

Registered Number: 1282939

Annual Report and Financial Statements 2019

Pet Plan Limited

Directors: S C McGinn
G E Davess
J M Dye
F K Dyson (appointed 14.05.2019)

Secretary: R C Jack-Kee
Registered Office: 57 Ladymead, Guildford, Surrey, GU1 1DB
Registered No: 1282939

Strategic Report

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

Principal activity and review of the business

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

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 9. The profit for the year amounted to £77k (2018: £30k loss). 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 as result of lower transfer pricing adjustments from decreased amounts due from related undertakings.

Key performance indicators

The financial key performance indicators monitored by the Company are profit before tax and net asset value. The profit before tax for the year amounted to £200k (2018: £200k) and the net assets were £14,995k (2018: £96,918k). The reduction in net assets in the year is due to the interim dividend payment of £82,000k (2018: £nil). 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 Financial Conduct Authority and the application of the principles of conduct. A secondary risk is that Allianz Insurance plc 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 Allianz Insurance plc delivering profitable growth for that company.

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 like the Allianz Holdings plc Group (which the Company is a wholly-owned subsidiary of), are assessing the impact of COVID-19 as explained below.

The Company is closely monitoring the situation as it develops to manage both operational and economic 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.

Our values will drive our decision making as the Company works through this challenging time, with a focus on putting our people first and prioritising existing and emerging customer needs.

The Company is responding to the COVID-19 situation using well established business resilience and crisis management procedures. A crisis team meets daily ensuring that clear communication and quick decision making is enabled. The key risk this crisis presents is operational and this risk is being actively monitored and managed on a daily basis. The risk has largely come to the fore from late February onwards as new information has emerged and the government response has developed.

Strategic Report (continued)

Principal risks and uncertainties (continued)

The Company is regularly assessing the disruption from risks posed by the COVID-19 pandemic. The operational impacts are 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, however management have concluded that the Company will not be significantly impacted.

Future outlook

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

We are confident in the Company's ability to continue as a going concern. The business is well placed in managing the principal risks and uncertainties, has a strong financial, trading and capital position and is owned by one of the largest property and casualty insurers in the world.

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.

Business continuity activity has been affected at speed and without any material customer detriment. Key activities have been maintained, e.g., frontline service and IT systems.

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, consideration has been duly given in the following ways:

- (1) as a result of the Group governance structure (whereby the majority of the Company's board is embedded within the Allianz Holdings plc board and/or its management board (the principal executive board committee)), the matters that those directors are 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, and
- (2) in respect of G E Davess, his day to day operational responsibility for the Company results in him being informed of decisions made by both the Allianz Holdings plc Board and its management board, either directly or via the other board members, and which need to be considered and implemented by the Company. As a result, G E Davess will also give consideration to those matters required under section 172 (1) of the Act.

Strategic Report (continued)

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

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.

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.

Results and dividends

The results for the year are shown in the Statement of Comprehensive Income on page 9. A review of the Company's business activities can be found in the Strategic Report on page 1.

On September 26, 2019 the Directors approved the payment of an interim dividend of £82,000k in respect of 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: £nil).

Future outlook

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

Going concern

The Directors' going concern assessment has been outlined in the Strategic report on page 2.

Directors' responsibility to the auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

Auditor

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

By order of the Board



R C Jack-Kee
Secretary
Pet Plan Limited
Company Number: 1282939
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 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 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

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

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

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

Reporting on other information

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

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

Independent auditors' report to the members of Pet Plan Limited

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

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

Strategic Report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities 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. 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.

Independent auditors' report to the members of Pet Plan Limited

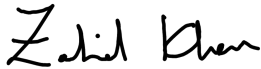
Other required reporting

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.



Zahid Khan (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

		2019	2018
	<i>Note</i>	<i>£'000</i>	<i>£'000</i>
Revenue		200	200
Profit before tax		<u>200</u>	<u>200</u>
Income tax expense	5(a)	(123)	(230)
Profit/(loss) for the year wholly attributable to the equity holders		<u><u>77</u></u>	<u><u>(30)</u></u>

There has been no other comprehensive income in the year ended December 31, 2019.

Statement of Changes in Equity

For the year ended December 31, 2019

	<i>Share capital</i>	<i>Retained earnings</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Balance as at January 1, 2018	20	96,928	96,948
Loss for the year	<u>-</u>	<u>(30)</u>	<u>(30)</u>
Balance as at December 31, 2018	20	96,898	96,918
Dividend paid	-	(82,000)	(82,000)
Profit for the year	<u>-</u>	<u>77</u>	<u>77</u>
Balance as at December 31, 2019	<u><u>20</u></u>	<u><u>14,975</u></u>	<u><u>14,995</u></u>

The accounting policies and notes on pages 12 to 16 are an integral part of these financial statements.

Balance Sheet

As at December 31, 2019

	Note	2019 £'000	2018 £'000
Assets			
Amounts due from related undertakings	11	3,785	87,330
Cash and cash equivalents		11,333	9,817
Total assets		<u>15,118</u>	<u>97,147</u>
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	8	20	20
Retained earnings		14,975	96,898
Total equity		<u>14,995</u>	<u>96,918</u>
Liabilities			
Current tax liabilities	5(c)	123	229
Total liabilities		<u>123</u>	<u>229</u>
Total equity and liabilities		<u>15,118</u>	<u>97,147</u>

The accounting policies and notes on pages 12 to 16 are an integral part of these financial statements.

These financial statements on pages 9 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

	2019	2018
<i>Note</i>	<i>£'000</i>	<i>£'000</i>
Cash flows from operating activities		
Profit before tax	200	200
Decrease/(increase) in amounts due from related undertakings	83,545	(2,518)
Cash generated from/ (used in) operations	<u>83,745</u>	<u>(2,318)</u>
Income taxes paid	5(b) (229)	(173)
Net cash inflow/(outflow) from operating activities	83,516	(2,491)
Cash flows from financing activities		
Dividends paid during the year	(82,000)	-
Net increase/(decrease) in cash and cash equivalents	1,516	(2,491)
Cash and cash equivalents at the beginning of the year	9,817	12,308
Cash and cash equivalents at the year end	<u><u>11,333</u></u>	<u><u>9,817</u></u>

The accounting policies and notes on pages 12 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

Pet Plan 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 in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) 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 Directors' Report on page 2.

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 – IFRS 16 Leases replaces IAS 17 Leases. The Company has determined that there will be no impact on the financial statements as there are no leasing arrangements in place.

1.4. Summary of significant accounting policies

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

(a) 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.

(b) Trade and other receivables

Trade and other receivables are initially recognised and subsequently remeasured at fair value after taking into account any impairment losses. Trade and other 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.

(c) Cash and cash equivalents

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

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

An ECL provision is calculated as at the Balance Sheet date. The cash and cash equivalents are reported after deduction of any ECL amount.

Notes to the Financial Statements

For the year ended December 31, 2019

1. ACCOUNTING POLICIES (continued)

(f) Revenue recognition

Revenue is recognised in full when the performance obligation has been satisfied. The performance obligation for the Company is the introduction of pet and related insurance. Revenue is determined based on a flat amount per annum.

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

Pet Plan Limited has no employees and as such incurs no employee related costs.

4. AUDITOR'S 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 AMS. 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>3</u>	<u>6</u>

5. INCOME TAX

(a) Income tax recognised in profit or loss

	2019	2018
	£'000	£'000
<i>Current income tax:</i>		
In respect of the current year	123	229
In respect of prior years	-	1
Total current income tax expense recognised in the current year	<u>123</u>	<u>230</u>

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

	2019	2018
	£'000	£'000
Profit before tax	200	200
Income tax expense calculated at 19% (2018:19%)	38	38
Effect of imputed transfer pricing adjustments	85	191
Adjustments recognised in the current year in relation to the current tax of prior years	-	1
Income tax expense recognised in profit or loss	<u>123</u>	<u>230</u>

5. INCOME TAX

(a) Income tax recognised in profit or loss

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 payable at January 1	229	172
Amounts charged to the statement of comprehensive income	123	230
Tax paid during the year	(229)	(173)
Current tax payable at December 31	<u>123</u>	<u>229</u>

(c) Current tax liabilities

	2019	2018
	£'000	£'000
Current tax liabilities	<u>123</u>	<u>229</u>

The Company expects to utilise the current tax liabilities within 12 months.

6. DIRECTORS' EMOLUMENTS

S C McGinn, F K Dyson and J M Dye were not directly remunerated for their roles as Directors of Pet Plan 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.

G E Davess was not directly remunerated for his role as a Director of Pet Plan Limited as the amount of time spent performing his duties was incidental to his role as an employee of the Allianz Holdings plc Group.

7. DIVIDENDS

An interim dividend of £82m was paid during 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: £nil).

8. SHARE CAPITAL

	2019	2018
	£'000	£'000
20,000 Ordinary shares of £1 each	<u>20</u>	<u>20</u>

9. RISK MANAGEMENT POLICIES

Capital management

The Company introduces insurance business to its parent Allianz Insurance plc. 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.

Notes to the Financial Statements

For the year ended December 31, 2019

9. RISK MANAGEMENT POLICIES (continued)

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 the fall due. The Company is exposed to credit risk through its cash balances and amounts due from group undertakings. The Company deems the risk associated with amounts due from Group undertakings to be low as the amounts are due from fellow Allianz SE Group subsidiaries which are A rated. The cash balances are held with a financial institution with an A+ credit rating. All amounts due from related parties are due within 1 year and cash can be drawn upon immediately.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. Liquidity risk for the Company is mitigated as the Company has sufficient liquid assets to meet its current tax payable liability and would be able to draw down from the liquid assets held elsewhere is the Allianz Holdings plc Group should the need arise.

10. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Allianz Insurance plc, a company registered in England and Wales. 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.

11. RELATED PARTY TRANSACTIONS

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

	<i>2019</i>	<i>2018</i>
	<i>£'000</i>	<i>£'000</i>
Sales and administration services	200	200
Dividend	82,000	-

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

	<i>2019</i>	<i>2018</i>
	<i>£'000</i>	<i>£'000</i>
Due from related parties at December 31		
Other related party	51	19,646
Parent	3,734	67,684
Total	<u>3,785</u>	<u>87,330</u>

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

12. 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.