

Registered Number: 01282939

Annual Report and Financial Statements 2022  
**Pet Plan Limited**

## **Contents**

	<b>Page</b>
Company Information	1
Strategic Report	2 to 3
Directors' Report	4
Statement of directors' responsibilities in respect of the financial statements	5
Independent Auditors' Report	6 to 8
Statement of Profit and Loss and Other Comprehensive Income	9
Statement of Changes in Equity	10
Statement of Financial Position	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 to 17

## **Company Information**

<b>Directors</b>	F K Dyson (ceased 8 February 2022) C J Holmes (appointed 1 July 2023) S C McGinn (ceased 8 February 2022) K P O'Keeffe (appointed 8 February 2022) S Treloar (appointed 22 November 2022, ceased 30 June 2023) K P Wenzel (appointed 8 February 2022)
<b>Company secretary</b>	C M Twemlow
<b>Registered office</b>	57 Ladymead Guildford Surrey GU1 1DB
<b>Registered number</b>	01282939
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

## **Strategic Report for the Year Ended 31 December 2022**

The directors present their Strategic Report for the year ended 31 December 2022.

### **Principal activities**

The principal activity of the Company is the introduction of pet and related insurance business to Allianz Insurance plc ("AZI"). The Company is authorised and regulated by the Financial Conduct Authority ("FCA") to act as an intermediary.

### **Business review**

The results for the year are set out in the Statement of Profit and Loss and Other Comprehensive Income on page 9. The profit for the year amounted to £190k (2021: £159k). The profit before tax in the year arose entirely from fees received for the introduction of insurance business. The increase in profit for the year was due to a decrease in the tax charge resulting from adjustments to prior year current tax recognised in the current year.

### **Key performance indicators**

The financial key performance indicators monitored by the Company are profit before tax and total equity value. The profit before tax for the year amounted to £200k (2021: £200k) and the total equity value was £15,506k (2021: £15,316k). The Company does not monitor any non-financial key performance indicators.

### **Principal risks and uncertainties**

The principal risk facing the Company is conduct risk related to its regulated activity. The Company mitigates this risk through regular dialogue with the FCA and the application of the principles of conduct. An additional risk is that AZI no longer requires the Company to introduce sales of pet and related insurance. This risk is not expected to materialise as the Company is a wholly owned subsidiary of AZI delivering profitable growth for that Company. More detail is provided in note 10.

### **Future outlook**

No changes in the principal activity are anticipated in the foreseeable future.

### **Going concern**

The Directors, having undertaken an assessment, are confident in the Company's ability to continue as a going concern.

### **Section 172 (1) Companies Act 2006 Statement**

This statement sets out how the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 when performing their duties. The Directors consider, both individually and collectively, that they have acted in a way that, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 in the decisions taken during the year.

The Company is a wholly owned subsidiary of AZI, which is part of the Group. As a result of the governance structure of the Group, strategic decisions and matters which affect the whole Group are considered by the Board of Allianz Holdings plc ("AZH") or its committees to an appropriate extent for the Group as a whole. Certain Group stakeholders and their interests (including employees, community and the environment) are considered at and actions concerning them determined at a Group level by the AZH Board and its committees rather than at a subsidiary board level.

As a wholly owned subsidiary of the Group and in line with the duty to promote the success of the Company for the benefit of its shareholder, the Company's Board must have regard to the overall strategy and direction of the Group, including the impact on broader stakeholders of the Group, when making decisions. Stakeholders, their interests and the manner in which the Company engages with them, are integral to how the Company conducts business.

The Company's key stakeholders are its shareholder, AZI and the wider Group, its customers, its regulator (the Financial Conduct Authority), its suppliers and employees working on its business (who are employed by another entity within the Group). The Board also consider wider stakeholders, where relevant, such as the local communities in which it operates.

## Strategic Report for the Year Ended 31 December 2022 (continued)

The Company's Board meets as required and the Board considers all decisions put to it from the perspective of the Company and has regard to the Company's stakeholders and their interests. The Directors also consider the long term consequences of decisions on the Company and the wider Group. During the year the Board met to approve the financial statements for the year ended 31 December 2021 and in approving them considered the interests of all of its stakeholders, in particular its shareholder and the wider Group.

On behalf of the Board



K P Wenzel

Director

7 July 2023

## **Directors' Report for the year Ended 31 December 2022**

The directors present their audited Annual Report and financial statements for the year ended 31 December 2022.

As permitted by section 414C(11) of the Companies Act 2006, certain information is not included in the Directors' Report because it has instead been shown in the Strategic Report. This information is:

- Results for the year;
- Principal activities of the Company;
- Business review and Future prospects and
- Stakeholders

### **Directors**

The directors, who held office during the year, and up to the date of signing the financial statements, were as follows:

F K Dyson (ceased 8 February 2022)

C J Holmes (appointed 1 July 2023)

S C McGinn (ceased 8 February 2022)

K P O'Keeffe (appointed 8 February 2022)

S Treloar (appointed 22 November 2022)

K P Wenzel (appointed 8 February 2022)

### **Directors' liabilities**

A qualifying third party indemnity was in force during the financial year and also at the date of approval of the financial statements.

### **Results and dividends**

The results for the year are shown in the Statement of Profit and Loss and Other Comprehensive Income on page 9. A review of the Company's business activities can be found in the Strategic Report on page 2.

No interim dividend was paid for the year ended 31 December 2022 (2021: £nil). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: £nil).

### **Future outlook**

The future outlook for the Company is outlined in the Strategic Report on page 2.

### **Going concern**

The Directors, having undertaken an assessment, are confident in the Company's ability to continue as a going concern.

### **Directors' responsibility to the Auditors**

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Independent Auditors**

Pursuant to section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been re-appointed as auditors at the end of 28 days beginning with the day on which copies of these report and financial statements are sent to Members.

By order of the Board



C M Twemlow

Secretary

7 July 2023

## **Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, 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 UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the Company's financial statements published on the parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



K P Wenzel

Director

7 July 2023

# Independent auditors' report to the members of Pet Plan Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Pet Plan Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 2022 (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2022; the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



## 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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2022 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 in respect of the financial statements, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries which may impact the financial performance and position of the company. Audit procedures performed by the engagement team included:

- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing relevant meeting minutes including those of the Board of Directors;
- Identifying and testing journal entries, in particular any journal entries posted by senior management; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained 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.



Natalie Brookes (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
7 July 2023

**Statement of Profit and Loss and Other Comprehensive Income  
For the year Ended 31 December 2022**

		<b>2022</b>	<b>2021</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
Revenue		200	200
<b>Profit before tax</b>		<b>200</b>	<b>200</b>
Income tax expense	5.1	(10)	(41)
<b>Profit for the year wholly attributable to the equity holders</b>		<b>190</b>	<b>159</b>

There has been no other comprehensive income in the year ended 31 December 2022 (2021: £nil).

The accounting policies and notes on pages 13 to 17 are an integral part of these financial statements.

**Statement of Changes in Equity  
For the Year Ended 31 December 2022**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1 January 2021</b>	20	15,137	15,157
Profit for the year	-	159	159
<b>At 31 December 2021</b>	<b>20</b>	<b>15,296</b>	<b>15,316</b>
	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1 January 2022</b>	20	15,296	15,316
Profit for the year	-	190	190
<b>At 31 December 2022</b>	<b>20</b>	<b>15,486</b>	<b>15,506</b>

The accounting policies and notes on pages 13 to 17 are an integral part of these financial statements.

**Statement of Financial Position  
As at 31 December 2022**

	Note	2022 £'000	2021 £'000
<b>Assets</b>			
Amounts due from related parties	12	887	672
Cash and cash equivalents	8	24,952	22,497
<b>Total assets</b>		<b>25,839</b>	<b>23,169</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	9	20	20
Retained earnings		15,486	15,296
<b>Total equity</b>		<b>15,506</b>	<b>15,316</b>
<b>Liabilities</b>			
Amounts due to related parties	12	10,317	7,793
Current tax liabilities	5.3	16	60
<b>Total liabilities</b>		<b>10,333</b>	<b>7,853</b>
<b>Total equity and liabilities</b>		<b>25,839</b>	<b>23,169</b>

These financial statements on pages 9 to 12 were approved by the Board of Directors on 6 July 2023 and signed on its behalf by:



K P Wenzel  
Director

**Pet Plan Limited**  
**Registered Number: 01282939**

The accounting policies and notes on pages 13 to 17 are an integral part of these financial statements.

**Statement of Cash Flows  
For the Year Ended 31 December 2022**

	Note	2022 £'000	2021 £'000
<b>Cash flows from operating activities</b>			
<b>Profit before tax</b>		<b>200</b>	<b>200</b>
<b>Changes in working capital</b>			
Increase in amounts due from related parties	12	(215)	(672)
Increase in amounts due to related parties	12	2,524	3,419
<b>Cash generated from operations</b>		<b>2,509</b>	<b>2,947</b>
Income tax paid		(54)	-
<b>Net cash flow generated from operating activities</b>		<b>2,455</b>	<b>2,947</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,455</b>	<b>2,947</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>22,497</b>	<b>19,550</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>24,952</b>	<b>22,497</b>

The accounting policies and notes on pages 13 to 17 are an integral part of these financial statements.

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 1 ACCOUNTING POLICIES

#### 1.1 Company and its operations

Pet Plan Limited ("the Company") is a private company limited by shares, incorporated in England and Wales and domiciled in the United Kingdom.

#### 1.2 Statement of compliance

The financial statements of the Company have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

#### 1.3 Basis of preparation

The financial statements have been prepared on the historical cost basis. The functional and presentational currency is British Pounds.

#### Going concern

These financial statements are prepared on a going concern basis. For more information on the going concern assessment please refer to the Strategic Report on page 2.

#### New standards and interpretations adopted by the Company

There are no new standards and interpretations affecting the Company that are mandatorily effective from 1 January 2022. The accounting policies have been consistently applied unless a new policy has been implemented.

#### New standards and interpretations not yet adopted by the Company

New standards and interpretations which are not mandatorily effective have not been applied in preparing these financial statements. The Company does not plan to adopt these standards early; instead it will apply the standards from the effective date as determined by the date of UK Endorsement Board ("UKEB").

#### 1.4 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the financial statements are set out in the following paragraphs.

##### (a) Income taxes

Income tax on the profit or loss for the year comprises current tax. Income tax is recognised in the income tax expense. Current tax shall be recognised outside profit and loss if the tax relates to items that are recognised, in the same or a different period, outside profit and loss.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the Statement of Financial Position date, together with adjustments to tax payable in respect of prior years.

Group tax losses are utilised when available. Consideration paid for group relief is accounted for in the financial statements as though the payment has been made to the relevant tax authorities.

##### (b) Amounts due from related parties

Amounts due from related parties are initially recognised and subsequently remeasured at amortised cost after taking into account any impairment losses. Amounts due from related parties shall be derecognised when the contractual right to receive cash flows expire or when the asset is transferred.

An expected credit loss ("ECL") provision is assessed as at the Statement of Financial Position date and the carrying amount of the receivables balance is reported after deduction of any ECL. The Company has adopted the "simplified approach" in determining the ECL. Under this approach, the ECL is calculated as the book cost of the receivables.

##### (c) Amounts due to related parties

Amounts due to related parties are obligations to pay for goods or services that have been acquired in the ordinary course of business. They are initially recognised and subsequently measured at cost because they are expected to be settled within twelve months and their carrying value is a reasonable approximation of fair value

## Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

### 1 ACCOUNTING POLICIES (CONTINUED)

#### 1.4. Summary of significant accounting policies (continued)

##### (d) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

An ECL provision is assessed as at the Statement of Financial Position date and the carrying amount of the cash and cash equivalents balance is reported after deduction of any ECL. The Company has adopted the "simplified approach" in determining the ECL. Under this approach, the ECL is calculated as the book cost of the cash and cash equivalents multiplied by a 1 year PD, an appropriate LGD and tenor.

##### (e) Revenue recognition

Revenue recognised relates to commission income from acting as an intermediary for the introduction of insurance business. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. Revenue is recognised when the performance obligation has been satisfied.

The Company has one performance obligation within its revenue stream:

- Introduction of pet and related insurance - the performance obligation is the introduction of pet insurance to the insurer. The insurer pays a flat fee per quarter not linked to the volume of business introduced. This obligation is fully satisfied at the beginning of the coverage period and as such the revenue is recognised immediately.

### 2 USE OF CRITICAL ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The Company makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities. Estimates, assumptions and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company does not consider any particular accounting policy or estimate to be susceptible to significant changes in estimates and assumptions.

### 3 EMPLOYEE RELATED COSTS

The Company has no employees and as such incurs no employee related costs.

### 4 AUDITORS' REMUNERATION

The total remuneration payable by the Company excluding VAT, to its auditors in respect of the audit of these financial statements, is shown below. The Company's audit fees are borne by Allianz Management Services Limited ("AMS"). Other services supplied pursuant to legislation were £nil (2021: £nil).

	2022	2021
	£'000	£'000
Fees payable for the audit of the Company's auditors and associates	8	7

### 5 INCOME TAX

#### 5.1 Income tax recognised in profit or loss

Tax charged in the Statement of Profit and Loss and Other Comprehensive Income

	2022	2021
	£'000	£'000
<b>Current taxation</b>		
In respect of the current year	16	41
In respect of prior year	(6)	-
<b>Total current tax charge recognised in the current year</b>	<b>10</b>	<b>41</b>



Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

5 INCOME TAX (CONTINUED)

The tax assessed on the year is lower (2021: higher) than the standard rate of corporation tax in the United Kingdom of 19% (2021: 19%).

The differences are reconciled below:

	2022	2021
	£'000	£'000
<b>Profit before tax</b>	<b>200</b>	<b>200</b>
<b>Corporation tax at standard rate</b>	<b>38</b>	<b>38</b>
Decrease from transfer pricing adjustments	(22)	-
(Decrease)/Increase in current tax from adjustment for prior periods	(6)	3
<b>Total tax charge</b>	<b>10</b>	<b>41</b>

5.2 Tax paid for cash flow purposes

	2022	2021
	£'000	£'000
<b>Current tax payable at 1 January</b>	60	38
Amounts charged to the statement of profit and loss	10	41
Tax paid during the year	(54)	(19)
<b>Current tax payable at 31 December</b>	<b>16</b>	<b>60</b>

5.3 Current tax liabilities

	2022	2021
	£'000	£'000
Current tax liabilities	16	60

The UK Government announced its intention in the budget of 3 March 2021 to legislate to increase the rate of corporation tax from 19% to 25% with effect from 1 April 2023. This legislation was substantively enacted on 24 May 2021.

6 DIRECTORS' EMOLUMENTS

F K Dyson, S C McGinn, S Treloar, K P O'Keeffe and K P Wenzel provided services to the Company and other companies within the Allianz UK Group and it is not possible to make an appropriate apportionment of an individual's remuneration in respect of their role as a Director of the Company. Accordingly, no remuneration is being disclosed for such individuals. F K Dyson, S C McGinn and K P Wenzel were paid by AMS. S Treloar and K P O'Keeffe were paid by Liverpool Victoria General Insurance Group Limited ("LVGIG"). AMS and LVGIG are fellow AZH subsidiaries.

7 DIVIDENDS

No interim dividend was paid for the year ended 31 December 2022 (2021: £nil). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: £nil).

8 CASH AND CASH EQUIVALENTS

	2022	2021
	£ 000	£ 000
Cash and cash equivalents	24,952	22,497
<b>Total cash and cash equivalents</b>	<b>24,952</b>	<b>22,497</b>

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

9 EQUITY

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	20,000	20,000	20,000	20,000

10 RISK MANAGEMENT POLICIES

**Capital management**

The Company's capital risk is determined with reference to the requirements of the Group. In managing capital, the Company seeks to maintain sufficient, but not excessive, financial strength to support the payment of dividends and the requirements of all stakeholders. The sources of capital used by the Company are equity shareholders' funds. At 31 December 2022 the Company had £15,506k (2021: £15,316k) of total capital employed.

The Company introduces insurance business to its parent AZI. Its operations are primarily based in the United Kingdom hence any risk exposure is almost entirely confined within the United Kingdom.

**Financial Risk**

The key financial risk is that proceeds from the realisation of assets are insufficient to meet obligations as they fall due. The most important aspects of financial risk comprise market risk, credit risk and liquidity risk.

**Market risk**

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the value of the Company's assets and income. The Company is not directly exposed to market risk.

**Credit risk**

Credit risk is the risk that a counterparty will be unable to pay amounts due to the Company in full when they fall due. The Company is exposed to credit risk through its cash and cash equivalents. The Company deems the credit risk associate with the cash and cash equivalents to be low as they are held with a financial institution with an A credit rating. The cash and cash equivalents can be drawn upon immediately. The Company is also exposed to credit risk through its amounts due from related parties. The Company deems the risk associated with its receivables from related parties to be low as they are due from fellow Allianz SE Group subsidiaries and are A rated.

**Liquidity risk**

Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. The Company is exposed to liquidity risk through its amounts due to related parties and current tax liabilities. The amounts due to related parties are payable within 1 year of the Statement of Financial Position date. Liquidity risk for the Company is mitigated as the Company has sufficient liquid assets to meet its liabilities as they fall due and would be able to draw down from the liquid assets held elsewhere in the Group should the need arise.

11 PARENT AND ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Allianz Insurance plc, a company registered in the UK.

The ultimate parent undertaking, Allianz Societas Europaea ("Allianz SE"), is incorporated in Germany and is the parent of the largest and smallest group of undertakings for which Allianz SE Group financial statements are drawn up and of which the Company is a member.

The most senior parent entity producing publicly available financial statements is Allianz SE. These financial statements are available upon request from their registered office address of Allianz SE, Königinstrasse 28, 80802 München, Germany.

**Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)**

**12 RELATED PARTY TRANSACTIONS**

The Company enters into transactions with fellow group undertakings in the normal course of business. The Company collects premium receipts that are subsequently passed to the Parent and passes on claims payments from and on behalf of the Parent. Details of transactions carried out during the year with related parties are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Sales and administration services	200	200

Year-end balances arising from transactions carried out with related parties are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Due from related parties at 31 December</b>		
Other related parties	887	672
<b>Total</b>	<b>887</b>	<b>672</b>
<b>Due to related parties at 31 December</b>		
Parent	10,317	7,793
<b>Total</b>	<b>10,317</b>	<b>7,793</b>

The Company considers its key management personnel to be the Directors only. Further information is disclosed in note 6.

The Company has concluded that the ECL model has made no significant impact on the valuation of receivables reported in the financial statements.

All amounts due from and due to related parties are deemed to be settled within 1 year of the Statement of Financial Position date.

**13 SUBSEQUENT EVENTS**

There have been no subsequent events after the Statement of Financial Position date.