



**CATLIN HOLDINGS LIMITED**

**ANNUAL REPORT  
YEAR ENDED  
31 DECEMBER 2019**



# **CATLIN HOLDINGS LIMITED**

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**CATLIN HOLDINGS LIMITED**

**COMPANY INFORMATION**

Directors and officers at the date that the report is signed:

<b>DIRECTORS</b>	Mark R. Cummings Clynton J. Luttig Craig Standen
<b>COMPANY SECRETARY</b>	Marie L. Rees
<b>REGISTERED NUMBER</b>	02055040
<b>REGISTERED OFFICE</b>	20 Gracechurch Street London EC3V 0BG
<b>INDEPENDENT AUDITORS</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

# CATLIN HOLDINGS LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report for the year ended 31 December 2019.

### PRINCIPAL ACTIVITIES

Catlin Holdings Limited ("the Company") is acting as a holding company. The Company holds some tangible fixed assets on behalf of the AXA XL division entities.

### BUSINESS REVIEW

The Company made a current year net profit of £0.9 million (2018 net loss £16.3 million). As part of AXA XL division integration, the Company took over AXA Art Asia Limited (Hong Kong), a legacy AXA group entity located in Hong Kong.

The Company will continue to act as a holding company in the future also.

### FINANCIAL KEY PERFORMANCE INDICATORS

Key performance indicators (KPIs) are factors by reference to which the performance or position of the business of the Company can be measured effectively. Management monitor the progress of the Company by reference to the following KPIs:

	2019	2018
	£	£
Operating profit/ (loss)	4,248,611	(3,666,293)
Net cash resources/(obligations)	(10,417,728)	(46,135,211)
Net current (liabilities)	(8,953,462)	(13,236,400)
Total shareholders' funds	27,991,731	27,059,100

### PRINCIPAL RISKS AND UNCERTAINTIES

The process of risk management is addressed through a framework of policies, procedures and internal controls, in line with the wider AXA XL division that aims to integrate existing risk programs into a more holistic embedded group-wide risk and capital management framework.

The directors have considered all financial risks of the Company. The majority of the Company's financial assets are comprised of amounts receivable from group undertakings. The trading activity of the Company is minimal and adequate funds are available to meet all future liabilities. The directors do not believe that there are any significant interest rate, currency, liquidity, credit or price risks. Therefore, the Board consider the Company to have minimal exposure to financial risks.

### STATEMENTS BY THE DIRECTORS ON THEIR PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH SECTION 172(1) OF THE COMPANIES ACT 2006

The Board of Directors of Catlin Holdings Limited consider that both individually and collectively, they have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the Company's relevant stakeholders and matters set out in s172(1) (a-f) of the Companies Act 2006 in the decisions taken during the year ended 31 December 2019). An overview of how the Directors have discharged their statutory duties, is shown below. The Directors comply with S172 as part of the Companies Act 2006 requirement and fulfil their duties partly through a governance framework that delegates day to day decision making to executive and senior management of the Company.

#### (i) LONG-TERM VIEW, PURPOSE AND STRATEGY

Our annual strategic planning cycle is designed to consider the most appropriate actions the Company should take over the longer-term, which will contribute to the Company's success. Performance against key strategic metrics are monitored and assessed for appropriateness, at regular intervals.

# CATLIN HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### STATEMENTS BY THE DIRECTORS ON THEIR PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH SECTION 172(1) OF THE COMPANIES ACT 2006 (CONTINUED)

#### **(i) LONG-TERM VIEW, PURPOSE AND STRATEGY**

Our annual strategic planning cycle is designed to consider the most appropriate actions the Company should take over the longer-term, which will contribute to the Company's success. Performance against key strategic metrics are monitored and assessed for appropriateness, at regular intervals.

#### **(ii) OUR PEOPLE**

Our purpose and values are to put the customer first, act with integrity, have the courage to speak our mind and act to make things happen. The value of being "One AXA" means that being together and being different is what makes us better. The Company operates within the framework of AXA XL's service company model and is the recipient of services provided by one of its sister companies.

#### **(iii) OUR IMPACT ON THE COMMUNITY AND THE ENVIRONMENT**

In alignment with other entities in the AXA XL division, the Company has regard for the impact its operations have on the community and the environment. Striving to achieve a balance between economic, social and environmental activity is in the long-term interests of the Company, the AXA XL division and the communities in which they operate.

The AXA XL division supports a Global Day of Giving in which its people spend a day per year donating their time and skills in the communities in which they work and live. As member of the AXA XL division companies, the Company complies with the requirements of the Modern Slavery Act 2015. Together with other AXA XL division companies to which the Modern Slavery Act 2015 applies, the Company is also part of the publication of an annual Slavery and Human Trafficking Statement. As part of the AXA XL division, the Company monitors its carbon footprint on an annual basis. It is now developing a carbon reduction strategy, focused on reducing direct emissions and electricity usage, exploring "green alternatives" for power and travel, and educating and engaging its workforce on this issue. It is also pursuing several ongoing energy reduction and recycling initiatives, such as use of sensor-based lighting, and providing recycling bins throughout offices for colleagues to sort their recyclable waste accordingly. Maintaining a reputation for high standards of business conduct the Company's commitment to ethical conduct is set out in more detail in the AXA XL division's Code of Conduct and Code Supplement which the Board of Directors reviews on an annual basis. Policies with respect to anti-corruption and anti-bribery are contained in the Code of Conduct and Code Supplement. Failure to comply with these policies is taken very seriously and may result in disciplinary action, including but not limited to dismissal.


#### **(iv) ENGAGING WITH OUR SHAREHOLDER**

The Company has identified one of its key strategic priorities as innovation and working with the AXA Group, being the Company's ultimate shareholder, and its network. Various initiatives were pursued throughout the year, including working with colleagues at AXA GI in the UK to demonstrate our combined offering as "One AXA" and to assess opportunities for mutual growth.

#### **(v) ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS IN A BUSINESS RELATIONSHIP WITH THE COMPANY**

Pursuant to The Companies (Miscellaneous Reporting) Regulations 2018, the Company is required to report on its engagement with suppliers, customers and others. The Company considers that this reporting requirement is fulfilled by the reporting provided in the section 172 statement. As a holding company, the Company does not engage with suppliers and customers. Its key stakeholder is its shareholder.

This report was approved by the Board and signed on its behalf by:



**Clynton J. Luttig**

Director

17 September 2020

**CATLIN HOLDINGS LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report and the audited financial statements for the year ended 31 December 2019.

**DIRECTORS**

Company directors who hold office at the date of this report are listed on page 1. Set out below are directors who were appointed during the financial year and up to the date of this report together with those who resigned since 1 January 2019:

Mark R. Cummings	Appointed	17 December 2019
Juliet Phillips	Resigned	17 December 2019
Craig Standen	Appointed	5 February 2020
Paul R. Bradbrook	Resigned	5 February 2020

**COMPANY SECRETARY**

The Company Secretary in office at the date of this report is shown on page 1.

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

- Financial risk management objectives  
The Company is exposed to financial risk through its financial assets and financial liabilities. The most important components of financial risks are interest rate cash flow risk, credit risk, price risk, liquidity risk and foreign exchange risk. The Company's exposure to cash flow risk is addressed under the headings of "Credit risk" and "Liquidity risk".
- Interest rate cash flow risk  
Interest rate risk is the risk that movements in interest rates payable or receivable would materially affect the Company's financial statements. The Company does not hold any variable interest rate investments nor does it have any variable rate lending's to either internal or third party companies which would materially affect the results of the Company.
- Credit risk  
Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company is exposed to credit risk from group companies unable to honour their liabilities with the Company. The Company strives to minimise this risk by ensuring that Intercompany positions are reviewed regularly and are settled in a timely manner.
- Price risk  
The Company has no exposure to equity securities price risk as it holds no listed or other equity investments.
- Liquidity risk  
Liquidity risk is the risk that cash might not be available to pay obligations when due at a reasonable cost. The Company manages liquidity risk by regular cash flow forecasting and the availability of group treasury.
- Foreign exchange risk  
The Company is exposed to currency risk in respect of its monetary assets and liabilities denominated in foreign currencies. The Company strives to minimise this risk by ensuring that settlements are made in a timely manner.

**EMPLOYEES**

No headcount was existing in the Company during 2019. (2018: None)

**INDEPENDENT AUDITORS**

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and accordingly they will be reappointed.

## CATLIN HOLDINGS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

#### SIGNIFICANT EVENT

From December 2019 a Pandemic caused by COVID-19 virus has been spreading globally at an accelerated rate, resulting in various global economic impacts. Although the ultimate impact of the COVID-19 Pandemic spreading remains highly uncertain there have been no material impact on the Company as at 31 December 2019. The effects of the COVID-19 Pandemic could have a material adverse effect on the AXA XL division's and the Group's results, which cannot be estimated at this time. The Company is monitoring potential impacts on its business including i) capital and solvency ii) liquidity iii) parental support and iv) the consequence from a macroeconomic condition and slowdown in the flow of people, goods and services. However, the Company has evaluated that these impacts will not affect its ability to remain a going concern.

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland", and applicable law). 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 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

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

#### STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITORS

Each of the persons who is a director at the time when this Directors' Report is approved has confirmed that:

- as far as each director is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2019 of which the auditors are unaware; and
- that each director has taken all the steps that ought to have been taken as a director in order to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the Board and signed on its behalf by:



**Clynton J. Luttig**  
Director  
17 September 2020

# CATLIN HOLDINGS LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF CATLIN HOLDINGS LIMITED

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

In our opinion, Catlin Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 December 2019; the statement of profit or loss, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion.

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

#### Independence

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

#### Conclusions relating to going concern

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

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

#### Reporting on other information

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

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

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

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



## CATLIN HOLDINGS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF CATLIN HOLDINGS LIMITED (CONTINUED)

#### **Strategic Report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

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

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

##### **Auditors' responsibilities for the audit of the financial statements**

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

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

#### **Use of this report**

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

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



**Andrew Moore** (Senior Statutory Auditor)  
for and on behalf of  
PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
18 September 2020

**CATLIN HOLDINGS LIMITED**

**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>TURNOVER</b>	<b>2</b>	<b>7,753,758</b>	<b>10,413,142</b>
Administrative expenses		(963,408)	(15,071,854)
Impairment on Investment in Subsidiaries	12	(3,258,251)	—
Other operating income	3	716,512	992,419
<b>OPERATING PROFIT / (LOSS)</b>	<b>4</b>	<b>4,248,611</b>	<b>(3,666,293)</b>
Interest receivable and similar income	7	—	334
Interest payable and similar expenses	8	(890,048)	(431,911)
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<b>3,358,563</b>	<b>(4,097,870)</b>
Tax on profit / (loss)	9	(2,425,932)	(12,154,400)
<b>PROFIT / (LOSS) FOR THE FINANCIAL YEAR</b>		<b>932,631</b>	<b>(16,252,270)</b>

**CATLIN HOLDINGS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Revaluation reserve</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total Shareholders' funds</b>
	£	£	£	£	£	£
<b>Balance as at 1 January 2018</b>	35,858	21,936	588,426	382	42,664,768	43,311,370
(Loss) for the financial year	—	—	—	—	(16,252,270)	(16,252,270)
<b>Balance as at 31 December 2018</b>	35,858	21,936	588,426	382	26,412,498	27,059,100
Profit for the financial year	—	—	—	—	932,631	932,631
<b>Balance as at 31 December 2019</b>	35,858	21,936	588,426	382	27,345,129	27,991,731

**CATLIN HOLDINGS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

		2019	2018
	Note	£	£
<b>FIXED ASSETS</b>			
Tangible assets	10	10,419,382	14,987,356
Investment property	11	1,915,685	1,942,737
Investments	12	24,610,126	27,498,594
		<u>36,945,193</u>	<u>44,428,687</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	13	4,398,538	47,184,078
Cash at bank and cash in hand		4,397,064	956,597
		<u>8,795,602</u>	<u>48,140,675</u>
<b>CREDITORS: amounts falling due within one year</b>	14	(17,749,064)	(61,377,075)
<b>NET CURRENT LIABILITIES</b>		<u>(8,953,462)</u>	<u>(13,236,400)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>27,991,731</u>	<u>31,192,287</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Other provisions	16	—	(4,133,187)
<b>NET ASSETS</b>		<u>27,991,731</u>	<u>27,059,100</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	35,858	35,858
Share premium account		21,936	21,936
Revaluation reserve		588,426	588,426
Capital redemption reserve		382	382
Profit and loss account		27,345,129	26,412,498
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>27,991,731</u>	<u>27,059,100</u>

The financial statements on pages 8 to 19 were approved by the Board of Directors and were signed on its behalf by:



**Clynton J. Luttig**  
Director  
17 September 2020

# CATLIN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 ACCOUNTING POLICIES

#### 1.1 Basis of preparation of the financial statements

Catlin Holdings Limited (the "Company") is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is 20 Gracechurch Street, London, EC3V 0BG.

These financial statements have been prepared on the going concern basis, in accordance with applicable UK accounting standards including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") issued by the Financial Reporting Council and in compliance with the other requirements of the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the previous years presented, unless otherwise stated.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

#### 1.2 Exemption from preparing the Cash flow Statement

The Company has availed itself of the exemption under FRS 102 section 1 on 'Reduced disclosures for subsidiaries' on the grounds that it is a wholly-owned subsidiary whose ultimate parent is AXA SA (incorporated in France) which prepares a group consolidated cash flow statement in its group consolidated financial statements that are publicly available.

#### 1.3 Exemption from disclosing related party transactions

As the Company is a wholly-owned subsidiary whose ultimate parent AXA SA (incorporated in France), the Company has taken advantage of the exemption contained in FRS 102 section 33 'Related Party Disclosures' from disclosing related party transactions with entities which form part of AXA SA Group.

#### 1.4 Turnover

Turnover is the total amount excluding value added tax, receivable by the Company in the ordinary course of business for services provided as principal.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	- 4years
Fixtures & fittings	- 4 to 10 years
Computer equipment	- 2 to 5 years

#### 1.6 Investments in subsidiary undertakings

Investments held as fixed assets are shown at cost less provision for impairment.

## **CATLIN HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **ACCOUNTING POLICIES (CONTINUED)**

##### **1.7 Investment property**

The Company holds a freehold investment property. It is believed that an undue cost and effort would be required to measure this at fair value on an on-going basis. As a result this property is accounted for using the cost model as property, plant and equipment under FRS102 Section 17. The property is being depreciated over 40 years.

##### **1.8 Taxation**

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

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

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

##### **1.9 Foreign Currencies**

The Company's financial statements are presented in pound sterling which is the same as its functional currency. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the time of the original transactions and are not re-translated at each year end. Transactions in foreign currencies are translated into sterling at the previous month's closing rates as a proxy for the transactional rates. Exchange gains and losses are recognised in the Statement of Profit or Loss.

**CATLIN HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2      TURNOVER**

The whole of the turnover is attributable to one class of business arising from provision of services to AXA XL division companies.

Geographically, the entire turnover for the year £7,753,758 (2018: £10,413,142) originates from the United Kingdom (2018: same).

**3      OTHER OPERATING INCOME**

	2019 £	2018 £
Rental income	<u>716,512</u>	<u>992,419</u>
	<u><u>716,512</u></u>	<u><u>992,419</u></u>

**4      OPERATING PROFIT / (LOSS)**

The operating profit / (loss) is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the Company	4,516,399	6,894,220
Auditors' remuneration: audit fee	3,013	16,809
Operating lease rentals:		
- other operating leases	—	85,680
Foreign exchange impact	516,811	(1,341,277)

**CATLIN HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**5 STAFF COSTS**

The Company has no employees (2018 : *nil*).

The Company incurred no staff costs during the year (2018: *£nil*).

**6 DIRECTORS' EMOLUMENTS**

Executive directors do not receive emoluments for their appointment as all employment costs are borne by other AXA XL division companies. As employees of AXA SA group companies, executive directors are eligible to participate in group defined contribution pension and long-term incentive schemes available to employees. The Company has no non-executive directors.

**7 INTEREST RECEIVABLE AND SIMILAR INCOME**

	2019 £	2018 £
Interest received on bank deposits	<u>—</u>	<u>334</u>

**8 INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019 £	2018 £
Bank interest and charges	<u>890,048</u>	<u>431,911</u>



**CATLIN HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**9 TAX ON PROFIT / (LOSS)**

	2019 £	2018 £
<b>(a) Tax expense/(credit) included in statement of profit and loss</b>		
<b>Current tax (see note below)</b>		
UK corporation tax charge on profit for the year	—	—
Adjustments in respect of prior years	2,425,933	(740,306)
<b>Total current tax charge/(credit)</b>	<b>2,425,933</b>	<b>(740,306 )</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	—	12,894,706
<b>Total deferred tax charge/(credit) (see note 15)</b>	<b>—</b>	<b>12,894,706</b>
<b>Tax charge/(credit) on profit/(loss)</b>	<b>2,425,933</b>	<b>12,154,400</b>

**(b) Reconciliation of tax charge**

The tax assessed for the year is higher (2018: higher) than the standard rate of corporation tax in the UK of 19%. (2018: 19%). The differences are explained below:

	2019 £	2018 £
Profit / (Loss) on ordinary activities before tax	3,358,563	(4,097,870)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	638,127	(778,595)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	6,166	(8,703)
Impairment on investment in subsidiary not deductible for tax purposes	619,068	—
Unrecognised deferred tax	(1,263,361)	13,682,004
Adjustments in respect of prior periods	2,425,933	(740,306)
<b>Tax charge for the year (see note above)</b>	<b>2,425,933</b>	<b>12,154,400</b>

**(c) Tax rate changes**

The standard rate of UK corporation tax is 19% (2018: 19%). In the 2020 Spring Budget it was announced that the previously enacted rate reduction to 17%, which was scheduled to be effective from 1 April 2020, will no longer go ahead and will remain at 19%.

**CATLIN HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**10 TANGIBLE ASSETS**

	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2019	244,787	32,672,267	27,970,610	60,887,664
Disposal	(121,516)	(2,063,337)	(22,070,008)	(24,254,861)
At 31 December 2019	<b>123,271</b>	<b>30,608,930</b>	<b>5,900,602</b>	<b>36,632,803</b>
<b>Accumulated Depreciation</b>				
At 1 January 2019	239,796	20,060,776	25,599,736	45,900,308
Charge for the year	4,991	3,299,304	1,231,226	4,535,521
Disposal	(121,516)	(2,063,338)	(22,037,554)	(24,222,408)
At 31 December 2019	<b>123,271</b>	<b>21,296,742</b>	<b>4,793,408</b>	<b>26,213,421</b>
<b>Net book value</b>				
At 31 December 2019	—	<b>9,312,188</b>	<b>1,107,194</b>	<b>10,419,382</b>
At 31 December 2018	4,991	12,611,491	2,370,874	14,987,356

**11 INVESTMENT PROPERTY**

	Freehold investment property £
<b>Valuation</b>	
At 1 January 2019	1,942,737
Depreciation	27,052
At 31 December 2019	<b>1,915,685</b>

# CATLIN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 12 INVESTMENTS

#### Investments in subsidiary companies

£

#### Cost or valuation

At 1 January 2019	27,498,594
Addition	369,783
Impairments	(3,258,251)
At 31 December 2019	24,610,126

On 30 September 2019, the Company acquired AXA Art Asia Limited, a legacy AXA group entity located in Hong Kong as part of the AXA XL division restructure and a cash consideration of £369,783 (HKD 3,500,141) was paid for this acquisition (2018 £ 413,363 (JPY 60M) to XL Catlin Japan KK).

During 2018, the two wholly owned subsidiaries of the Company 1) Brooklyn Underwriting Pty Limited(Australia), 2) Brooklyn IT Pty Limited (Australia) have been acquired, merging the entire assets and liabilities of these companies with another wholly owned subsidiary of the Company- Catlin Australia Pty Ltd. (Australia)

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name (country of incorporation)	Class of shares	Holding
Catlin Underwriting Agencies Limited (England & Wales)	Ordinary	100%
Catlin Australia Pty Limited (Australia)	Ordinary	100%
AXA XL Services Limited (Formerly Catlin Guernsey Limited) (Guernsey)	Ordinary	99.99%
Catlin (BB) Limited (England & Wales)	Ordinary	100%
Catlin Hong Kong Limited (Hong Kong)	Ordinary	100%
Catlin Canada Inc (Canada)	Ordinary	100%
Catlin (Angel) Strategic Holdings Limited (England & Wales)	Ordinary	100%
Catlin Syndicate 6112 Limited (England & Wales)	Ordinary	100%
XL Catlin Japan KK (Japan)	Ordinary	100%
Catlin Syndicate 6121 Limited (England & Wales)	Ordinary	100%
AXA Art Asia Limited (Hong Kong)	Ordinary	100%

As part of the annual review for impairment indicators on the Company's investments in its subsidiaries, management noted that the net assets value of Catlin (Angel) Strategic Holdings Limited for the year ended 31 December 2019 was substantially lower than its carrying value held under Catlin Holdings Limited. Accordingly following an impairment analysis performed, an impairment of £ 2.5m has been recognised in the income statement of the Company to write down the carrying value of Catlin (Angel) Strategic Holdings Limited to nil.

Similarly, the impairment analysis revealed that the investment in the subsidiary, Catlin Canada Inc is also showing erosion in the carrying value. Accordingly, an impairment of £0.7 million, the difference between the net present value of projected future cash flows and the carrying value, has been recognised in the income statement of the Company.

The directors believe that the carrying value of the investments in other subsidiaries is supported by their underlying net assets.

**CATLIN HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**13 DEBTORS**

	2019 £	2018 £
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	4,398,538	45,786,772
Corporation tax	—	1,397,306
	<u>4,398,538</u>	<u>47,184,078</u>

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

**14 CREDITORS: Amounts falling due within one year**

	2019 £	2018 £
Bank loans and overdraft	(14,814,792)	(47,091,808)
Amounts owed to group undertakings	(496,821)	(13,965,775)
Corporation tax payable	(2,425,933)	—
VAT Payable	(8,505)	—
Accruals and deferred income	(3,013)	(319,492)
	<u>(17,749,064)</u>	<u>(61,377,075)</u>

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

**15 DEFERRED TAX ASSET**

	2019 £	2018 £
At beginning of year	—	12,894,706
(Charge) for the year	—	(12,894,706)
At end of year	<u>—</u>	<u>—</u>

As at 31 December 2019 there were tax losses carried forward of £36.6m (2018: £29.7m). The Company has an unrecognised deferred tax asset of £18.7m (2018: £20m) as at 31 December 2019.

**16 OTHER PROVISIONS**

	<b>Dilapidation Provision</b> £
At 1 January 2019	(4,133,187)
Movements during the year	4,133,187
At 31 December 2019	<u>—</u>

**Dilapidation Provision**

Redundant dilapidation provisions outstanding in the books of the Company have been reversed during the year.

# CATLIN HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 17 CALLED UP SHARE CAPITAL

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
36,220 (2018: 36,220) - Equity shares of £0.99 each	<b>35,858</b>	<b>35,858</b>

### 18 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a wholly owned subsidiary of Catlin Holdings (UK) Limited, a company registered in England and Wales. The Company's ultimate parent undertaking is AXA SA, a company registered in France.

The smallest undertaking for which the Company is a member and for which group financial statements are prepared is XL Bermuda Limited ("XLB"), a company registered in Bermuda, and the largest group is AXA SA. The results of the Company are consolidated within the financial statements of AXA SA and XLB. Copies of the audited consolidated financial statements of XLB can be obtained from O'Hara House, One Bermudiana Road, Hamilton HM 11, Bermuda. Copies of the audited consolidated financial statements of AXA SA can be obtained from 25 Avenue Matignon, 75008 Paris, France.

### 19 POST BALANCE SHEET EVENT

#### COVID-19 outbreak:

From December 2019 a Pandemic caused by COVID-19 virus has been spreading globally at an accelerated rate, resulting in various global economic impacts. Although the ultimate impact of the COVID-19 Pandemic spreading remains highly uncertain there have been no material impact on the Company as at 31 December 2019. The effects of the COVID-19 Pandemic could have a material adverse effect on the AXA XL division's and the Group's results, which cannot be estimated at this time. The Company is monitoring potential impacts on its business including i) capital and solvency ii) liquidity iii) parental support and iv) the consequence from a macroeconomic condition and slowdown in the flow of people, goods and services. However, the Company has evaluated that these impacts will not affect its ability to remain a going concern.

This has been treated as a non-adjusting event as it was declared a pandemic after December 31, 2019, as such it has not been taken account of in the recognition and measurement of the Company's assets and liabilities at December 31, 2019.