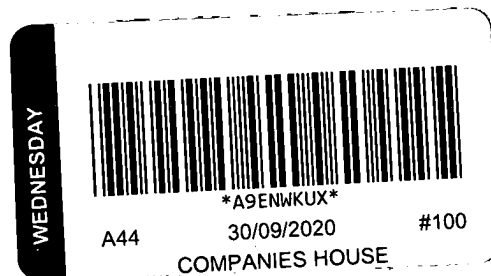


Registration number: 03039521

AXA Global Healthcare (UK) Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2019



AXA Global Healthcare (UK) Limited

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AXA Global Healthcare (UK) Limited

Company Information

Directors	A I K Davies N J Oliver M T Rouot C J N Roux T P D Wilkinson
Company secretary	K A Beggs
Registered office	5 Old Broad Street London EC2N 1AD
Auditors	Mazars LLP Chartered Accountants and Statutory Auditor Tower Bridge House St Katharine's Way London E1W 1DD

AXA Global Healthcare (UK) Limited

Strategic Report for the Year Ended 31 December 2019

The directors present their Strategic Report for the year ended 31 December 2019.

Principal activity

The principal activity of the Group is that of a regulated intermediary supporting the sales, administration and coordination of international Private Medical Insurance activities across the AXA Group.

AXA Global Healthcare (UK) Limited ("AGH") ("the Company") and its subsidiaries together form the AXA Global Healthcare (UK) Group ("the Group").

Review of the business

The Group has activities around the world with a strong focus in Europe through its UK and Irish bases and Asia through its Singapore and Hong Kong offices. Business has also grown in the Middle East.

In most of the countries, the Group works with AXA local insurance entities and AXA PPP Healthcare Limited as the reinsurance entity.

Strategy

The AXA Global Healthcare strategy continues to focus on developing international medical solutions leveraging the AXA Group capabilities to provide the best offer to customers.

Key performance indicators ("KPIs")

The success of the Group is assessed on its ability to develop profitable international private medical insurance business with high service standards for the customers of AXA Group insurance entities. Management use a range of performance measures to monitor and manage the business, as noted below.

The Group's key financial and other performance indicators during the year were as follows:

		2019	2018
Turnover	£000	42,308	40,440
Loss before tax	£000	(2,303)	(2,828)
Net assets	£000	16,906	20,093

Principal risks and uncertainties

In a competitive market place, the Group faces a range of risks as an international private medical insurance intermediary. The risks include business risk, operational risk and regulatory risk. Risks are managed by senior management and the Board of Directors in accordance with the AXA Group Standards.

In 2019, the Group had to ensure the delivery of key strategic initiatives alongside mandatory requirements. The main achievement was the establishment of the new multi-insurer model with the migration of all European policies to accommodate Brexit.

Financial risk management is discussed in the Management of Financial Risk note.

AXA Global Healthcare (UK) Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

Brexit

The implications to the Group of the United Kingdom's departure from the European Union on 31 January 2020 have been considered. The Group has in place robust and effective capital and risk management processes, and the risks arising from Brexit are being managed alongside a range of risks inherent to its business. The mitigation plan in the context of Brexit was the establishment of a new entity in Ireland, AGH (EU) Limited, to maintain the ability for the Group to provide international private medical insurance solutions in the European Union.

Section 172 statement

The Company, its stakeholders and relevant issues

The directors of AGH consider, both individually and collectively, that they have acted in the way that would most likely promote the success of the Company for the benefit of its members as a whole (having regard to relevant stakeholders and matters set out in section 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 December 2019.

In coming to this conclusion, the directors have considered who the stakeholders of the business are and issues it needs to take into consideration and concluded that the following are material to the Company:

- **Customers:** The customers of the Company and the quality and pricing of the products and services sold to them, have a major influence on the reputation of the Group.
- **Employees:** The Company employs in the region of 300 staff. The workforce's culture, values, behaviours, performance, and engagement drive how it serves its customers and interacts with suppliers.
- **Insurer Partners:** The Company has a close relationship with its insurer partners, many of which are AXA entities, to ensure alignment across the business and to provide high quality service to customers
- **Suppliers and third parties:** The Company manages and promotes strong relationships with its suppliers (either internal or external to the AXA Group ("AXA")) to ensure good service, cost effectiveness, use of economies of scale and effective collaboration.
- **Regulator:** The Company is regulated by the Financial Conduct Authority ("FCA"). Ensuring there is a positive relationship with the Company's regulator is key to the Company's business activities. It determines its licence to operate, its ability to recruit and retain senior staff and its reputation with customers.
- **The environment:** The Company aims to minimise its impact on the environment in order to maintain its reputation and licence to operate. It is committed to reducing its impact on the environment by managing energy, paper and water consumption, as well as carbon emissions and waste.
- **Communities:** The Company understands that it has a vital role to play in being a responsible corporate citizen and believes this is important to the reputation of the Company and its license to operate.
- **Shareholder:** The Company has one shareholder; AXA SA which provided its equity capital.

Methods of engagement

For each of these groups or issues the Company seeks to ensure it understands concerns or salient matters through a process of engagement:

AXA Global Healthcare (UK) Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

- **Customers:** The Company strives to build trusted relationships with customers and to always treat them fairly, providing commitment to our customers that the business delivers against its purpose, empowering them to live better lives. Customer experience tracking enables feedback to be gained from customers at a number of different points in the journey enabling action plans and changes to customer experiences where necessary. The Company actively encourages customers to give feedback using the Stella tool following interactions and going externally on sites like Feefo and Trustpilot. We invite retail customers to participate in renewal surveys, so we can gather feedback on their experience with us and use it to adapt our operational processes and products. We also deliver satisfaction surveys for our large corporate clients, seeking feedback from their members on our service delivery and products.
- **Employees:** The Company is committed to enabling its workforce at all levels of the organisation to actively contribute and participate in decisions where appropriate. This is done in a variety of ways:
 - Face to face Employee Briefings, Manager Briefings and Senior Manager Briefings take place regularly throughout the year. Employees are encouraged to contribute to the agenda of such briefings and can ask questions during them. Where face to face briefings can't take place (for example in urgent situations) employee conference calls, with online Q&As and polls are hosted.
 - The AXA Global Healthcare Executive Committee regularly consults with senior managers, through "Extended ExCom" meetings, to gain insight on business challenges, present key strategic information and gather general insight and ideas from across the business.
 - A regular Programme Delivery Board is held, with representatives from all business areas in attendance, to ensure the full business is engaged with the AXA Global Healthcare programme agenda.
 - Managers regularly receive a 'Talking Points' communication, which updates them on key business performance and includes messages they must share with their teams.
 - Where appropriate to do so, working groups on projects will often represent a cross section of employees with different skill sets and views.
 - At least annually, employees are invited to participate in a communications review, where they share their views on the best methods for contributing to, and receiving information about business strategy and performance. This last occurred in November 2019, where employees were invited to take part in workshops over a few days.
 - "Pulse" (engagement) surveys are sent to all staff, giving everyone the opportunity to share their views on how the business is performing against its strategic objectives and key values. "Pulse Partners" in all departments share ideas and feedback from their teams back into the wider Company engagement survey.
 - Vox is AXA Global Healthcare's consultative body representing all employees and managers. It meets every month to discuss new ideas, policy changes and business matters affecting employees and managers. The Company consult with Vox on matters that will have an impact on employees. Employees can also approach Vox directly to discuss employment related matters.
- **Suppliers:** The Company promotes strong relationships with its network of suppliers which are managed either directly by AXA Global Healthcare or through AXA UK Group company-wide procurement, to ensure economies of scale and collaboration with suppliers can be achieved.
- **Insurer Partners:** The Company actively manages its relationship with its partner insurers, many of which are AXA entities, via formal relationship management meetings, functional area meetings and day to day engagement to ensure alignment of objectives and a common understanding of the opportunities and issues.
- **Regulator:** The Company aims to maintain an effective relationship with the FCA, to enable good customer outcomes. Proper governance is key in preserving this relationship, which is vital to our business being able to operate in the UK.

AXA Global Healthcare (UK) Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

- The environment: From a Group perspective, AXA has sent a clear message by agreeing to the RE100, stating a commitment to have 100% renewable energy by 2025. The Company's directors are committed to implementing this within the company. AXA UK already procures 67% of its energy from renewable sources through REGO certification. As a global organisation AXA has quadrupled its green and clean investments target to €12 billion, twice as high as the COP21 recommendation of 1% of assets, and actively divested funds away from carbon-intensive industries as evidenced by our pledge to divest from companies which derive more than 30% of their revenues from coal, have a coal-based energy mix that exceeds 30%, or produce more than 20 million tonnes of coal per year. At an entity level, the Company maintains a Green Travel policy, with a high proportion of local distribution carried out by a zero-emission electric van. Employees are encouraged to walk, cycle or use public transport to get to work.
- Community: The Company strives to play a positive role in society and supports the communities it operates in. From volunteering and mentoring to fundraising or sharing business expertise, the Company encourages its employees to get involved wherever possible.
- Shareholder: The Company engages with its shareholder through regular briefing of group directors on its performance and regular interactions with the DCFG (Group Finance) for capital allocation and the PBRC (Group Planning, Budgets, Results Centre) to provide information on AGH financials.

Key decisions and consideration of stakeholders

- During the year the Board met to approve routine changes in board membership, to consider its responsibilities under The Senior Managers & Certification Regime, and to approve the financial statements for the previous year.
- The directors consider that the AXA UK Group's employee engagement programmes, explained above, continues to serve the Company's requirement in enabling employees from all levels of the organisation to actively contribute and participate in decisions where appropriate.
- In March 2019, the Company agreed to provide a capital contribution of up to £650,000 to its wholly-owned subsidiary AXA Global Healthcare (Singapore) Pte. Ltd ("AGH Singapore"), to support working capital strain until the end of 2019. The Directors considered the proposed capital contribution along with their duties as directors pursuant to sections 171-176 of the Companies Act 2006 and, in particular, their duty to act in the interests and to the advantage of the Company and to promote the success of the Company for the benefit of its members as a whole. In considering their duty to promote the success of the Company, the directors had particular regard (amongst other things) to the likely consequences of any decision in the long-term, the interests of the Company and the impact on its business. The Directors considered that making a capital contribution to AGH Singapore, would promote the success of the AXA Global Healthcare business for the benefit of its members as a whole.
- During 2019 the Company established the operations of a new wholly-owned subsidiary in Ireland, AXA Global Healthcare (EU) Limited ("AGH EU"), which was incorporated in mid-2018. Driven by Brexit, the establishment of AGH EU was made to ensure that the AXA Global Healthcare group can continue to provide cover for existing customers and sell its international private medical insurance (IPMI) products to new customers throughout the EU.
- In December, the Directors agreed to write off debt in the region of £1.9 million owed to the Company by its wholly-owned subsidiary AXA Global Healthcare (Hong Kong) Limited ("AGH HK") to return AGH HK to a profitable state following lower than expected business volumes. The Directors considered the proposal along with their duties as directors pursuant to sections 171-176 of the Companies Act 2006 and, in particular, their duty to act in the interests and to the advantage of the Company and to promote the success of the Company for the benefit of its members as a whole. In considering their duty to promote the success of the Company, the directors had particular regard (amongst other things) to the ability of AGH HK to repay its debt and return to a profitable state as well as other matters, including tax. The Directors concluded that the proposal to write off debt owing by AGH HK at the end of December 2019 would promote the success of the AXA Global Healthcare business for the benefit of its members as a whole.

AXA Global Healthcare (UK) Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

- In December 2019, the AXA UK plc Board decided to move the Defined Contribution (“DC”) section of the AXA UK Group Pension Scheme (the “Scheme”) to a Master Trust arrangement. AXA UK consulted with all participating employers of the Scheme, including AGH, through written communications and working groups. All participating employers were asked to decide whether to participate in the Master Trust proposed by AXA UK plc or make alternative arrangements for the future pension provision for its employees. In consideration of the proposal, the Directors of AGH took account of the replication of members benefits under the Master Trust and consultation periods regarding changes in pension provisions, receiving confirmation that there would be no unmitigated material impacts on individual employees/pension scheme members as a result of the Master Trust arrangement. Following approval to proceed by all participating employers, a 60-day employee consultation period commenced from 10th February 2020. The consultation ended on 10th April 2020. A final decision on whether to proceed with the Master Trust was postponed in order to ensure that, notwithstanding the impact of Covid-19, replacing the Defined Contribution section of the AXA UK Group Pension Scheme with the Master Trust remained the right thing for members. Having monitored the global situation carefully, members were informed of the Company’s decision to proceed on 24 August 2020. The changes will come into effect from 30 September 2020, which is the date the Scheme’s Defined Contribution section will close to future contributions. From 1 October 2020, members’ future Defined Contributions savings will start to be built up in the LifeSight Master Trust. On 3 September 2020 the Trustee of the Scheme wrote to members to confirm that existing savings will be transferred into LifeSight and that they believe that to be in the best interests of members, allowing them to take full advantage of all the benefits LifeSight has to offer.

Future developments

Following the AXA Group practices, AGH has presented a strategic and financial plan to its board in the last quarter of 2019 covering the years up to 2023. AGH is expected to see its revenues growing from extra commissions in existing markets, with significant development planned in new territories. The activity in the Middle East from Dubai is projected to reduce significantly following a decision to transfer the Large Corporate business on local plans.

The impact of the COVID-19 pandemic is being monitored and plans are being established and implemented to manage the effects of the outbreak and assess disruptions and other risks to its operations. In particular the Company’s management information flows, risk management processes and internal controls systems are being closely monitored and alternative mitigating controls are being introduced as appropriate. The Directors are also monitoring potential adverse effects of the spread of COVID-19 on the Company’s holding’s in subsidiaries, in particular, the scope and severity of any further downturn in global financial markets and the global economy and consequential impacts on the AXA UK Group investment portfolio; and the extent of the impact on the companies to which the Company acts as a holding company. Depending on the rate of transmission and related mortality, COVID-19 may have significant adverse effects on our business, operations and financial results. The directors consider that the financial impact of the COVID-19 virus on the UK economy and the company is not currently estimable with any degree of certainty.

Approved by the Board on 25 September 2020 and signed on its behalf by:



.....
C J N Roux
Director

AXA Global Healthcare (UK) Limited

Directors' Report for the Year Ended 31 December 2019

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

Future developments

Future developments are discussed in the Strategic Report.

Directors of the Group

The directors who held office during the year were as follows:

A I K Davies

K G Gibbs (resigned 29 February 2020)

L P Gerstein Alvarez (resigned 26 November 2019)

N J Oliver

M T Rouot

C J N Roux

T P D Wilkinson

Political donations

The Group made no donations for political purposes.

Employment of disabled persons

Full and fair consideration is also given to disabled persons, including the rehabilitation and retention of staff who become disabled, having regard to their particular aptitudes and abilities.

Employee involvement

The Group is committed to a policy of equal opportunity in recruitment, training, career development and promotion of staff, irrespective of gender, gender reassignment, marital status, ethnicity, sexual orientation, religion or belief of age, disability, pregnancy or any other protected ground.

Great importance is placed on good communication with employees and in seeking to inform and involve staff in the development of the AXA Group operations and in the achievement of the global business goals.

A full range of written, audio, video and regular face-to-face communications, including team briefings, regular appraisals, company news briefings and various bulletins is used. Regular consultation is maintained with independent and certified trade unions and other employee representative bodies on the complete range of employment and business issues.

Branches outside the United Kingdom

The Group does not operate branches outside the UK.

AXA Global Healthcare (UK) Limited

Directors' Report for the Year Ended 31 December 2019 (continued)

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report above. The ability to cope with unexpected risks to the financial position is shown within the Management of Financial Risk note set out on page 25 of the financial statements.

The directors therefore believe that the Group is well placed to manage its business risks despite the current uncertain economic outlook arising from the current COVID-19 pandemic, and the directors have a reasonable expectation, based on sensitivity analyses, that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

Non-adjusting events after the financial period

During December 2019, a number of cases of pneumonia associated with the Coronavirus, now called COVID-19 by the World Health Organization ("WHO"), were reported in the People's Republic of China. In the early part of 2020 this virus subsequently spread to many other countries, and it is currently not possible to know or to predict the extent to which the current levels of reported cases reflect the actual transmission of the virus within populations, and accordingly the scale of the pandemic may be significantly larger than is presently recorded.

Authorities in many countries, including the UK, have taken stringent measures (including travel restrictions, home quarantine, lockdowns, and school closures) to contain the pace and scale of its spread. This has led to significant disruptions in the global travel and hospitality industries, and in global trade and supply chains more broadly; has resulted in decreased economic activity and lowered estimates for future economic growth; has created severe strains on local, national and supra-national medical and healthcare systems and institutions; and has caused global financial markets to experience significant volatility and the worst downturn since the 2008 crisis.

The Company and the companies in which it has a holding, are in the process of establishing and implementing plans to address how they will manage the effects of the outbreak and assess disruptions and other risks to its operations. These include the protection of employees, sustaining services to customers and other stakeholders and ensuring effective processes are in place to communicate and execute such plans.

The directors are closely monitoring the Company's exposures to the COVID-19 outbreak, including (i) the operational impact on its business; (ii) the consequences from a deterioration in macroeconomic conditions and a slowdown in the flow of people, goods and services, and (iii) the financial condition of its holdings in AXA entities.

Directors' qualifying third party and pension scheme indemnity provisions

The Group is party to a group-wide indemnity policy which benefits all of its current directors and is a Qualifying Third Party Indemnity Provision for the purpose of the Companies Act 2006.

The indemnification was in force during the year and at the date of signing.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

AXA Global Healthcare (UK) Limited

Directors' Report for the Year Ended 31 December 2019 (continued)

Approved by the Board on 25 September 2020 and signed on its behalf by:



.....
C J N Roux
Director

AXA Global Healthcare (UK) Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 Group and Company and of the profit or loss of the Group and Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AXA Global Healthcare (UK) Limited

Independent Auditor's Report to the Members of AXA Global Healthcare (UK) Limited

Opinion

We have audited the financial statements of AXA Global Healthcare (UK) Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, which comprise the Consolidated Profit and Loss Account and Statement of Retained Earnings, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, 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 Financial Reporting Standard 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 Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's 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 Group 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.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 6, and the consideration in the going concern basis of preparation on page 21 and non- adjusting post balance sheet events on page 34.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, the potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent 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.

AXA Global Healthcare (UK) Limited

Independent Auditor's Report to the Members of AXA Global Healthcare (UK) Limited (continued)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 10, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AXA Global Healthcare (UK) Limited

Independent Auditor's Report to the Members of AXA Global Healthcare (UK) Limited (continued)

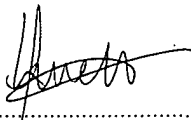
Auditor's responsibilities for the audit of the financial statements

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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body for our audit work, for this report, or for the opinions we have formed.



.....
Leanne Finch (Senior Statutory Auditor)
For and on behalf of Mazars LLP

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

25 September 2020

AXA Global Healthcare (UK) Limited

**Consolidated Profit and Loss Account and Statement of Retained Earnings for the Year
Ended 31 December 2019**

	Note	2019 £ 000	2018 £ 000
Turnover	3	42,308	40,440
Administrative expenses		<u>(44,717)</u>	<u>(43,292)</u>
Operating loss		<u>(2,409)</u>	<u>(2,852)</u>
Interest payable and similar charges	4	<u>106</u>	<u>24</u>
		<u>106</u>	<u>24</u>
Loss before tax		(2,303)	(2,828)
Taxation	8	<u>(815)</u>	<u>343</u>
Loss for the financial year		<u><u>(3,118)</u></u>	<u><u>(2,485)</u></u>
Loss attributable to:			
Owners of the company		(3,118)	(2,485)
Retained earnings brought forward		<u>(10,188)</u>	<u>(7,703)</u>
Retained earnings carried forward		<u><u>(13,306)</u></u>	<u><u>(10,188)</u></u>

The notes on pages 21 to 35 form an integral part of these financial statements.

AXA Global Healthcare (UK) Limited

**Consolidated Statement of Comprehensive Income for the Year Ended 31 December
2019**

	2019	2018
	£ 000	£ 000
Loss for the year	(3,118)	(2,485)
Foreign currency translation (losses)/gains	<u>(69)</u>	<u>(1)</u>
Total comprehensive income for the year	<u>(3,187)</u>	<u>(2,486)</u>
Total comprehensive income attributable to:		
Owners of the company	<u>(3,187)</u>	<u>(2,486)</u>

The notes on pages 21 to 35 form an integral part of these financial statements.

AXA Global Healthcare (UK) Limited

(Registration number: 03039521)

Consolidated Balance Sheet as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Intangible assets	9	9,928	10,512
Current assets			
Debtors	11	11,787	7,114
Cash at bank and in hand	12	20,251	7,409
		<u>32,038</u>	<u>14,523</u>
Creditors: Amounts falling due within one year	13	<u>(25,060)</u>	<u>(4,942)</u>
Net current assets		<u>6,978</u>	<u>9,581</u>
Net assets		<u>16,906</u>	<u>20,093</u>
Capital and reserves			
Called up share capital	15	30,170	30,170
Capital contribution reserve	16	180	180
Other reserves	16	(138)	(69)
Profit and loss account	16	<u>(13,306)</u>	<u>(10,188)</u>
Equity attributable to owners of the company		<u>16,906</u>	<u>20,093</u>
Total equity		<u>16,906</u>	<u>20,093</u>

Approved by the Board on 25 September 2020 and signed on its behalf by:



.....
C J N Roux
Director

AXA Global Healthcare (UK) Limited

**(Registration number: 03039521)
Balance Sheet as at 31 December 2019**

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Investments	10	13,950	13,300
Current assets			
Debtors	11	6,073	2,740
Cash at bank and in hand	12	<u>15,949</u>	<u>5,077</u>
		22,022	7,817
Creditors: Amounts falling due within one year	13	<u>(18,654)</u>	<u>(338)</u>
Net current assets		<u>3,368</u>	<u>7,479</u>
Net assets		<u>17,318</u>	<u>20,779</u>
Capital and reserves			
Called up share capital	15	30,170	30,170
Capital contribution reserve	16	180	180
Profit and loss account	16	<u>(13,032)</u>	<u>(9,571)</u>
Total equity		<u>17,318</u>	<u>20,779</u>

The notes on pages 21 to 35 form an integral part of these financial statements.

AXA Global Healthcare (UK) Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £ 000	Capital contribution £ 000	Foreign currency translation £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019	30,170	180	(69)	(10,188)	20,093
Loss for the year	-	-	-	(3,118)	(3,118)
Other comprehensive income	-	-	(69)	-	(69)
Total comprehensive income	-	-	(69)	(3,118)	(3,187)
At 31 December 2019	30,170	180	(138)	(13,306)	16,906

	Share capital £ 000	Capital contribution £ 000	Foreign currency translation £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	25,171	175	(68)	(7,703)	17,575
Loss for the year	-	-	-	(2,485)	(2,485)
Other comprehensive income	-	-	(1)	-	(1)
Total comprehensive income	-	-	(1)	(2,485)	(2,486)
New share capital subscribed	4,999	-	-	-	4,999
Other share capital movements	-	5	-	-	5
At 31 December 2018	30,170	180	(69)	(10,188)	20,093

The notes on pages 21 to 35 form an integral part of these financial statements.

AXA Global Healthcare (UK) Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £ 000	Capital contribution £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019	30,170	180	(9,571)	20,779
Loss for the year	-	-	(3,461)	(3,461)
Total comprehensive income	-	-	(3,461)	(3,461)
At 31 December 2019	<u>30,170</u>	<u>180</u>	<u>(13,032)</u>	<u>17,318</u>
	Share capital £ 000	Capital Contribution £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	25,171	175	(7,131)	18,215
Loss for the year	-	-	(2,440)	(2,440)
Total comprehensive income	-	-	(2,440)	(2,440)
New share capital subscribed	4,999	-	-	4,999
Other share capital movements	-	5	-	5
At 31 December 2018	<u>30,170</u>	<u>180</u>	<u>(9,571)</u>	<u>20,779</u>

The notes on pages 21 to 35 form an integral part of these financial statements.
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AXA Global Healthcare (UK) Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Cash flows from operating activities			
Loss for the year		(3,118)	(2,485)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation		584	584
Income tax expense/(credit)	8	815	(343)
Foreign currency translation losses		(69)	(1)
		<u>(1,788)</u>	<u>(2,245)</u>
Working capital adjustments			
Increase in debtors	11	(5,397)	(676)
Increase/(decrease) in creditors	13	20,118	(980)
Cash generated from operations		12,933	(3,901)
Income taxes (paid)/received	8	(91)	1,605
Net cash flow from operating activities		<u>12,842</u>	<u>(2,296)</u>
Cash flows from financing activities			
Proceeds from issue of ordinary shares, net of issue costs		-	4,999
Proceeds from capital contribution		-	5
Net cash flows from financing activities		<u>-</u>	<u>5,004</u>
Net increase in cash and cash equivalents		12,842	2,708
Cash and cash equivalents at 1 January		<u>7,409</u>	<u>4,701</u>
Cash and cash equivalents at 31 December	12	<u>20,251</u>	<u>7,409</u>

The notes on pages 21 to 35 form an integral part of these financial statements.

AXA Global Healthcare (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

AXA Global Healthcare (UK) Limited ("Company") and its subsidiaries together form the AXA Global Healthcare (UK) Group ("Group"). The Company is a private limited company limited by shares under the Companies Act 2006, which is incorporated and domiciled in the United Kingdom ("UK").

The address of its registered office is:
5 Old Broad Street
London
EC2N 1AD

These financial statements were authorised for issue by the Board on 25 September 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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 years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Detailed budgets, plans and forecasts have been prepared and reviewed setting out the continued financial position of the Group for the next 12 months and a strategic plan to 2023. The directors consider that the financial impact of the COVID-19 virus on the UK economy and the Company is not currently estimable with any degree of certainty. In considering the potential impact on the Group, the directors have prepared various financial projections which incorporate the impact on trading, unemployment levels, financial markets and GDP, covering short, medium and longer-term time scales. The directors believe that the Group is well placed to manage its business risks despite the current uncertain economic outlook, and the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report.

Prior year balances relating to accruals have been restated, due to a subsequent assessment determining that the original accrual had been overstated. The restatement has meant the 2018 reserves and accruals have been adjusted by £499k.

Judgements

Deferred tax (note 8) - A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Significant management judgement is applied to determine the deferred tax asset that can be recognised and is based on the probability of future taxable profits.

AXA Global Healthcare (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, and the Company has taken advantage of the following exemptions in its individual financial statements:

- (i) from preparing a statement of cashflows, on the basis it is a qualifying entity and the consolidated statement of cashflows, included in these financial statements, includes the Company's cashflows;
- (ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b), and 12.29A provided disclosures equivalent to those required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated;
- (iii) from disclosing share based payment arrangements, required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23, concerning its own equity instruments. The Company financial statements are presented with the consolidated financial statements and the relevant disclosures are included therein;
- (iv) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2019.

No Profit and Loss Account is presented for the Company as permitted by section 408 of the Companies Act 2006. The Company made a loss after tax for the financial year of £3,460,745 (2018- loss of £2,439,800).

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

AXA Global Healthcare (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Revenue recognition

Turnover represents commissions receivable by the Group in respect of medical policies sold during the year and renewal commissions on policies sold in prior periods.

Income relating to insurance broking is brought into account at the earlier of the policy inception date or when the policy placement has been completed and confirmed and is recognised.

Foreign currency transactions and balances

The functional and presentation currency of the Group and Company is pound sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within profit or loss.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of non-monetary assets and liabilities denominated in foreign currencies are recognised in other comprehensive income for those items where the gain is required to be recognised within other comprehensive income, and in the profit and loss account where the gain is required to be recognised within profit or loss.

Tax

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

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

AXA Global Healthcare (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination than, at the time of the transaction, affect neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which is considered to be 20 years.

Investments

Investments in group undertakings are stated at cost, unless their value has been impaired, in which case they are valued at their recoverable amount, being the greater of fair value less costs of disposal and value in use. The investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The reviews use discounted cash flow projections under different scenarios.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

AXA Global Healthcare (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Defined benefit pension obligation

Staff engaged in the Company's activities are members of the AXA UK Pension Scheme ("the Scheme"). The Scheme supports a number of companies in the AXA UK Group, through both defined benefit and defined contribution schemes. The defined benefit schemes share risks between the companies in the AXA UK Group and are not facilitated by a contractual agreement or stated policy to charge the individual companies the net defined benefit cost. As the outcome of various restructuring activities and movement of staff between companies in the AXA UK Group, it is not feasible to allocate the defined benefit scheme assets and liabilities to individual participating companies. Consequently, the Company recognises its contribution payable for the period as permitted by FRS 102 section 28 'Employee benefits (revised 2015)' for defined benefit plans that share risks between companies under common control.

The charge for pension costs principally represents the costs of providing pension benefits to the Company's staff in respect of their service during the year.

Management of Financial Risk

The Group is exposed to financial risk through its business operations affecting the financial assets and liabilities. The most important components of this risk given the nature of the Group's operations as an insurance intermediary are credit, liquidity and cash flow risks.

The Company forms part of the AXA Group which has an established risk management framework on how each risk profile is identified, measured, monitored and controlled through Risk Committees advising the individual business units.

A dedicated risk management function supports the individual business units by ensuring that a full understanding and control of risks is incorporated into management decision making and procedures.

The risk policies are documented in adherence to the AXA Group Standards issued by AXA Group Risk Management ("GRM").

The notes that follow address the individual components of financial risk.

Credit risk

Credit risk can be defined as the risk of capital or income loss resulting from counterparty default.

Items which generate credit risk generally arise as a by-product of the Company's insurance intermediary operations and other operational debts. Exposure is controlled via different processes including the active monitoring of debt.

Liquidity and cash flow risk

Liquidity and cash flow risk is defined as the risk that the Company may not have sufficient available cash (or near cash assets or funding facilities) to pay obligations when they fall due at reasonable cost.

A robust working capital management environment is encouraged by ensuring there are appropriate funding arrangements from the parent group and overdraft facilities, backed up by shorter-term, regular cash flow forecasting.

AXA Global Healthcare (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

3 Turnover

The analysis of the group's turnover for the year from continuing operations is as follows:

	2019	2018
	£ 000	£ 000
Other revenue	42,308	40,440

The analysis of the group's turnover for the year by market is as follows:

	2019	2018
	£ 000	£ 000
UK	31,075	33,919
Europe	2,799	-
Rest of world	8,434	6,521
	42,308	40,440

4 Interest payable and similar charges

	2019	2018
	£ 000	£ 000
Foreign exchange gains	(106)	(24)

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019	2018
	£ 000	£ 000
Wages and salaries	4,235	3,009
Social security costs	309	257
Pension costs, defined contribution scheme	245	206
	4,789	3,472

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2019	2018
	No.	No.
Production	30	24
Administration and support	190	169
Sales, marketing and distribution	80	72
Other departments	46	35
	346	300

AXA Global Healthcare (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

6 Directors' remuneration

The directors are employed and paid by companies in the AXA Group and their directorships are held as part of that employment. The emoluments of certain directors disclosed below are in respect of qualifying services to the AXA Group as a whole.

The directors' remuneration for the year was as follows:

	2019	2018
	£ 000	£ 000
Remuneration	799	781
Directors' amount under long term incentive schemes in respect of qualifying services	77	-
Contributions paid to pension schemes	18	50
	894	831

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2019	2018
	No.	No.
Exercised share options	-	2
Accruing benefits under money purchase pension scheme	2	4
	2	6

In respect of the highest paid director:

	2019	2018
	£ 000	£ 000
Remuneration	394	375
Benefits under long-term incentive schemes (excluding shares)	78	-
Company contributions to money purchase pension schemes	-	8
	394	383

7 Auditor's remuneration

	2019	2018
	£ 000	£ 000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	29	24
	29	24

AXA Global Healthcare (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

8 Taxation

Tax charged/(credited) in the profit and loss account

	2019 £ 000	2018 £ 000
Current taxation		
UK corporation tax	(269)	(500)
UK corporation tax adjustment to prior periods	<u>(4)</u>	<u>58</u>
	<u>(273)</u>	<u>(442)</u>
Deferred taxation		
Arising from origination and reversal of timing differences	9	148
Arising from changes in tax rates and laws	(1)	-
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>1,080</u>	<u>(49)</u>
Total deferred taxation	<u>1,088</u>	<u>99</u>
Tax charge/(credit) in the Profit and Loss Account	<u><u>815</u></u>	<u><u>(343)</u></u>

The tax on the loss before tax for the year differs from (2018 - differs from) the standard rate of corporation tax in the UK of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Loss before tax	<u>(2,303)</u>	<u>(2,828)</u>
Corporation tax at standard rate	(437)	(537)
Effect of revenues exempt from taxation	-	45
Effect of expense not deductible in determining taxable profit (tax loss)	241	114
Effect of tax losses	(36)	43
Effect of foreign tax rates	(32)	(16)
Increase from tax losses for which no deferred tax asset was recognised	1,083	-
(Decrease)/increase in UK and foreign current tax from adjustment for prior periods	<u>(4)</u>	<u>8</u>
Total tax charge/(credit)	<u><u>815</u></u>	<u><u>(343)</u></u>

AXA Global Healthcare (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

8 Taxation (continued)

The tax rate for the current year remains at 19%.

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates.

It was announced in the budget on 11 March 2020 that the above noted corporation tax rate reduction will be repealed. The budget announcement was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date continue to be measured at the enacted rate at the end of the reporting period of 17%. No impact is reflected in the tax charge for the year.

There is no expiry date on timing differences, unused tax losses or tax credits.

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £ 000
2019	
Accelerated capital allowances	43
Tax losses available	532
Other timing differences	3
	579
2018	
Accelerated capital allowances	52
Tax losses available	1,612
Other timing differences	3
	1,668

At the balance sheet date, the consolidated group has unused tax losses of £10,320,598 (2018: £10,509,070) available for offset against future profits. A deferred tax asset has been recognised in respect of £3,131,510 (2018: £9,483,719) of such losses. No deferred tax asset has been recognised in respect of the remaining £7,189,088 (2018: £1,025,351) as it is not considered probable that there will be future taxable profits available. The unrecognised tax losses may be carried forward indefinitely.

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £36,411 (2018 - £295,150).

AXA Global Healthcare (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

8 Taxation (continued)

Company

Deferred tax assets and liabilities

	Asset £ 000
--	------------------------

2019

Accelerated capital allowances

35

2018

Accelerated capital allowances

**Asset
£ 000**

43

9 Intangible assets

Group

**Goodwill
£ 000**

Cost or valuation

At 1 January 2019

11,680

At 31 December 2019

11,680

At 1 January 2019

1,168

Amortisation charge

584

At 31 December 2019

1,752

Carrying amount

At 31 December 2019

9,928

At 31 December 2018

10,512

AXA Global Healthcare (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

10 Investments

Company

	2019 £ 000	2018 £ 000
Investments in subsidiaries	13,950	13,300
Subsidiaries		£ 000
Cost or valuation		
At 1 January 2019		13,300
Additions		2,550
Impairment		(1,900)
At 31 December 2019		13,950
Carrying amount		
At 31 December 2019		13,950
At 31 December 2018		13,300

Additions

The investment in AGH Singapore is made up of a £12,000,000 cost for 100% of the issued share capital of AXA Global Healthcare (Singapore) PTE Limited and separate capital contribution totalling £1,950,000 to the same entity. Included within the capital contribution total is £650,000 relating to capital contributions made in the year.

During the year a capital contribution of £1,900,000 was provided to AGH Hong Kong.

Impairment

An impairment review of the investment in AGH Hong Kong was conducted using cash flow projections based upon business plans approved by management, with a risk adjusted discount rate of 10%. Cash flows from the end of the plan period were extrapolated using a steady 2.5% growth rate and terminal value. The six year projection exceeded the standard projection period of 5 years. This slightly extended period better reflected the management plans designed to grow the business. The result of the assessment has shown that there is sufficient uncertainty over the recoverability of the asset to require an impairment of the carrying value.

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

AXA Global Healthcare (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

10 Investments (continued)

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
AXA Global Healthcare (Hong Kong) Limited	10/F, Vertical Square, 28 Heung Yip Road, Wong Chuk Hang, Hong Kong	Ordinary shares	100%	100%
AXA Global Healthcare (Singapore) PTE Limited	8 Shenton Way, #27-03, AXA Tower, 068811, Singapore	Ordinary shares	100%	100%
AXA Global Healthcare (EU) Limited	Wolfe Tone House, Wolfe Tone Street, Dublin 1 Ireland	Ordinary shares	100%	100%

On 18 July 2018 the Company registered the subsidiary AXA Global Healthcare (EU) Limited.

11 Debtors

	Note	Group		Company	
		2019 £ 000	2018 £ 000	2019 £ 000	2018 £ 000
Trade debtors		4,271	121	4,271	121
Amounts owed by related parties		-	-	421	1,670
Other debtors		5,718	4,173	171	149
Prepayments		97	395	-	-
Deferred tax assets	8	580	1,668	35	43
Income tax asset	8	1,121	757	1,175	757
		<u>11,787</u>	<u>7,114</u>	<u>6,073</u>	<u>2,740</u>
		<u>11,787</u>	<u>7,114</u>	<u>6,073</u>	<u>2,740</u>

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

12 Cash and cash equivalents

	Group		Company	
	2019 £ 000	2018 £ 000	2019 £ 000	2018 £ 000
Cash at bank	<u>20,251</u>	<u>7,409</u>	<u>15,949</u>	<u>5,077</u>

13 Creditors

AXA Global Healthcare (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

13 Creditors (continued)

	Note	Group		Company	
		2019 £ 000	2018 £ 000	2019 £ 000	2018 £ 000
Due within one year					
Trade creditors		18,573	279	18,295	279
Amounts due to related parties		359	60	359	60
Social security and other taxes		-	(8)	-	-
Other payables		4,184	3,038	-	(1)
Accruals		1,944	1,573	-	-
		<u>25,060</u>	<u>4,942</u>	<u>18,654</u>	<u>338</u>

Amounts due to related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14 Pension and other schemes

Some of the staff engaged in the Company's activities are members of the AXA UK Pension Scheme which embraces a number of companies in the AXA UK Group. On 31 August 2013 the AXA UK Pension Scheme closed to future accrual and all remaining active members moved to deferred status.

The Scheme has both defined benefit and defined contribution sections but the Company is unable to accurately identify its share of the underlying assets and liabilities of the defined benefit section. There is no contractual agreement or stated policy for charging the net defined benefit cost to the Company, as such the Company has recognised within the financial statements a cost equal to its contribution for the period.

The disclosures required by section 28 regarding information about the AXA UK Pension Scheme, can be found in the AXA UK plc financial statements.

15 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>30,171</u>	<u>30,171</u>	<u>30,171</u>	<u>30,171</u>

AXA Global Healthcare (UK) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

16 Reserves

Group

Capital contribution

Capital contribution represents amounts received from parent undertakings.

Other reserves

The foreign currency translation reserve represents the cumulative foreign exchange gains/losses taken through the statement of comprehensive income.

Profit and loss account

The profit and loss account represents the cumulative profits and losses of the Group.

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

	Foreign currency translation £ 000	Total £ 000
Foreign currency translation gains/(losses)	<u>(69)</u>	<u>(69)</u>

The changes to each component of equity resulting from items of other comprehensive income for the prior year were as follows:

	Foreign currency translation £ 000	Total £ 000
Foreign currency translation gains/(losses)	<u>(1)</u>	<u>(1)</u>

17 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2019 £ 000	2018 £ 000
Not later than one year	138	169
Later than one year and not later than five years	<u>96</u>	<u>226</u>
	<u>234</u>	<u>395</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £174,566 (2018 - £133,161).

The Group subsidiary AGH Singapore leases staff accommodation under non-cancellable operating lease arrangements. The leases have varying terms, escalation clauses and renewal rights. The lease of office space at AXA Tower are allocated to the AGH Singapore under an area allocation agreement with AXA Insurance Pte Limited.

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Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

18 Parent and ultimate parent undertaking

The Company's immediate parent is AXA SA, incorporated in France.

The most senior parent entity producing publicly available financial statements is AXA SA. These financial statements are available upon request from 25, avenue Matignon, 75008 Paris, France.

19 Non-adjusting events after the financial period

During December 2019, a number of cases of pneumonia associated with the Coronavirus, now called COVID-19 by the World Health Organization ("WHO"), were reported in the People's Republic of China. In the early part of 2020 this virus subsequently spread to many other countries, and it is currently not possible to know or to predict the extent to which the current levels of reported cases reflect the actual transmission of the virus within populations, and accordingly the scale of the pandemic may be significantly larger than is presently recorded.

Authorities in many countries, including the UK, have taken stringent measures (including travel restrictions, home quarantine, lockdowns, and school closures) to contain the pace and scale of its spread. This has led to significant disruptions in the global travel and hospitality industries, and in global trade and supply chains more broadly; has resulted in decreased economic activity and lowered estimates for future economic growth; has created severe strains on local, national and supra-national medical and healthcare systems and institutions; and has caused global financial markets to experience significant volatility and the worst downturn since the 2008 crisis.

The Company and the companies in which it has a holding, are in the process of establishing and implementing plans to address how they will manage the effects of the outbreak and assess disruptions and other risks to its operations. These include the protection of employees, sustaining services to customers and other stakeholders and ensuring effective processes are in place to communicate and execute such plans.

The directors are closely monitoring the Company's exposures to the COVID-19 outbreak, including (i) the operational impact on its business, (ii) the consequences from a deterioration in macroeconomic conditions and a slowdown in the flow of people, goods and services, and (iii) the financial condition of its holdings in AXA entities.