Cigna Willow Holdings Ltd

Annual Report and Accounts for the Year ended 31 December 2015

Registered Number: 4617115

Contents

Directors' report for the year ended 31 December 2015

The Directors present their report and the audited accounts of Cigna Willow Holdings Ltd ("the Company") for the year ended 31 December 2015.

Principal activities and review of business

Cigna Willow Holdings Ltd ("the Company") is a wholly-owned subsidiary of Cigna Oak Holdings Ltd, an indirect subsidiary of Cigna Corporation.

Cigna Willow Holdings Ltd acts as the immediate holding company for a group of regulated insurance intermediaries providing a full range of insurance products and services. The Company also facilitates the deployment of capital and funding across its group.

The subsidiaries of the Company structure and distribute, predominantly in partnership with "white label" financial services companies, a range of personal and commercial insurance products. This is done via two principle trading companies each specialising in segments of insurance and with capability to offer end to end core processes including sales and marketing, underwriting and pricing, and claims and policy servicing. The Company itself does not trade or have any plans to change its role as a holding company.

The Company's parent Cigna Holdings Overseas, Inc has confirmed that it intends to provide continuing financial support for at least 12 months from the date of approval of the financial statements.

Accordingly, the directors consider that the company and group have access to sufficient resources to continue in business for the foreseeable future with no reason to believe that the company and group should be considered anything other than a going concern.

Results and dividends

The Company produced a result for the financial year of £nil (2014: £nil) and the balance on accumulated losses carried forward is £95,148k (2014: £95,148k).

The directors recommend no payment of dividends (2014: £nil).

Risk Management

The company's risks are included within the formal group risk management procedures. The risk management process is led by the Chief Financial Officer but involves all key functions and business areas in the assessment process. This includes the assessment of the key risks on an annual basis with updates provided on these risks and the actions to mitigate these risks performed on a quarterly basis.

Directors and their interests

The Directors of the Company in the year, and to the date of signing, are shown below:

Directors:	P A Austin (appointed 16 May 2016)
	S Stevenson (resigned 16 May 2016)
	D A Conway (resigned 15 May 2015)
	J R Da Costa Souteiro Sousa (appointed 13 July 2015)
Company Secretary:	I lefevre

None of the directors had any interests in the shares of the Company as at 31 December 2015 (2014: nil).

Directors' report for the year ended 31 December 2015 (continued)

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Strategic Report

The Company is considered as "small" under Section 414B of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is therefore exempt from preparing a strategic report.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare annual report and accounts for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including Financial Reporting Standard 102 - the Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102")). 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 the annual report and accounts, 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 have been followed, subject to any material departures disclosed and explained in the annual report and accounts;
- prepare the annual report and accounts 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 annual report and accounts 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.

Independent Auditors and disclosure of information to auditors

Each Director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and they have 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.

PricewaterhouseCoopers LLP will continue to hold office in accordance with Section 487 of the Companies Act 2006.

On behalf of the Board

P A Austin
Director
30th June 2016

Chancery House First Floor
St. Nicholas Way
Sutton
Surrey
England
SM1 1JB
Registered Number: 4617115

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Independent auditors' report to the members of Cigna Willow Holdings Ltd

Report on the annual report and accounts

Our opinion

In our opinion, Cigna Willow Holdings Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its result 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.

What we have audited

The financial statements, included within the Annual Report and Accounts (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2015;
- the statement of changes in equity for the year then ended; and
- the notes to the accounts, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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Independent auditors' report to the members of Cigna Willow Holdings Ltd (continued)

Responsibilities for the annual report, accounts and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4 , the directors are responsible for the preparation of the annual report and accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the annual report and accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of annual report and accounts involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the annual report and accounts sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Michael Timar (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
29th June 2016

Balance Sheet

	Note	As at 31 December 2015 £ '000	As at 31 December 2014 £ '000
Fixed assets			
Investments	6	3,805	3,805
Total fixed assets		**3,805**	**3,805**
Current assets			
Debtors	7	10,000	10,000
Cash and cash equivalents		5	5
Total current assets		**10,005**	**10,005**
Creditors - amounts falling due within one year	8	(24,128)	(24,128)
Net current liabilities		**(14,123)**	**(14,123)**
Total assets less current liabilities		**(10,318)**	**(10,318)**
Net liabilities		**(10,318)**	**(10,318)**
Capital and reserves			
Called up share capital	9	84,830	84,830
Accumulated losses		(95,148)	(95,148)
Total shareholders' deficit		**(10,318)**	**(10,318)**

The notes on pages 9 to 14 are an integral part of these accounts.
The company's audit fees of £5,000 (2014: £5,000) are borne by CIGNA Insurance Services (Europe) Limited.
The annual report and accounts on pages 3 to 14 were authorised for issue by the board of directors on 30th June 2016 and were signed on its behalf.

P A Austin
Director

J R Da Costa Souteiro Sousa
Director

Statement of Changes in Equity for the year ended 31 December 2015

	Called up share capital	Accumulated losses	Total shareholders' deficit
	£ '000	£ '000	£ '000
As at 1 January 2015	**84,830**	**(95,148)**	**(10,318)**
Result for the financial year and total comprehensive income	-	-	-
As at 31 December 2015	**84,830**	**(95,148)**	**(10,318)**

The notes on pages 9 to 14 are an integral part of these accounts.

Notes to the accounts

1. General information

Cigna Willow Holdings Ltd ("the Company") is a wholly-owned subsidiary of Cigna Oak Holdings Ltd , an indirect subsidiary of Cigna Corporation.

Cigna Willow Holdings Ltd acts as the holding company for a group of regulated insurance intermediaries providing a full range of insurance products and services. The Company also facilitates the deployment of capital and funding across its group.

The subsidiaries of the Company structure and distribute, predominantly in partnership with "white label" financial services companies, a range of personal and commercial insurance products. This is done via two principle trading companies each specialising in segments of insurance and with capability to offer end to end core processes including sales and marketing, underwriting and pricing, and claims and policy servicing. The Company itself does not trade or have any plans to change its role as a holding company.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is First Floor, Chancery Way, St Nicholas Way, Sutton SM1 1JB.

2. Statement of compliance

The individual accounts of the Company have been prepared in compliance with United Kingdom Accounting Standards, *including Financial Reporting Standard* 102, "*The Financial Reporting Standard applicable in the United Kingdom and the* Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of accounts are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. Details of the transactions to FRS 102 are disclosed in note 12.

(a) Basis of Preparation

These accounts are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit of loss.

The financial statements are prepared in accordance with the provisions of the Companies Act 2006, and in accordance with applicable accounting standards in the United Kingdom and under the historical cost accounting rules. This is the first year in which the financial statements have been prepared under FRS 102. The date of transition to FRS 102 was 1 January 2015. Details of the transition to FRS 102 are disclosed in Note 12.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(b) Going concern

The company's parent Cigna Holdings Overseas, Inc has confirmed that it intends to provide continuing financial support for at least 12 months from the date of approval of the financial statements.

Accordingly, the directors consider that the company and group have access to sufficient resources to continue in business for the foreseeable future with no reason to believe that the company and group should be considered anything other than a going concern.

The company therefore continues to adopt the going concern basis in preparing its financial statements.

Notes to the accounts (continued)

3. Summary of significant accounting policies (continued)

(c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Cigna, Inc. which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102

(d) Consolidated financial statements

The company is a wholly owned subsidiary of Cigna Oak Holdings Ltd and of its ultimate parent, Cigna Corporation. The company is included in the consolidated financial statements of Cigna Corporation which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

These financial statements are the company's separate financial statements.

(e) Taxation

Taxation expense for the period comprises of current, deferred and foreign tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current, deferred and foreign taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of the 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 provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expense in tax assessments in periods difference form those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing differences.

Notes to the accounts (continued)

3. Summary of significant accounting policies (continued)

(f) Investments

(i) Investment in subsidiary companies

Investment in subsidiary companies are held at cost less accumulated impairment losses.

(g) Contingencies

Contingent liabilities are not recognised in the Balance Sheet. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(h) Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit and loss.
If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual right to the cash flows from the assets expires or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party.

Notes to the accounts (continued)

3. Summary of significant accounting policies (continued)

(h) Financial instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(i) Share capital

Ordinary shares are classified as equity.

(j) Distributions to equity holders

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

(k) Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

4. Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of subsidiaries

The company makes an estimate of the valuation of subsidiaries. When assessing impairment of subsidiaries, management considers factors including recent appraised valuations, current net asset position, current year earnings and distributions and the present value of future cash inflow. See note 6 for the net carrying amount of the subsidiaries and associated impairment provision.

Notes to the accounts (continued)

5. Directors

All directors of the Company are employees of other related parties within the Cigna Corporation group. No directors emoluments are paid directly by the Company for the services provided by the Directors (2014: nil).

6. Investments	**2015**	**2014**
	£ '000	**£ '000**
Cost of valuation		
At 1 January	18,338	18,338
At 31 December	18,338	18,338
Impairments		
At 1 January	(14,533)	(14,533)
At 31 December	(14,533)	(14,533)
Net Book Value		
At 31 December	3,805	3,805

The investment in CIGNA Insurance Services (Europe) Limited was written down by £70,000,000 on 15th November 2012 following a capital reduction under section 641 to 644 of the Companies Act 2006. The carrying value of the investments to be supported by their underlying net assets.

Analysed as:

	Country of incorporation	**Class of shares held**	**Principal activity**	**Held directly or indirectly**
CIGNA Insurance Services (Europe) Limited	Great Britain	Ordinary	Personal lines insurance	Indirect
FirstAssist Administration Limited	Great Britain	Ordinary	Business Administration	Indirect
Cigna Legal Protection UK Limited	Great Britain	Ordinary	Legal Insurance	Indirect

7. Debtors	**2015**	**2014**
	£ '000	**£ '000**
Amounts owed by group undertakings	10,000	10,000
	10,000	**10,000**

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

8. Creditors	**2015**	**2014**
	£ '000	**£ '000**
Amounts owed to group undertakings	24,128	24,128
	24,128	**24,128**

Amounts owed by group undertakings represent trading balances payable. The amounts owed are unsecured, interest free and repayable on demand.

Notes to the accounts (continued)

9. Called Up Share Capital

	2015	2014
	£	£
Authorised:		
84,829,811 (2014: 84,829,811) ordinary shares of £1 (2014: 84,829,811)	84,829,811	84,829,811
	84,829,811	84,829,811
Allotted, issued and fully paid		
84,829,811 (2014: 84,829,811) ordinary shares of £1 (2014: 84,829,811)	84,829,811	84,829,811
	84,829,811	84,829,811

Ordinary shares carry the right to vote and participate in both dividends and any surplus arising on a winding up.

10. Related Party transactions

No contract of significance existed at any time during the year in which a Director or key manager was materially interested or which requires disclosure as a related party transactions as defined under FRS102, para 33.2 "Related Party Disclosures".

The company is exempt from disclosing other related party group transactions as they are with other companies that are wholly owned within the Group.

11. Controlling parties

The immediate parent undertaking is Cigna Oak Holdings Ltd.

The ultimate controlling party, the parent undertaking and the largest group to consolidate this annual report and accounts is Cigna Corporation. Copies of the Cigna Corporation's consolidated annual report are publicly available and can be obtained from www.cigna.com.

12. Transition to FRS102

This is the first year that the Company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2015.

There are no transition adjustments which affect profit for the current or prior financial year, nor have an effect on the classification and presentation of items within the Balance Sheet.

There are no changes in accounting policies as a result of adoption of FRS102.