

Registration number: 01821312

Guardian Royal Exchange plc

Annual Report and Financial Statements

for the Year Ended 31 December 2022

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Guardian Royal Exchange plc

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Guardian Royal Exchange plc

Company Information

Directors	R. D. Pagden
	T. J. Page
	R. J. A. Moquet
Company secretary	C. A. Riddy
Registered office	20 Gracechurch Street
	London
	England
	EC3V 0BG
Auditors	Mazars LLP
	Chartered Accountants and Statutory Auditor
	30 Old Bailey
	London
	EC4M 7AU

Guardian Royal Exchange plc

Strategic Report for the Year Ended 31 December 2022

The directors present their strategic report on Guardian Royal Exchange plc ("the Company") for the year ended 31 December 2022.

Principal activity

The principal activity of the Company is to act as a holding Company for its subsidiaries which underwrite general insurance and healthcare business mainly in the United Kingdom and the Republic of Ireland.

Fair review of the business

The Company received a dividend of £369m (2021: £139m) during the year from subsidiary AXA Insurance plc. The board subsequently approved an interim dividend payment of £369m (2021: £151m) to parent company, AXA UK plc.

Strategy

The Company has a clear strategic business model focusing on acting as a holding company to a number of different companies, including three regulated insurance companies. Further details of the subsidiaries are shown in note 8. The Company's subsidiaries which primarily affect the performance of the Company, have in place a variety of methodologies to monitor and manage the risks they accept and to plan for increasing their involvement in chosen markets. A number of initiatives are in place to deliver profitable growth in these markets and distribution channels.

Principal risks and uncertainties

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

The risks and uncertainties facing the Company are linked to those of its subsidiaries. A discussion of the risks and uncertainties of its subsidiaries are contained within each of the subsidiaries' annual reports and financial statements.

Section 172 statement

Overview

The matters set out in Section 172(1) of the Companies Act 2006 (the "Act") underpin Guardian Royal Exchange plc's purpose and vision and ground the Board's decision making. The directors of the Company consider, both individually and collectively, that in the decisions taken during the year ended 31 December 2022 they have complied with the duties set out in the Act, which include the duty to act in the way they consider, in good faith, would be most likely promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in the Act, including:

- the likely consequences of the decision in the long-term
- the interests of our employees
- the need to further the Company's business relationships with suppliers, customers, and others
- the impact of the Company's operations on the community and the environment
- the desire to maintain a reputation for high standards of business conduct

The Company's "members" are its shareholders, both its immediate shareholder AXA UK plc; and its ultimate shareholder, AXA SA. An insight into the way in which the directors have considered the Company's members and other key stakeholders in their decision making is set out below.

Guardian Royal Exchange plc

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

Relationships with our Stakeholders

Shareholder

The Company has one immediate shareholder, AXA UK plc, which provides its equity capital. AXA SA is the ultimate shareholder. Companies in the AXA UK Group engage with the ultimate shareholder through regular briefing of group directors on the performance of the AXA UK Group and upward reporting through management information systems.

Shareholder meetings are convened in accordance with the requirements of the Companies Act. An Annual General Meeting was held on 30 May 2022 with due notice given to all members. All resolutions proposed at the Annual General Meeting (concerning receipt of the financial statements and re-appointment of Mazars LLP as the Company's auditors for the year ended 31 December 2022) were approved.

Key decisions in 2022

Included below is an example of decisions taken by the Board during the year and how stakeholder views were taken into account.

Shareholder-related decisions

- Section 172 considerations: promoting the success of the Company for the benefit of the Company's members, long-term consequences, maintaining a reputation for high standards
- Stakeholders: Shareholders, Regulators

In May 2022, the Board approved and declared an interim dividend, following receipt of an interim dividend from its principal undertaking, AXA Insurance plc. The directors took into account all relevant matters set out in Part 23, Chapter 1 of the Companies Act concerning the payment of dividends, including reviewing the Company's distributable reserves and its ability to pay its debts as they fall due, having regard to the entirety of the Company's business and the actual and contingent liabilities (present and future) inherent in that business. The directors concluded that neither the long-term interests of the Company nor the interests of its creditors were significantly prejudiced by payment of the interim dividend and that distributable reserves would remain sufficient to cover the dividend.

Future developments

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

Approved by the Board on 7 June 2023 and signed on its behalf on 8 June 2023 pursuant to delegated authority by:



.....
R. J. A. Moquet
Director

Guardian Royal Exchange plc

Directors' Report for the Year Ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Future developments

Future developments are discussed in the Strategic Report.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

Detailed budgets, plans and forecasts have been prepared and reviewed setting out the financial position of the AXA UK group for the next 12 months and a strategic plan to 2028, approved by the board. In recognition of the uncertainty arising from high inflation and the economic outlook, plans and forecasts have been re-modelled using scenario analysis to assess a range of possible outcomes.

The directors therefore believe that the Company is well placed to manage its business risks, despite the continuing uncertainty in the economic outlook arising from inflationary pressures, and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the Annual Financial Report.

Directors of the Company

The directors, who held office during the year, were as follows:

R. D. Pagden

T. J. Page

R. J. A. Moquet

Streamlined Energy and Carbon Reporting

The Company qualifies as a low energy user in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 and is therefore exempt from reporting on its energy usage and carbon dioxide equivalent emissions for the year ended 31 December 2022.

Branches outside the United Kingdom

The Company does not operate branches outside the UK.

Indemnification of Directors

The Company is party to a group wide indemnity policy which benefits all of its current directors and is a qualifying third party indemnity provision for the purpose of the Companies Act 2006.

The indemnification was in force during the year and at the date of approval of the financial statements.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Guardian Royal Exchange plc

Directors' Report for the Year Ended 31 December 2022 (continued)

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board on 7 June 2023 and signed on its behalf on 8 June 2023 pursuant to delegated authority by:



.....
R. J. A. Moquet
Director

Guardian Royal Exchange plc

Independent Auditor's Report to the Members of Guardian Royal Exchange plc

Opinion

We have audited the financial statements of Guardian Royal Exchange plc (the 'Company') for the year ended 31 December 2022, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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.

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 original financial statements were authorised for issue.

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

Other information

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

Guardian Royal Exchange plc

Independent Auditor's Report to the Members of Guardian Royal Exchange plc (continued)

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Guardian Royal Exchange plc

Independent Auditor's Report to the Members of Guardian Royal Exchange plc (continued)

Auditor Responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements such as Data Protection Act, the UK GDPR, the Bribery Act and the Proceeds of Crime and Anti-Money Laundering Act.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as UK Tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

Guardian Royal Exchange plc


Independent Auditor's Report to the Members of Guardian Royal Exchange plc (continued)

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

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


Leanne Finch (Jun 8, 2023 13:13 GMT+1)

.....
Leanne Finch (Senior Statutory Auditor)
For and on behalf of Mazars LLP, Statutory Auditor

Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

8 June 2023

Guardian Royal Exchange plc

Profit and Loss Account for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Other operating income		6	-
Income from shares in group undertakings	4	369,440	139,393
		369,440	139,393
Profit before tax		369,446	139,393
Tax on profit on ordinary activities	7	(1)	578
Profit for the year		369,445	139,971

The above results were derived from continuing operations.

The Company has no recognised gains or losses during the year other than those recognised in the profit and loss account (2021: £nil). Therefore, the Company has elected not to present a Statement of Comprehensive Income for the year ended 31 December 2022.

Guardian Royal Exchange plc
(Registration number: 01821312)
Balance Sheet as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Investments	8	1,942,066	1,942,066
Current assets			
Debtors	9	584	578
Cash and cash equivalents	10	75	75
		659	653
Creditors: Amounts falling due within one year	11	(63)	(61)
Net current assets		596	592
Net assets		1,942,662	1,942,658
Capital and reserves			
Called up share capital	13	55,639	55,639
Share premium reserve	14	522,991	522,991
Capital redemption reserve	14	189,242	189,242
Capital contribution reserve	14	270,538	270,538
Profit and loss account	14	904,252	904,248
Shareholder's funds		1,942,662	1,942,658

Approved by the Board on 7 June 2023 and signed on its behalf on 8 June 2023 pursuant to delegated authority by:



.....
R. J. A. Moquet
Director

Guardian Royal Exchange plc

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Capital contribution reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2022	55,639	522,991	189,242	270,538	904,248	1,942,658
Profit for the year	-	-	-	-	369,445	369,445
Total comprehensive income	-	-	-	-	369,445	369,445
Dividends (£0.35 per ordinary share)	-	-	-	-	(369,441)	(369,441)
At 31 December 2022	<u>55,639</u>	<u>522,991</u>	<u>189,242</u>	<u>270,538</u>	<u>904,252</u>	<u>1,942,662</u>

	Share capital £ 000	Share premium £ 000	Capital redemption reserve £ 000	Capital contribution reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021	55,639	522,991	189,242	270,538	915,472	1,953,882
Profit for the year	-	-	-	-	139,971	139,971
Total comprehensive income	-	-	-	-	139,971	139,971
Dividends (£0.14 per ordinary share)	-	-	-	-	(151,195)	(151,195)
At 31 December 2021	<u>55,639</u>	<u>522,991</u>	<u>189,242</u>	<u>270,538</u>	<u>904,248</u>	<u>1,942,658</u>

The notes on pages 13 to 23 form an integral part of these financial statements.

Guardian Royal Exchange plc

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

1 General information

The principal activity of the Company is to act as a holding company for its subsidiaries which underwrite general insurance and healthcare business mainly in the United Kingdom and the Republic of Ireland.

The address of its registered office is:

20 Gracechurch Street

London

England

EC3V 0BG

UK

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

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

Detailed budgets, plans and forecasts have been prepared and reviewed setting out the financial position of the AXA UK group for the next 12 months and a strategic plan to 2028, approved by the board. In recognition of the uncertainty arising from high inflation and the economic outlook, plans and forecasts have been re-modelled using scenario analysis to assess a range of possible outcomes.

The directors therefore believe that the Company is well placed to manage its business risks, despite the continuing uncertainty in the economic outlook arising from inflationary pressures and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the Annual Financial Report.

Summary of disclosure exemptions

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

- (a) The requirements of IFRS 7 Financial Instruments: Disclosures, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
- (b) The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
- (c) The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 79(a)(iv) of IAS 1.

Guardian Royal Exchange plc

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

2 Accounting policies (continued)

- (d) The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111, and 134 to 136 of IAS 1 Presentation of Financial Statements.
- (e) The requirements of IAS 7 Statement of Cash Flows.
- (f) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- (g) The requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures.
- (h) The requirements of paragraph 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

Exemption from preparing group accounts

The financial statements contain information about Guardian Royal Exchange plc as an individual company and do not contain consolidated financial information as the parent of a group.

The Company has taken advantage of section 401 of the Companies Act 2006 and has not produced consolidated financial statements on the basis that it is a subsidiary undertaking of AXA SA, which prepares consolidated financial statements and is established under the laws of an EEA State.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2022 have had a material effect on the financial statements.

Tax

The tax result for the year comprises current tax.

Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax result is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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

Investments

Shares in group undertakings are stated at cost unless their value has been impaired, in which case they are valued at their recoverable amount, being the higher of fair value less costs of disposal and value in use. The investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Guardian Royal Exchange plc

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

2 Accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Final dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders. Interim dividends are recognised when paid.

3 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 101 requires management to monitor and exercise judgement in the selection and application of appropriate accounting policies and in the use of accounting estimates. Management consider that the only significant estimates or judgment are those involved in the impairment review of investments - note 8.

4 Income from shares in group undertakings

During the year a dividend of £369m (2021: £139m) was received from AXA Insurance plc, a subsidiary undertaking.

5 Directors' remuneration

The directors' are employed and paid by companies in the AXA Group and their directorships are held as part of that employment. The emoluments of certain directors disclosed below are in respect of qualifying services to the AXA Group as a whole.

	2022	2021
	£ 000	£ 000
Remuneration	461	386
Contributions paid to defined contribution scheme	16	44
Directors' amount under long term incentive schemes in respect of qualifying services	81	-
	<u>558</u>	<u>430</u>

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

	2022	2021
	No.	No.
Accruing benefits under defined contribution pension scheme	<u>1</u>	<u>2</u>

In respect of the highest paid director:

Guardian Royal Exchange plc

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

5 Directors' remuneration (continued)

	2022	2021
	£ 000	£ 000
Remuneration	247	210
Benefits under long-term incentive schemes (excluding shares)	81	-
Company contributions to money purchase pension schemes	-	28

Mr. R. J. A. Moquet was a director of AXA UK plc during the year and his emoluments, which relate to his services to the AXA Group as a whole, are disclosed in the financial statements of that company.

Retirement Benefits

Retirement benefits are accruing to one director under a defined contribution pension scheme (2021: two) and to no directors under a defined benefit scheme (2021: none).

Directors' Interests in Transactions

No contract in which a director was interested and which was material to the Group or its subsidiaries or to the other transacting party existed during the year.

Loans to Directors and Connected Persons

No loans or quasi-loans exceeding £10,000 to directors and connected persons were made or subsisted during the year.

Share Options

No directors exercised share options or employee sharesave options in AXA UK plc during the year (2021: none).

6 Auditor's remuneration

During the year the Company obtained the following services from the Company's auditor and the costs incurred are as detailed below:

	2022	2021
	£ 000	£ 000
Fees payable for the Company's audit of the statutory accounts	<u>14</u>	<u>13</u>

7 Income tax

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

	2022	2021
	£ 000	£ 000
Current taxation		
UK corporation tax	<u>1</u>	<u>(578)</u>

Guardian Royal Exchange plc

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

7 Income tax (continued)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit before tax	369,446	139,393
Corporation tax at standard rate	70,195	26,485
Increase from effect of revenues exempt from taxation	(70,194)	(26,485)
Decrease arising from group relief	-	(578)
Total tax charge/(credit)	1	(578)

The tax rate for the current year is the same as the prior year.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

8 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2022	1,942,066
At 31 December 2022	1,942,066
Carrying amount	
At 31 December 2022	1,942,066

Guardian Royal Exchange plc

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

8 Investments (continued)

Details of the subsidiaries as at 31 December 2022 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
AXA Insurance UK plc	General insurance	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%
AXA PPP healthcare limited	Health insurance	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%
AXA Insurance DAC	General insurance	Wolfe Tone House, Wolf Tone Street, Dublin 1 Ireland	Ordinary shares	100%	100%
AXA Insurance plc*	Holding company	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%
AXA General Insurance Limited	Dormant	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%
GoGreen Works Limited†	Holding company	Wolfe Tone House, Wolf Tone Street, Dublin 1 Ireland	Ordinary shares	100%	100%
AXA PPP Healthcare Group Limited*	Holding company	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%
AXA Services Limited*	Service company	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%
Health-on-line Company UK Limited	Healthcare intermediary	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%

Guardian Royal Exchange plc

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

8 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
AXA Health Services Limited	Management services	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%
The Permanent Health Company Limited	Healthcare intermediary	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%
AXA ICAS Occupational Health Services Limited	Occupational health and consulting services	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%
AXA PPP Administration Services Limited	Management services	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%
AXA ICAS Limited	Counselling and advisory services	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%
The Royal Exchange Assurance	Dormant	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%
AXA Pension Fund Ireland Limited	Pension fund	Wolfe Tone House, Wolf Tone Street, Dublin 1 Ireland	Ordinary shares	100%	100%
AXA Ireland Limited	Holding company	Wolfe Tone House, Wolf Tone Street, Dublin 1 Ireland	Ordinary shares	100%	100%
AXA Ireland Pension Trustees Limited	Nominee	Wolfe Tone House, Wolf Tone Street, Dublin 1 Ireland	Ordinary shares	100%	100%
AXA Assistance Ireland Limited	Motor rescue & claims handling	Wolfe Tone House, Wolf Tone Street, Dublin 1 Ireland	Ordinary shares	49%	49%

Guardian Royal Exchange plc

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

8 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
AXA Group Services Limited	Management services	Wolfe Tone House, Wolf Tone Street, Dublin 1 Ireland	Ordinary shares	100%	100%
Swiftcover Insurance Services Limited	Dormant	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%
PPP Taking Care Limited	Telecare services	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%
AXA Health Limited	Insurance broker & agent	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	100%	100%
AXA UK Pension Trustees Limited	Dormant	20 Gracechurch Street, London, EC3V 0BG England	Ordinary shares	99%	99%
Anastasis ICC Limited	Records maintenance	Suite 1, North Albert House, South Esplanade, St Peter Port GY1 1AJ Guernsey	Ordinary Shares	100%	100%
Methuselah IC Limited	Holding longevity swap	Suite 1, North Albert House, South Esplanade, St Peter Port GY1 1AJ Guernsey	Ordinary shares	100%	100%

* indicates direct investment of the Company.

† AXA Ireland Holdings Limited changed its name to GoGreen Works Limited during the year.

Guardian Royal Exchange plc

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

8 Investments (continued)

Impairment

An impairment review of Guardian Royal Exchange plc's subsidiaries was conducted at 31 December 2022. A comparison between the carrying value and value in use showed that no impairment was required.

For AXA Insurance plc the calculation method involved comparison of net assets to carrying value of subsidiaries.

For AXA PPP Healthcare Group Limited the calculation involved a combination of net assets and discounted cashflows. The cash flow projections used were based upon business plans approved by management, covering a period of 3 years and had risk adjusted discount rates of 9.12% and 10.86%. Cash flows beyond this period were extrapolated using steady growth rates of 2.6%.

Joint ventures

Details of the joint ventures as at 31 December 2022 are as follows:

Name of joint venture	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2022	2021
Doctor At Hand Diagnostics Limited	Online health services	20 Gracechurch Street, London, EC3V 0BG England	50%	50%

AXA PPP Healthcare Group Limited acquired 50% of the issued shares of Doctor At Hand Diagnostics Limited in a Joint Venture Agreement with Synergix Health Limited (now called Doctor Care Anywhere Group plc) in January 2020. The joint venture is not a direct investment of the Company.

9 Trade and other debtors

	2022	2021
Trade and other debtors falling due within one year	£ 000	£ 000
Debtors from related parties	584	578

10 Cash at bank and in hand

	2022	2021
	£ 000	£ 000
Other cash and cash equivalents	75	75

Guardian Royal Exchange plc

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

11 Creditors: amounts falling due within one year

	2022 £ 000	2021 £ 000
Amounts due to related parties	1	-
Other creditors	62	61
	<u>63</u>	<u>61</u>

The above amounts due to related parties are unsecured, payable on demand and non-interest bearing.

12 Non-adjusting events after the financial period

On 7 June 2023 a dividend of £369m was approved by the board for payment.

13 Share capital

Allotted, called up and fully paid shares

	2022 No. 000	£ 000	2021 No. 000	£ 000
Ordinary shares of £0.05 each	<u>1,059,786</u>	<u>55,639</u>	<u>1,059,786</u>	<u>55,639</u>

14 Reserves

Share premium

Represents the difference between the par value and the amount for shares issued.

Capital redemption reserve

The capital redemption reserve is non-distributable and was created in 1998 on the redemption of B shares.

Capital contribution reserve

The capital contribution reserve represents capital contributions received in 2003 and 2013, from its immediate parent, AXA UK plc.

Profit and loss account

The profit and loss account represents the cumulative profit and losses of the Company.

Guardian Royal Exchange plc

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

15 Parent and ultimate parent undertaking

The Company's immediate parent is AXA UK plc.

The ultimate parent is AXA SA.

The most senior parent entity producing publicly available financial statements is AXA SA. These financial statements are available upon request from 25, avenue Matignon, 75008 Paris, France.

Relationship between entity and parents

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

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