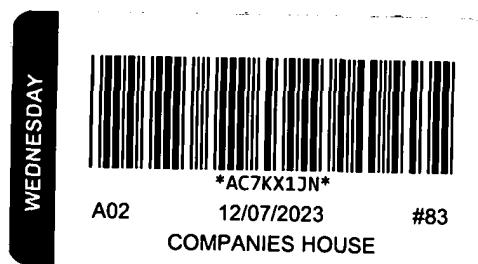


CHUBB MARKET COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2022

COMPANY REGISTRATION NUMBER: 03600577



DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are pleased to submit their report and the audited financial statements for the Company for the year ended 31 December 2022.

It should be noted that the Company's financial statements have been prepared in compliance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS102"), being applicable United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an intermediate holding company.

RESULTS AND DIVIDENDS

The result for the year to 31 December 2022 before taxation amounted to a profit of £14,473k (2021: £1,029k) and the total shareholders' funds of the Company total £238,683k (2021: £226,952k).

During 2022 the Company received a liquidation distribution of £47k from its subsidiary undertaking, Chubb London Group Limited (2021: £Nil). The directors do not recommend the payment of a dividend (2021: £Nil).

During the year the Company invested \$100m (£90.1m) in the permanent equity of Chubb Capital I Limited ("CCI"), an existing subsidiary of the Company, by way of a capital contribution. CCI then used the proceeds of the capital contribution to repay a \$100m (£90.1m) loan to the Company.

DIRECTORS

The following have been directors during the year from 1 January 2022 to the date of this report unless otherwise indicated:

M A Connole
P S Lawlis
D T Whelan
R Q Wilson

Resigned 1 March 2022
Appointed 1 March 2022

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) are in place for the benefit of the directors and, during the financial year at the date of this report, are in force in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office.

The Company also has the benefit of a group insurance company management activities policy effected by Chubb Limited. No charge was made to the Company during the year for this policy.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties affecting the Company are in relation to movements in foreign exchange markets and the valuation of its investment in subsidiary undertakings.

The Russia-Ukraine conflict is ongoing with economic sanctions by Western nations still in place. The Company has very limited exposure to the financial and economic consequences of the conflict. Furthermore, the directors do not believe that any impacts from the conflict change the financial position presented for the Company as at 31 December 2022. The Company will continue to monitor the situation and provide updates to stakeholders as and when required.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 - continued**Financial Risk Management**

The Company benefits from the risk management and monitoring processes that operate within the Chubb Group. The Group employs and monitors risk guidelines to ensure acceptable risk accumulations and capital, earnings and liquidity positions are robust. This work includes conducting scenario analysis for major stress events and is conducted with consideration of the position and performance of the Group's legal entities.

The Company is primarily exposed to risk in relation to movements in foreign exchange rates and the valuation of its investment in subsidiary undertakings.

To mitigate foreign exchange risk, the Company holds balances denominated in sterling and US dollars only, and seeks to ensure that an approximate currency match of assets and liabilities is maintained.

Annual impairment reviews are carried out to ensure that the Company's investments in its subsidiaries are prudently stated at the lower of cost and the recoverable amount of the investment, a proxy for which is the net assets of the subsidiary.

The Company is also exposed to Liquidity risk and Credit risk, being the respective risks that the Company and its counterparties will be unable to meet their obligations as they fall due. Liquidity is managed on a group-wide basis to smooth the liquidity needs of individual companies. Credit risk is mitigated via the holding-company nature of the Company's activities – at 31 December 2022 99.9% (2021: 99.9%) of the Company's combined short and long-term debtor balance was due from other group companies, the recoverability of which is assessed at each Balance Sheet date.

FUTURE DEVELOPMENTS

The Company continues to act as an intermediate holding company for subsidiary undertakings of the Chubb Market Company Group and is expected to do so for the foreseeable future.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors Report and the Annual Report and Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare the Annual Report and Financial Statements for each financial year. Under that law the directors have prepared the Annual Report and Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the Annual Report and 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 the Annual Report and Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the Annual Report and Financial Statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Annual Report and Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 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 Annual Report and Financial Statements comply with the Companies Act 2006.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

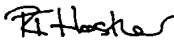
Each of the persons who is a director at the date of this report confirms that:

- i) So far as each of them is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2022 of which the auditors are unaware, and
- ii) The director has taken all steps that he/she ought to have taken in his/her duty as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

INDEPENDENT AUDITORS

The Company's auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

By Order of the Board

DocuSigned by:


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R Hostler

for and on behalf of
Chubb London Services Limited
Secretary

7 July 2023

100 Leadenhall Street
London
EC3A 3BP

Independent auditors' report to the members of Chubb Market Company Limited

Report on the audit of the financial statements

Opinion

In our opinion, Chubb Market Company Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2022; the Profit and Loss Account and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements and the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing relevant meeting minutes including those of the Board of Directors;
- Challenging assumptions made by the management in their accounting estimates;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Natalie Brookes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

7 July 2023

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £'000	2021 £'000
Turnover	2	47	-
Administrative expenses	4	(6,857)	(6,857)
Other operating income	5	21,283	7,886
OPERATING PROFIT		14,473	1,029
Interest receivable and similar income	6	-	707
Interest payable and similar expenses	6	-	(707)
PROFIT BEFORE TAX		14,473	1,029
Tax on profit	7	(2,742)	(188)
PROFIT FOR THE FINANCIAL YEAR		11,731	841

Results for the current and prior year derive from continuing operations.

A statement of other comprehensive income has not been prepared as there are no recognised gains and losses other than the profit for the year as shown above.

BALANCE SHEET AS AT 31 DECEMBER 2022

		2022	2021
	Note	£'000	£'000
FIXED ASSETS			
Investments	8	239,738	149,652
		<u>239,738</u>	<u>149,652</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	9	28,021	144,760
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	10	(29,076)	(67,460)
NET CURRENT (LIABILITIES) / ASSETS		(1,055)	77,300
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>238,683</u>	<u>226,952</u>
NET ASSETS		<u>238,683</u>	<u>226,952</u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Share premium account		63,727	63,727
Profit and loss account		174,955	163,224
TOTAL SHAREHOLDERS' FUNDS		<u>238,683</u>	<u>226,952</u>

The notes on pages 10 to 19 are an integral part of these financial statements.

The financial statements on pages 7 to 19 were approved by the board of directors on 5 July 2023 and were signed on its behalf by:

DocuSigned by:

 312299B8847C472...
 P S Lawlis
 Director

7 July 2023

COMPANY REGISTRATION NUMBER: 03600577

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up Share Capital	Share Premium Account	Profit and Loss Account	Total shareholders' funds
	£'000	£'000	£'000	£'000
AT 1 JANUARY 2021	1	63,727	162,383	226,111
Profit for the financial year	-	-	841	841
AT 31 DECEMBER 2021	1	63,727	163,224	226,952
Profit for the financial year	-	-	11,731	11,731
AT 31 DECEMBER 2022	1	63,727	174,955	238,683

NOTES TO THE FINANCIAL STATEMENTS**1. ACCOUNTING POLICIES****Basis of preparation**

Chubb Market Company Limited is a private limited company, limited by shares, incorporated in the United Kingdom and registered in England. The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, being Financial Reporting Standard FRS 102 ("The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102")). The Company is a wholly owned subsidiary within the Chubb Limited Group and is included in the consolidated financial statements of Chubb Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a Cash Flow Statement and disclosing details of key management personnel and related party transactions under the terms of FRS 102.

The Company has taken advantage of the exemption under Section 401 of the Companies Act 2006 from the requirement to prepare and deliver consolidated financial statements as it and its subsidiary undertakings are wholly-owned subsidiaries within the Chubb Limited group and are included within the consolidated financial statements of Chubb Limited.

The Company has also taken advantage of the exemption under Section 414A of the Companies Act 2006 from the requirement to present a Strategic Report in the financial statements.

The principal accounting policies, applied consistently throughout the year, are set out below:

Critical accounting estimates, assumptions and judgements

There are no critical accounting estimates, assumptions or judgements that are relevant for this entity.

Investments

Investments in group undertakings are stated at cost less any accumulated impairments.

Indicators of impairment are assessed at least annually. The methods used include comparing the carrying amount of the investment in a subsidiary with the corresponding recoverable amount. The recoverable amount assessment can be based on considering the future profitability of the subsidiary or by considering the net assets of the subsidiary, which is a reasonable proxy for the recoverable amount of the investment.

Profits and losses arising on the sale of investments represent the difference between the sale proceeds and the carrying value at the time of the sale. Both profits and losses arising on sale and any impairments are recognised in the profit and loss account.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency, pounds sterling, at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Exchange differences arising from the retranslation of monetary assets and liabilities denominated in foreign currencies are included in the profit and loss account.

Dividends

Interim dividends are recognised when paid and final dividends when declared.

Turnover

Dividend income and liquidation distribution receipts are recognised when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**1. ACCOUNTING POLICIES – continued****Leases**

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis. Rental costs and associated service charges, net of rents and service charges receivable from sub-letting, are recharged to other Chubb Limited group companies.

Current tax

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more tax in future, or a right to pay less tax in future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

Administrative expenses

Administrative expenses, primarily consisting of lease payments incurred for the 100 Leadenhall Street building and the rental of Lloyd's of London boxes, are charged to the profit and loss account on an accruals basis as they are incurred.

Other operating income

Other operating income is accounted for on an accruals basis as it is incurred.

Debtors

Short term debtors are measured at transaction price, less any impairment arising from actual or potential irrecoverability. Long term debtors, including loan balances, are measured at initial value plus interest, less repayments settled. The Company has applied section 11 and 12 of FRS 102 for the financial instruments.

Creditors

Short term and long term creditors, including intercompany loans are measured at the transaction price. Long term creditors, including loan balances, are measured at initial value plus interest, less settlements made.

Interest receivable and similar income

Interest receivable is accounted for on an accruals basis.

Interest payable

Interest payable is accounted for on an accruals basis.

Reserves

The called-up share capital account represents the nominal value of shares that have been issued. The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium. The profit and loss account includes all current and prior period retained profits and losses.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**2. TURNOVER**

During the year the Company received no dividends (2021: £nil). During 2022 the Company received a liquidation distribution of £47k from its subsidiary undertaking, Chubb London Group Limited (2021: £Nil).

3. DIRECTORS AND EMPLOYEES

The Company has no employees (2021: None) and no emoluments were paid by the Company to any of its directors during the year (2021: £Nil). The emoluments of the directors are paid by an associated company. The services of the directors and other key management personnel to the Company are incidental and their emoluments are deemed to be wholly attributable to their services to other group companies. Accordingly, no disclosures of emoluments of the Company have been made in these financial statements.

Some of the directors of the Company are also directors of the Company's subsidiaries and a charge is made to the Company or its subsidiaries for qualifying services. To this extent, the aggregate remuneration of those directors is as presented below:

	2022 £000	2021 £000
Aggregate remuneration	601	1,015
Company pension contributions to money purchase schemes	4	34
	<u>605</u>	<u>1,049</u>

Included in the above amounts paid by the subsidiaries in respect of the directors who are directors of both the Company and the subsidiaries are emoluments and benefits paid to the highest paid director of £491k (2021: £543k).

The aggregate emoluments above do not include share-based remuneration. All executive directors are entitled to shares in Chubb Limited under long-term incentive plans.

During the year, two directors (2021: two) received shares in Chubb Limited under long-term incentive plans; two directors (2021: none) exercised options over the shares of Chubb Limited.

4. ADMINISTRATIVE EXPENSES

	2022 £'000	2021 £'000
Rent expense	<u>6,857</u>	<u>6,857</u>
	<u>6,857</u>	<u>6,857</u>

Fees payable to the Company's auditors and their associates for the following services are borne by Chubb Services UK Limited, a fellow group undertaking.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**4. ADMINISTRATIVE EXPENSES - CONTINUED**

	2022	2021
	£'000	£'000
Fees payable to the Company's auditors for the audit of the Company's financial statements	17	14
Fees payable to the Company's auditors for other services:		
The audit of the managed syndicate	503	482
Audit-related assurance services	124	113
Other non-audit services	-	-
	<u>644</u>	<u>609</u>

5. OTHER OPERATING INCOME

	2022	2021
	£'000	£'000
Rent and service charges receivable and other costs	1,212	582
Net property expenses recharged to other group companies	5,645	6,275
Exchange gain arising on retranslation of US dollar	<u>14,426</u>	<u>1,029</u>
	<u>21,283</u>	<u>7,886</u>

6. INTEREST PAYABLE AND RECEIVABLE

As at 31 December 2021 there was an interest-free loan outstanding, being the \$100m that Chubb Capital I Limited owed to the Company.

On 27 November 2022 the Company invested \$100m (£90.1m) in the permanent equity of Chubb Capital I Limited ("CCI"), an existing subsidiary of the Company, by way of a capital contribution. CCI then used the proceeds of the capital contribution to repay a \$100m (£90.1m) loan to the Company.

Since this was an interest-free loan, the amount of interest receivable during 2022 was nil.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

7. TAX ON PROFIT

(a) Tax on profit

The tax charge is made up as follows:

	2022	2021
	£'000	£'000
Current taxation		
UK corporation tax charge at 19% (2021: 19%)	2,737	191
Total current tax	<u>2,737</u>	<u>191</u>
Deferred taxation		
Origination and reversal of timing differences	4	6
Effect of change in tax rates	1	(9)
Total deferred tax	<u>5</u>	<u>(3)</u>
Tax charge on profit	<u>2,742</u>	<u>188</u>

(b) Factors affecting the total tax charge

The tax charge assessed for the year is at the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are reconciled below:

	2022	2021
	£'000	£'000
Profit before tax	14,473	1,029
Profit before tax multiplied by standard rate of UK corporation tax of 19% (2021: 19%)	<u>2,750</u>	<u>197</u>
Effects of:		
Income from liquidation distribution not taxable	(9)	-
Effect of change in tax rates	1	(9)
Total tax charge for the year	<u>2,742</u>	<u>188</u>

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

7. TAX ON PROFIT - continued

(c) Deferred tax

	2022	2021
	£'000	£'000
Asset at 1 January	30	27
Utilisation in the year (Note 7(a))	(4)	(6)
Change in tax rate	(1)	9
Asset at 31 December (Note 9)	<u>25</u>	<u>30</u>
Analysis of asset at 31 December:		
Accelerated capital allowances	<u>25</u>	<u>30</u>

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

8. INVESTMENTS

	2022	2021
	£'000	£'000
Cost:		
Investment in Chubb Tarquin	360,310	360,310
Investment in Chubb Capital I Limited	215,098	125,012
Investment in Chubb Capital III Limited	2,973	2,973
Investment in Chubb Capital IV Limited	5,564	5,564
Investment in Chubb Capital VI Limited	10	10
Investment in Chubb London Group Limited	-	17,395
Investment in Chubb London Holdings Limited	-	-
	<u>583,955</u>	<u>511,264</u>
Accumulated impairments:		
Investment in Chubb Tarquin	(337,114)	(337,114)
Investment in Chubb Capital I Limited	-	-
Investment in Chubb Capital III Limited	(2,973)	(2,973)
Investment in Chubb Capital IV Limited	(4,120)	(4,120)
Investment in Chubb Capital VI Limited	(10)	(10)
Investment in Chubb London Group Limited	-	(17,395)
Investment in Chubb London Holdings Limited	-	-
	<u>(344,217)</u>	<u>(361,612)</u>
Net carrying value	<u>239,738</u>	<u>149,652</u>

The investments comprise 100% of the ordinary share capital of each of the above unlisted undertakings, which are registered and incorporated in England and Wales. Having made the necessary accumulated impairments, in the opinion of the directors the investments are worth not less than their carrying value.

On 20 September 2022 the Company's directors agreed to invest \$100m (£90.1m) in the permanent equity of Chubb Capital I Limited ("CCI") by way of a capital contribution. CCI is an existing subsidiary of the Company. The investment was completed on 27 November 2022.

CCI then used the proceeds of the capital contribution to repay a \$100m (£90.1m) loan to the Company on 27 November 2022.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**8. INVESTMENTS - continued**

Subsidiary undertakings as at 31 December 2022 were as follows:

CHUBB TARQUIN	Intermediate holding company	100% Direct
CHUBB LONDON HOLDINGS LIMITED†	Intermediate holding company	100% Direct
CHUBB LONDON INVESTMENTS LIMITED†	Intermediate holding company	100% Indirect
CHUBB LEADENHALL LIMITED	Intermediate holding company	100% Indirect
CHUBB CAPITAL I LIMITED	Corporate member of Lloyd's	100% Direct
CHUBB CAPITAL II LIMITED†	Former corporate member of Lloyd's	100% Indirect
CHUBB CAPITAL III LIMITED†	Former corporate member of Lloyd's	100% Direct
CHUBB CAPITAL IV LIMITED	Former corporate member of Lloyd's	100% Direct
CHUBB CAPITAL V LIMITED	Former corporate member of Lloyd's	100% Indirect
CHUBB CAPITAL VI LIMITED†	Former corporate member of Lloyd's	100% Direct
CHUBB UNDERWRITING AGENCIES LIMITED	Lloyd's managing agency	100% Indirect
CHUBB LONDON AVIATION LIMITED†	Former Lloyd's managing agency	100% Indirect
CHUBB LONDON LIMITED†	Former Lloyd's managing agency	100% Indirect
CHUBB LONDON SERVICES LIMITED†	Former service company	100% Indirect
CHUBB COMPANY SERVICES LIMITED†	Former service company	100% Indirect
CHUBB LONDON GROUP LIMITED*	Intermediate holding company	100% Direct

† Dormant company

* These companies were liquidated during the year

The group is the beneficial owner of all of the share capital and voting rights of all of the above undertakings. All of the above undertakings operate in the United Kingdom and are registered and incorporated in England and Wales. The address of all the above undertakings is 100 Leadenhall Street, London EC3A 3BP.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**9. DEBTORS****Amounts falling due within one year**

	2022	2021
	£'000	£'000
Amounts owed by group undertakings	27,996	69,070
Loan to Chubb Capital I Limited	-	75,660
Deferred tax (Note 7)	25	30
	<u>28,021</u>	<u>144,760</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

The \$100m interest-free loan due from Chubb Capital I Limited was repaid on 27 November 2022, therefore the outstanding balance is nil as at 31 December 2022. The carrying value of the loan as at 31 December 2021 was £75.7m. The sterling equivalent of the \$100m loan as at 27 November 2022 was £90.1m. As such, a foreign exchange gain of £14.4m has been recognised in the statement of profit and loss.

See Financial Risk Management section of the Directors report for more detail on the Company's approach to managing financial risk.

10. CREDITORS**Amounts falling due within one year**

	2022	2021
	£'000	£'000
Amounts owed to group undertakings	26,362	67,316
Corporation tax	2,714	144
	<u>29,076</u>	<u>67,460</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

See Financial Risk Management section of the Directors report for more detail on the Company's approach to managing financial risk.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**11. CALLED UP SHARE CAPITAL**

	2022	2021
	£'000	£'000
Allotted, called-up and fully paid:		
1,000 (2021: 1,000) Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

12. LEASE COMMITMENTS

The Company has annual operating lease commitments of £6,250,000 (2021: £6,250,000) in respect of a leasehold property and £303,000 (2021: £308,000) in respect of Lloyd's boxes; these costs are recharged to other group companies, as disclosed in note 5. The lease in respect of the leasehold property expires within one year. The rental agreements for the Lloyd's boxes expire within one year.

	2022	2021
	£'000	£'000
Operating leases which expire:		
Not later than one year	6,553	6,553
Later than one year and not later than five years	-	6,250
	<u>6,553</u>	<u>12,803</u>

13. TRANSACTIONS WITH RELATED PARTIES

Advantage has been taken of the exemption provided in FRS 102 from disclosing details of transactions with Chubb Limited and its subsidiary undertakings.

14. ULTIMATE HOLDING COMPANY

The Company's immediate holding company is Chubb Group Management And Holdings Ltd. The ultimate holding company is Chubb Limited, a company registered in Zurich, Switzerland and quoted on the New York Stock Exchange. Copies of Chubb Limited's consolidated financial statements can be obtained from Investor Relations at Chubb's executive offices at 133 Avenue of the Americas, 11th Floor, New York, NY 10036, United States.