

AXA Partners Holdings Limited

Report and Financial Statements
for the year ended 31 December 2017

Registered No. 04914698



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Corporate Information

DIRECTORS

P.C.F. Caprez (Executive)

J.S. Whiteus (Executive)

SECRETARY

J. Rember

REGISTERED OFFICE

Building 6

Chiswick Park

566 Chiswick High Road

London

W4 5HR

AUDITORS

Mazars LLP London

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 2017.

Dividends

Dividends of €24,889,000 (£21,437,000) were declared and paid during the year ended 31 December 2017 (2016:£nil).

Directors

The directors of the Company during the year ended 31 December 2017 were as follows:

P.C.F. Caprez (Executive)
J. Driesch (Group Non - Executive Chairman) (resigned 31 March 2018)
J. S. Whiteus (Executive)

Third Party Indemnity Provisions

The Company provided qualifying third party indemnity insurance to one or more of its Directors during 2017. These provisions were still in force at the date these accounts were approved.

Going Concern

The directors have considered the guidance provided by the Finance Reporting Council in "Guidance on the Going Concern Basis of Accounting and Reporting of Solvency and Liquidity Risks" published in April 2016. As described in the Subsequent Events note on page 4, pursuant to the sale of indirectly held insurance subsidiaries Financial Insurance Company Limited ("FICL") and Financial Assurance Company Limited ("FACL") to AXA France VIE and AXA France IARD in 2018, the Company will be dissolved without going into liquidation. Therefore, the financial statements are prepared on a basis other than going concern. 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 proposed transfer. The directors have also assessed the impact of preparing the financial statements on a basis other than going concern, and have noted that existing accounting policies for assets, liabilities, income and expenses remain appropriate.

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 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.

Directors' Report (Continued)

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 4 to 5. These matters relate to:

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

By Order of the Board

A handwritten signature in black ink, appearing to be 'J.S. Whiteus', written over a horizontal line.

J.S Whiteus
Director

27 September 2018

Strategic Report

The directors are pleased to present their Strategic Report for the year ended 31 December 2017.

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 2017.

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

There have not been any significant changes in the Company's principal activities in the year under review.

Due to the acquisition by AXA S.A., the future strategy and business model of the lifestyle protection business is currently under review. This would impact the future activities of the Company.

The loss after tax is £46,279,000 which has decreased from a loss after tax of £158,872,000 in 2016. The £112,593,000 improvement has resulted from a lesser impairment of the investment in AXA Partners CLP UK Holdings Limited of £96,216,000 related to the sale of the indirectly held insurance subsidiaries as described below and an increase of £16,377,000 in dividend income received from AXA Partners CLP UK Holdings Limited during 2017.

The Statement of Financial Position on page 11 of the 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 2017 (2016: nil).

Financial Instruments

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

Subsequent events

Due to the sale of indirectly held insurance subsidiaries Financial Insurance Company Limited (FICL) and Financial Assurance Company Limited (FACL) to AXA France VIE and AXA France IARD in 2018, it is the intention of management to dissolve the Company without going into liquidation. Therefore, the financial statements are prepared on a basis other than going concern. 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 proposed transfer. The directors have also assessed the impact of preparing the financial statements on a basis other than going concern, and have noted that existing accounting policies for assets, liabilities, income and expenses remain appropriate.

In anticipation of the transfer of the business of FACL to AXA VIE, the Company's directly held subsidiary AXA Partners CLP UK Holdings ("AXA CLP UK") has sold its FACL holdings in 2018. As a result, the value of the Investments in AXA CLP UK has been impaired by a total amount of £67.7 million during 2017.

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 CEO and a structure of committees for its subsidiaries by which the Board of Directors retains oversight and authority.

Strategic Report (Continued)

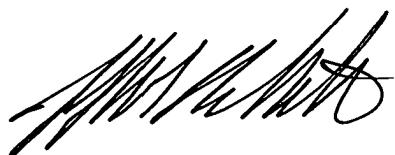
Principal Risks and Uncertainties (Continued)

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



J.S Whiteus

Director

27 September 2018

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 Partners Holdings Limited

Opinion

We have audited the financial statements of AXA Partners Holdings Limited (the 'company') for the year ended 31 December 2017 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 2017 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

These financial statements have not been prepared on a going concern basis for the reason set out in note 1B to the financial statements. We have nothing to report in respect of our conclusions relating to going concern as the accounts have been appropriately prepared on a basis other than going concern and the appropriate disclosures have been made. Our opinion is not modified in respect of this matter.

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.

Independent auditor's report to the members of AXA Partners Holdings Limited (Continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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. 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: 27 September 2018

Income Statement
For the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Investment income	2	21,437	5,060
Impairment of shares in group undertakings	9	(67,716)	(163,932)
Loss on ordinary activities before tax		(46,279)	(158,872)
Tax on (loss) on ordinary activities	6	-	-
Loss for the financial year		(46,279)	(158,872)

The Company has no recognised gains or losses for the year ended 31 December 2017 other than the profit disclosed in the Income Statement.

The Notes on pages 12 to 18 form part of these financial statements.

Statement of Changes in Equity
For the year ended 31 December 2017

	Called Up Share Capital £'000	Share Premium Account £'000	Retained Earnings £'000	Total £'000
As at 1 January 2016	542,560	32,319	226	575,105
Loss for the year	-	-	(158,872)	(158,872)
Total Comprehensive loss	-	-	(158,872)	(158,872)
As at 31 December 2016	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
Dividends paid	-	-	(21,437)	(21,437)
Share Capital Reduction	(200,000)	(32,319)	232,319	-
As at 31 December 2017	392,560	-	5,957	398,517

The share premium account records the amount above the nominal value received for shares issued.

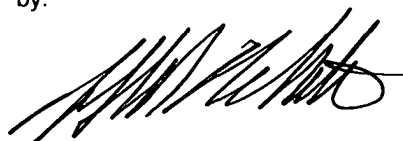
The Notes on pages 12 to 18 form part of these financial statements.

**Statement of Financial Position
As at 31 December 2017**

	Notes	2017 £'000	2016 £'000
Fixed assets			
Investments in group undertakings	9	398,513	416,229
		<u>398,513</u>	<u>416,229</u>
Current assets			
Cash at bank and in hand	7	4	60
		<u>4</u>	<u>60</u>
Creditors: amounts falling due within one year	12	-	56
Net current assets		<u>4</u>	<u>4</u>
Net assets		<u>398,517</u>	<u>416,233</u>
Capital and reserves			
Called up share capital	10	392,560	542,560
Share premium account	11	-	32,319
Retained earnings		5,957	(158,646)
Total shareholders' funds		<u>398,517</u>	<u>416,233</u>

The Notes on pages 12 to 18 form part of these financial statements.

These financial statements were approved by the Board of Directors on 27 September 2018 and signed on its behalf by:



J.S Whiteus

Director

Notes to the Financial Statements year ended 31 December 2017

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 Registered Office is Building 6, Chiswick Park, 566 Chiswick High Road, London W4 5HR, 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 grounds that the ultimate holding company, AXA. S.A. includes the Company in its own published consolidated financial statements.

B Going Concern

As described in the Subsequent Events note on page 4, pursuant to the sale of indirectly held insurance subsidiaries Financial Insurance Company Limited (FICL) and Financial Assurance Company Limited (FACL) to AXA France VIE and AXA France IARD in 2018 the Company will be dissolved without going into liquidation. Therefore, the financial statements are prepared on a basis other than going concern. 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 proposed transfer. The directors have also assessed the impact of preparing the financial statements on a basis other than going concern, and have noted that existing accounting policies for assets, liabilities, income and expenses as described in sections 1(C) to (H) of the notes to the financial statements, remain appropriate.

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 Statement of Financial Position date and their purchase price or if they have been previously valued, their valuation at the last Statement of Financial Position date. 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.

For the reasons discussed in section 1 (B) of the notes to the financial statements, 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 basis other than going concern.

Notes to the Financial Statements year ended 31 December 2017

Statement of Accounting Policies (Continued)

E Financial Assets

The Company has adopted the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and the disclosure requirements of sections 11 and 12 of FRS 102.

Debt and fixed income securities are classified as available for sale ("AFS") and measured at fair value through other comprehensive income (FVTOCI). Cash and cash equivalents are valued at amortised cost, which approximates fair market value due to the short maturities of these investments.

Where possible, the Company calculates fair value using observable market prices, which are obtained primarily from Bloomberg. Where market prices are not available from Bloomberg, other sources include Telekurs or Brokers. Listed investments are stated at market value on the date of the statement of financial position. Unlisted investments for which a market exists are stated at the bid price at which they were traded on the date of the statement of financial position or the last trading day before that date.

The Company has adopted the fair value measurement, as required by IAS 39 and classifies its financial instruments held at fair value according to a hierarchy based on the significance of the inputs used to arrive at the overall fair value of these instruments. The three levels of fair value hierarchy as defined by the accounting standard are outlined below:

Level 1: fair value measurements derived from quoted market prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: fair value measurements derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: fair value measurements derived from valuation techniques that include inputs for the asset and liability that are based on unobservable market data.

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 2017

2. Investment Income

	2017	2016
	£'000	£'000
Dividends received	21,437	5,060
	<u>21,437</u>	<u>5,060</u>

Dividend income of €24,889,000 (£21,437,000) (2016: £5,060,000) was received from AXA Partners CLP UK Holdings Limited on 7th February 2017.

3. Auditors Remuneration

	2017	2016
	£'000	£'000
Fees payable to the company's auditor for the audit of the company's annual accounts	16	16
Tax compliance services for subsidiaries	-	-
Audit of the accounts of subsidiaries	<u>720</u>	<u>750</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 2017 (2016: nil).

5. Directors' Remuneration

	2017	2016
	£'000	£'000
Emoluments	240	299
Company contributions to money purchase schemes	11	8
	<u>251</u>	<u>307</u>

	2017	2016
	No.	No.
The number of directors who :		
Are members of a defined benefit pension scheme	2	2
Are members of a money purchase pension scheme	2	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 2017

5. Directors Remuneration (continued)

	2017	2016
	£'000	£'000
Remuneration of the highest paid director		
Emoluments	829	140
Company contributions to money purchase schemes	40	5
	<u>869</u>	<u>145</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 2017. 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:

	2017	2016
	£'000	£'000
Current taxation	-	54

(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:

	2017	2016
	£'000	£'000
(Loss) on ordinary activities before tax	(46,279)	(158,872)
(Loss) on ordinary activities multiplied by the applicable rate of corporation tax in the UK of 19.25% (2016: 20.00%)	(8,909)	(31,774)
Effects of:		
Non-taxable UK dividend income	(4,126)	(1,012)
Non-allowable impairment charge	13,035	32,786
Total tax charge for the year	<u>-</u>	<u>-</u>

7. Cash at bank and in hand

	2017	2016
	£'000	£'000
Cash at bank and in hand	4	60
	<u>4</u>	<u>60</u>

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

Notes to the Financial Statements year ended 31 December 2017

8. Dividends Paid

	2017	2016
	£'000	£'000
Dividends paid of £3.950p per share (2016: £1.567p per share)	21,437	-
	<u>21,437</u>	<u>-</u>

On 7th February 2017, dividends of €24,889,000 (£21,437,000) were paid to AXA S.A. (2016: nil).

9. Investment in Group Undertakings

	2017	2016
Cost	£'000	£'000
At 1 January	416,229	575,161
Investments during the year	50,000	5,000
Impairment losses	(67,716)	(163,932)
At 31 December	<u>398,513</u>	<u>416,229</u>

(a) 2017 Investment in Subsidiaries

On 15th December 2017, the Company subscribed for 50,000,000 ordinary shares at £1 each in its direct subsidiary AXA Partners CLP UK Holdings Limited, a wholly owned subsidiary of the Company. The total consideration of £50,000,000 given for the subscribed shares was paid in cash.

As part of the restructuring of the AXA Partners CLP division, the indirectly held insurance subsidiaries Financial Insurance Company Limited (FICL) and Financial Assurance Company Limited (FACL) has been sold to other AXA companies in 2018. Accordingly, the investment in AXA Partners CLP UK Holdings Limited has been impaired by £67,410,000.

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

(b) 2016 Investment in Subsidiaries

On 12 December 2016, the Company subscribed for 5,000,000 ordinary shares at £1 each in its direct subsidiary AXA Partner Services Limited, a wholly owned subsidiary of the Company. The total consideration given for the subscribed shares was paid in cash.

On 31 December 2016 the value of the investment in AXA Partner Services Limited, a wholly owned subsidiary of AXA Partners Holdings Limited, was written down by £3,733,000.

As part of the restructuring of the AXA Partners CLP division, the directors propose to sell the indirectly held insurance subsidiaries Financial Insurance Company Limited (FICL) and Financial Assurance Company Limited (FACL) to other AXA companies in 2018 for a value which was expected to be €421m. Accordingly, the investment in AXA Partners Holdings UK Limited has been written down by £160,199,000 to its expected recoverable amount. The sale price was not final and was subject to adjustment.

Notes to the Financial Statements year ended 31 December 2017

9. Investment in Group Undertakings

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	Non Insurance Company
AXA Partners CLP Brazil – Servicos De Apoio a Atividade Seguradora e Resseguradora Ltda. Avianda 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. Avianda Roque Petroni Junior, 999, Morumbi Office Tower, 13 andar, CEP 04707-910	Brazil	99.9% Ordinary Shares	Indirect	Non Insurance Company

10. Share Capital

	2017 £000's	2016 £000's
Shares in issue at 1 January	542,560	542,560
<i>Issued and fully paid:</i>		
50,000,000 ordinary shares £1 each	50,000	-
<i>Reduction of share capital:</i>		
200,000,000 ordinary shares £1 each	(200,000)	-
Shares in issue at 31 December	392,560	542,560

The total number of ordinary shares in issue is 392,559,984 (2016: 542,559,984) with a par value of £1 per share (2016: £1 per share). All issued shares are fully paid.

On 13 December 2017, 200,000,000 of £1.00 fully paid ordinary shares and share premium of £32,318,608 held by the Company's sole shareholder, AXA. S.A., were cancelled by a reduction of capital permitted under the Companies Act 2006, sections 641 to 644.

On 15th December 2017, 50,000,000 of £1.00 ordinary shares were issued to AXA. S.A. with the consideration received in cash.

11. Share Premium

	2017 £000's	2016 £000's
Share premium at 1st January	32,319	32,319
<i>Premium reduction on Capital reduction</i>	(32,319)	-
Share premium at the 31st December	-	32,319

On 13th December 2017 share premium of £32,318,608 held by the Company's sole shareholder, AXA. S.A., was cancelled under Companies Act 2006 section 610(4) as part of the reduction of issued share capital was explained above.

Notes to the Financial Statements year ended 31 December 2017

12. Creditors

	2017	2016
	£'000	£'000
Tax payable	-	54
Amounts owed to group undertakings	-	2
	-	56

13. Related Party Transactions

As the Company is a wholly owned subsidiary of AXA. S.A. ("AXA") as at 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 14 for details to obtain a copy of the financial statements for AXA.

14. 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.



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

27th September 2018

Dear Sirs

AXA Partners Holdings Limited – audit for the year ended 31 December 2017

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 2017 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), including 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.

Financial Insurance Company Limited (Company No.1515187; FCA & PRA No.202639) and Financial Assurance Company Limited (Company No.4873014; FCA & PRA No.229586) (both part of AXA) are both authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Insurance Group Services Limited (part of AXA) (Company No.1670707; FCA No.313219) is authorised and regulated by the Financial Conduct Authority. Each company is registered in England with its registered address at Building 6, Chiswick Park, 566 Chiswick High Road, London, W4 5HR. AXA Partners – Credit & Lifestyle Protection is the trading name of each of these companies.



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 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	240
Directors' pension contributions	11
Highest paid director emoluments	829
Highest paid director pension	40



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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

To the best of our knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of intangibles and fixed assets below its carrying value at the balance sheet date.

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 2017 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.



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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 basis other than going concern.

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 the 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 J.S Whiteus