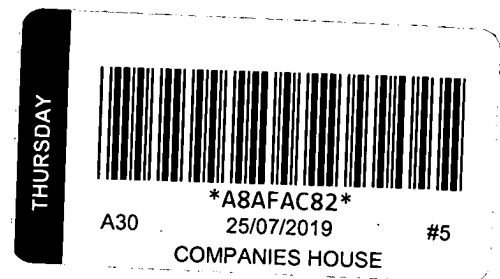


# AXA Partners Holdings Limited

Report and Financial Statements  
for the year ended 31 December 2018



Registered No. 04914698

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**Corporate Information**

**DIRECTORS**

P.C.F. Caprez (Executive)

P.A.G. Gourier (Executive) (appointed 25 April 2019)

**SECRETARY**

J. Rember

**REGISTERED OFFICE**

Building 6

Chiswick Park

566 Chiswick High Road

London

W4 5HR

**AUDITORS**

Mazars LLP

Chartered Accountants

Tower Bridge House

St Katharine's Way

London

E1W 1DD

## **Directors' Report**

The directors are pleased to present their report for the year ended 31 December 2018.

### **Dividends**

Dividends of €415,000,000 (£366,673,250) were declared and paid during the year ended 31 December 2018 (2017: £21,437,000).

### **Directors**

The directors of the AXA Partners Holdings limited ("the Company") during the year ended 31 December 2018 were as follows:

P.C.F. Caprez (Executive)  
P.A.G. Gourier (Executive) (appointed 25 April 2019)  
J. Droesch (Group Non - Executive Chairman) (resigned 31 March 2018)  
J. S. Whiteus (Executive) (resigned 25 April 2019)

### **Third Party Indemnity Provisions**

The Company provided qualifying third party indemnity insurance to one or more of its directors during 2018. These provisions were still in force at the date these accounts were approved.

### **Going Concern**

Further to the Principal Risks and Uncertainties discussed in the Strategic Report on page 4, the Directors have considered the guidance provided by the Finance Reporting Council on "Going Concern and Liquidity Risk" published in April 2016. The Board believes that the Company has adequate resources to continue in operation for the foreseeable future. The financial statements have accordingly been prepared on a going concern basis.

### **Disclosure of Information to Auditors**

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

- as far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

### **Reappointment of Auditors**

Pursuant to paragraph 44 of Schedule 3 to SI 2007 No. 2194 the Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007, the directors have elected to dispense with the requirement to appoint auditors annually. Mazars LLP has expressed their willingness to continue as auditors.

### **Disclosure in the Strategic Report**

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted and included in the Strategic Report on pages 3 to 4. These matters relate to:

- Indication of principal risk exposure and management;
- Details of subsequent events;
- Future developments.

### **By Order of the Board**

Paul C.F. Caprez  
Director



16 July 2019

## **Strategic Report**

The directors are pleased to present their Strategic Report for the year ended 31 December 2018.

### **Business Review and Principal Activities**

The Company is a wholly owned subsidiary of AXA S.A. and operated as part of the AXA Partners CLP division during 2018.

Until 2 July 2018, the principal activity of the Company was the ultimate UK holding company for a group of subsidiaries engaged in international underwriting of ordinary long term insurance business, accident and health and miscellaneous financial loss business.

Due to the acquisition by AXA France Vie and AXA France IARD of its two indirect subsidiaries engaged in underwriting insurance business, the Company no longer acts as the ultimate UK holding company for these entities.

The loss after tax is £659,000 which has decreased from a loss after tax of £46,279,000 in 2017. The improvement of £45,620,000 has resulted from the dividends received from AXA Partners CLP UK Holdings Limited of £391,673,000.

The Statement of Financial Position on page 10 of these financial statements shows the Company's assets and liabilities.

The sole purpose of the Company is to act as a holding company. For this reason, the Company's directors believe that further key performance indicators are not necessary or appropriate for an understanding of the development, performance or position of the business.

The directors have made an election not to prepare consolidated accounts for AXA Partners Holdings Limited and its subsidiaries under Section 400 of the Companies Act 2006.

### **Employees**

There were no staff employed by the Company during 2018 (2017: nil).

### **Financial Instruments**

The principal financial instruments of the Company are investments in group companies, tax creditors, intra group debtors and cash.

These items are not deemed to present a significant risk to the Company and further explanations have been set out in the 'Principal Risks and Uncertainties' section below.

### **Group Corporate Responsibility**

#### **(i) Customers**

The AXA S.A. Group ensures it is always fair and clear with customers, driven by a dedicated "Trust and Transparency" programme.

#### **(ii) Environment**

The AXA S.A. Group is actively and passionately involved in contributing towards protecting the world. It does this by reducing the environmental impact of its business and also has created products and services that reward environmental responsibility, worldwide.

#### **(iii) Community**

The AXA S.A. Group strives to contribute to all of the communities in which it operates through local volunteering and fundraising projects, within its branches. It has committed to 500 projects in the worldwide research community.

#### **(iv) People**

The AXA S.A. Group is committed to diversity, equality and is dedicated to empowering people to develop professionally, as well as personally. It undertakes mentorship programmes and community volunteering initiatives in order to make a positive difference.

## Strategic Report (continued)

### Group Restructuring

In July 2018, as part of the continuing process of integrating and aligning the Group with the structure and processes of AXA France, the Company's indirect subsidiary, Financial Assurance Company Limited (FACL), was acquired by AXA France Vie. The Company completed a reduction of capital permitted under Companies Act 2006, in order to pay a dividend (€415 million) to its parent, AXA S.A. FACL's principal indirect operating subsidiary, Financial Insurance Company Limited ("FICL") was acquired by AXA France IARD for €324 million. The proceeds of the sale were passed to FACL, as a dividend distributed by Consolidated Insurance Group Limited ("CIGL"), the intermediate holding company. The proceeds from this dividend were immediately used to fund a loan of €324 million from FACL to AXA France Vie.

On 1 January 2019, all of the indirect insurance subsidiaries of the Company, including policies, were transferred to AXA France Vie and IARD by means of the process set out in Part VII of the Financial Services and Markets Act, 2000. Furthermore, the indirect insurance subsidiaries of the Company were merged into AXA France Vie and IARD, as allowed for under The Companies (Cross-Border Mergers) Regulations 2007/2974.

In December 2018, the Company committed to a short term loan agreement to a fellow AXA France S.A subsidiary for £25m for four years.

### Subsequent events

As detailed above, on 1 January 2019, the indirect insurance subsidiaries of the Company, were transferred by means of the process set out in Part VII of the Financial Services and Markets Act, 2000 and merged into AXA France Vie and IARD under The Companies (Cross-Border Mergers) Regulations 2007/2974.

There are no other significant events since the balance sheet date that require adjustments to, or disclosure in, the financial statements.

### Principal Risks and Uncertainties

The directors have determined the risk appetite of the Company and manage its various risks listed below through the delegated authorities given to the Chief Executive Officer ("CEO") and a structure of committees for its subsidiaries by which the Board of Directors retains oversight and authority.

The Company's overall approach to dealing with risk can be defined as follows:

- Assignment of authority, responsibility and accountability for risk areas within the Company;
- Identification of the key risks that exist within these areas;
- Measurement of risks by assessing the pertinence to the Company, stress and scenario testing and understanding the risk information and risk measurement techniques;
- Monitoring risks through mechanisms such as risk assessments, compliance reviews, risk and investment committees and internal or external audits; and
- Management of risk by putting in place appropriate governance structures.

Due to the Company's role as an intermediate holding company, the directors do not believe that there is any significant market, credit, operational, liquidity or group risk issues that require disclosure in this report.

### By Order of the Board



Paul C.F. Caprez

Director  
16 July 2019

## **Statement of Directors' Responsibilities in Respect of the Directors' Report, Strategic Report and the Financial Statements**

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of AXA Partner Holdings Limited**

### **Opinion**

We have audited the financial statements of AXA Partners Holdings Limited (the 'company') for the year ended 31 December 2018 which comprise Income Statement, Statement of Changes in Equity, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

- 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.

### **Other information**

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

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

We have nothing to report in this regard.



### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

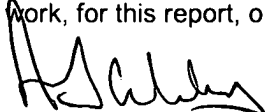
### **Auditor's responsibilities for the audit of the financial statements**

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

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

### **Use of the audit report**

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



Andrew Goldsworthy (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House,

St Katharine's Way,

London

E1W 1DD

Date 16 July 2019

**Income Statement**  
**For the year ended 31 December 2018**

	Notes	2018 £'000	2017 £'000
Investment income	2	391,684	21,437
Impairment of shares in group undertakings	9	(392,327)	(67,716)
Other Operating expenses		(16)	-
<b>Loss on ordinary activities before tax</b>		<b>(659)</b>	<b>(46,279)</b>
Tax on (loss) on ordinary activities	6	-	-
<b>Loss for the financial year</b>		<b>(659)</b>	<b>(46,279)</b>

The Company has no recognised gains or losses for the year ended 31 December 2018 other than the income and losses disclosed in the Income Statement.

The Notes on pages 11 to 17 form part of these financial statements.

**Statement of Changes in Equity**  
**For the year ended 31 December 2018**

	<b>Called Up Share Capital £'000</b>	<b>Share Premium Account £'000</b>	<b>Retained Earnings £'000</b>	<b>Total £'000</b>
As at 1 January 2017	542,560	32,319	(158,646)	416,233
Loss for the year	-	-	(46,279)	(46,279)
Total Comprehensive loss	-	-	(46,279)	(46,279)
Shares Issued	50,000	-	-	50,000
Share Capital Reduction	(200,000)	(32,319)	232,319	-
Dividends Paid	-	-	(21,437)	(21,437)
As at 31 December 2017	392,560	-	5,957	398,517
Loss for the year	-	-	(659)	(659)
Total Comprehensive loss	-	-	(659)	(659)
Shares Issued	-	-	-	-
Share Capital Reduction	(392,560)	-	392,560	-
Dividends Paid	-	-	(366,673)	(366,673)
As at 31 December 2018	-	-	31,185	31,185


The Notes on pages 11 to 17 form part of these financial statements.

**Statement of Financial Position  
As at 31 December 2018**

	Notes	2018 £'000	2017 £'000
<b>Assets</b>			
Investments in group undertakings	9	6,186	398,513
Amounts due from group companies	10	25,000	-
		<u>31,186</u>	<u>398,513</u>
<b>Current assets</b>			
Prepayments and Accrued income		11	
Cash at bank and in hand	7	4	4
		<u>15</u>	<u>4</u>
<b>Creditors: amounts falling due within one year</b>	13	16	-
<b>Net current assets</b>		<u>(1)</u>	<u>4</u>
<b>Net assets</b>		<u>31,185</u>	<u>398,517</u>
<b>Capital and reserves</b>			
Called up share capital	11	-	392,560
Share premium account	12	-	-
Retained earnings		31,185	5,957
<b>Total shareholders' funds</b>		<u>31,185</u>	<u>398,517</u>

The Notes on pages 11 to 17 form part of these financial statements.

These financial statements were approved by the Board of Directors on 16 July 2019 and signed on its behalf by:

  
Paul C.F. Caprez

Director

## Notes to the Financial Statements year ended 31 December 2018

### Statement of Accounting Policies

#### 1. Basis of presentation and significant accounting policies

##### A Introduction

AXA Partners Holdings Limited ("APHL" or the "Company") is a holding company incorporated (as a limited liability company under the laws of England and Wales) in the United Kingdom ("UK").

The financial statements of the Company have been prepared in accordance with applicable UK accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland.'

The financial statements are presented in Sterling (£) which is the functional currency of the Company and rounded to the nearest £'000.

The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare group accounts on the ground that the Company is included in the financial statements of AXA. S.A. Therefore, these accounts present information about AXA Partners Holdings Limited as an individual company and not information about the group.

Under FRS 102 the Company is exempt from the requirement to prepare a cash flow statement on the ground that the ultimate holding company, AXA. S.A. includes the Company in its own published consolidated financial statements.

##### B Going Concern

The directors, at the time of approving the financial statements, had a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they adopted the going concern basis of accounting in preparing the financial statements. More detail is contained in the Directors' Report.

##### C Investment Return

Investment return comprises investment income, including realised investment gains and losses and movements in unrealised gains and losses on investments designated as fair value through profit or loss, net of investment expenses and charges.

Interest income is recognised as it accrues, taking into account the effective yield on investments.

Dividends are included as investment income on the date when the right to receive has been established.

Unrealised gains and losses on investments represent the difference between the valuation at the date of the Statement of Financial Position and their purchase price or if they have been previously valued, their valuation at the date of the last Statement of Financial Position. The movement in unrealised gains and losses recognised in the year also includes the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period. Upon disposal or impairment, accumulated unrealised gains and losses are transferred from other comprehensive income to the income statement as realised gains or losses.

##### D Significant judgements and estimates

The preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are reflected in the judgements made about carrying amounts of assets and liabilities that are not objectively verifiable.

The Directors have no plans for the closure of the Company and remains integral part of AXA France SA. The directors have exercised their judgement in selecting the appropriate basis of preparation of the financial statements and have determined to prepare the financial statements on a going concern basis.

## Notes to the Financial Statements year ended 31 December 2018

### Statement of Accounting Policies (Continued)

#### E Financial Assets

##### Investments in subsidiaries

Investments in subsidiary undertakings are included in the statement of financial position at cost unless their value has been impaired, in which case they are valued at their realisable value or value in use as appropriate.

These amounts generally arise from normal operating activities of the AXA France S.A. Group. Debtors that are receivables within one year are recorded at the undiscounted amount expected to be received. The receivables after more than a year or that constitutes financing transactions are recorded at fair value less transaction costs and subsequently at amortised cost, net of impairment.

#### F Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences, including revaluation gains and losses on investments recognised in the income statement. Deferred tax is calculated at the rates at which it is expected that the tax will arise. Deferred tax is recognised in the income statement for the year, except to the extent that it is attributable to a gain or loss that is recognised directly in the statement of comprehensive income.

#### G Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year. All other foreign transactions are recorded at the actual rate of exchange prevailing on the date of the transaction and any exchange differences are dealt with in that part of the income statement in which the underlying transaction is reported.

#### H Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method. The effective interest rate amortisation is included in investment income in the income statement.

## Notes to the Financial Statements year ended 31 December 2018

### 2. Investment Income

	2018	2017
	£'000	£'000
Dividends received	391,673	21,437
Accrued income	11	-
	<u>391,684</u>	<u>21,437</u>

Dividend income of €415,000,000 (£366,673,000) was received from AXA Partners UK Holdings Limited on 27 July 2018. An interim dividend of £25,000,000 was received from AXA Partners UK Holdings Limited on 18 December 2018 (2017: £21,437,000).

Accrued income relates to the intercompany loan of £25,000,000 at a rate of 0.55% above 12 month LIBOR, with interest paid annually.

### 3. Auditors' Remuneration

	2018	2017
	£'000	£'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	16	16
Audit of the accounts of subsidiaries	<u>668</u>	<u>720</u>

The audit fees were paid on behalf of the Company by another company in the group.

### 4. Staff Costs

There were no staff employed by the Company during 2018 (2017: nil).

### 5. Directors' Remuneration

	2018	2017
	£'000	£'000
Emoluments	204	240
Company contributions to money purchase schemes	6	11
	<u>210</u>	<u>251</u>

	2018	2017
	No.	No.
<b>The number of directors who :</b>		
Are members of a defined benefit pension scheme	2	2
Are members of a money purchase pension scheme	1	2
Have awards receivable in the form of shares under long-term incentive schemes	<u>1</u>	<u>1</u>

## Notes to the Financial Statements year ended 31 December 2018

### 5. Directors Remuneration (continued)

	2018	2017
	£'000	£'000
<b>Remuneration of the highest paid director</b>		
Emoluments	1,033	829
Company contributions to money purchase schemes	13	40
	<u>1,046</u>	<u>869</u>

The amounts disclosed above represent the total remuneration of the highest paid director. The annual remuneration of the highest paid director has been apportioned to other companies within the group during 2018. In the prior year, the approach was to disclose on a time-apportionment basis

The highest paid director did not exercise share options during the period. Shares were receivable by the highest paid director under a long-term incentive scheme in the current and prior year.

The remuneration was paid on behalf of the Company by another company in the group.

### 6. Taxation

#### (a) The charge for taxation comprises:

	2018	2017
	£'000	£'000
Current taxation	-	-

#### (b) Factors affecting the tax charge for the period

The tax assessed in the year is lower than the applicable rate of corporation tax in the UK and the differences are explained below:

	2018	2017
	£'000	£'000
(Loss) on ordinary activities before tax	(659)	(46,279)
(Loss) on ordinary activities multiplied by the applicable rate of corporation tax in the UK of 19% (2017: 19.25%)	(125)	(8,909)
Effects of:		
Non-taxable UK dividend income	(74,418)	(4,126)
Non-allowable impairment charge	74,542	13,035
Tax losses carried forward	1	-
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

### 7. Cash at bank and in hand

	2018	2017
	£'000	£'000
Cash at bank and in hand	4	4
	<u>4</u>	<u>4</u>

Cash at bank and in hand consists of deposits with credit institutions that are interest bearing.



## Notes to the Financial Statements year ended 31 December 2018

### 8. Dividends Paid

	2018	2017
	£'000	£'000
Dividends paid of €207,500,000 (£183,336,625) per share	366,673	21,437
	<u>366,673</u>	<u>21,437</u>

On 27 July 2018, dividends of €415,000,000 (£366,673,250) were paid to AXA S.A. (2017: £21,437,000).

### 9. Investment in Group Undertakings

	2018	2017
Cost	£'000	£'000
At 1 January	398,513	416,229
Investments during the year	-	50,000
Impairment losses	(392,327)	(67,716)
At 31 December	<u>6,186</u>	<u>398,513</u>

#### (a) Investment in Subsidiaries 2018

As part of the restructuring of the AXA Partners CLP division, the Company's indirectly held subsidiary FACL was sold to other companies within the AXA Group on 2 July 2018, for a total consideration of €415,000,000. These proceeds were received by the Company's subsidiary Axa Partners UK Holdings Limited, which distributed the funds to the Company as a dividend on 27 July 2018. As a consequence, the value of the Company's directly held subsidiary Axa Partners UK Holdings Limited has been impaired by £367,326,613. The Company distributed the dividend received from Axa Partners UK Holdings Limited to its own parent AXA S.A. on the same date.

On 21 December 2018, the Company's wholly owned subsidiary, Axa Partners UK Holdings Limited, distributed an interim dividend to the Company of £25,000,000. Accordingly, the investment in Axa Partners UK Holdings Limited was impaired by a further amount of £25,000,000.

#### (b) Investment in Subsidiaries 2017

As part of the restructuring of the AXA Partners CLP division, it was planned that the indirectly held insurance subsidiaries of FICL and FACL would be sold to other companies within AXA Group during 2018 for a total consideration of €395,000,000. Accordingly, the investment in AXA Partners CLP UK Holdings Limited was impaired by £67,410,000.

On 31 March 2017 the value of the investment in AXA Partner Services Limited ("APSL"), a direct, wholly owned subsidiary of the Company, was impaired by £306,000.

## Notes to the Financial Statements year ended 31 December 2018

### 9. Investment in Group Undertakings (continued)

Name of Undertaking	Country of Incorporation	Percentage of Shares held	Direct / Indirect	Activity
AXA Partners CLP UK Holdings Limited, Building 6 Chiswick Park, 566 Chiswick High Road, London, United Kingdom, W4 5HR	England & Wales	100% Ordinary Shares	Direct	Insurance Holding Company
AXA Partners Services Limited, Building 6 Chiswick Park, 566 Chiswick High Road, London, England, W4 5HR	England & Wales	100% Ordinary Shares	Direct	Ancillary Services Undertaking
AXA Partners CLP Brazil – Servicos de Apoio a Atividade Seguradora e Resseguradora Ltda. Aviendá Roque Petroni Junior, 999, Morumbi Office Tower, 13 andar, CEP 04707-910	Brazil	0.1% Ordinary Shares	Direct	Non Insurance Company
AXA Partners CLP Brazil – Servicos de Apoio a Atividade Seguradora e Resseguradora Ltda. Aviendá Roque Petroni Junior, 999, Morumbi Office Tower, 13 andar, CEP 04707-910	Brazil	99.9% Ordinary Shares	Indirect	Non Insurance Company

### 10. Debtors

	2018	2017
	£'000	£'000
Amounts due from group companies	25,000	-
	<u>25,000</u>	<u>-</u>

On 21 December 2018, an intra-group loan of £25,000,000 was granted by the Company to AXA Partners Holding S.A., on an arm's length basis at a rate of 0.55% above 12 month LIBOR, with interest paid annually. This loan is unsecured and due to be repaid in full within 4 years of the commencement date.

### 11. Share Capital

	2018	2017
	£000's	£000's
Shares in issue at 1 January	392,560	542,560
<i>Issued and fully paid:</i>		
50,000,000 ordinary shares £1 each	-	50,000
<i>Reduction of share capital:</i>		
392,559,982 ordinary shares £1 each (2017: 200,000,000)	(392,560)	(200,000)
Shares in issue at 31 December	<u>-</u>	<u>392,560</u>

The total number of ordinary shares remaining in issue as at 31 December 2018 is 2 (2017: 392,559,984) with a par value of £1 per share (2017: £1 per share). All issued shares are fully paid.

On 24 July 2018, 392,559,982 of fully paid £1.00 ordinary shares, were cancelled by a reduction of capital permitted under the Companies Act 2006, Sections 641 to 644. The equivalent value of £392,559,982 was transferred to retained earnings.

## Notes to the Financial Statements year ended 31 December 2018

### 12. Share Premium

	2018 £000's	2017 £000's
Share premium at 1 January	-	32,319
Premium reduction on Capital reduction	-	(32,319)
Share premium at the 31 December	-	-

### 13. Creditors

	2018 £'000	2017 £'000
Amounts owed to group undertakings	16	-
	16	-

### 14. Related Party Transactions

As the Company is a wholly owned subsidiary of AXA. S.A. ("AXA"), from 1 December 2015, it has taken advantage of the exemption contained in FRS 102 Section 33 "Related Party Disclosures" and has therefore not disclosed transactions or balances with entities that form part of this Group. Related party transactions and balances are disclosed in the group accounts prepared for AXA. See Note 16 for details to obtain a copy of the financial statements for AXA.

### 15. Ultimate Parent Company

The Company's ultimate parent company is AXA. S.A. ("AXA"), a company registered in France. AXA is the parent of the largest and smallest group of which the Company is a member and for which group financial statements are prepared. The group financial statements of AXA are available to the public and may be obtained from AXA Group Investor Relations Department, 25 Avenue Matignon, 75008 Paris, France.

These financial statements present information about the Company as an individual undertaking and not about its group. The Company is exempt from the requirement to prepare group accounts under Section 400 of the Companies Act 2006.



AXA Partners Holdings Limited

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Mazars LLP  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

16 July 2019

Dear Sirs

**AXA Partners Holdings Limited - audit for year ended 31 December 2018**

This representation letter is provided in connection with your audit of the financial statements of AXA Partners Holdings Limited for the year ended 31 December 2018 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the Companies Act 2006 and relevant legislation and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

We confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you.

**Our responsibility for the financial statements and accounting information**

We believe that we have fulfilled our responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Companies Act 2006 and relevant legislation and United Kingdom Accounting Standards.

**Our responsibility to provide and disclose relevant information**

We have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the company you determined it was necessary to contact in order to obtain audit evidence.

We confirm as directors that we have taken all the necessary steps to make us aware, as directors, of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as we are aware there is no relevant audit information of which you, as auditors, are unaware.

**Accounting records**

We confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all management and shareholders' meetings, have been made available to you in accordance with section 499 of the Companies Act 2006.

**Accounting policies**

We confirm that we have reviewed the accounting policies applied during the year in accordance with Section 10 of Financial Reporting Standard 102 and consider these policies appropriate to faithfully represent the effects of transactions, other events or conditions on the company's financial position, financial performance and cash flows.

**Accounting estimates, including those measured at fair value**

We confirm that any significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

We confirm that in relation to all material estimates including valuation of investments and taxation, the measurement process and underlying assumptions used for these estimates are appropriate in the context of applicable reporting framework.

We confirm that application of these processes in making the aforementioned accounting estimates is consistent, complete and appropriate disclosures have been made to the financial statements and no subsequent events have occurred which require an adjustment to the estimates made.

**Contingencies**

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the company have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Companies Act 2006 and relevant legislation and United Kingdom Accounting Standards.

**Laws and regulations**

We confirm that we have disclosed to you all those events of which we are aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

We have complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

**Fraud and error**

We acknowledge our responsibility as directors of the company, for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

We have disclosed to you:

- all the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the entity involving:
  - management and those charged with governance;
  - employees who have significant roles in internal control; and
  - others where fraud could have a material effect on the financial statements.

We have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

**Transactions with directors**

We confirm that the company has at no time during the year entered into any arrangement, transaction or agreement to provide credit facilities including loans, quasi-loans, credit transactions, mutually beneficial arrangements, or guarantees or security for the foregoing or assumed or assigned any such rights or liabilities for any directors, shadow directors, alternate directors, or their connected persons, or non-director officers except as permitted by the Companies Act 2006 and as disclosed in the financial statements.

No director or their connected persons had a direct or indirect material interest in any other transaction or arrangement with the company other than those disclosed in accordance with section 413 of the Companies Act 2006 or exempted from disclosure by the Act.

### Directors' emoluments

We confirm that the follow particulars of directors' emoluments and pensions paid or payable to or for the benefit of the directors in respect of services to the company as disclosed in the financial statements are stated in accordance with the Companies Act 2006, and the information disclosed relates to all the emoluments and pensions paid to or for the benefit of the directors in respect of services to the company:

	AXA Partners Holdings Limited (£'000)
Directors' emoluments	204
Directors' pension contributions	6
Highest paid director emoluments	1,033
Highest paid director pension	13

1

### Related party transactions

We confirm that all related party relationships, transactions and balances, (including sales, purchases, loans, transfers, leasing arrangements and guarantees) have been appropriately accounted for and disclosed in accordance with the requirements of the Companies Act 2006 and relevant legislation and United Kingdom Accounting Standards.

We have disclosed to you the identity of the company's related parties and all related party relationships and transactions of which we are aware.

### Impairment review

Regarding the Company's Financial Investments we confirm that we have carried out impairment reviews appropriately and measurement processes were consistently applied.

### Assets and liabilities

The Company has satisfactory title to all assets and there are no liens or encumbrances on the Company's assets. We believe that all expenditures that have been deferred to future periods are recoverable.

The Company is responsible for determining and maintaining the adequacy of the allowance for doubtful debtors, loans, and accounts receivable, as well as estimates used to determine such amounts. Management believes related allowances are adequate to absorb currently estimated bad debts in the account balances.

We have correctly identified, classified, recognised and measured all financial assets and liabilities at 31 December 2018 in accordance with FRS 102. In particular, all necessary impairments on financial assets have been accounted for. Where we have assigned fair values to financial instruments, we confirm that the valuation techniques, the inputs to those techniques and assumptions that have been made are appropriate and reflect market conditions at the balance sheet date, and are in line with the business environment in which we operate.

We have recorded all assets of the Company required to be included therein in accordance with generally accepted accounting principles.

### **Employee benefits**

We confirm all retirement benefits that the Company is committed to providing, including any arrangements that are statutory, contractual or implicit in the Company's actions, wherever they arise, whether funded or unfunded, approved or unapproved, have been identified and properly accounted for and/or disclosed.

We confirm that we have identified to you all members of key management and included their remuneration in the disclosures of key management compensation.

### **Future commitments**

We have no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

### **Subsequent events**

We confirm all events subsequent to the date of the financial statements and for the Companies Act 2006 and relevant legislation and United Kingdom Accounting Standards require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, we will advise you accordingly.

### **Going concern**

We confirm that directors have performed an assessment with respect to the basis of preparation of the financial statements and that the directors have exercised their judgement in selecting the appropriate basis of preparation of the financial statements, and have determined to prepare the financial statements on a going concern basis.

We also confirm that:

- the directors have reviewed the balance sheet of the Company and have concluded, based on currently available data, that no adjustments are required to any of the assets and liabilities as a result of the aforementioned judgement made;
- the existing accounting policies for assets, liabilities, income and expenses as disclosed in the financial statements remain appropriate; and
- appropriate disclosures have been made to the financial statements and no subsequent events have occurred which require an adjustment to the estimates made.

### **Unadjusted misstatements**

We confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter as an Appendix.



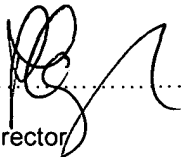
**Ultimate parent company**

The ultimate parent company for AXA Partners Holdings Limited is AXA S.A. The immediate parent company is AXA S.A., a company incorporated in France.

**FRS 102 exemption disclosures**

We confirm that we have notified the Company's shareholders in writing about the use of disclosure exemptions of FRS 102 used in the preparation of financial statements.

Yours faithfully

  
.....  
Director

## Appendix

### **Schedule of unadjusted misstatements**

N/A – no unadjusted misstatements above the level of triviality have been identified.