Registration number: 3148346

# AXA PPP Healthcare Group Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

# AXA PPP Healthcare Group Limited

## Contents

## AXA PPP Healthcare Group Limited

## Company Information

| | |
|---|---|
| **Directors** | F. A. Craig |
| | M. R. Howes |
| | T. N. Garrad |
| | M. A. Vardy |
| **Company secretary** | J. P. Small |
| **Registered office** | 5 Old Broad Street<br>London<br>EC2N 1AD |
| **Auditors** | Mazars LLP<br>Chartered Accountants and Statutory Auditor<br>Tower Bridge House<br>St Katharine's Way<br>London<br>E1W 1DD |

# AXA PPP Healthcare Group Limited

## Strategic Report for the Year Ended 31 December 2018

The directors present their strategic report of AXA PPP Healthcare Group Limited ("the Company") for the year ended 31 December 2018.

**Principal activity**
The principal activity of the Company is the provision of services to other companies in the AXA PPP group structure.

**Review of the business**
The loss for the financial year after tax is £6,172k (2017: profit of £6,857k). The loss mainly arises from the write off of intercompany loans held with ICAS for £26,137k, partially offset by the gain on disposal of subsidiary Health and Protection Solutions Limited ("HAPS").

**Strategy**

The Company has a clear strategic business model focusing on the provision of services to other companies in the AXA PPP group structure. The Company will continue to fulfil its function as a service company by recharging expenses to the respective entities.

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

| | | 2018 | 2017 |
|---|---|---|---|
| Turnover | £'000 | 129,005 | 131,173 |
| Administration Expenses | £'000 | (128,610) | (130,903) |
| Net assets | £'000 | 138,939 | 143,574 |

**Principal risks and uncertainties**
The AXA UK Group has an established process for risk acceptance and risk management, which is addressed through a framework of policies, procedures and internal controls. All policies are subject to ongoing review by management, risk management and group internal audit. Compliance with regulation, legal and ethical standards is a high priority for the Company and the compliance and finance teams take on an important oversight role in this regard. Line management is responsible for maintaining an internal control framework to manage financial and operational risks, which is monitored regularly to ensure the completeness, accuracy and integrity of the Company's financial information.

Financial risk management is discussed in the Management of Financial Risk note set out on page 18 of the financial statements.

**Brexit**
The implications to the Company of the United Kingdom's departure from the European Union have been considered, specifically the effects this could have on estimations and judgements made in the preparation of the financial statements. Whilst this assessment is ongoing with management carefully monitoring the latest events, as described above the Company 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 directors anticipate limited operational impacts arising from Brexit.

Approved by the Board on 1 August 2019 and signed on its behalf by:

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M. A. Vardy
Director

# AXA PPP Healthcare Group Limited

## Directors' Report for the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

**Future developments**
No change in the activities of the Company is planned for the foreseeable future.

**Going concern**
The Company'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 on page 18 of the financial statements.

Detailed budgets, plans and forecasts have been prepared and reviewed setting out the continued financial position of the AXA PPP Healthcare group of companies for the next 12 months and a strategic plan to 2020. These support the continued financial position of the Company and, as a consequence, the directors believe sufficient contingencies have been put in place that will enable the Company to manage its business risks.

After making enquiries, the directors have a reasonable expectation that the Company 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.

**Directors of the Company**
The directors, who held office during the year, were as follows:

F. A. Craig

K. G. Gibbs (resigned 31 December 2018)

M. R. Howes

A. Wilkinson (resigned 31 March 2019)

S. J. Harland (resigned 9 April 2018)

The following directors were appointed after the year end:

T. N. Garrad (appointed 12 February 2019)

M. A. Vardy (appointed 14 June 2019)

**Directors' qualifying third party and pension scheme indemnity provision**
The Company 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 approval of the financial statements.

**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 Company is committed to a policy of equal opportunity in recruitment, training, career development and promotion of staff, irrespective of gender, marital status, ethnicity, sexual orientation and religion.

Great importance is placed on good communication with employees and in seeking to inform and involve staff in the development of the AXA UK 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 on the complete range of employment and business issues.

**Branches outside the United Kingdom**
The Company does not operate branches outside the UK.

**Political donations**
The Company made no donations for political purposes.

**Important non adjusting events after the financial period**
On 1 March 2019, the Company's subsidiary PPP Taking Care Ltd acquired the the trade and assets of Chichester Careline, from Chichester District Council.

**Disclosure of information to the auditors**
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.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Approved by the Board on 1 August 2019 and signed on its behalf by:

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M. A. Vardy
Director

# AXA PPP Healthcare Group Limited

## Independent Auditor's Report to the Members of AXA PPP Healthcare Group Limited

We have audited the financial statements of AXA PPP Healthcare Group Limited ("the Company") for the year ended 31 December 2018 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**The impact of uncertainties due to the United Kingdom exiting the European Union on our audit**

The directors' view on the impact of Brexit is disclosed on page 2. The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

**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 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.

## Independent Auditor's Report to the Members of AXA PPP Healthcare Group Limited (continued)

### Other information

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

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

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

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

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

### Responsibilities of directors

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

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

## Independent Auditor's Report to the Members of AXA PPP Healthcare Group 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Use of the audit report**
This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed

Sam Porritt (Senior Statutory Auditor)
For and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

21 August 2019

# AXA PPP Healthcare Group Limited

## Profit and Loss Account for the Year Ended 31 December 2018

| | Note | 2018 £ 000 | 2017 £ 000 |
|---|---|---|---|
| Turnover | 4 | 129,005 | 131,173 |
| Administrative expenses | | (128,610) | (130,903) |
| Operating profit | | 395 | 270 |
| Income from shares in group undertakings | | 9,335 | 4,000 |
| Amounts written off investments | 9 | (35,472) | - |
| Interest payable and similar charges | | (275) | (270) |
| Gain from disposals of investments in subsidiaries | 12 | 19,845 | 2,480 |
| | | (6,567) | 6,210 |
| (Loss)/profit before tax | | (6,172) | 6,480 |
| Tax on (loss)/profit on ordinary activities | 6 | - | 377 |
| (Loss)/profit for the year | | (6,172) | 6,857 |

The above results were derived from continuing operations.

The notes on pages 13 to 31 form an integral part of these financial statements.

# AXA PPP Healthcare Group Limited

## Statement of Comprehensive Income for the Year Ended 31 December 2018

| | Note | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|---|
| (Loss)/profit for the year | | (6,172) | 6,857 |
| **Items that will not be reclassified subsequently to profit or loss** | | | |
| Remeasurements of post employment benefit obligations (net) | 6, 15 | 1,537 | 636 |
| Total comprehensive income for the year | | (4,635) | 7,493 |

# AXA PPP Healthcare Group Limited

## (Registration number: 3148346)
## Balance Sheet as at 31 December 2018

| | Note | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Investments | 11 | 111,459 | 123,916 |
| **Current assets** | | | |
| Debtors | 13 | 55,494 | 85,463 |
| **Creditors:** Amounts falling due within one year | | (18,778) | (54,580) |
| **Net current assets** | | 36,716 | 30,883 |
| **Net assets excluding pension liability** | | 148,175 | 154,799 |
| Post-retirement healthcare scheme | 15 | (9,236) | (11,225) |
| **Net assets** | | 138,939 | 143,574 |
| **Capital and reserves** | | | |
| Called up share capital | 16 | 10,000 | 10,000 |
| Revaluation reserve | 17 | (227) | (227) |
| Other reserves | 17 | (1,067) | (1,067) |
| Profit and loss account | 17 | 130,233 | 134,868 |
| Shareholders' funds | | 138,939 | 143,574 |

Approved by the Board on 1 August 2019 and signed on its behalf by:

MV

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M. A. Vardy
Director

# AXA PPP Healthcare Group Limited

## Statement of Changes in Equity for the Year Ended 31 December 2018

| | Share capital £ 000 | Revaluation reserve £ 000 | Other reserves £ 000 | Retained earnings £ 000 | Total £ 000 |
|---|---|---|---|---|---|
| At 1 January 2018 | 10,000 | (227) | (1,067) | 134,868 | 143,574 |
| Loss for the year | - | - | - | (6,172) | (6,172) |
| Other comprehensive income | - | - | - | 1,537 | 1,537 |
| Total comprehensive income | - | - | - | (4,635) | (4,635) |
| At 31 December 2018 | 10,000 | (227) | (1,067) | 130,233 | 138,939 |

| | Share capital £ 000 | Revaluation reserve £ 000 | Other reserves £ 000 | Retained earnings £ 000 | Total £ 000 |
|---|---|---|---|---|---|
| At 1 January 2017 | 10,000 | (227) | (1,067) | 127,375 | 136,081 |
| Profit for the year | - | - | - | 6,857 | 6,857 |
| Other comprehensive income | - | - | - | 636 | 636 |
| Total comprehensive income | - | - | - | 7,493 | 7,493 |
| At 31 December 2017 | 10,000 | (227) | (1,067) | 134,868 | 143,574 |

The notes on pages 13 to 31 form an integral part of these financial statements.

## 1 General information

The principal activity of the Company is the provision of services to other companies in the AXA PPP group structure.

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
United Kingdom

These financial statements were authorised for issue by the Board on 1 August 2019.

## 2 Accounting policies

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**

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with the Companies Act 2006.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

(a) The requirements of IFRS 7 'Financial Instruments: Disclosures' provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

(b) The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
i. paragraph 79(a)(iv) of IAS 1.

(c) The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111, and 134 to 136 of IAS 1 'Presentation of Financial Statements'.

(d) The requirements of IAS 7 'Statement of Cash Flows'.

(e) The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

(f) The requirements of paragraph 17 and 18A of IAS 24 'Related Party Disclosures'.

(g) The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

(h) The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135 (c) to 135 (e) of IAS 36 'Impairment of Assets', provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

## 2 Accounting policies (continued)

**Exemption from preparing group accounts**
The financial statements contain information about AXA PPP Healthcare Group Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company has taken advantage of section 400 of the Companies Act 2006 and has not produced consolidated financial statements on the basis that it is a subsidiary undertaking of Guardian Royal Exchange plc, which prepares consolidated financial statements and is established under the laws of an EEA State.

**Revenue recognition**

*Recognition*

The Company earns revenue from the provision of services relating to the services of staff employed by the Company. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

*Performance obligations*

The main performance obligations in contracts consist of services to group companies. For all contracts the stage of completion and delivery of performance obligations are measured at the balance sheet date in reference to the proportion of the service on a time elapsed basis. Performance obligations satisfied at a point in time and how these are measured based on the delivery of the service promised.

**Changes in accounting policy**

**New standards, interpretations and amendments effective**
The following have been applied for the first time from 1 January 2018:

***IFRS 9***
IFRS 9 Financial Instruments is a new accounting standard that is effective for the year ended 31 December 2018, that introduces new classification and measurement requirements, along with the introduction of an expected credit loss model for measuring impairments. An assessment of the standard was undertaken and it was concluded that the existing basis of measuring and classifying financial assets and financial liabilities could continue to be applied on adoption of the new standard. In addition, an assessment of the financial assets was undertaken to determine if an impairment adjustment would be required using an expected credit loss model. The conclusion reached was that any such adjustment would be considered immaterial and therefore no additional adjustments have been reported. Consequently the standard has not had a material effect on the financial statements.

***IFRS 15***
IFRS 15 Revenue from contracts with customers is a new standard that is effective for the year ended 31 December 2018, which provides a principles-based approach for revenue recognition. An assessment has been undertaken and the main revenue item of intercompany recharges are considered to be in compliance with the new revenue recognition principles, consequently the standard has not had a material effect on the financial statements.

None of the other standards, interpretations and amendments effective for the first time from 1 January 2018 have had a material effect on the financial statements.

## 2 Accounting policies (continued)

**Defined contribution pension obligation**

Staff employed by the Company 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 scheme share risks between the companies in the AXA UK Group and is 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 IAS 19 'Employee benefits (revised 2011)' 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 staff employed by subsidiaries of the Company in respect of their service during the year. The associated costs of providing pensions are recharged to the respective entity, as the contributions become payable in accordance with the rules of the relevant scheme.

**Defined benefit pension obligation**

The Company offers healthcare benefits on a non-contributory basis to certain employees on retirement. The scheme is accounted for in accordance with IAS 19 'Employee benefits (revised 2011)'. The liabilities in respect of this benefit are unfunded and recognised on the balance sheet.

The scheme liabilities are measured on an annual basis by an independent qualified actuary. The methodology underlying the calculations is very similar to that used for an actuarial valuation of a pension scheme. It involves the projection of estimated future benefit payments on the basis of certain assumptions and then the discounting of these future payments back to present capital values. The change in present value of the scheme liabilities is recognised in the Profit and Loss Account. The expected increase during the period in the present value of the scheme liabilities, arising from the passage of time is included as other finance charges. Actuarial gains and losses are recognised in the Statement of Comprehensive Income.

**Investments in Group Undertaking**

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.

**Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

## 2 Accounting policies (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference raises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**Financial instruments (post January 2018)**

**Initial recognition**

Financial assets and financial liabilities comprise all assets and liabilities reflected in the balance sheet, although excluding deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The Company recognises financial assets and financial liabilities in the balance sheet when, and only when, the Company becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost.

## 2 Accounting policies (continued)

**Classification and measurement**
Financial instruments are classified at inception into the category, amortised cost, which then determines the subsequent measurement methodology.

The classification and the basis for measurement are subject to the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:-

**Financial assets at amortised cost**
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"):-
· the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
· the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at FVTPL.

If a financial asset meets the amortised cost criteria, the company may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

**Derecognition**

*Financial assets*

The Company derecognises a financial asset when;
- the contractual rights to the cash flows from the financial asset expire,
- it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received is recognised as a gain or loss in the profit or loss.

*Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

### Critical accounting estimates and judgements in applying accounting policies

The preparation of financial statements in compliance with FRS 101 requires management to monitor and exercise judgement in the selection and application of appropriate accounting policies and in the use of accounting estimates.

**Critical accounting estimates and judgements in applying accounting policies (continued)**

**Defined benefit obligation**
The carrying value of the defined benefit obligation at the reporting date of £9,236k (2017: £11,225k) is based on a qualified actuarial valuation, as explained in the accounting policy and note 15. Significant judgement is applied to estimate the discount rate, mortality assumptions, and future healthcare costs.

## 3 Management of Financial Risk

The Company 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 Company's operations as a service company, are liquidity and cash flow risks and credit risk.

The Company forms part of the AXA UK 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 unit Chief Executives. 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 AXA UK Board is responsible for governance and the AXA UK Executive Committee for approving all new policies.

The notes to follow address the individual components of financial risk

**Liquidity and cash flow risk**
Liquidity 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, as they become due. This could arise where timing differences occur between expenses paid and recharges received.

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

**Credit risk**
Non-investment credit risk arises from the exposure of the Company to intra-group debts with other companies in the AXA UK Group and from debts due from third parties. The risk in respect of these debts is controlled through ongoing monitoring of amounts due.

## 4 Turnover

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

| | 2018 £ 000 | 2017 £ 000 |
|---|---|---|
| Other revenue | 129,005 | 131,173 |

## 5 Auditors' remuneration

| | 2018 £ 000 | 2017 £ 000 |
|---|---|---|
| Fees payable to the Company's auditor for the audit of the Company accounts | 7 | 6 |

The prior year figure has been amended to exclude VAT.

## 6 Taxation

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

| | 2018 £ 000 | 2017 £ 000 |
|---|---|---|
| **Current taxation** | | |
| UK corporation tax | - | (377) |

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

| | 2018 £ 000 | 2017 £ 000 |
|---|---|---|
| (Loss)/profit before tax | (6,172) | 6,480 |
| Corporation tax at standard rate | (1,173) | 1,247 |
| Decrease in current tax from adjustment for prior periods | - | (376) |
| (Increase)/decrease from effect of revenues exempt from taxation | (3,793) | (1,248) |
| Increase from effect of expenses not deductible in determining taxable profit (tax loss) | 4,966 | - |
| Total tax credit | - | (377) |

The standard rate of tax applied to reported loss on ordinary activities is 19% (2017 19.25%). Changes to the UK corporation tax rates were enacted in the Finance Act 2016, reducing the main rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

The impact included in the tax credit for the year is a charge of £nil (2017: £nil).

### 6 Taxation (continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised in other comprehensive income:

| | 2018 | | | 2017 | | |
|---|---|---|---|---|---|---|
| | Before tax £ 000 | Tax (expense) benefit £ 000 | Net of tax £ 000 | Before tax £ 000 | Tax (expense) benefit £ 000 | Net of tax £ 000 |
| Remeasurements of post employment benefit obligations (net) | 1,898 | (361) | 1,537 | 787 | (151) | 636 |

**Deferred tax**

Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

| **2018** | **Asset £ 000** |
|---|---|
| Accelerated tax depreciation | 1 |

| **2017** | **Asset £ 000** |
|---|---|
| Accelerated tax depreciation | 1 |

Deferred tax movement during the year:

| | At 1 January 2018 £ 000 | At 31 December 2018 £ 000 |
|---|---|---|
| Accelerated tax depreciation | 1 | 1 |

Deferred tax movement during the prior year:

| | At 1 January 2017 £ 000 | At 31 December 2017 £ 000 |
|---|---|---|
| Accelerated tax depreciation | 1 | 1 |

## 7 Employee numbers and costs

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

| | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|
| Wages and salaries | 103,078 | 104,945 |
| Social security costs | 10,810 | 11,323 |
| Pension costs, defined contribution scheme | 14,997 | 14,905 |
| | 128,885 | 131,173 |

The majority of the staff employed by the Company work for AXA PPP healthcare limited, a fellow subsidiary company, and AXA ICAS Limited, a subsidiary undertaking of the Company. The staff costs relating to these employees are recharged through the management fees.

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

| | 2018<br>No. | 2017<br>No. |
|---|---|---|
| Administration and support | 555 | 604 |
| Sales, marketing and distribution | 818 | 835 |
| Other departments | 1,113 | 1,130 |
| | 2,486 | 2,569 |

## 8 Directors' remuneration

The directors' remuneration for the year was as follows:

| | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|
| Remuneration | 752 | 729 |
| Directors amount under long term incentive schemes in respect of qualifying services | 147 | 161 |
| Contributions paid to defined contribution schemes | 14 | 19 |
| | 913 | 909 |

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

| | 2018<br>No. | 2017<br>No. |
|---|---|---|
| Exercised share options | 2 | 4 |
| Accruing benefits under money purchase pension scheme | 2 | 2 |

### 8 Directors' remuneration (continued)

**Amounts attributable to highest paid director**

| | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|
| Remuneration | 393 | 468 |
| Benefits under long-term incentive schemes (excluding shares) | 85 | - |
| Company contributions to defined contribution pension schemes | 12 | 11 |

Mr. K. G. Gibbs was a director of the intermediate parent company, AXA UK plc, during the year and his emoluments, which relate to his services to the AXA Group as a whole, are disclosed in the financial statements of that company.

Mrs. A. Wilkinson and Mr. S. J. Harland were directors of AXA PPP healthcare Limited, during the year and their emoluments, which relate to their services to the AXA Group as a whole, are disclosed in the financial statements of that company.

### 9 Amounts written off investments

The analysis of the Company's amounts written off investments for the year is as follows:

| | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|
| Other loans impairment | (26,137) | - |
| Impairment of investment in subsidiaries | (9,335) | - |
| | (35,472) | - |

### 10 Other gains and losses

The analysis of the Company's other gains and losses for the year is as follows:

| | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|
| Gain from disposals of investments in group undertakings | 19,845 | 2,480 |

## 11 Investments in group undertakings

| Subsidiaries | £ 000 |
|---|---|
| **Cost or valuation** | |
| At 1 January 2017 | 133,436 |
| Disposals | (9,520) |
| At 31 December 2017 | 123,916 |
| At 1 January 2018 | 123,916 |
| Additions | 9,335 |
| Impairment | (9,335) |
| Disposals | (12,457) |
| At 31 December 2018 | 111,459 |
| **Carrying amount** | |
| At 31 December 2018 | 111,459 |

Details of the subsidiaries as at 31 December 2018 are as follows:

| Name of subsidiary | Principal activity | Registered office | Holding | Proportion of ownership interest and voting rights held 2018 | 2017 |
|---|---|---|---|---|---|
| AXA PPP Administration Services Limited* | Management services | 5 Old Broad Street, London, EC2N 1AD, UK | Ordinary shares | 100% | 100% |
| AXA PPP Healthcare Administration Services Limited* | Management services | 5 Old Broad Street, London, EC2N 1AD, UK | Ordinary shares | 100% | 100% |
| AXA ICAS Limited | Counselling and advisory services | 5 Old Broad Street, London, EC2N 1AD, UK | Ordinary shares | 100% | 100% |
| ICAS International Holdings Limited* | Holding company | 5 Old Broad Street, London, EC2N 1AD, UK | Ordinary shares | 100% | 100% |
| ICAS Employee and Organisation Enhancement Services Southern Africa (Pty) Limited | Occupational health and consulting services | Dunkeld Office Park, 6 North Road, 2196, Johannesburg, South Africa | Ordinary shares | 80.1% | 80.1% |

**11 Investments in group undertakings (continued)**

| Name of subsidiary | Principal activity | Registered office | Holding | Proportion of ownership interest and voting rights held 2018 | 2017 |
|---|---|---|---|---|---|
| AXA ICAS Occupational Health Services Limited* | Occupational health and consulting services | 5 Old Broad Street, London, EC2N 1AD, UK | Ordinary shares | 100% | 100% |
| ICAS Orientacion Independiente S.L. | Occupational health and consulting services | Arroyofresno 19, 28035 Madrid, Spain | Ordinary shares | 100% | 100% |
| Health-On-Line Company UK Limited* | Healthcare internediary | 5 Old Broad Street, London, EC2N 1AD, UK | Ordinary shares | 100% | 100% |
| The Permanent Health Company Limited* | Healthcare intermediary | 5 Old Broad Street, London, EC2N 1AD, UK | Ordinary shares | 100% | 100% |
| Sangano Investment Holdings Proprietary Limited | Holding company | Dunkeld Office Park, 6 North Road, 2196, Johannesburg, South Africa | Ordinary shares | 34% | 34% |
| PPP Taking Care Limited* | Telecare services | 5 Old Broad Street, London, EC2N 1AD, UK | Ordinary shares | 100% | 100% |

* indicates direct investment of the Company.

In the opinion of the directors the aggregate value of the subsidiaries is not less than the aggregate of the amounts at which they are stated in the balance sheet.

The Company purchased The Permanent Health Company Limited for £9.3m by way of an in-specie dividend, from its subsidiary Health and Protection Solutions Limited.

Impairment:
An impairment review was conducted using cash flow projections based upon business plans approved by management, with a risk adjusted discount rate of 9.9%. Cash flows from the end of the plan period were extrapolated using a steady 2.5% growth rate and terminal value. No provision for impairment was required.

The six year projection exceeded the standard projection period of 5 years under IAS 36 'Impairment of Assets'. This slightly extended period better reflected the management plans designed to grow the business.

## 12 Disposals

On 28 September 2018 the Company sold its entire shareholding in Health and Protection Solutions Limited ("HAPS") to The Ardonagh Group. The sale resulted in a combined gain, as detailed below:

| | £ | £ | £ |
|---|---|---|---|
| **Consideration** | | | **29,102,150** |
| Carrying value of HAPS | 21,792,153 | | |
| Less sale of subsidiary prior to sale | (9,335,136) | | |
| **Adjusted carrying value of subsidiary** | | **12,457,017** | |
| Dividend received prior to sale | | (3,200,000) | |
| **Net** | | | **9,257,017** |
| **Gain on sale of HAPS** | | | **19,845,133** |

## 13 Trade and other debtors

| | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|
| Debtors from related parties | 55,493 | 84,819 |
| Other debtors | - | 5 |
| Income tax asset | - | 638 |
| Deferred tax assets | 1 | 1 |
| | 55,494 | 85,463 |

Amounts from related parties are unsecured, repayable within one year, and non-interest bearing.

The net deferred tax asset of £1k (2017: £1k) is in respect of accelerated capital allowances

## 14 Trade and other creditors

| | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|
| Amounts due to related parties | 17,654 | 54,580 |
| Income tax liability | 1,124 | - |
| | 18,778 | 54,580 |

Amounts due to related parties shown above are unsecured, non-interest bearing and repayable on demand.

### 15 Post-employment benefits

**Defined benefit pension schemes**

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. 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. On 31 August 2013 the AXA UK Pension Scheme closed to both new members and future accrual and all remaining active members moved to deferred status.

Responsibility for the governance of the plan, including investment decisions, contribution schedules and scheme administration, lies with a single trustee board consisting of company appointed directors and member nominated directors. Additionally, the Law Debenture Pension Trust Corporation is a director, acting on behalf of the Trustee board with Special Director status.

The AXA UK Group made additional contributions totalling £66m (2017: £243m) to the Scheme, in accordance with the ten year plan to reduce the funding deficit that was effective for the 2017 year end, to ensure that the Statutory Funding Objective was met. The level of contributions to be paid under the funding deficit recovery plan are based on the actuarial valuation performed every three years, however, these may change more frequently if significant events occur in the year. Since 2017 year end, the 2018 triennial actuarial valuation was carried out and it was agreed between the Trustee and AXA UK that over the next annual reporting period the contributions to be paid will be nil. The assumptions adopted for the triennial actuarial valuations are determined by the Trustee and are normally more prudent than the assumptions adopted for IAS 19 purposes, which are on a best estimate basis.

An internal review by AXA UK of the defined benefit scheme, revealed an IAS 19 surplus of £293m as at 31 December 2018 (£152m surplus as at 31 December 2017). This represents a snapshot of the present cost of meeting pension obligations that will crystallise over a period of many years. The Scheme invests in a wide range of assets, including equities, which over the long term, are expected by the Directors to meet the liabilities of the scheme.

The total pension cost which has been charged to the profit and loss account of the Company is £15.0m (2017: £14.9m). There were no outstanding contributions as at 31 December 2018 (2017: £nil).

***Reconciliation of scheme assets and liabilities to assets and liabilities recognised***

The amounts recognised in the statement of financial position are as follows:

| | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|
| Fair value of scheme assets | 5,348,265 | 5,486,610 |
| Present value of scheme liabilities | (5,055,420) | (5,334,636) |
| Defined benefit pension scheme surplus | 292,845 | 151,974 |

### 15 Post-employment benefits (continued)

***Scheme assets***

Changes in the fair value of scheme assets are as follows:

| | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|
| Fair value at start of year | 5,486,610 | 5,175,080 |
| Interest income | 115,772 | 120,121 |
| Return on plan assets, excluding amounts included in interest income/(expense) | (110,684) | 188,568 |
| Employer contributions | 12,402 | 188,314 |
| Contributions by scheme participants | 41,541 | 41,541 |
| Benefits paid | (215,964) | (245,058) |
| Asset backed contribution | 18,588 | 18,044 |
| Fair value at end of year | 5,348,265 | 5,486,610 |

***Analysis of assets***

The major categories of scheme assets are as follows:

| | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|
| Cash and cash equivalents | 141,845 | 62,516 |
| Equity instruments | 14,269 | 38,750 |
| Debt instruments | 2,915,238 | 2,794,102 |
| Real estate | 359,103 | 348,230 |
| Derivatives | (30,484) | 392,662 |
| Investment funds | 1,557,167 | 1,520,017 |
| Longevity hedge | (1,999) | 10,333 |
| Investment in limited partnership | 311,000 | 320,000 |
| Loan | 82,126 | - |
| | 5,348,265 | 5,486,610 |

***Actual return on scheme's assets***

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

## 15 Post-employment benefits (continued)

*Scheme liabilities*

Changes in the present value of scheme liabilities are as follows:

| | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|
| Present value at start of year | 5,334,636 | 5,495,569 |
| Current service cost | 5,986 | 4,898 |
| Actuarial gains and losses arising from changes in demographic assumptions | 343 | (96,607) |
| Actuarial gains and losses arising from changes in financial assumptions | (186,016) | (72,407) |
| Actuarial gains and losses arising from experience adjustments | 4,452 | 124,005 |
| Interest cost | 111,983 | 124,236 |
| Benefits paid | (215,964) | (245,058) |
| Present value at end of year | 5,055,420 | 5,334,636 |

*Principal actuarial assumptions*

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the statement of financial position date are as follows:

| | 2018<br>% | 2017<br>% |
|---|---|---|
| Discount rate | 2.80 | 2.50 |
| Future pension increases | 3.00 | 2.95 |
| Inflation (CPI) | 2.20 | 2.15 |

**Other post-retirement healthcare scheme**

The Company offers certain healthcare benefits upon retirement, on a non-contributory basis, to substantially all employees who were employed prior to June 1989. The expected costs of this benefit, as at 31 December 2018, have been assessed in accordance with the advice of an independent qualified actuary based on the latest actuarial assessment as at 31 December 2018.

The scheme is an unfunded arrangement and therefore no company contributions were paid during the accounting period or are to be paid in the future. However, the Company has paid the current claims during the year amounting to £439k (2017: £289k).

Responsibility for the governance of the plan and scheme administration lies with the directors of the Company.

**Financial assumptions**

| | 2018<br>% | 2017<br>% |
|---|---|---|
| Discount rate | 2.80 | 2.50 |
| Rate of increases in long-term medical expenses (after first five years) | 5.00 | 5.00 |
| Rate of increase in medical expenses over next five years | 5.00 | 8.00 |

## 15 Post-employment benefits (continued)

There are no scheme assets. Scheme liabilities are detailed below.

The amounts recognised in the Profit and Loss Account are as follows:

| | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|
| **Amounts recognised in operating profit** | | |
| Current service cost | 73 | 78 |
| **Amounts recognised in finance income or costs** | | |
| Net interest | 275 | 270 |
| Total recognised in the profit and loss account | 348 | 348 |

The amounts recognised in the Statement of Comprehensive Income are as follows:

| | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|
| Experience gain on liabilities | 18 | 1,038 |
| Change in financial assumptions | 490 | (306) |
| Gain on change in demographic assumptions | 240 | 315 |
| Changes in PMI claims cost assumption | 1,150 | (260) |
| Amounts recognised in the Statement of Comprehensive Income (gross of tax) | 1,898 | 787 |

*Scheme liabilities*

Changes in the present value of the post-retirement benefit obligation are as follows:

| | 2018<br>£ 000 | 2017<br>£ 000 |
|---|---|---|
| At 1 January | (11,225) | (11,953) |
| Other finance charges | (275) | (270) |
| Current Service cost | (73) | (78) |
| Actuarial gains and losses | 1,898 | 787 |
| Benefits paid | 439 | 289 |
| Present value at end of year | (9,236) | (11,225) |

**Sensitivity analysis**

The sensitivity analysis for significant actuarial assumptions showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that is reasonably possible for the year ended as of 31 December 2018 and 2017 is presented below:

## 15 Post-employment benefits (continued)

| | 2018 | | 2017 | |
|---|---|---|---|---|
| | + 0.5% | - 0.5% | + 0.5% | - 0.5% |
| **Adjustment to discount rate** | **£ 000** | **£ 000** | **£ 000** | **£ 000** |
| Present value of total obligation | (600) | 674 | (752) | 842 |

| | 2018 | | 2017 | |
|---|---|---|---|---|
| | + 0.5% | - 0.5% | + 0.5% | - 0.5% |
| **Adjustment to healthcare costs** | **£ 000** | **£ 000** | **£ 000** | **£ 000** |
| Present value of total obligation | 656 | (656) | 808 | (809) |

The sensitivity analysis is performed using the projected unit credit method and based on a change in an assumption whilst holding all other assumptions constant.

*Maturity analysis of benefit payments*

| | Less than a year<br>£ 000 | Between 1-2 years<br>£ 000 | Between 2-5 years<br>£ 000 | Between 5-10 years<br>£ 000 | Between 10-15 years<br>£ 000 | Total<br>£ 000 |
|---|---|---|---|---|---|---|
| 2018 | 437 | 934 | 986 | 2,549 | 9,200 | 14,106 |
| 2017 | 417 | 949 | 1,064 | 2,912 | 11,250 | 16,592 |

## 16 Called up share capital

**Allotted, called up and fully paid shares**

| | 2018<br>No. 000 | £ 000 | 2017<br>No. 000 | £ 000 |
|---|---|---|---|---|
| 10,000,000 Allotted, called up and fully paid of £1 each | 10,000 | 10,000 | 10,000 | 10,000 |

## 17 Reserves

**Revaluation reserve**
Represents unrealised changes in the value of investments in group undertakings, in accordance with a previous accounting policy..

**Other reserves**
Comprises the excess of the fair value of assets transferred to the Company over the nominal value of the shares issued in consideration for the assets.

**Profit and loss account**
Represents the accumulated profits and losses of the Company.

### 18 Events occurring after the reporting period

On 1 March 2019, the Company's subsidiary PPP Taking Care Ltd acquired the the trade and assets of Chichester Careline, from Chichester District Council.

### 19 Immediate and ultimate parent

The Company's immediate parent is Guardian Royal Exchange plc.

The ultimate parent is AXA SA.

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

**Relationship between entity and parents**

The parent of the largest group in which these financial statements are consolidated is AXA SA, incorporated in France.

The address of AXA SA is:
25, avenue Matignon, 75008 Paris, France.

The parent of the smallest group in which these financial statements are consolidated is Guardian Royal Exchange plc, incorporated in France.

The address of Guardian Royal Exchange plc is:
5 Old Broad Street, London, EC2N 1AD.