

Registered Number: 1989349

Annual Report and Financial Statements 2019

**Allianz (UK) Limited**

<b>Directors:</b>	R O Hudson	
	J M Dye	
	C W T Dinesen	
	R M Murison	
	D A Torrance	
	D J Larnder	
	N C Peiris	(appointed 07.02.19)
	F K Dyson	(appointed 11.04.19)
<b>Secretary:</b>	T A Beicken	(appointed 08.11.19)
	S J Hutchings	(resigned 08.11.19)

**Registered Office:** 57 Ladymead, Guildford, Surrey, GU1 1DB

**Registered No:** 1989349

## Strategic Report

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

### Principal activity

The Company acts as an investment holding company.

### Business review

The impact of the Coronavirus disease ('COVID-19') is noted in Principal risks and uncertainties below.

The results for the year are set out in the Statement of Comprehensive Income on page 8. The profit for the year amounted to £82k (2018: £175,054k). The reduction is a consequence of no dividend being received during the year. During the year, the Company incurred administration expenses and received a tax credit due to imputed interest on intercompany balances.

### Key performance Indicators

The financial key performance indicators monitored by the Company are; profit before tax, dividends received and net asset value. The loss before tax for the year is £16k (2018: £174,927k profit), with the Company receiving dividends of £nil (2018: £175,000k). At the year end, the Company had net assets of £1,560,687k (2018: £910,605k). This increase is as a result of issuing additional share capital (for further details refer to note 11). This capital was subsequently injection in Allianz Holdings plc for the purpose of acquiring Liverpool Victoria General Insurance Group and the general insurance division of Legal & General (for further details refer to note 8).

The Company does not monitor any non-financial key performance indicators.

### Principal risks and uncertainties

The principal risks facing the Company are the performance of its investment in its subsidiary undertaking, Allianz Holdings plc.

On March 11, 2020 the World Health Organisation confirmed that the outbreak of COVID-19 is a global pandemic and is a new and significant source of uncertainty for the Company in 2020. Preventative actions are being taken by the UK government such as restricting the public on non-essential travel, working from home, closure of businesses, postponing events and public gatherings. This has had an immediate impact to the domestic and global economies and financial markets, creating uncertainty for people and businesses. Consequently, companies are assessing the impact of COVID-19 as explained below.

The Company is closely monitoring the situation as it develops to manage financial risk. There is close alignment and interaction to ensure the Company is operating in accordance with government advice and benefiting from the wider Allianz SE Group response.

## Strategic Report (continued)

### Principal risks and uncertainties (continued)

The Company is responding to the COVID-19 situation using well established business resilience and crisis management procedures. The key risks this crisis presents are financial. The risks have largely come to the fore from late February onwards as new information has emerged and the government response has developed.

The Company is regularly assessing the disruption from risks posed by the COVID-19 pandemic. The financial impact is being closely monitored in light of these emerging risks. The Company's existing Risk Management framework is designed to cope with stresses and is responding to the current crisis.

The impact of COVID-19 is continuing to evolve at a fast pace, and therefore it is not practicable to quantify the potential financial impact on the Company at the time of writing.

### Future outlook

No changes to the principal activity are anticipated in the foreseeable future. The Company will continue to consider suitable investment opportunities as and when they arise. The uncertainties surrounding Brexit and the COVID-19 pandemic are noted.

### Brexit

The United Kingdom ("UK") formally left the European Union ("EU") on January 31, 2020. There will now be a period of transition until December 31, 2020 where the UK and EU continue to negotiate, there remains a risk that a trade deal is not reached. This scenario could lead to inflationary pressure driven by exchange rate movements and labour shortages. As a result, the outcome of Brexit remains uncertain and management continue to monitor the potential impacts on the business. With operations based in the UK and minimal risk exposure outside the UK, management feel that the Company is well placed to respond to any potential outcome.

### Going concern

The Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements.

There is undeniably significant uncertainty surrounding the impact of COVID-19 on the business. However, a prudent assessment indicates that there is ample liquidity to support operations.

The COVID-19 development has led to significant reductions in market values in the early part of 2020 and heightened volatility. Stock markets have fallen sharply, and the Bank of England and government have taken unprecedented steps in response with base rates reduced to a historic low of 0.1% and broad financial support measures have been introduced to try to support the economy. It is anticipated that the UK will enter a period of recession in 2020 due to this economic shock.

Management are regularly assessing the impact on the financial position with actions in place to respond where appropriate. The effect of COVID-19 is continuing to evolve at a fast pace, and therefore it is not practicable to quantify the potential financial impact on the Company at the time of writing.

The Board will continue to monitor the situation closely and take appropriate action as necessary.

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

The Company's board of directors have acted in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have had regard to the matters set out in section 172 (1) of the Companies Act 2006 (the 'Act').

From the perspective of the board, as a result of the Group governance structure (whereby the Company's board is embedded within the Allianz Holdings plc board) the matters that it is responsible for considering under section 172 (1) of the Act have been considered to an appropriate extent by the Allianz Holdings plc Board and its committees in relation to the Group and the Company. The Company's board also meets quarterly and holds other ad hoc meetings where appropriate. Stakeholders are considered by the board and within the Group governance structure. To the extent necessary for an understanding of the development, performance and position of the Company, an explanation of how the Allianz Holdings plc Group Board has considered matters set out in s172 (1) of the Act (for the group and for the Company) is set out in the Allianz Holdings plc group Annual Report, which does not form part of this report.

## Strategic Report (continued)

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

Stakeholders, their interests and the manner in which the Company engages with them, are integral to how the Company conducts business. When strategic and operational decisions are considered by the board, the broader impacts on stakeholders are taken into account and this approach is embedded within the Group governance structure.

By order of the Board



F K Dyson  
Director  
June 29, 2020

## Directors' Report

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

### Directors

The Directors of the Company who were in office during the financial year are shown on page 1. Following the year end, S Treloar was appointed as a Director with effect from January 1, 2020.

### Results and dividend

The results for the year are set out in the Statement of Comprehensive Income on page 8. A review of the Company's business activities and any likely future developments can be found in the Strategic Report.

The Directors are not recommending the payment of a final dividend for the year ended December 31, 2019 (2018: £175,000k). No interim dividend was paid in respect of the year ended December 31, 2019 (2018: £nil).

### Share capital

On December 20, 2019, the Company issued 433,334,000 new Ordinary Shares of £1 each at par to Allianz Europe Limited and 216,666,000 new Ordinary Shares of £1 each at par to Allianz Societas Europaea.

### Future outlook

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

### Going concern

The going concern assessment for the Company is outlined in the Strategic Report on page 2.

### 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.

### 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



T A Beicken  
Secretary  
Allianz (UK) Limited  
Company Number: 1989349  
June 29, 2020

## Statement of Directors' Responsibilities in Respect of the Strategic Report, the Directors' Report and 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Board



F K Dyson  
Director  
June 29, 2020

# ***Independent auditors' report to the members of Allianz (UK) Limited***

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

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### **Opinion**

In our opinion, Allianz (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements 2019 (the "Annual Report"), which comprise: the Balance Sheet as at December 31, 2019; the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **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.

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

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

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

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

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### **Reporting on other information**

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

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

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

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

### *Strategic Report and Directors' Report*

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

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

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## **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 Strategic Report, the Directors' Report and the Financial Statements set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



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

29 June 2020



## Statement of Comprehensive Income

For the year ended December 31, 2019

	Note	2019 £'000	2018 £'000
Dividend received		–	175,000
Administration expenses		(16)	(73)
<b>(Loss)/profit before tax</b>		<u>(16)</u>	<u>174,927</u>
Income tax credit	5(a)	<u>98</u>	<u>127</u>
<b>Profit for the year wholly attributable to the equity holders</b>		<u><u>82</u></u>	<u><u>175,054</u></u>

## Statement of Changes in Equity

For the year ended December 31, 2019

	Share capital	Share premium	Capital contribution	Retained earnings	Special reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at January 1, 2018</b>	654,800	62,800	73,240	59,711	60,000	910,551
Dividends paid	–	–	–	(175,000)	–	(175,000)
Net profit for the year	–	–	–	175,054	–	175,054
<b>Balance at December 31, 2018</b>	<u>654,800</u>	<u>62,800</u>	<u>73,240</u>	<u>59,765</u>	<u>60,000</u>	<u>910,605</u>
Shares issued during the year	650,000	–	–	–	–	650,000
Net profit for the year	–	–	–	82	–	82
<b>Balance at December 31, 2019</b>	<u><u>1,304,800</u></u>	<u><u>62,800</u></u>	<u><u>73,240</u></u>	<u><u>59,847</u></u>	<u><u>60,000</u></u>	<u><u>1,560,687</u></u>

The accounting policies and notes on pages 11 to 16 are an integral part of these financial statements.

## Balance Sheet

As at December 31, 2019

	Note	2019 £'000	2018 £'000
<b>Assets</b>			
Investment in group undertakings	8	1,611,348	961,348
Amounts due from group undertakings	14	161	4,294
Current tax asset	5(c)	98	127
<b>Total assets</b>		<u>1,611,607</u>	<u>965,769</u>
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	11	1,304,800	654,800
Share premium		62,800	62,800
Capital contribution		73,240	73,240
Special reserve	9	60,000	60,000
Retained earnings		59,847	59,765
<b>Total equity</b>		<u>1,560,687</u>	<u>910,605</u>
<b>Liabilities</b>			
Amounts due to group undertakings	14	50,920	55,164
<b>Total liabilities</b>		<u>50,920</u>	<u>55,164</u>
<b>Total equity and liabilities</b>		<u>1,611,607</u>	<u>965,769</u>

The accounting policies and notes on pages 11 to 16 are an integral part of these financial statements.

These financial statements on pages 8 to 16 were approved by the Board of Directors on June 29, 2020 and signed on its behalf by:



F K Dyson  
Director

## Statement of Cash Flows

For the year ended December 31, 2019

	<i>Note</i>	<i>2019</i> £'000	<i>2018</i> £'000
<b>Cash flows from operating activities</b>			
(Loss)/profit before tax		(16)	174,927
Decrease/(increase) in amounts due from group undertakings	14	4,133	(80)
Decrease/(increase) in amounts due to group undertakings	14	(4,244)	73
Cash generated from operations		(127)	174,920
Income tax received	5(b)	127	80
<b>Net cash inflow from operating activities</b>		<u>–</u>	<u>175,000</u>
<b>Cash flows from investing activities</b>			
Purchase of shares in subsidiary	8	(650,000)	–
<b>Net cash outflow from investing activities</b>		<u>(650,000)</u>	<u>–</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	11	650,000	–
Dividends paid during the year		–	(175,000)
<b>Net cash inflow/(outflow) from financing activities</b>		<u>650,000</u>	<u>(175,000)</u>
<b>Increase in cash and cash equivalents</b>		–	–
<b>Cash and cash equivalents at the beginning of the year</b>		–	–
<b>Cash and cash equivalents at the year end</b>		<u>–</u>	<u>–</u>

The Company does not have its own bank account, all cash items are dealt with through intercompany accounts.

The accounting policies and notes on pages 11 to 16 are an integral part of these financial statements.

# Notes to the Financial Statements

For the year ended December 31, 2019

## 1. ACCOUNTING POLICIES

### 1.1. Company and its operations

Allianz (UK) Limited ("the Company") is a private limited company incorporated and domiciled in England and Wales.

### 1.2. Statement of compliance

The financial statements of the Company have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee as adopted by the European Union and with the Companies Act 2006 as applicable to companies reporting under IFRS.

### 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 compiled on a going concern basis. For more information on the going concern assessment please refer to the Strategic Report on page 1.

### New standards and interpretations adopted by the Company

The following standard has been adopted by the EU and is mandatorily effective from January 1, 2019;

- IFRS 16: Leases replaces IAS 17 Leases. There was no impact on the financial statements as there are no leasing arrangements in place.

### 1.4. Summary of significant accounting policies

#### (a) Basis of preparation

Allianz (UK) Limited is the parent company of Allianz Holdings plc and its subsidiaries. The Company is exempt from the obligation to prepare and deliver group accounts by virtue of the Companies Act 2006, as it is a subsidiary undertaking of an EU parent (see note 13). The accounts present information about the Company as an individual undertaking and not about the group.

#### (b) Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the Balance Sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise income tax is recognised in the Statement of Comprehensive Income.

#### (c) Shares in group undertakings

Shares in group undertakings are shown in the Balance Sheet at cost. The carrying value is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Further details of the Company's direct and indirect undertakings are shown in the note 8.

#### (d) Receivables

Receivables are initially recognised and subsequently remeasured at amortised cost after taking into account any impairment losses. Receivables 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 Balance Sheet date and the carrying amount of the receivables balance is reported after deduction of any ECL. The Company has adopted the "General approach" in determining the ECL. Under this approach, the calculation is based on an appropriate probability of default ("PD") and a loss given default ("LGD") to determine 12 month credit losses.

#### (e) Other payables

Other payables 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 December 31, 2019

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

The company makes simple 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. None of these are deemed to be critical.

### 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. Other services supplied pursuant to legislation were £nil (2018: £nil).

	2019	2018
	£'000	£'000
Fees payable for the audit of the Company's financial statements	<u>10</u>	<u>10</u>

### 5. INCOME TAX

#### (a) Income tax recognised in profit or loss

	2019	2018
	£'000	£'000
Current tax:		
In respect of the current year	<u>(98)</u>	<u>(127)</u>
Total current income tax credit recognised in the current year	<u>(98)</u>	<u>(127)</u>

The income tax credit for the year can be reconciled to the accounting profit as follows:

	2019	2018
	£'000	£'000
(Loss)/profit before tax	<u>(16)</u>	<u>174,927</u>
Income tax (credit)/expense calculated at 19% (2018: 19%)	(3)	33,236
Effect of income that is exempt from taxation	–	(33,250)
Effect of imputed transfer pricing adjustments	<u>(95)</u>	<u>(113)</u>
Income tax credit recognised in profit or loss	<u>(98)</u>	<u>(127)</u>

The tax rate used for the 2019 and 2018 reconciliations above is the corporate tax rate payable by corporate entities in the UK on taxable profits under tax law in that jurisdiction. The standard rate of UK corporation tax will be 19% for 2020. Deferred tax on temporary timing differences which are expected to unwind after April 1, 2020 have been recognised at 17%, the rate which was substantially enacted in law as at December 31, 2019. The 17% rate has since been repealed from law in the March Budget resulting in the tax rate for 2020 onwards remaining at 19%. Management have assessed the impact and concluded that it is not significant.

#### (b) Tax paid for cash flow purposes

	2019	2018
	£'000	£'000
Current tax receivable at January 1	(127)	(80)
Amounts charged to the Statement of Comprehensive Income	(98)	(127)
Tax received during the year	<u>127</u>	<u>80</u>
Current tax receivable at December 31	<u>(98)</u>	<u>(127)</u>

## Notes to the Financial Statements

For the year ended December 31, 2019

### 5. INCOME TAX (continued)

#### (c) Current tax assets

	2019	2018
	£'000	£'000
Current tax assets	98	127

### 6. DIRECTOR'S EMOLUMENTS

J M Dye, C W T Dinesen, F K Dyson, R O Hudson, D J Larnder, R M Murison, N C Peiris and D A Torrance were not directly remunerated for their roles as directors of Allianz (UK) Limited as the amount of time spent performing their duties was incidental to their roles as key management personnel of the Allianz Holdings plc Group.

### 7. DIVIDENDS

No interim dividend was paid for the year ended December 31, 2019 (2018: £nil). The Directors do not recommend the payment of a final dividend for the year ended December 31, 2019 (2018: £175,000k).

### 8. INVESTMENT IN GROUP UNDERTAKINGS

Shares in Group undertakings are shown in the Balance Sheet at cost. The principal undertakings of Allianz (UK) Limited are shown below. The Company's shareholding in Allianz Holdings plc is held directly, all other shareholdings are held indirectly. The registered office for all undertakings is 57 Ladymead, Guildford, Surrey, GU1 1DB.

	Country of incorporation/ registration	Primary business operation	Proportion of voting shares held
<b>Subsidiary:</b>			
Allianz Holdings plc	England	Holding Company	99.99%
Allianz Insurance plc	England	General Insurance	100%
Home and Legacy Insurance Services Limited	England	Insurance Intermediary	100%
Allianz Business Services Limited	England	Insurance Intermediary	100%
Allianz International Limited	England	Investing in Debt Instruments	100%
The M.I. Group Limited	England	Dormant	100%
Allianz Management Services Limited	England	Management Services	100%
Three Pillars Business Solutions Limited	England	Policy Administration	100%
Allianz Engineering Inspection Services Limited	England	Engineering Inspections	100%
Vet Envoy Limited	England	IT Data Services	100%
British Reserve Insurance Company Limited	England	General Insurance	100%
Pet Plan Limited	England	Insurance Intermediary	100%
Trafalgar Insurance Public Limited Company	England	General Insurance	100%
Allianz Pension Fund Trustees Limited	England	Pension Fund Trustee	100%
Allianz Equity Investments Limited	England	Investing in Equity Shares	100%
Allianz Properties Limited	England	Investing in real estate	100%

## Notes to the Financial Statements

For the year ended December 31, 2019

### 8. INVESTMENT IN GROUP UNDERTAKINGS (continued)

Liverpool Victoria General Insurance Group Limited*	England	Holding Company	100%
Liverpool Victoria Insurance Company Limited*	England	General Insurance	100%
LV Assistance Services Limited*	England	Road Rescue	100%
LV Insurance Management Limited*	England	Management Services	100%
LV Repair Services Limited*	England	Repair Engineering Services	100%
Highway Insurance Group Limited*	England	Holding Company	100%
Highway Insurance Company Limited*	England	General Insurance	100%
Fairmead Insurance Limited (previously Legal & General Insurance Limited)*	England	General Insurance	100%
Buddies Enterprises Limited*	England	Insurance Intermediary	100%
Fairmead Distribution Services Limited (previously Legal & General Distribution Services Limited)*	England	Insurance Intermediary	100%

With the exception of those indicated\* all of the above shareholdings were also held at December 31, 2018. On December 31, 2019 the Company purchased 650,000,000 new ordinary shares of £1 each in Allianz Holdings plc.

In the opinion of the Directors, there has been no impairment during the year to the value of the assets of the Company consisting of shares in the Company's subsidiary as stated in the Balance Sheet.

### 9. SPECIAL RESERVE

The special reserve relates to the dividends waived during 2012 pursuant to Article 11 (ii). It may be paid as a dividend to the shareholder who previously waived the amounts with the agreement of the other members and the Directors; if the shareholder so requests. There is no restriction on the use of the reserve to meet the obligations of the Company, on a return of assets on a winding up or otherwise save that after payment of the Company's creditors and all expenses and charges but before distribution of surplus assets to the shareholders, each shareholder shall be entitled to the payment of all amounts previously waived by them which remain credited to the special reserve.

### 10. CAPITAL CONTRIBUTION

The capital contribution is regarded as distributable.

### 11. SHARE CAPITAL

	2019	2018
	£	£
Ordinary shares £1 each	1,304,800,002	654,800,002

On December 20, 2019 the Company issued 433,334,000 new ordinary shares of £1 each at par to Allianz Europe Limited and 216,666,000 new ordinary shares of £1 each at par to Allianz SE.

## Notes to the Financial Statements

For the year ended December 31, 2019

### 12. RISK MANAGEMENT POLICIES

#### Capital management

The Company invests in a single subsidiary based in the United Kingdom. Its operations and those of its subsidiaries 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 exposed to market risk through its investments in group undertakings insofar as the carrying amount exceeds the net asset value of the subsidiary and as such the investment is overstated.

#### 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 amounts due from group undertakings. The Company deems this risk to be low as the amounts are due from fellow Allianz SE Group subsidiaries and as such are highly 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 group undertakings. Liquidity risk for the Company is mitigated as the Company largely finances through intercompany transactions and the Company has sufficient liquid assets to meet its liabilities as they fall due.

### 13. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Allianz Europe Limited, a company registered in the United Kingdom. The ultimate parent undertaking, Allianz Societas Europaea ("Allianz SE"), is incorporated in Germany and is the parent of the largest group of undertakings for which Allianz SE group accounts are drawn up and of which the Company is a member.

Copies of the Allianz SE Group accounts are available on request from Allianz Societas Europaea, Königinstrasse 28, 80802 München, Germany

### 14. RELATED PARTY TRANSACTIONS

The Company enters into transactions with fellow group undertakings and key management personnel in the normal course of business. Details of significant transactions carried out during the year with related parties are as follows:

	2019	2018
	£'000	£'000
Dividend received from subsidiary	–	175,000
Dividend paid to parent	–	175,000
Administrative services	16	73

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

	2019	2018
	£'000	£'000
<b>Due from related parties at December 31</b>		
Other related party	161	4,294
	2019	2018
	£'000	£'000
<b>Due to related parties at December 31</b>		
Other related party	50,920	55,164



## Notes to the Financial Statements

For the year ended December 31, 2019

### 15. SUBSEQUENT EVENTS

The outbreak of COVID-19 has resulted in a pandemic causing significant disruption across the globe. COVID-19 has been classified as a non-adjusting event for accounting purposes. At December 31, 2019, a very limited number of cases had been reported to the World Health Organisation. Since then the spread of the virus has been rapid and the number of reported cases and deaths has increased significantly.

The impact on society is reflected in business closures, restrictions on movement, home working and cancellations of sporting and other events. This is expected to lead to an economic downturn.

The recent volatility in financial markets and the impact on asset and liability values is being monitored with management plans in place to mitigate financial and operational risks. However, whilst there is still a significant degree of uncertainty the Company remains in a robust position. The impact of COVID-19 is continuing to evolve at a fast pace, and therefore it is not practicable to quantify the potential financial impact on the Company at the time of writing.