to deliver employee support and wellbeing services are classified as "Cost of sales". The expenses are recognised over the period during which they are incurred on an accruals basis, regardless of when payments are made.

Administrative Expenses

Costs incurred to support the delivery of occupational health, employee support and wellbeing contracts including facilities and general administration are classified as "Administrative expenses". The expenses are recognised over the period during which they are incurred on an accruals basis, regardless of when payments are made.

Foreign currency transactions and balances

All transactions denominated in foreign currencies are translated at the prevailing exchange rate of the month in which they are recorded. All assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the appropriate rate at that date.

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Leases

The Company made an assessment of whether a contract is or contains a lease at inception of the contract. Where there is a lease, the Company recognises a right of use asset and a lease liability at the commencement of the lease.

The right of use asset is initially measured at cost, which comprises the initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or the site on which it is located and the cost of obligation to refurbish the asset, less any incentives received. The right of use asset is subsequently depreciated over the lease term. The right of use asset is subject to testing for impairment if there is an indicator for impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in lease term, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The Company presents right of use assets within Tangible assets and leased liabilities within Creditors on the Balance Sheet.

Non-lease components, including service charges, rates and utilities, have been separated from the lease payments and reported as expenses when incurred.

Tax

The tax credit 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, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax credit is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. 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.

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination than, at the time of the transaction, affect neither accounting not taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Intangible assets

Software development

Costs associated with software development have been capitalised where such expenditure is expected to generate future economic benefits through improvements in efficiency and can be reliably measured. The asset is amortised on the straight line basis over its estimated useful life, subject to a maximum period of 10 years.

Tangible assets

Tangible assets comprise furniture, fittings and computer equipment that are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided in order to write off each asset on a straight line basis over its estimated useful life of 3 years.

Tangible assets includes the right of use asset for leased assets. The accounting policy for these assets is disclosed within the 'Leases' accounting policy.

Assets classified as held for sale and discontinued operations

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent remeasurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group is allocated to assets and liabilities on pro rata basis, except that no loss is allocated to financial assets and deferred tax assets, which continue to be measured in accordance with the Company's accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Defined contribution pension obligation

Staff engaged in the Company's activities are members of the AXA UK Pension Scheme ("the Scheme"). The Scheme supports a number of companies in the AXA UK Group through both defined benefit and defined contribution schemes. The defined benefit schemes share risks between the companies in the AXA UK Group and are not facilitated by a contractual agreement or stated policy to charge the individual companies the net defined benefit cost. As a result of various restructuring activities and movement of staff between companies in the AXA UK Group, it is not feasible to allocate the defined benefit scheme assets and liabilities to individual participating companies. Consequently, the Company recognises its contribution payable for the period as permitted by IAS 19 'Employee benefits (revised 2011)' for defined benefit plans that share risks between companies under common control.

The charge for pension costs principally represents the costs of providing pension benefits to the Company's staff in respect of their service during the year.

In addition to the Scheme, the Company operates a non-contributory defined contribution personal pension scheme covering the majority of permanent employees. The assets of the scheme are held separately in independently administered funds for individual members of staff. The scheme is funded by contributions that are charged to the Profit and Loss Account as incurred in accordance with the employment contract of each director or employee.

3 Critical accounting judgements and key sources of estimation uncertainty

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The area that the directors consider particularly susceptible to changes in estimates and assumptions is detailed below:

Deferred tax asset

The carrying value at the reporting date of the net deferred tax asset is £471k (2019: £451k), further details of which are disclosed in the accounting policy and note 10. A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Significant management judgement is applied to determine the deferred tax asset that can be recognised and is based on the probability of future taxable profits.

Revenue recognition

The Company has undertaken an estimate of revenue recognition due to evidence existing that demonstrates that a proportion of services to which it had committed to had not been provided, due to the restrictions put in place by the COVID-19 pandemic. An estimate has been made of the revenue that has been deferred into next year, recognised as a payment on account of £65k and revenue that will be returned to customers as a refund liability of £5k. Disclosed in note 14 Creditors: amounts falling due within one year.

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

4 Turnover

The analysis of the Company's turnover for the year by market is as follows:

	2020 £ 000	2019 £ 000
UK	8,661	10,153
Europe	442	1,833
Rest of world	587	3,170
	<u>9,690</u>	<u>15,156</u>

5 Other operating (expenses)/income

The analysis of the Company's other operating (expenses)/income for the year is as follows:

	2020 £ 000	2019 £ 000
Loss on Foreign Exchange	<u>(62)</u>	<u>(261)</u>

6 Interest payable and similar charges

	2020 £ 000	2019 £ 000
Other finance costs	(24)	-
Interest expense on leases	<u>(2)</u>	<u>(3)</u>
	<u>(26)</u>	<u>(3)</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £ 000	2019 £ 000
Wages and salaries	4,834	9,932
Social security costs	422	896
Bonus payments	520	357
Other post-employment benefit costs	323	550
	<u>6,099</u>	<u>11,735</u>

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Average number of employees	<u>182</u>	<u>372</u>

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £ 000	2019 £ 000
Remuneration	420	519
Contributions paid to money purchase schemes	23	34
Compensation for loss of office	136	-
Directors amount under long term incentive schemes in respect of qualifying services	16	22
	<u>595</u>	<u>575</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2020 No.	2019 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>3</u>

In respect of the highest paid director:

	2020 £ 000	2019 £ 000
Remuneration	-	210
Company contributions to money purchase pension schemes	-	3

The directors are employed and paid by companies in the AXA Group and their directorships are held as part of that employment. The directors did not receive any emoluments or other benefits from the Company or from any other company in the AXA Group in respect of qualifying services to the Company in the current or prior year.

Mrs. T. N. Garrad was also a director of AXA UK plc during the year and her emoluments, which relate to her services to the AXA Group as a whole, are disclosed in the financial statements of that company.

Mr. C. J. Horlick was also a director of AXA PPP Healthcare Administration Services Limited (now called AXA Health Services Limited) during the year and his emoluments, which relate to his services to the AXA Group as a whole, are disclosed in the financial statements of that company.

No directors exercised share options or employee sharesave options during the year (2019: None).

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

9 Auditor's remuneration

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

	2020 £ 000	2019 £ 000
Audit of the financial statements	<u>15</u>	<u>11</u>

The remuneration of the auditor is borne by a fellow subsidiary company, AXA PPP healthcare limited.

10 Income tax

Tax (credit)/charge in the profit and loss account

	2020 £ 000	2019 £ 000
Current taxation		
UK corporation tax	(185)	(246)
UK corporation tax adjustment to prior periods	(24)	74
Foreign tax	<u>182</u>	<u>17</u>
Total current income tax	(27)	(155)
Deferred taxation		
Arising from origination and reversal of temporary differences	(5)	228
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>(19)</u>	<u>(42)</u>
Tax (credit)/charge in the profit and loss account	<u>(51)</u>	<u>31</u>

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

10 Income tax (continued)

The tax on (loss)/profit for the year is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences for continuing operations are reconciled below:

	2020 £ 000	2019 £ 000
Loss before tax	(1,094)	(150)
Corporation tax at standard rate	(208)	(29)
(Decrease) increase in current tax from adjustment for prior periods	(10)	80
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	-	13
Deferred tax credit relating to changes in tax rates or laws	(51)	(17)
Other tax effects for reconciliation between accounting profit and tax (income) expense	(21)	157
Total tax (credit)/charge	(290)	204

The tax rate for the current year remains at 19% (2019: 19%).

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% , as previously enacted). This new law was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date are measured at the enacted rate at the end of the reporting period of 19%.

Subsequent to the balance sheet date, it was announced in the Budget on 3 March 2021 the rate of corporation tax would be increased to 25% with effect from 1 April 2023. The Finance Bill 2021 was substantively enacted on 24 May 2021.

The effect of this change would be to increase the deferred tax asset at 31 December 2020 by £119,179.

Deferred tax

Deferred tax assets and liabilities

	Asset £ 000	Liability £ 000	Net deferred tax £ 000
2020			
Tax losses carry-forwards	210	-	210
Other temporary differences	-	(19)	(19)
Accelerated tax depreciation	280	-	280
	490	(19)	471

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

10 Income tax (continued)

	Asset £ 000	Liability £ 000	Net deferred tax £ 000
2019			
Tax losses carry-forwards	169	-	169
Other temporary differences	-	(19)	(19)
Accelerated tax depreciation	301	-	301
	<u>470</u>	<u>(19)</u>	<u>451</u>

Deferred tax movement during the year:

	At 1 January 2020 £ 000	Recognised in income £ 000	At 31 December 2020 £ 000
Tax losses carry-forwards	169	41	210
Other temporary differences	(19)	-	(19)
Accelerated tax depreciation	301	(21)	280
Net tax assets/(liabilities)	<u>451</u>	<u>20</u>	<u>471</u>

Deferred tax movement during the prior year:

	At 1 January 2019 £ 000	Recognised in income £ 000	At 31 December 2019 £ 000
Tax losses carry-forwards	268	(99)	169
Other temporary differences	11	(30)	(19)
Accelerated tax depreciation	358	(57)	301
Net tax assets/(liabilities)	<u>637</u>	<u>(186)</u>	<u>451</u>

At the balance sheet date, the company has unused tax losses of £1,826,503 (2019:1,826,203) available for offset against future profits. A deferred tax asset has been recognised in respect of these losses which has been impaired to reflect only those profits which are reasonably foreseeable.

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

11 Intangible assets

	Internally generated software development costs £ 000
Cost or valuation	
At 1 January 2020	210
Disposals	(210)
At 31 December 2020	-
Amortisation	
At 1 January 2020	74
Amortisation charge	11
Amortisation eliminated on disposals	(85)
At 31 December 2020	-
Carrying amount	
At 31 December 2020	-
At 31 December 2019	136

The internally generated software development costs were included within the transfer of assets and liabilities to ICAS International Holdings Limited.

12 Tangible assets

	IT equipment £ 000	Right of use £ 000	Total £ 000
Cost or valuation			
At 1 January 2020	165	256	421
At 31 December 2020	165	256	421
Depreciation			
At 1 January 2020	135	147	282
Charge for the year	30	29	59
At 31 December 2020	165	176	341
Carrying amount			
At 31 December 2020	-	80	80
At 31 December 2019	30	109	139

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

12 Tangible assets (continued)

Depreciation expenses of £59k (2019: £79k) was recognised in administrative expenses in 2020.

13 Debtors

	2020 £ 000	2019 £ 000
Trade debtors	1,198	3,760
Debtors from related parties	767	1,612
Prepayments and accrued income	418	2,153
Other debtors	-	12
Deferred tax assets	471	451
	<u>2,854</u>	<u>7,988</u>
Less non-current portion	<u>(471)</u>	<u>(451)</u>
Total current trade and other debtors	<u><u>2,383</u></u>	<u><u>7,537</u></u>

Debtors from related parties are non-interest bearing, repayable on demand and unsecured. Included within amounts due from related parties in 2020 is £422k relating to group relief settlements. The prior year has not been restated.

Debtors are stated after impairment of £49k (2019: £235k).

The non-current portion represents deferred tax assets.

14 Creditors: Amounts falling due within one year

	2020 £ 000	2019 £ 000
Trade creditors	332	158
Amounts due to related parties	271	-
Income tax liability	169	17
Social security and other taxes	72	225
Contract liabilities	773	1,377
Accruals	806	1,548
Other creditors	49	48
Current portion of long term lease liabilities	30	29
Payment received on account	65	-
Refund liability	5	-
	<u>2,572</u>	<u>3,402</u>

Amounts due to related parties are unsecured, non-interest bearing and repayable on demand.

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

15 Creditors: Amounts falling due after more than one year

	2020 £ 000	2019 £ 000
Other non-current financial liabilities	-	96
Long term lease liabilities	49	79
	<u>49</u>	<u>175</u>

16 Pension and other schemes

Defined benefit pension schemes

AXA UK pension scheme

Staff engaged in the Company's activities are members of the AXA UK Pension Scheme which embraces a number of companies in the AXA UK Group. The Scheme has both defined benefit and defined contribution sections but the Company is unable to accurately identify its share of the underlying assets and liabilities of the defined benefit section. There is no contractual agreement or stated policy for charging the net defined benefit cost to the Company, as such the Company has recognised within the financial statements a cost equal to its contribution for the period. On 31 August 2013 the AXA UK Pension Scheme closed to both new members and future accrual and all remaining active members moved to deferred status.

Responsibility for the governance of the plan, including investment decisions, contribution schedules and scheme administration, lies with a single trustee board consisting of company appointed directors and member nominated directors. Additionally, the Law Debenture Pension Trust corporation is a director, acting on behalf of the Trustee board with Special Director status.

The AXA UK Group pension scheme is targeted to be fully funded over a ten year time horizon (2028), contributions are payable in the event that the funding deficit is below a pre-agreed anticipated level. The level of contributions to be paid under the funding deficit recovery plan are based on the actuarial valuation performed every three years, however, these may change more frequently if significant events occur in the year. Following the 2018 triennial actuarial valuation, it was agreed between the Trustee and AXA UK that over the next annual reporting period the contributions to be paid will be £nil (2019: £nil). The assumptions adopted for the triennial actuarial valuations are determined by the Trustee and are normally more prudent than the assumptions adopted for IAS 19 purposes, which are on a best estimate basis.

An internal review by AXA UK of the defined benefit scheme, revealed an IAS 19 surplus of £283m as at 31 December 2020 (£263m surplus as at 31 December 2019). This represents a snapshot of the present cost of meeting pension obligations that will crystallise over a period of many years. The Scheme invests in a wide range of assets, including equities, which over the long term, are expected by the Directors to meet the liabilities of the scheme.

The total pension cost which has been charged to the Profit and Loss Account of the Company is £323k (2019: £388k). There were no outstanding contributions as at 31 December 2020 (2019: £nil).

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

16 Pension and other schemes (continued)

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the statement of financial position date are as follows:

	2020	2019
	%	%
Discount rate	1.45	1.95
Future pension increases	2.75	2.80
Inflation	<u>1.88</u>	<u>1.95</u>

The discount and inflation rates disclosed within the above table represent single equivalent rates based on the cashflow profile of the scheme. The 2020 and 2019 valuations have been calculated on a full yield curve rather than a single rate, as this methodology provides a more accurate approach that is better aligned with a general move in the market to use a market consistent approach in valuing the liabilities.

The key risk to the entity is the valuation of the scheme liabilities, where a decrease in corporate bond yields, or an increase in inflation rates, or an increase in life expectancy will result in an increase in plan liabilities. This effect will be partially offset by the hedging strategy in place which seeks to align the asset portfolio with the inherent risk of the liabilities, in addition to entering into a longevity swap transaction with the aim of hedging longevity risk inherent within the pensioner population of the scheme. An increase in plan liabilities could lead to the calling on, of additional contributions to fund any scheme shortfalls.

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	2020	2019
	£ 000	£ 000
Present value at start of year	5,432,633	5,055,420
Current service cost	6,283	4,449
Past service cost	3,605	-
Actuarial gains and losses arising from changes in demographic assumptions	15,589	(87,919)
Actuarial gains and losses arising from changes in financial assumptions	490,970	553,221
Actuarial gains and losses arising from experience adjustments	(29,036)	(10,486)
Interest cost	93,221	123,605
Benefits paid	<u>(214,994)</u>	<u>(205,657)</u>
Present value at end of year	<u>5,798,271</u>	<u>5,432,633</u>

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

16 Pension and other schemes (continued)

Scheme assets

Changes in the fair value of scheme assets are as follows:

	2020 £ 000	2019 £ 000
Fair value at start of year	5,695,873	5,348,265
Return on plan assets, excluding amounts included in interest income/(expense)	97,828	130,926
Actuarial(losses)/gains	476,635	398,741
Employer contributions	6,283	4,449
Benefits paid	(214,994)	(205,657)
Asset backed contribution	19,728	19,149
Fair value at end of year	<u>6,081,353</u>	<u>5,695,873</u>

Analysis of assets

The major categories of scheme assets are as follows:

	2020			2019		
	Quoted £m	Unquoted £m	Total £m	Quoted £m	Unquoted £m	Total £m
Equities	-	7,207	7,207	-	11,196	11,196
Government	2,638,095	-	2,638,095	2,435,770	-	2,435,770
Corporate	833,042	-	833,042	438,745	-	438,745
Securitised debt	305,661	-	305,661	308,256	-	308,256
Debt securities	3,776,798	-	3,776,798	3,182,771	-	3,182,771
Property funds	-	292,752	292,752	-	351,246	351,246
Derivatives	243,784	-	243,784	245,892	-	245,892
Cash	77,348	-	77,348	19,238	-	19,238
Loans	-	177,870	177,870	-	125,625	125,625
Investment funds	-	1,178,751	1,178,751	-	1,443,233	1,443,233
Other assets	321,132	1,356,621	1,677,753	265,130	1,568,858	1,833,988
Investment in limited partnership	-	319,000	319,000	-	316,000	316,000
Longevity hedge	-	8,023	8,023	-	672	672
	4,097,930	1,983,603	6,081,533	3,447,901	2,247,972	5,695,873

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

17 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
1000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

18 Reserves

Equity capital

Represents a charge arising in 2007 on equity-settled share-based payments.

Profit and loss account

Represents the accumulated profits and losses of the Company and any capital contributions received.

Other reserves

Represents the accumulated effect of foreign currency translation.

The analysis of the movement in reserves is detailed within the Statement of Changes in Equity on page 13.

19 Related party transactions

The Company has taken advantage of the exemption granted under FRS 101 where subsidiary undertakings do not have to disclose transactions with fellow wholly owned Group companies, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

The Company entered into the following transactions with related parties which do not qualify for the exemption under FRS 101. Such transactions are included in the profit and loss account and balance sheet under the following captions:

Income and receivables from related parties

	Other related parties
	£ 000
2020	
Sale of goods	29
	Other related parties
	£ 000
2019	
Sale of goods	4
Amounts receivable from related party	706

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

19 Related party transactions (continued)

Expenditure with and payables to related parties

	Other related parties £ 000
2020	
Administration Expenses	176
	<hr/>
	Other related parties £ 000
2019	
Rendering of services	1,021
	<hr/>

The above represents transactions with AXA Investment Managers UK Limited, and ICAS Employee and Organisation Enhancement Services Southern Africa (Pty) Limited, which became a non-wholly owned subsidiary on 1 January 2016, when ICAS International Holdings Limited sold 19.9% of its investment to Sangano Investment Holdings Proprietary Limited. ICAS Employee and Organisation Enhancement Services Southern Africa (Pty) Limited formed part of the sale of the international sale, as detailed in note 22.

20 Obligations under leases and hire purchase contracts

Commitments under operating leases

The total future value of minimum lease payments is as follows:

	2020 £ 000	2019 £ 000
Operating leases under IFRS 16		
Less than 1 year	31	31
2 years	31	31
3 years	19	31
4 years	-	19
	<hr/>	<hr/>
	81	112
	<hr/>	<hr/>

21 Parent and ultimate parent undertaking

The Company's immediate parent is AXA PPP Healthcare Group Limited.

The ultimate parent is AXA SA.

The most senior parent entity producing publicly available financial statements is AXA SA. These financial statements are available upon request from 25, avenue Matignon, 75008 Paris, France.

Relationship between entity and parents

The parent of the largest and smallest group in which these financial statements are consolidated is AXA SA, incorporated in France.

The address of AXA SA is:

25, avenue Matignon, 75008 Paris, France.

AXA ICAS Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

22 Discontinued operations

Disposal of International segment

On 19 March 2020, the Company disposed of the International segment, which formed part of the Company. The international segment operations. The assets and liabilities were transferred at book value, resulting in no loss or gain. The classes of assets and liabilities transferred were as follows:

	2020 £ 000
Intangible asset	125
Deferred tax	4
Trade debtors	3,310
Prepayments and accrued income	1,513
Other debtors	297
Cash and cash equivalents	760
Total assets	6,009
Trade creditors	586
Accruals and deferred income	850
Total liabilities	1,436

Sale of Dubai branch

In March 2020, the Company disposed of its Dubai branch, which formed part of the international segment of the Company. The branch was sold for a consideration of £1, resulting in a gain of £588k. The net assets sold are detailed below:

	2020 £ 000
Debtors	305
Cash at bank	(16)
Accruals and deferred income	(170)
Intercompany	(610)
Holding account	(97)
Net book value	(588)

23 Non-adjusting events after the financial period

In accordance with a rebranding and internal restructure a business transfer agreement has been put in place, in which certain trade, assets and liabilities of the Company will transfer to AXA Health Services Limited. The Company's customers are expected to migrate over a 12 month renewal period, commencing May 2021 and completing in April 2022.

The internal restructure of the Health Group resulted in the staff of the Company being transferred to AXA PPP Healthcare Group Limited on 1 January 2021.