

Registered number
2741053

Zurich Management Services Limited

Financial Statements

31 December 2017



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Company information

Directors

V Cellerini
T J Grant
J P Hartigan
K Surendrakumar

Secretary

Zurich Corporate Secretary (UK) Limited

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

STRATEGIC REPORT

The directors present the strategic report, their report and the audited financial statements for Zurich Management Services Limited ("the Company") for the year ended 31 December 2017.

Principal Activities

The principal activity of the Company is the delivery of risk management and administration services to both private and public sector organisations. The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is shown on page 1.

Zurich Risk Services Asia Pacific Sdn. Bhd., a wholly owned subsidiary, provides Risk Engineering and allied services to Zurich Insurance Group Ltd group companies and their customers worldwide with activities involving the systematic identification, assessment and improvement of risk.

On 11 June 2017, the Company provided a loan of £20m to Zurich Insurance Company Ltd. ("ZIC") maturing on 11 June 2018.

Results for the year

The results for the year are set out on page 10. The profit before taxation amounted to £13,662,447 (2016: profit of £13,220,169). After taking taxation into account, the amount transferred to reserves was £11,241,156 (2016: £10,660,925 transferred to reserves).

At 31 December 2017, the Company had net assets of £31,729,678 (2016: net assets of £20,488,522) representing mainly the value of its investment in group undertakings, trade debtors, amounts owed by group undertakings and cash and cash equivalents; net of accruals and bank overdraft.

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 account, and the balance sheet on pages 10 and 11 respectively.

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.

Future Outlook

The directors expect the current level of activity to continue for the foreseeable future. The directors have been notified of the intention to wind up Zurich Risk Services Asia Pacific Sdn. Bhd. (ZRSAP), a wholly owned subsidiary. The trade of ZRSAP was transferred to Zurich Insurance Ltd. Singapore effective 1 July 2017. The assets of Zurich Risk Services Asia Pacific Sdn. Bhd. were acquired by another group company, Zurich Insurance Ltd., Singapore Branch on 5 October 2017.

The interim dividends proposed and approved in 2018 have been funded by cash flows generated from operating activities and the sale of short-term highly liquid investments. Whilst this has changed the financial risk management position of the company, the company still had net assets and net current assets after these dividends had been distributed.

Principal risks and uncertainties

The Company's operation is exposed to both operational and financial risk through its activities as well as its financial assets and financial liabilities. The directors do not consider there to be a material exposure as a result of these risks. The specific financial risks are limited to credit risk, liquidity risk and price risk.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

Operational Risk

The Company is exposed to operational risk through the health and safety of its employees and the potential for equipment failure. Exposure to personal risk is inevitable given the nature of the work carried out by the Company's employees. The major risks include lone working, working in hazardous areas, at height, with moving and/or rotating machinery and in confined spaces. Performing safety checks on equipment, which requires employees to operate (or simulate operation of) equipment to the extremes of its safe operating parameters, could result in the need for specialist intervention to restore equipment to normal use. This exposes the Company to criticism and/or costs for the interventions. The Company manages and mitigates these risks, so far as is reasonably practicable, by providing robust safe systems of work and risk assessments, working closely with clients to provide a safe place of work and specialist help where necessary, employing only suitably qualified and experienced engineers, through adherence to the SAFed health and safety passport scheme, by providing regular technical bulletins and toolbox talks, by providing technical assistance during working hours by a duty senior engineer, and via the provision of a market leading training and induction programme. At a leadership level we look at risk mitigation measures such as Total Risk Profiling and looking at our risks within boundaries of tolerance and how these can be improved.

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 and the risk is mitigated by the strong on-going customer relationships.

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 appropriate short-term finance to match the need of the business. The Company aims to mitigate liquidity risk by managing cash generation from operations.

Price risk

The Company is exposed to securities price risk, because of the underlying assets within investments held by the company and classified on the Balance Sheet as cash and cash equivalents.

By order of the Board

Secretary.....

Name..... ANN BUNNELL

For and on behalf of Zurich Corporate Secretary (UK) Limited

Date..... 21-9-2018

DIRECTORS' REPORT

Dividends

No interim dividends were paid during the year (2016: £nil).

The directors do not recommend the payment of a final dividend for the year (2016: £nil):

Subsequent Events

The interim dividends disclosed as subsequent events wholly relate to 2018 as disclosed in the relevant Board meeting minutes.

On 26 March 2018 the Company paid an interim dividend of £21,000,000 to its immediate parent company, Zurich Holdings (UK) Limited ("the Parent Company").

On 11 June 2018, the £20,000,000 loan provided to Zurich Insurance Company Ltd. ("ZIC") matured and was immediately replaced with a new loan for £15,000,000, which matures on 11 June 2019. This is unsecured and incurs interest at a fixed rate of 1.0652% p.a. payable on maturity.

On 11 June 2018 the Company paid an interim dividend of £9,000,000 to its immediate parent company, Zurich Holdings (UK) Limited ("the Parent Company").

On 20 August 2018 Zurich Risk Services Asia Pacific Sdn. Bhd. ("ZRSAP"), a wholly owned subsidiary, approved a capital repayment via a reduction of the ordinary share capital from RM 500,000.00 to RM 2.0.

On 29 August 2018, the Company received a dividend of £75,640 (RM 400,000.00) from Zurich Risk Services Asia Pacific Sdn. Bhd. ("ZRSAP"), a wholly owned subsidiary.

Charitable and political donations

During the year, the Company made charitable donations of £1,545,757 (2016: £1,704,333). No donation was made for political purposes during 2017 (2016: £nil).

Directors

The names of the directors who were in office at the date of signing the financial statements are shown on page 1.

The following directors were appointed during the year:

K Surendrakumar (appointed 12 September 2017)

V Cellerini (appointed 12 September 2017)

D C G Nichols (appointed 23 February 2017)

The following directors resigned during the year:

C G L M Fresneau (resigned 29 August 2017)

D C G Nichols (resigned 7 September 2017)

The following director was appointed between the end of the financial year and the signing of these financial statements:

J P Hartigan (appointed 18 July 2018)

The following director resigned between the end of the financial year and the signing of these financial statements:

C J Gebhard (resigned 18 July 2018)

DIRECTORS' REPORT (continued)

Directors' indemnity

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

Going Concern

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

The interim dividend of £21,000,000 proposed and approved on 22 March 2018 and the interim dividend of £9,000,000 proposed and approved on 31 May 2018 have been funded by cash flows generated from operating activities and the sale of short-term highly liquid investments. Whilst this has changed the financial risk management position of the company, the company still had net assets and net current assets after these dividends had been distributed.

Financial Risk and Future Outlook

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 as permitted by section 414C(11) of the Companies Act 2006.

Statement of Directors' Responsibilities

The following statement sets out the responsibilities of the directors in relation to the financial statements of the Company. The report of the auditors, shown on pages 7, 8 and 9 sets out their responsibilities in relation to the financial statements.

The directors are responsible 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law comprising 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 101 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.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT (continued)

Statement of Directors' Responsibilities (continued)

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- Each director has taken all the 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 auditors are aware of that information.

Independent auditors

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

By order of the Board

Secretary



Name

ANN BLUNDEN

For and on behalf of Zurich Corporate Secretary (UK) Limited

Date

21-9-2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZURICH MANAGEMENT SERVICES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Zurich Management Services Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZURICH MANAGEMENT SERVICES LIMITED (continued)

Reporting on other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 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 set out on pages 5 and 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZURICH MANAGEMENT SERVICES LIMITED (continued)

Responsibilities for the financial statements and the audit (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



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

Date: 21/09/18

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2017

£	Note	2017	2016
Turnover	3	76,652,722	72,530,385
Cost of sales		(51,519,942)	(47,874,487)
Gross profit		25,132,780	24,655,898
Administrative expenses		(12,686,560)	(11,537,244)
Operating profit		12,446,220	13,118,654
Interest Receivable and Similar Income	7	148,991	101,515
Income from Subsidiary Undertakings	8	1,067,236	-
Profit before taxation		13,662,447	13,220,169
Tax on profit	9	(2,421,291)	(2,559,244)
Profit for the financial year		11,241,156	10,660,925

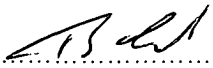
All amounts above are in respect of continuing operations.

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.

BALANCE SHEET
as at 31 December 2017

£	Note	2017	2016
Fixed assets			
Investments	10	110,317	110,317
Current assets			
Debtors	11	56,217,390	34,212,647
Cash and cash equivalents	12	21,322,512	28,216,511
		77,539,902	62,429,158
Creditors: amounts falling due within one year	13	(45,920,541)	(42,050,953)
Net current assets		31,619,361	20,378,205
Total assets less current liabilities		31,729,678	20,488,522
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account		31,729,578	20,488,422
Total shareholders' funds		31,729,678	20,488,522

The financial statements on pages 10 to 20 were approved by the Board on 21 September 2018 and were signed on its behalf by:

Director..... 

Name..... T. J. GRANT

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2017

£	Called up share capital	Profit and loss account	Total shareholders' funds
At 1 January 2016	100	9,827,497	9,827,597
Profit for the financial year	-	10,660,925	10,660,925
At 31 December 2016	100	20,488,422	20,488,522
Profit for the financial year	-	11,241,156	11,241,156
At 31 December 2017	100	31,729,578	31,729,678

Notes to the financial statements for the year ended 31 December 2017

1 Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including FRS 101 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, and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 ("the Act").

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 2017, 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 15.

The preparation of financial statements in conformity with FRS 101 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 critical judgements or estimates and assumptions could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 2.12.

Summary of FRS 101 exemptions adopted

FRS 101 sets out a reduced disclosure framework which addresses the financial reporting requirements and disclosure exemptions for the individual financial statements of subsidiaries and ultimate parents that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards.

The Company has taken the following exemptions in preparing the financial statements:

- (a) the requirements of IAS 1 'Presentation of Financial Statements' paragraph 16 regarding an explicit and unreserved statement of compliance with IFRS accounting, in accordance with FRS 101 paragraph 8(g).
- (b) the requirements of IAS 7 'Statement of Cash Flows' in accordance with FRS 101 paragraphs 8(h) and where relevant 8(g).
- (c) the requirements IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31 in respect of new standards, amendments and interpretations issued but not effective for the financial year in accordance with FRS 101 paragraph 8(i).
- (d) the requirements of IAS 24 'Related Party Disclosures' paragraph 17, to disclose related party key management compensation in accordance with FRS 101 paragraph 8(j).
- (e) 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 in accordance with FRS 101 paragraph 8(k).
- (f) The requirements of IFRS 7 'Financial Instruments: Disclosures' in accordance with FRS 101 8 (d).

Notes to the financial statements for the year ended 31 December 2017

2.2 Turnover - Sale of services

The Company provides risk management and administration services. Revenue is recognised in the accounting period in which the services are provided, by reference to the stage of completion of the specific transaction.

2.3 Cost of Sales

Cost of sales represents expenses payable which are necessary for the provision of services, recognised on an accruals basis.

2.4 Administrative Expenses

Administrative expenses are charged to the profit and loss account on an accruals basis.

2.5 Interest Receivable and Similar Income

Interest receivable and similar income consists of income received from a unit trust liquidity fund.

2.6 Income from Subsidiary Undertakings

Dividends receivable on ordinary shares from subsidiary undertakings are recognised when the right to receive payment is established.

2.7 Dividend distribution

Final dividends to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

2.8 Current Tax

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

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

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

2.9 Investments

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

2.10 Amounts recoverable on contracts

Amounts recoverable on contracts represent the value of work included in turnover on particular contracts in excess of amounts received to date.

Notes to the financial statements for the year ended 31 December 2017

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments less bank overdrafts. In the balance sheet, bank overdrafts are shown within creditors in current liabilities.

2.12 Financial Instruments

Financial assets

Basic financial assets, including trade and other receivables, 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, less provision for impairment.

Trade debtors are recognised net of a provision representing the exposure of Company to the potential non-recovery of these debts. The Company makes an estimate of the recoverable value of these debts by considering a number of factors including the historic payment profile of the trade debtors. See note 11 for the net carrying value of trade debtors and associated provisions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies, 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.

3 Turnover

Turnover represents the provision of risk management services encompassing engineering consultancy, risk engineering and engineering inspection services to both private and public sector organisation. Turnover excludes VAT, and arises entirely within the United Kingdom.

4 Auditors' remuneration

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

£	2017	2016
Fees payable to the Company's auditors for the audit of the Company's financial statements	5,870	6,196
Total	5,870	6,196

These expenses have been borne by another group company.

**Notes to the financial statements
for the year ended 31 December 2017**

5 Staff costs

Employees in the UK working on behalf of the Company are employed by either Zurich UK General Employee Services Limited, Zurich UK General Services Limited or Zurich Global Corporate UK Limited. These employees may also work on behalf of any other companies, within the group of companies of which the ultimate parent is Zurich Insurance Group Ltd, a Company incorporated in Switzerland. Accordingly, the Company does not incur direct staff or pension costs. During 2017 and 2016, management charges were made to the Company which included staff costs. The element of these charges relating to these costs cannot be separately ascertained, therefore, no disclosure has been made for staff numbers and costs.

The principal disclosures in respect of these staff, including disclosures in relation to share based payments, 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 Secretary, The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire, PO15 7JZ.

6 Directors' remuneration

The remuneration of the directors for services to the Company as directors during the year was **£nil** (2016: £nil).

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

7 Interest receivable and similar Income

£	2017	2016
Interest income	148,991	101,515
Total	148,991	101,515

Interest income is received from a unit trust liquidity fund.

8 Income from Subsidiary Undertakings

£	2017	2016
Dividends		
Zurich Risk Services Asia Pacific Sdn. Bhd.	1,067,236	-
Total	1,067,236	-

**Notes to the financial statements
for the year ended 31 December 2017**

9 Tax on profit

Taxation in the profit and loss account was as follows:

£	2017	2016
Current taxation:		
UK corporation tax at 19.25% (2016: 20%) on profits for the year	2,424,578	2,644,034
Adjustments in respect of prior periods	(3,287)	(84,790)
Total current tax	2,421,291	2,559,244
Tax on profit	2,421,291	2,559,244

Factors affecting the tax charge for the year:

The tax expense for the year is lower (2016: lower) than the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

£	2017	2016
Profit before taxation	13,662,447	13,220,169
Profit for the year multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20%)	2,630,021	2,644,034
Income not charged for taxation purposes	(205,443)	-
Adjustments in respect of prior periods	(3,287)	(84,790)
Total tax charge for the year	2,421,291	2,559,244

The tax rate for the current period is lower than the prior period due to changes in the UK corporation tax rate which decreased from 20% to 19% with effect from 1 April 2017.

Further reductions to the UK corporation tax rates were substantively enacted as part of the Finance No.2 Act 2015 on 26 October 2015 and the Finance Act 2016 on 6 September 2016. These reduce the main rate to 19% from 1 April 2017 and 17% from 1 April 2020.

10 Investments

£	2017	2016
500,000 (2016: 500,000) ordinary shares of 1 Malaysian Ringgit each	110,317	110,317
Total	110,317	110,317

Analysed as:

Zurich Risk Services Asia Pacific Sdn. Bhd.	110,317	110,317
Total	110,317	110,317

**Notes to the financial statements
for the year ended 31 December 2017**

10 Investments (continued)

The Company holds 100% of the nominal value of the allotted ordinary shares of a subsidiary company, Zurich Risk Services Asia Pacific Sdn. Bhd., a company undertaking risk engineering and incorporated in Malaysia. The address of the registered office of Zurich Risk Services Asia Pacific Sdn. Bhd. is Level 8, Symphony House, Block D13 Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The directors have considered the value of the Company's investment in subsidiary undertakings as at 31 December 2017 and are satisfied that the value of the investment is not less than the amount at which it is stated in the statement of financial position.

During the year the company received a dividend of £1,067,236 (2016: £nil) (MYR 6m) from Zurich Risk Services Asia Pacific Sdn. Bhd.

11 Debtors

£	2017	2016
Trade debtors	20,211,236	19,329,876
Amounts recoverable on contracts	1,245,123	1,211,242
Amounts owed by group undertakings	28,533,423	7,475,169
Other debtors	5,314	7,468
Prepayments and accrued income	6,222,294	6,188,892
Total	56,217,390	34,212,647

Amounts owed by group undertakings include a loan of £20m, which was made to Zurich Insurance Company Ltd., Switzerland in June 2017. This is unsecured and incurs interest at a fixed rate of 0.7572% p.a. which will be paid on maturity.

Trade Debtors are shown after a provision for impairment of £557,702 (2016: £547,835).

12 Cash and cash equivalents

£	2017	2016
Units in unit trusts	21,322,512	28,038,225
Cash at bank and in hand	-	178,286
Total	21,322,512	28,216,511

The cash and cash equivalents represents cash and bank balances and short term highly liquid investment in units in unit trusts, which are converted into cash on daily basis.

**Notes to the financial statements
for the year ended 31 December 2017**

13 Creditors: amounts falling due within one year

£	2017	2016
Bank loans and overdrafts	807,074	-
Amounts owed to group undertakings	4,726	851
Corporation tax payable	5,065,327	4,454,724
Other creditors	5,457,459	5,859,220
Accruals and deferred income	34,585,955	31,736,158
Total	45,920,541	42,050,953

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

14 Called up share capital

£	2017	2016
Allotted, called up and fully paid:		
100 (2016: 100) ordinary shares of £1 each	100	100
Total	100	100
Authorised:		
100 (2016: 100) ordinary shares of £1 each	100	100
Total	100	100

15 Ultimate parent company

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

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

Mythenquai 2
8002 Zurich
Switzerland

The Company's immediate parent company is Zurich Holdings (UK) Limited.

Notes to the financial statements for the year ended 31 December 2017

16 Related party transactions

The Company has taken advantage of an exemption from within FRS 101.8 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 10,11 and 13.

There were no material transactions with any other related party.

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

17 Contingent Liabilities

The Company is subject to an ongoing investigation by the Health and Safety Executive in relation to the accidental death of one of its employees. This investigation may result in prosecution, which the Company would defend. Based on the information available at this stage of the investigation the Company considers it probable that, if a prosecution was brought, it would be successful in defending the case and therefore no provision has been made in these accounts. The potential impact to the Company should a prosecution be successful is estimated to be anything up to £3-4m.

18 Subsequent Events

On 26 March 2018 the Company paid an interim dividend of £21,000,000 to its immediate parent company, Zurich Holdings (UK) Limited ("the Parent Company").

On 11 June 2018, the £20,000,000 loan provided to Zurich Insurance Company Ltd. ("ZIC") matured and was immediately replaced with a new loan for £15,000,000, which matures on 11 June 2019. This is unsecured and incurs interest at a fixed rate of 1.0652% p.a. payable on maturity.

On 11 June 2018 the Company paid an interim dividend of £9,000,000 to its immediate parent company, Zurich Holdings (UK) Limited ("the Parent Company").

On 20 August 2018 Zurich Risk Services Asia Pacific Sdn. Bhd. ("ZRSAP"), a wholly owned subsidiary, approved a capital repayment via a reduction of the ordinary share capital from RM 500,000.00 to RM 2.0.

On 29 August 2018, the Company received a dividend of £75,640 (RM 400,000.00) from Zurich Risk Services Asia Pacific Sdn. Bhd. ("ZRSAP"), a wholly owned subsidiary.