

**iptiQ Holdings Limited**  
**Annual report and financial statements 2019**

Company Registration Number 09051056

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## **Directors and officers**

### **Board of Directors**

**Carl Christensen**

**Mike Melsom**

**Rejean Besner**

**Pedro Constan Cebrian (appointed on 27 February 2020)**

**Thierry Léger (resigned 27 February 2020)**

**Ian Patrick (resigned 4 March 2019)**

### **Company Secretary**

**Nadin Schwibs (appointed on 17 May 2019)**

**Paul Shakespeare (resigned 17 May 2019)**

### **Registered office**

**30, St Mary Axe**

**London**

**United Kingdom**

**EC3A 8EP**

### **Company registration number**

**09051056**

## Strategic Report for the year ended 31 December 2019

The directors present their strategic report together with the audited financial statements of iptiQ Holdings Limited (the Company) for the year ended 31 December 2019.

### Principal activities

The principal activity of the Company in its role as an intermediate holding company within the Life Capital business unit of Swiss Re Group is to support the set-up and growth of the iptiQ EMEA L&H business. Additionally the Company holds and manages strategic investments in relation to iptiQ EMEA L&H.

The Company is a fully owned subsidiary of the Swiss Re Group with access to all central resources it needs to determine policies in all key areas such as finance and risk.

### Financial Performance

The Company's financial performance is presented on page 9. The financial performance is linked to the performance of investments and turnover from the provision of services to iptiQ Life S.A.. The Company's turnover is anticipated to increase in future years with growth in business volumes in iptiQ Life S.A. The Swiss Re group supports the growth and development of the company for the foreseeable future via capital injections if required. Management monitor the performance of the company by conducting periodic reviews of profit and income.

The directors consider the key performance indicators of the Company to be the net assets and profits of the company, the profit for the financial year was £1.7 m (2018: loss £12.0 m). The net assets of the company at 31 December 2019 are £ 164.6 m (2018: £126.8 m) the result is broadly consistent with expectations.

### Financial Risks

The Company seeks to minimise its exposure to financial risks. Management focuses on both the overall balance sheet structure and the control of risks arising from credit, liquidity, operational and foreign exchange.

### Principal risks and uncertainties

#### Operational risk

Operational risk is the risk of unexpected losses attributable to human error, systems failures, fraud or inadequate internal financial controls and procedures. The Company manages these risks in line with Swiss Re Group policies, through systems and procedures to monitor transactions and periodic review by internal audit.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company policies are aimed at minimising such losses. Management focuses on overall balance sheet review of key credit risks and participates in governing committees for key investments.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Company policies are aimed at minimising such losses.

#### Covid-19

The rapid spread of the coronavirus, which has been declared a pandemic, and the actions being taken to contain it on an increasingly global basis have led to significant volatility in the financial markets and are having an adverse impact on global business and economic activity. There is an increasing likelihood that the coronavirus and containment efforts could have adverse effects on the global economy and could possibly lead to a global recession. Swiss Re Group is closely monitoring developments and the potential impact of the spread of infection and global responses on, for example, asset prices and insurance exposures, as well as on its operations.

The Company Directors and Management continue to monitor and assess the impact of COVID-19 on the Company and its operations. The Company is reliant on the liquidity of affiliated Swiss Re group companies and their ability to settle intragroup positions related to service recharges. Swiss Re Group has in place a range of liquidity policies and measures to manage liquidity risk and ensure that sufficient liquidity is held to meet funding requirements. The Directors assess that, at the date of approving these financial statements, there are no known material adverse risks affecting the Company.

#### Brexit

The UK left the EU on 31st January 2020 and remains in the EU Single Market and Customs Union until 31st December 2020. The nature of the future trading relationship between the UK and EU remains unclear. The iptiQ Life S.A. company is engaging with the relevant UK regulators to ensure that current operations are able to continue with minimum disruption under any future relationship between the UK and EU.

As part of its Brexit contingency planning, iptiQ Life S.A. will be able to continue to operate in the UK post-Brexit under the UK temporary permissions regime (allowing three years post-Brexit operation for EEA authorized firms in the absence of a deal) or during any agreed implementation period (if the withdrawal agreement is ratified). Depending on the development in the political and regulatory landscape, an appropriate structure will be in place to ensure continuity of its business operations.

## Strategic Report for the year ended 31 December 2019 (Continued)

Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The Board of Directors of iptiQ Holdings Limited consider, both individually and together, any decisions taken during the year have considered the stakeholders of the Company and matters set out in s172(1) (a) to (f) of the Companies Act 2006, which states:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefits of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers and others
- The impact of the Company's operations on the community and environment
- The desirability of the Company maintaining a reputation for high standards of business conduct
- The need to act fairly between shareholders of the Company

The Directors consider the key stakeholders of the Company to be its shareholder and Swiss Re group companies it provides services to. Consideration for stakeholders has been taken into account when making significant decisions including the long term impact of any decisions on the Company and its stakeholders. The Company has only one shareholder, the immediate parent company Swiss Re Life Capital EMEA Holding BV.

The Company relies heavily on external providers to deliver services as outlined in the business strategy, consideration has been taken into account when making significant decisions. The Company fosters successful business relationships with suppliers that enable the company to provide quality services.

The Company has no immediate employees, the board ensures that the interests of the employees of iptiQ EMEA L&H are appropriately considered when making decisions. The Company operates under Swiss Re Group values and sustainability policies, Swiss Re Group has a long-standing commitment to sustainable business practices and active corporate citizenship. Strict business conduct rules are followed based on the Swiss Re Group Code of Conduct.

### Going Concern

The directors, having made such enquiries as they considered appropriate, have prepared the financial statements on a going concern basis.

### Approval

This report was approved by the board of directors on 24 September 2020 and signed on behalf of the Board by:

Mike Melsom

Director  
24 September 2020

Michael Melsom



mike\_melsom@swissre.com

Digitally signed by Mike  
Melsom  
Date: 24.09.2020  
21:14:39

## **Directors' report for the year ended 31 December 2019**

The directors present their annual report together with the audited financial statements of iptiQ Holdings Limited (the Company) for the year ended 31 December 2019.

These financial statements for the year ended 31 December 2019, are prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework ("FRS 101").

### **Principal activities and future outlook**

As an intermediate holding company, iptiQ Holdings Limited makes selected investments to support the future of the iptiQ EMEA Life and Health ("iptiQ EMEA L&H") insurance business. During the year, this included an additional capital injection to iptiQ Life S.A. (see note 10) to support the growth of the iptiQ EMEA L&H business. The Company will continue to provide administrative services to iptiQ Life S.A.

The company is a subsidiary of Swiss Re Life Capital EMEA Holding BV which is part of the Swiss Re group, a worldwide reinsurance and financial services group.

### **Results**

The results for the year are set out on page 9. The profit for the financial year is £1.7 m (2018: loss £12.0 m) primarily driven by administration costs. The net assets of the company at 31 December 2019 are £ 164.6 m (2018: £126.8 m). The directors have not proposed a dividend at the date of signing the financial statements in respect of the year ended 31 December 2019 (2018: nil).

### **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements are listed on page 2.

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

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 101, 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.

### Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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 auditors are aware of that information.

### Qualifying third party indemnity provisions

The company's directors are covered by the Swiss Re Limited indemnity provision policy, which was in force during the financial year and at the date of signing the financial statements. This indemnifies directors in respect of payments, as well as any costs associated with legal proceedings brought by third parties. Any director who serves or served for the company is covered to the fullest extent permitted by law and stated in the certificate of incorporation, articles of association, by-laws and other similar constituent documents of the company, Swiss Re Limited unconditionally guarantees payment of such sums by the company.

### Independent Auditors

The directors confirm that the financial statements comply with the above requirements and also confirm that:

- (i) to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- and
- (ii) each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

### Approval

This report was approved by the board of directors on 24 September 2020 and signed on behalf of the Board by:

Mike Melsom

Director  
24 September 2020

Michael Melsom



mike\_melsom@pwc.com

Digitally signed by Mike  
Melsom  
Date: 24.09.2020  
23:02:45

## ***Independent auditors' report to the members of iptiQ Holdings Limited***

### **Report on the audit of the financial statements**

#### **Opinion**

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

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 2019 (the "Annual Report"), which comprise: the balance sheet as at 31 December 2019; the income statement, 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 conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

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

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

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

#### **Reporting on other information**

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

This report, including the opinions, has been prepared for and only for the company's 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.

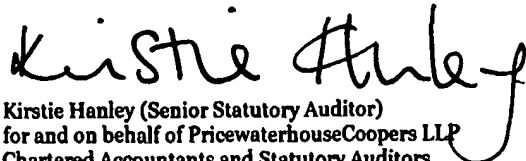
## **Other required reporting**

### **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.



Kirstie Hanley (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

25 September 2020

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## Income statement

For the year ended 31 December 2019

	Note	2019 £m	2018 £m
Turnover		4.3	2.9
Administrative expenses	5	(2.9)	(17.5)
Other interest receivable and similar income	6	0.5	0.5
Income from shares in group undertakings		0.2	-
Interest payable and similar expenses	7	(0.0)	(0.2)
<b>Profit / (Loss) before taxation</b>		<b>2.1</b>	<b>(14.3)</b>
Tax on loss	8		2.3
Tax on profit	8	(0.4)	
<b>Profit / (Loss) for the financial year</b>		<b>1.7</b>	<b>(12.0)</b>

There is no difference between the loss before taxation and the loss for the financial year stated above and their historical equivalents.

All results derive from continuing operations.

Notes on page 11 to 16 form an integral part of these financial statements.

## Statement of Comprehensive income

For the year ended 31 December 2019

	Note	
	2019 £m	2018 £m
<b>Profit / (Loss) for the financial year</b>	<b>1.7</b>	<b>(12.0)</b>
<b>Other comprehensive income/(expense)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>1.7</b>	<b>(12.0)</b>

Notes on page 11 to 16 form an integral part of these financial statements.

## Balance sheet

As at 31 December 2019

	Note	2019 £m	2018 £m
<b>Fixed assets</b>			
Shares in group undertakings	10	152.2	121.6
Loans to group undertakings	11	4.1	2.7
<b>Current assets</b>			
Other debtors	12	10.1	12.2
Cash at bank and in hand		0.1	0.2
		<u>10.2</u>	<u>12.4</u>
<b>Creditors: amounts falling due within one year</b>	13	(1.4)	(9.9)
<b>Net current assets</b>		<u>8.8</u>	<u>2.5</u>
<b>Total assets less current liabilities</b>		<u>165.1</u>	<u>126.8</u>
<b>Creditors: amounts falling due after more than one year</b>	14	(0.4)	-
<b>Net assets</b>		<u>164.6</u>	<u>126.8</u>
<b>Equity</b>			
Called up share capital	15	-	-
Capital contribution	15	191.5	155.6
Retained earnings		(27.0)	(28.8)
<b>Total equity</b>		<u>164.6</u>	<u>126.8</u>

Notes on page 11 to 16 form an integral part of these financial statements.

The financial statements of IptiQ Holdings Limited (registered number 09051056) presented on pages 8 to 16 were approved by the director and authorised for issue on 24 September 2020 and signed on its behalf by:

Mike Melsom

Michael Melsom



Digitally signed by Mike  
Melsom  
Date: 24.09.2020  
23:04:11

Director  
24 September 2020

[mike\\_melsom@iptiq.com](mailto:mike_melsom@iptiq.com)

## Statement of changes in equity

For the year ended 31 December 2019

Note	Share capital £m	Capital contribution £m	Retained Earnings £m	Total equity £m
	-	155.6	(28.8)	126.8
	-	-	1.7	1.7
			1.7	1.7
15	-	36.0	-	36.0
	-	191.6	(27.1)	164.6

## Statement of changes in equity

For the year ended 31 December 2018

Note	Share capital £m	Capital contribution £m	Retained Earnings £m	Total equity £m
	-	117.3	(16.8)	100.5
	-	-	(12.0)	(12.0)
			(12.0)	(12.0)
15	-	38.3	-	38.3
	-	155.6	(28.8)	126.8

## Notes to the financial statements for the year ended 31 December 2019

### 1. General

As an intermediate holding company within Swiss Re Group, the company is incorporated in the United Kingdom, it is a private company registered in England and Wales and is limited by shares and makes selected investments to support the future of the IptiQ EMEA L&H insurance business. The company will continue to make investments in technology and companies to support the growth of the IptiQ EMEA L&H business.

### 2. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and preceding period.

#### a) Basis of preparation

The financial statements have been prepared under the historical cost convention on a going concern basis in accordance with The Companies Act 2006 as applicable to companies using FRS 101.

These financial statements, for the year ended 31 December 2019, are prepared in accordance with FRS 101.

In accordance with section 400 of the Companies Act, the Company is exempt from preparing group financial statements as it is itself a subsidiary undertaking of Swiss Re Life Capital EMEA Holding B.V., its immediate parent, incorporated in Netherlands. The ultimate parent, Swiss Re Limited, incorporated in Switzerland, prepares group financial statements in accordance with United States Generally Accepted Accounting Principles ("USGAAP"). Via the Commission Implementing Decision amending Decision 2008/961/EC, the EU has determined that USGAAP is considered as equivalent to EU-adopted IFRS. Thus all the conditions from the section 400 of the Companies Act 2006 needed to apply the exemption from delivering group financial statements are met.

The company is exempt from preparing a cash flow statement in accordance with International Accounting Standard ("IAS") 7 Statement of Cash Flows, as the ultimate parent company Swiss Re Limited prepares a consolidated cash flow statement in which the results of the company are included.

In addition, as the company is a wholly-owned subsidiary of Swiss Re Limited, it has taken advantage of the exemption contained within FRS 101 to not disclose transactions or balances with entities which form part of the group (or investors of the group qualifying as related parties) under IAS 24 Related Party Disclosures. This covers all related party transactions entered into by the company.

Starting with financial year 2018, the company is complying with the new standards *IFRS 9 Financial Instruments* and *IFRS 16 Revenue from Contracts with Customers*.

The company is forecasted to make an operating profit during 2020 and based on forecasts of expected future results, the company expects to continue as a going concern in the foreseeable future. The directors continue to believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the controlling party Swiss Re Life Capital EMEA Holding BV.

The company's financial statements are presented in million sterling (£m), which is also the company's functional currency, and rounded to one decimal point, unless otherwise stated.

#### b) Investments in subsidiary undertakings

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value plus any subsequent capital increases made. Acquisition costs incurred are expensed and included in the administrative expenses. Investments in subsidiaries, associates and joint ventures are held at historical cost less any applicable provision for impairment.

Impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash-flows of the financial asset or group of financial assets and that impact can be reliably estimated.

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### c) Turnover

Turnover arises from provision of administration and IT technology services to IptiQ Life. The company recognises income in the course of the entity's ordinary activities in the form of inflows or enhancements of assets or decreases of liabilities that result in an increase in equity, other than those relating to contributions from equity participants.

### d) Investment Income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loan and receivable is recognised using the original effective interest rate.

### e) Dividends

Dividends are recognised on an accrual basis when they are declared.

### f) Taxation

Current tax comprises tax payable on current period profits, adjusted for non-tax deductible or non-taxable items and any adjustments to tax payable in respect of previous periods. Current tax is recognised in the income statement.

Deferred tax arises from timing differences that are differences between taxable profits and profit reported in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### g) Financial risk policy

The Company's activity exposes it to a variety of financial risks: market risk, including foreign currency risk, credit risk and liquidity risk.

#### *Foreign currency risk*

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollar and Euros. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

#### *Credit risk*

The credit risk arises from loans and receivables balances with Global Life Distribution Holdings (GLDH). The company is monitoring the ability of the obligor to service its debt and matches the utilization of credit with the operational cash-flows of the obligor. During 2019 the repayments were made in accordance with the loan agreements and management does not expect any losses from non-performance by this counterparty.

#### *Liquidity risk*

Cash flow forecasting is performed by the company to ensure that it has sufficient cash to meet its operational needs. Such forecasting takes into consideration iptiQ Life S.A. regulatory and legal requirements and intercompany liabilities.

#### *Market Risk*

Investments are accounted for using the amortised cost methodology, as a result market based risks are considered to be low.

### h) Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Impairment of financial instruments*

The loan receivable balance presents a low credit risk at the end of the reporting period and the company has analysed the existence of any 12 months expected credit losses that are possible within 12 months after the reporting date. As at 31 December 2019, the internal analysis did not indicate the existence of any such expected losses.

#### *Impairment of equity investments*

The equity investment in BPSIS meets the criteria stated in *IFRS 9 Financial instruments* which allows cost to be used as an estimate of fair value due to insufficient more recent information available to measure fair value. As a result of the internal analysis, as at 31 December 2019 no impairment allowance was considered necessary as the cost is the best estimation of fair value.

#### *Impairment of investments in subsidiaries*

The company follows the guidance of *IAS 36 Impairment of assets* to determine when a historical cost investment in a subsidiary is impaired. This determination requires significant judgment. In making this judgment, the company evaluates, at each reporting date, whether there are any indicators that assets might be impaired. For this evaluation, the company considers information from both external sources (such as market interest rates, significant adverse changes in the technological, market, economic or legal environment in which the entity operates, available financial information) and internal sources (such as internal restructurings). To measure impairment, the asset's carrying amount is compared to the recoverable amount. In the absence of information needed to evaluate the fair value less costs to sell, the company considers the value in use. The Swiss Re internally developed EVM (economic value management) methodology is deemed to be the best proxy for the value in use of the investment in iptiQ Life S.A. Any depreciation or diminution in value for historical cost assets is not recognized if not considered to be permanent. As at 31 December 2019, the company's internal analysis did not identify any permanent diminution in value and no impairment allowance was recognised for investment in iptiQ Life S.A.

### l) Cash and cash equivalents

Cash and cash equivalents arise from cash deposits held in iptiQ Holdings' bank accounts and are recognised at face value.



**Notes to the financial statements for the year ended 31 December 2019  
(continued)**

**J) Debtors and creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, and subsequently carried at amortised cost using the effective interest.

**3. Auditors' remuneration**

Audit fees amount to £39,000 (2018: £22,500) excluding VAT.

**4. Staff costs and directors' remuneration**

No staff are employed by the company (2018: none). The directors received no remuneration for their services to the company (2018: £nil).

**5. Administrative expenses**

	2019 £m	2018 £m
Other administrative costs	(2.9)	(16.5)
Consulting expenses	(0.0)	(1.0)
	<u>(2.9)</u>	<u>(17.5)</u>

**6. Investment income**

	2019 £m	2018 £m
Other interest receivable and similar income	0.5	0.5
	<u>0.5</u>	<u>0.5</u>

**7. Interest payable and similar expenses**

	2019 £m	2018 £m
Interest payable and similar expenses	(0.0)	(0.2)
	<u>(0.0)</u>	<u>(0.2)</u>

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 8. Tax on profit/(loss)

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is not likely that the overall effect of the change will impact the Company's financial statements due to the company not having any deferred tax assets or liabilities.

a) Analysis of (charge)/credit in year	2019 £m	2018 £m
UK corporation tax	(0.4)	2.7
Adjustments in respect of prior period	-	(0.4)
<b>Total tax (charge)/credit for the year</b>	<b>(0.4)</b>	<b>2.3</b>

### b) Reconciliation of tax (charge)/credit on profit/(loss) attributable to shareholders

The differences are explained below:

	2019 £m	2018 £m
<b>Profit before taxation</b>	<b>2.1</b>	<b>(14.3)</b>
Tax on profit / (loss) before taxation at 19% (2018: 19.00%)	(0.4)	2.7
Effects of:		
Recognized / tax loss	-	-
Non-deductible impairment of investments	-	-
Adjustments in respect of prior period	-	(0.4)
<b>Total tax (charge)/credit for the year</b>	<b>(0.4)</b>	<b>2.3</b>

### 9. Dividends

The directors have not proposed any dividends at the date of signing the financial statements in respect of the year ended 31 December 2019 (2018: nil).

Notes to the financial statements for the year ended 31 December 2019  
(continued)

10. Shares in group undertakings

Cost and net book value	£m
Cost at 1 January 2019	125.1
Additions	30.5
Total cost at 31 December 2019	<u>155.6</u>
Impairment allowance at 1 January 2019	(3.5)
Provision for impairment	-
Impairment allowance at 31 December 2019	<u>(3.5)</u>
Net book value at 1 January 2019	121.6
Net book value at 31 December 2019	<u>152.2</u>

During 2019, the Company performed a capital injection into iptiQ Life S.A. for £30.5 m to support its growth.

During 2017 the company made investments into the following companies: 100% share of iptiQ Life S.A., a Luxembourg based insurance carrier with registered office at 2A, Rue Albert Borschette, L -1246, Luxembourg, 50% share of Global Life Distribution Holdings, a UK incorporated entity with registered office at The St Botolph Building, 138, Houndsditch, London, EC3A 7AR, UK, and 12.3% share of Digital Insure, with registered office at 38, rue de la Condamine, 75017-Paris, France.

11. Loans to group undertakings	2019	2018
	£m	£m
Loan to GLDH	<u>4.1</u>	<u>2.7</u>

During 2019 £0.3m of principal loan amount was repaid, while additional drawdowns of £1.6m were made. The repayment schedule currently in place reflects final settlement of the loan in 2028.

12. Other debtors	2019	2018
	£m	£m
Tax and other receivables	6.4	6.3
Intercompany receivables	3.7	5.9
	<u>10.1</u>	<u>12.2</u>

13. Creditors: amounts falling due within one year	2019	2018
	£m	£m
Intercompany payable	(1.0)	(6.0)
Sundry creditors	(0.4)	(3.9)
	<u>(1.4)</u>	<u>(9.9)</u>

The intercompany payable results from administrative expenses prepaid by iptiQ Life S.A.

14. Creditors: amounts falling due after more than one year	2019	2018
	£m	£m
Tax and other payables	(0.4)	-
	<u>(0.4)</u>	<u>-</u>

## Notes to the financial statements for the year ended 31 December 2019 (continued)

15. Equity	2019 £	2018 £
Share capital issued and fully paid 100 (2018: 100) ordinary shares of £1 each	100	100

### Capital contributions

During 2019 the company received capital contributions of £36.0 m from Swiss Re Life Capital Limited, which is a non-distributable capital reserve, to further support its investments.

### 16. Subsequent Events

On 28 March 2019, the Company has changed its immediate shareholder to Swiss Re Life Capital EMEA Holding BV, a company incorporated in Netherlands, with registered address 8 Starbaan Amstelveen Netherlands 1185 XR.

The rapid spread of the coronavirus, which has been declared a pandemic, and the actions being taken to contain it on an increasingly global basis have led to significant volatility in the financial markets and are having an adverse impact on global business and economic activity. There is an increasing likelihood that the coronavirus and containment efforts could have adverse effects on the global economy and could possibly lead to a global recession. Swiss Re Group is closely monitoring developments and the potential impact of the spread of infection and global responses on, for example, asset prices and insurance exposures, as well as on its operations. The company has determined that these events are non-adjusting subsequent events. Accordingly, there is no impact on the financial position and results of operations for the year ended 31 December 2019.

To date, key transactions with IptiQ Life S.A have not been materially impacted by the Covid-19 pandemic, accordingly the accounts continue to be prepared on a going concern basis.

### 17. Intermediate and ultimate parent undertaking

The company is incorporated and domiciled in England and Wales. The immediate parent company is Swiss Re Life Capital EMEA Holding B.V., incorporated in Netherlands.

The parent company of the largest group in which the results of the company are consolidated is that of Swiss Re Limited, the ultimate and controlling parent undertaking. The consolidated financial statements of Swiss Re Limited may be obtained on [www.swissre.com](http://www.swissre.com) or from its registered office at Mythenquai 50/60, PO Box 8022, Zurich, Switzerland.