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XL Gracechurch Limited
Annual Report and Financial Statements
Year ended
31 December 2019

Registered No: 04726085

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XL Gracechurch Limited
Registered No: 04726085

Directors and other information

Directors

Christopher J. Read
Clynton J. Luttig
Mark R. Cummings

Company Secretary

Marie L. Rees

Registered Office

20 Gracechurch Street
London EC3V 0BG

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Strategic report for the year ended 31 December 2019

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

Principal activities

XL Gracechurch Limited ("the Company") was incorporated on 7 April 2003. It was set up to enter into the sale and lease back transaction of XL House, London, affected through the sale of Gracechurch Property Limited to an unrelated third party. The Company also carries out the activities of a holding company.

Business review

During the year the Company increased its investment in its subsidiary XL Insurance (UK) Holdings Limited by £1,540,422,571 (2018: £99,050,397). Additional capital contributions for £1,540,422,571 (2018: £99,050,396) were received from the immediate parent XL Bermuda Ltd.

The Directors have made an impairment analysis and found that the carrying value of the Company's investments in its wholly owned subsidiary XL Insurance (UK) Holdings Limited is supported by adequate underlying net assets. Consequently, for the reporting year no impairment is recorded (2018: £89,583,200) in the income statement of the Company.

There was no other major activity in the year (2018: nil).

The Company acted in its capacity as a holding company.

The results of the Company for the year as set out on page 8 show a loss on ordinary activities before taxation of £8,127 (2018: £89,707,711).

Total equity of the Company as set out on pages 9 and 10 amount to £2,300,374,434 (2018: £759,958,454).

Principal risks and uncertainties

Principal risks and uncertainties have been considered within financial risk management in the Directors' Report.

Key performance indicators ("KPIs")

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

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 XL Gracechurch 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.

(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 if its sister companies.

Strategic report for the year ended 31 December 2019 (Continued)

Statements by the directors on their performance of their statutory duties in accordance with section 172(1) of the companies act 2006 (Continued)

(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

Directors' report for the financial year ended 31 December 2019

The Directors present their annual report and audited financial statements of the Company for the financial year ended 31 December 2019.

Future developments

The Company intends to continue with its activities as described in the Strategic report during the coming year.

Results and dividends

The results of the Company for the year as set out on page 8 show a loss on ordinary activities before taxation of £8,127 (2018: £89,707,711).

Total equity of the Company as set out on pages 9 and 10 amount to £2,300,374,434 (2018: £759,958,454).

No interim dividend was paid and the Directors do not propose to pay a final dividend (2018: *Nil*).

Financial risk management

The Directors have considered all financial risks of the Company. The Directors do not believe that there are any significant interest rate, cash flow, liquidity, credit or price risks and believe that adequate funds are available to meet all future liabilities.

Currency 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.

Directors and their interests

Company directors who hold office at the date of this report are listed on page 1. Set out below are the 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:

Christopher J. Read	Appointed	18 May 2020
Mark R. Cummings	Appointed	5 December 2019
Juliet Phillips	Resigned	9 December 2019

None of the Directors, according to the register of Directors' interests, has any interest in the shares of the Company.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

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.

Directors' report for the year ended 31 December 2019 (continued)

Statement of directors' responsibilities in respect of the financial statements

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 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 of the profit or loss of the company for that period. In preparing the 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 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.

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.

Statement of disclosure of information to auditors

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

- so far as each of them 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
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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



Clynton J. Luttig
Director
17 September 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF XL GRACECHURCH LIMITED
Report on the audit of the financial statements

Opinion

In our opinion, XL Gracechurch 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 loss 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 and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the statement of comprehensive income, 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 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF XL GRACECHURCH 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 the 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. 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 members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

		2019	2018
	Note	£	£
Impairment on investment in subsidiaries	4	—	(89,583,200)
Administrative expenses		(9,209)	(124,910)
Operating loss	2	<u>(9,209)</u>	<u>(89,708,110)</u>
Interest receivable and similar income		1,082	399
Loss on ordinary activities before taxation		<u>(8,127)</u>	<u>(89,707,711)</u>
Tax credit on loss on ordinary activities	3	1,536	23,657
Loss for the financial year		<u>(6,591)</u>	<u>(89,684,054)</u>
Total comprehensive loss		<u>(6,591)</u>	<u>(89,684,054)</u>

The loss on ordinary activities before taxation arose solely from continuing activities.

The notes on pages 11 to 16 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019

	Called up share capital £	Capital contribution reserve £	Accumulated Losses £	Total Equity £
As at 1 January 2019	32,300,002	1,085,094,826	(357,436,374)	759,958,454
Total comprehensive loss	—	—	(6,591)	(6,591)
Contribution received from parent	—	1,540,422,571	—	1,540,422,571
As at 31 December 2019	<u>32,300,002</u>	<u>2,625,517,397</u>	<u>(357,442,965)</u>	<u>2,300,374,434</u>

	Called up share capital £	Capital contribution reserve £	Accumulated Losses £	Total Equity £
As at 1 January 2018	32,300,002	986,044,430	(267,752,320)	750,592,112
Total comprehensive loss	—	—	(89,684,054)	(89,684,054)
Contribution received from parent	—	99,050,396	—	99,050,396
As at 31 December 2018	<u>32,300,002</u>	<u>1,085,094,826</u>	<u>(357,436,374)</u>	<u>759,958,454</u>

The notes on pages 11 to 16 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Investments - Shares in group undertakings	4	2,300,271,056	759,848,485
Current assets			
Debtors	5	25,201	121,527
Cash at bank and in hand		267,935	13,751
		<u>293,136</u>	<u>135,278</u>
Creditors - amounts falling due within one year	6	<u>(189,758)</u>	<u>(25,309)</u>
Net current assets		<u>103,378</u>	<u>109,969</u>
Total assets less current liabilities		2,300,374,434	759,958,454
Net assets		<u>2,300,374,434</u>	<u>759,958,454</u>
Capital and reserves			
Called up share capital	8	32,300,002	32,300,002
Capital contribution reserve		2,625,517,397	1,085,094,826
Accumulated losses		<u>(357,442,965)</u>	<u>(357,436,374)</u>
Total Equity		<u>2,300,374,434</u>	<u>759,958,454</u>

These financial statements on pages 8 to 16 were approved by the Board of Directors and signed on its behalf by:



Clynton J. Luttig
Director
17 September 2020

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2019

1. Accounting Policies

Basis of presentation

The Company is a private company limited by shares and incorporated in England and Wales. The Company's financial statements have been prepared on the going concern basis under the historical cost convention. The Financial Statements of the Company for the year ended 31 December 2019 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued by the Financial Reporting Council and the Companies Act 2006. The accounting policies have been applied consistently.

The principal accounting policies are set out below:

Exemption from preparing group consolidated Financial Statements

The Company has availed itself of the exemption under Section 401 of the Companies Act 2006 from preparing group accounts on the grounds that it is a wholly-owned subsidiary of its ultimate parent company AXA SA (registered in France) which prepares group consolidated statements. The consolidated statements of AXA SA, within which the Company and all of its underlying subsidiaries are included, can be obtained from the address given in note 9. These financial statements present information about the Company as an individual undertaking and not about its group.

Exemption from preparing cash flow statement

The Company availed itself of the exemption under FRS 102 from preparing a cash flow statement on grounds that it is a wholly-owned subsidiary whose ultimate parent company is AXA SA (registered in France) which prepares group consolidated financial statements which are publicly available and include a group consolidated cash flow statement. Accordingly, no cash flow statement is presented.

Exemption from disclosing related party transactions

As the Company is a wholly-owned subsidiary whose ultimate parent company is AXA SA (registered in France), the Company has taken advantage of the exemptions contained in Financial Reporting Standard 102 ("FRS 102") Section 32 "Related Party Disclosures" from disclosing related party transactions with entities which form part of the AXA SA group (FRS 102 section 33.1A) and key management personnel compensation (FRS 102 section 1.12 (e)).

Investments in group undertakings

Investments in group undertakings are stated at cost less impairment. The cost includes transaction costs that are directly attributable to the acquisition of the investment. Annual impairment reviews are carried out if events or changes indicate that the carrying amount of the fixed asset investment is impaired.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Taxation

Taxation expense for the period shows the current tax recognized in the reporting period. Tax is recognized in the profit and loss account. Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2019

1. Accounting Policies (continued)

Interest Payable and Interest Receivable

Interest payable and receivable is recognised on an accruals basis

Foreign currency

The functional currency of the Company is UK Pounds sterling.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement for the period.

Capital Contribution

The Capital Contribution Reserve is held in respect of amounts provided by the immediate parent company, XL Bermuda Limited, as capital to the Company. Contributions are made without the requirement for consideration by the Company, without condition, and not in return for any right, shares or change over the assets or surplus of the Company. The amounts can be utilised for the Company's corporate purposes at the sole discretion of the Directors.

2. Operating Loss

Operating loss is stated after charging:

	2019	2018
	£	
Services provided by the company's auditors - Fees payable for the audit	5,488	12,000

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2019

3. Taxation on Profit/(Loss) on Ordinary Activities

	2019 £	2018 £
(a) Tax expense included in Statement of Comprehensive Income		
Current tax (see note below)		
UK corporation tax charge/(credit) on loss for the year	(1,544)	(23,657)
Adjustments in respect of prior years	8	—
Total current tax	<u>(1,536)</u>	<u>(23,657)</u>
Tax on loss on ordinary activities	<u>(1,536)</u>	<u>(23,657)</u>

(b) Reconciliation of tax charge

The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK for the year ended 31 December 2019 of 19% (2018: 19%). The differences are explained below:

Loss on ordinary activities before taxation	(8,127)	(89,707,711)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	(1,544)	(17,044,465)
Effects of:		
Write down of investment not deductible	—	17,020,808
Adjustments in respect of prior periods	8	—
Tax credit for the year(see note above)	<u>(1,536)</u>	<u>(23,657)</u>

(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%.

4. Investment - Shares in group undertakings

(i) Cost or Valuation

	£
70,000,000 (2018: 70,000,000) £1 Ordinary Shares in XL Insurance (UK) Holdings Limited	708,476,482
51,372,003 (2018: 51,372,003) £1 Preference Shares in XL Insurance (UK) Holdings Limited	51,372,003
Total investments at 1 January 2019	759,848,485
Additional Investments in 2019	1,540,422,571
Total investments at 31 December 2019	<u>2,300,271,056</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2019

Investment - Shares in group undertakings (continued)

(ii) Details of additional investments in 2019

Sl. No.	Investment made to subsidiaries	Date of transaction	Purpose	Form of Contribution	Amount £
1	XL Insurance (UK) Holdings Ltd	12 Jun 2019	Additional capital injection for XLCSSSE	Cash	15,865,461
2	XL Insurance (UK) Holdings Ltd	26 Sep 2019	Additional capital injection for XLCSSSE	Cash	54,436,891
3	XL Insurance (UK) Holdings Ltd	30 Sep 2019	AXA XL division restructure-acquisition for AXA Matrix	Cash	6,218,422
4	XL Insurance (UK) Holdings Ltd	28 Jun 2019	Additional capital injection for XLICSE	Cash	53,813,018
5	XL Insurance (UK) Holdings Ltd	29 Mar 2019	Additional capital injection for XLICSE	Assets transfer	25,806,946
6	XL Insurance (UK) Holdings Ltd	30 Sep 2019	AXA XL division restructure-acquisition XLICSE	Assets transfer	1,101,452,582
7	XL Insurance (UK) Holdings Ltd	20 Dec 2019	AXA XL division restructure-acquisition of AXA Art in 2020	Cash	282,829,251
Total investments made in 2019					1,540,422,571

During the year the Company made contributions of £1,540,422,571 to the equity capital of XL Insurance (UK) Holdings Limited (2018: £99,050,396). An impairment test revealed that the carrying value of the Company's investment in its wholly owned subsidiary - XL Insurance (UK) Holdings Ltd is supported by adequate net assets. Hence, no impairment charge is recognised in the income statement of the Company for the year (2018: £89,583,200).

(iii) Details of the Company's subsidiaries:

	Country of registration of incorporation	Shares held class	% Held
XL Insurance (UK) Holdings Limited	England and Wales	Ordinary	100%
		Preference	100%

5. Debtors

	2019 £	2018 £
Amounts owed by Group undertakings	—	55,927
Corporation tax group relief receivable from group entities	25,201	65,600
	<u>25,201</u>	<u>121,527</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2019

6. Creditors - amounts falling due within one year

	2019	2018
	£	£
Amounts owed to group undertakings	(172,270)	(30)
Accruals and deferred income	(17,488)	(25,279)
	<u>(189,758)</u>	<u>(25,309)</u>

7. Employees

The Company has no employees (2018: nil). The Directors' emoluments during the year were £nil (2018: £nil).

8. Share capital and Capital Contributions

(i) Share Capital

	2019	2018
	£	£
Allotted, called up and fully paid		
32,300,002 (2018: 32,300,002) Ordinary shares of £1 each	32,300,002	32,300,002

(ii) Capital Contributions

Sl. No.	Capital Contribution received from	Date of transaction	Purpose	Form of Contribution	Amount £
1	XL Bermuda Ltd	20 Dec 2019	AXA XL division restructure-acquisition of AXA Art in 2020	Cash	282,829,251
2	XL Bermuda Ltd	28 Jun 2019	Additional capital injection for further investment in XLICSE	Cash	53,813,018
3	XL Bermuda Ltd	6 Nov 2019	AXA XL division restructure-acquisition of AXA Matrix	Cash	6,218,422
4	XL Bermuda Ltd	12 Jun 2019	Additional capital injection for further investment in XLCSSSE	Cash	15,865,461
5	XL Bermuda Ltd	26 Sep 2019	Additional capital injection for further investment in XLCSSSE	Cash	54,436,891
6	XL Bermuda Ltd	29 Mar 2019	AXA XL division restructure-acquisition	Assets transfer	25,806,946
7	XL Bermuda Ltd	30 Sep 2019	AXA XL division restructure-acquisition of AXA CS	Assets transfer	1,101,452,582
	Total capital contributions received in 2019				<u><u>1,540,422,571</u></u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2019

9. Ultimate parent undertaking

The Company's immediate parent company is XL Bermuda Ltd incorporated in Bermuda.

The Company's ultimate parent undertaking and controlling party is AXA SA, a company incorporated in France. AXA SA is the parent company of the smallest and largest group for which group financial statements are prepared and of which the Company is a member. Copies of the audited financial statements of both parent undertakings may be obtained from the Company Secretary, 20 Gracechurch Street, London, EC3V 0BG.

10 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.