ReAssure FSH UK Limited
Annual report and financial statements 2017

Company Registration Number 07717278

Contents

Directors and officers

Board of Directors
Matthew Cuhls
Ian Patrick
Michael Woodcock

Company Secretary
Paul Shakespeare

Registered office
Windsor House
Telford Centre
Telford
Shropshire
TF3 4NB

Company registration number
07717278

Strategic report for the year ended 31 December 2017

The directors present their strategic report for the year ended 31 December 2017.

These financial statements, for the year ended 31 December 2017, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

Business review and principal activities

During the year ended 31 December 2017, the Company was an intermediate holding company of the Group. The main objective for the Company is the control of expenses relating to the provision of management services to its fellow entities within the ReAssure Group Limited group such that those entities are able to generate profit and cash flows.

The Company made a loss for the year of £0.7m (2016: £684.6m). Revenue from rendering of services of £0.2m (2016: £7.0m) was lower than in 2016 due to operational activity transferring to ReAssure UK Services Limited. Administrative expenses for the year of £0.9m (2016: £14.0m) were lower than the prior year due to the same reason.

Capital Management

The Group and each regulated company within the Group will hold sufficient capital on an ongoing basis to meet regulatory and internal requirements in a number of asset and liability stress conditions.

Principal risks and uncertainties

The Company's objective in managing its capital is to ensure that there are adequate resources to meet its external liabilities as they fall due, and to allocate capital efficiently to support growth and repatriate excess capital where appropriate. The Company's capital is managed in conjunction with that of other companies in the Group. The Company manages its capital by measuring its resources and cash available on a regular basis. The Company's capital position and the movement in this from the prior year are disclosed within the Statement of Changes in Equity. The Company has no externally imposed capital requirements.

Credit risk is significantly reduced as assets are primarily intercompany receivables due from other companies within the Group, all of which were deemed to have access to sufficient liquidity to be able to repay their liabilities as they fall due. The Company also holds cash and short term deposits, which were placed with high credit-rated banks.

Liquidity risk is the risk that the Company may have insufficient liquid assets to meet its liabilities as they become due. This risk is mitigated through management of cash and receivables within the Group to ensure that sufficient resources are available to meet the liabilities of the Company.

Operational risk is the risk of loss that arises from people, processes and procedures within the organisation. The Company mitigates its operational risk by the use of a wide range of techniques including scenario planning, training, formal risk assessments and policy and procedure documentation. The Company monitors operational risk through routine management information and auditing.

The Company's internal audit function advises management on the effectiveness of its internal control systems and the adequacy of these systems to manage business risk and to safeguard the Company's assets and resources. The effectiveness of the Company's internal audit function is currently reviewed by the ReAssure Group Limited audit and risk committee.

Interest rate risk arises from the variable rate interest payments due on the intercompany loans due to subsidiary undertakings. This risk was monitored through review of forecast interest rates and their potential impact on the results of the Company.

Approval

This report was approved by the Board of Directors on 30 April 2018 and signed by order of the Board

Paul Shakespeare
Company Secretary
30 April 2018

Directors' report for the year ended 31 December 2017

The directors present their annual report together with the audited financial statements of the Company for the year ended 31 December 2017.

Principal activity

During the year ended 31 December 2017, the Company was an intermediate holding Company of the Group. The Company is domiciled and incorporated in England & Wales.

Financial risk management

Principal risks and uncertainties affecting the Company, including financial risks, are explained in the strategic report.

Dividends

The directors do not recommend the payment of a dividend (2016: £70m).

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements are shown on page 2.

Qualifying third party indemnity provisions

The Company's directors are covered by the Swiss Re Limited indemnity provision policy, which was in force during the financial year and at the date of signing the financial statements. This indemnifies directors in respect of payments, as well as any costs associated with legal proceedings brought by third parties. Any director who serves or served for the Company is covered to the fullest extent permitted by law and stated in the certificate of incorporation, articles of association, by-laws and other similar constituent documents of the Company. Swiss Re Limited unconditionally guarantees payment of such sums by the Company.

Directors' responsibilities statement

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

The directors are 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.

Employee involvement

The Company's policy is to seek to inform and involve employees on matters which concern them and in the achievement of its business goals. The Company has a comprehensive system for consultation and communication involving regular meetings between management and employees, team briefings and the issue of various bulletins and a staff handbook.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditors

The directors confirm that the financial statements comply with the above requirements and also confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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 auditors are aware of that information.

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

By order of the Board of Directors

Paul Shakespeare
Company Secretary
30 April 2018

Independent auditors' report to the members of ReAssure FSH UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, ReAssure FSH UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with 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 (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2017; the Income statement, the Statement of cash flows and the Statement of changes in equity for the year ended 31 December 2017; 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 when:

- 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.

Independent auditors' report to the members of ReAssure FSH UK Limited (continued)

Reporting on other information (continued)

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 2017 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 Directors' Responsibilities Statement set out on page 4, 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 ReAssure FSH UK Limited (continued)

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.

Philip Watson

Philip Watson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 April 2018

Income statement

For the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Investment income	2	-	70,000
Other operating income	2	188	6,977
Administrative expenses	3	(893)	(13,990)
Operating (loss) / profit		**(705)**	**62,987**
Interest income	7	4	83
Finance costs	7	(125)	(405)
Impairment of investment in subsidiary	9	-	(748,818)
Loss on ordinary activities before taxation		**(826)**	**(686,153)**
Tax credit on loss on ordinary activities	8	112	1,538
Loss for the financial year		**(714)**	**(684,615)**

The Company has no other comprehensive income other than those included in the results above, and therefore no separate statement of comprehensive income has been presented.

Balance sheet

As at 31 December 2017

	Note	2017 £'000	2016 £'000
Investment in subsidiary undertakings	9	4,000	4,000
Other receivables	11	75,649	74,303
Deferred Tax Asset	12	-	17
Cash and cash equivalents	13	3,611	6,048
Total assets		**83,260**	**84,368**
Trade and other payables	14	3,666	1,911
Provisions	15	-	697
Borrowings	16	24,487	25,939
Total liabilities		**28,153**	**28,547**
Net assets		**55,107**	**55,821**
Equity			
Share capital	17	710,031	710,031
Retained earnings		(654,924)	(654,210)
Total equity		**55,107**	**55,821**

The financial statements of ReAssure FSH UK Limited (registered number 07717278) were approved by the Board of Directors and authorised for issue on 30 April 2018 and signed on its behalf by:

Michael Woodcock
Director
30 April 2018

Statement of changes in equity

For the year ended 31 December 2017

	Attributable to owners of the Company		
	Share capital £'000	Accumulated losses £'000	Total equity £'000
1 January 2017	710,031	(654,210)	55,821
Loss for the financial year	-	(714)	(714)
At 31 December 2017	**710,031**	**(654,924)**	**55,107**

For the year ended 31 December 2016

	Attributable to owners of the Company		
	Share capital £'000	Accumulated losses £'000	Total equity £'000
1 January 2016	710,031	100,405	810,436
Loss for the financial year	-	(684,615)	(684,615)
Dividends settled	-	(70,000)	(70,000)
At 31 December 2016	**710,031**	**(654,210)**	**55,821**

Statement of cash flows

For the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Cash used in operating activities	18	(2,440)	35,563
Taxation received	8	1,576	4,366
Net cash (used in)/generated from operating activities		**(864)**	**39,929**
Cash flows from investing activities			
Interest received	7	4	83
Disposals of property, plant & equipment	10	-	195
Net cash flows generated by investing activities		**4**	**278**
Cash flows from financing activities			
Dividends paid		-	(70,000)
Loan repayment	15	(1,577)	(40,000)
Net cash used in financing activities		**(1,577)**	**(110,000)**
Net increase in cash and cash equivalents		**(2,437)**	**(69,793)**
Cash and cash equivalents at the beginning of the year		6,048	75,841
Cash and cash equivalents at the end of the year		**3,611**	**6,048**

Notes to the financial statements for the year ended 31 December 2017

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and preceding year.

a) Basis of preparation
The financial statements have been prepared under the historical cost convention on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and adopted by the European Union (EU) and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The company is included in the consolidated financial statements of Swiss Re Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006 and IFRS 10 Consolidated Financial Statements, paragraph 4(a).

In assessing whether the Company is a going concern, the Directors have taken into account the guidance issued by the Financial Reporting Council in October 2016.

The Directors have made enquiries, which include considering the liquidity of the Company's assets and based on this assessment, the Directors had a reasonable expectation that the Company had adequate resources to continue in operational existence for the foreseeable future (being 12 months from the date of this report). Accordingly, they continued to adopt the going concern basis in preparing the financial statements.

b) New standards, amendments and policies not yet adopted by the company
The following new standards have not yet been adopted by the company:

IFRS 15 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted.

IFRS 16 'Leases' addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces IAS 17 'Leases', and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted, subject to EU endorsement and the entity adopting IFRS 15 'Revenue from contracts with customers' at the same time. The full impact of IFRS 16 has not yet been assessed.

IFRS 9 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in July 2014 and replaces the guidance in international accounting standard ("IAS") 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit and loss and fair value through other comrehensive income. The standard is effective for accounting periods beginning on or after 1 January 2018 and early adoption is permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the company's financial statements as and when the adoption of these new standards, interpretations and amendments are applicable, except for IFRS 15 and IFRS 16 which may have no material impact on the financial statements of the company in the period of initial application.

Management anticipates that these new standards will not have a material impact on the financial statements of the Company.

Notes to the financial statements for the year ended 31 December 2017 (continued)

1. Accounting policies (continued)

c) Critical accounting estimates and judgements
The preparation of financial statements requires management to make judgements, estimates and underlying assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

d) Cash and cash equivalents
Cash and cash equivalents comprise cash balances and short-term deposits with an original maturity term of three months or less at the date of placement. The carrying amount of these assets approximates to their fair values.

e) Revenue

Revenue relates to income received from group undertakings as a result of the management service agreement and third party income principally in relation to third party administration. All revenue is accounted for when earned.

f) Investment in subsidiary

Investments in subsidiary undertakings are valued at the cost of investment and the directors review the valuation annually to ensure this is not less than the net assets held.

g) Property, plant and equipment
Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Computer equipment	Between 3-5 years
Fixtures, fittings and office equipment	Between 3-5 years

h) Impairment of assets
The carrying amounts of tangible assets are reviewed at each reporting date to determine whether there is any evidence of impairment. If any indication of impairment exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the asset's carrying amount or its cash-generating unit exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Notes to the financial statements for the year ended 31 December 2017 (continued)

1. Accounting policies (continued)

i) Taxation
Current tax comprises tax payable on current period profits, adjusted for non-tax deductible or non-taxable items, and any adjustments to tax payable in respect of previous periods. Current tax is recognised in the income statement unless it relates to items which are recognised in other comprehensive income.

Deferred tax is calculated on differences between the accounting value of assets and liabilities and their respective tax values. Deferred tax is also recognised in respect of unused tax losses to the extent that it is probable that future taxable profits will arise against which the profits can be utilised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates (and laws) that have been enacted or are substantively enacted at the end of the reporting period.

j) Operating leases
Rentals payable under operating leases are charged to the income statement as incurred over the lease term.

k) Provisions
Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

l) Borrowings
Borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of funds received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. The liability is derecognised when the Company's obligation under the contract expires, is discharged or is cancelled.

2. Revenue

Investment Income

	2017 £'000	2016 £'000
Dividends received from subsidiary	-	70,000

Revenue from rendering of services

Intragroup revenue	188	6,977

Intragroup revenue represents charges receivable from other Group companies in respect of the provision of administrative services by the Company.

Notes to the financial statements for the year ended 31 December 2017 (continued)

3. Administrative expenses

	2017 £'000	2016 £'000
Employment costs (note 5)	1,071	8,647
Other administrative (income) / expenses	(178)	5,315
Depreciation	-	28
	893	**13,990**

Administrative costs and other expenses incurred are recharged to related subsidiary companies, ReAssure Limited and ReAssure UK Services Limited.

4. Auditors' remuneration

The analysis of auditors' remuneration is as follows:

	2017 £'000	2016 £'000
Fees payable to the company's auditors for the statutory audit of the company's annual financial statements	5	30
Total audit fees	**5**	**30**
Audit related assurance services	-	-
Total fees	**5**	**30**

5. Staff costs

	2017 £'000	2016 £'000
Wages and salaries	873	7,655
Social security costs	125	791
Other pension costs	73	201
	1,071	**8,647**

The monthly average number of employees (including executive directors) was 4 (2016: 19).

Other pension costs relate to the defined contribution scheme. There were outstanding contributions of £nil (2016: £28,163) at the balance sheet date.

6. Key management remuneration

The key management of the Company consists of the Board of Directors and members of the senior management team. Some members of key management of the Company are also key management of other group undertakings. The key management personnel, including directors, did not receive any remuneration for their services to the Company (2016:same).

7. Finance income and costs

Interest revenue	2017 £'000	2016 £'000
Bank interest income	4	83

Interest expense	2017 £'000	2016 £'000
Interest on intercompany borrowings	125	405

8. Tax credit on loss on ordinary activities

a) Analysis of credit in year

	2017 £'000	2016 £'000
Current taxation		
UK corporation tax	(159)	(1,451)
Adjustments in respect of prior years	30	(80)
Total current tax credit for the year	(129)	(1,531)
Deferred taxation		
Origination and reversal of timing differences	17	(7)
Total deferred tax charge for the year	17	(7)
Tax credit on loss on ordinary activities	**(112)**	**(1,538)**

b) Reconciliation of tax credit on loss attributable to shareholders

The tax assessed for the year is lower (2016: lower) than the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%). The differences are explained below:

	2017 £'000	2016 £'000
Loss on ordinary activities before tax	(826)	(686,153)
Tax on loss on ordinary activities at 19.25% (2016: 20.00%)	(159)	(137,231)
Difference due to effects of:		
Deferred tax write off	17	-
Non-taxable income	-	(14,000)
Non-deductible expenses	-	149,773
Adjustments in respect of prior years	30	(80)
Tax credit for the year	**(112)**	**(1,538)**

c) Factors affecting the current and future tax charges

A reduction of 1% to the corporation tax rate (reducing the rate to 19%) for the year commencing 1 April 2017, was enacted by Royal Assent on 26 October 2015. A further reduction of 2% to the corporation tax rate (reducing the rate to 17%) for the year commencing 1 April 2020, was enacted by Royal Assent on that date. Accordingly, the relevant deferred tax balances have been measured at 17%.

Notes to the financial statements for the year ended 31 December 2017 (continued)

9. Investment in subsidiary undertakings

Details of the Company's subsidiaries as at 31 December 2017 are as follows:

	Place of incorporation (or registration) and operation	Proportion of ownership interest %	Proportion of voting power held %
Guardian Assurance Limited	United Kingdom	100	100
ReAssure Companies Services Limited	United Kingdom	100	100
ReAssure Nominees Limited*	United Kingdom	100	100
ReAssure FS Limited*	United Kingdom	100	100

* Dormant.

All these subsidiaries have the same registered address as the Company.

	2017 £'000	2016 £'000
Cost		
At 1 January	752,818	752,818
At 31 December	**752,818**	**752,818**
Carrying amount		
At 1 January	4,000	752,818
Impairment of investment in subsidiary	-	(748,818)
At 31 December	**4,000**	**4,000**

The investment in subsidiary is stated at cost less impairment.

10. Property, plant and equipment

Furniture and fittings	2017 £'000	2016 £'000
Cost		
At 1 January	-	567
Disposal	-	(567)
At 31 December	-	-
Accumulated depreciation		
At 1 January	-	344
Charge for the year	-	28
Disposal	-	(372)
At 31 December	-	-
Carrying value	-	-

11. Other receivables

	2017 £'000	2016 £'000
Trade receivables	15	9
Amounts owed by group undertakings	74,757	71,934
Prepayments and accrued income	87	123
Tax credit receivable	790	2,237
	75,649	**74,303**

Notes to the financial statements for the year ended 31 December 2017 (continued)

12. Deferred tax

	Timing differences £'000	Deferred tax asset £'000
At 1 January 2017	17	17
Charged to income statement	(17)	(17)
At 31 December 2017	-	-

13. Cash and cash equivalents

	2017 £'000	2016 £'000
Cash at bank	**3,611**	**6,048**

There are no amounts included in the cash and cash equivalents balances that are not readily available.

14. Trade and other payables

	2017 £'000	2016 £'000
Amounts owed to group undertakings	571	162
Other creditors	3,095	1,749
	3,666	**1,911**

15. Provisions

A provision of £nil (2016: £697k) has been established in respect of restructuring costs.

16. Borrowings

	2017 £'000	2016 £'000
Payable to fellow group undertakings	24,487	25,939

The Company has intercompany borrowings due to ReAssure Limited. These borrowings are unsecured and carry an interest rate of 6 month LIBOR.

17. Share capital

	2017 £'000	2016 £'000
Authorised share capital		
710,031,405 Ordinary shares of £1 each (2016: 710,031,405)	710,031	710,031

All ordinary shares issued are fully paid and carry one vote per share and carry a right to dividends. Swiss Re ReAssure Midco Limited, the immediate parent undertaking of the Company, holds all the ordinary shares.

18. Cash flow used by operating activities

	2017 £'000	2016 £'000
(Loss) / profit on ordinary activities before tax and interest	(705)	62,987
Adjustments for:		
Depreciation of property, plant & equipment	-	28
Increase in receivables	(2,793)	(877)
Increase/(Decrease) in payables	1,058	(26,575)
Net cash (used in) / generated from operating activities	**(2,440)**	**35,563**

19. Related party transactions

a) Immediate and ultimate parent undertaking

The entire issued share capital of the Company at the year-end is held by ReAssure Group Limited, which is domiciled and incorporated in England and Wales.

The parent company of the largest group in which the results of the company are consolidated is that of Swiss Re Limited, the ultimate and controlling parent undertaking. The consolidated financial statements of Swiss Re Limited may be obtained on www.swissre.com or from its registered office at Mythenquai 50/60, PO Box 8022, Zurich, Switzerland.

b) Services provided to related parties

	2017 £'000	2016 £'000
Other subsidiary undertakings of Swiss Re Limited	188	6,977
	188	**6,977**

c) Year-end balances with related parties

	2017 £'000	2016 £'000
Other subsidiary undertakings of Swiss Re Limited	49,699	45,833
	49,699	**45,833**

d) Key management remuneration

There were no transactions between the Company and any key management personnel during the year and there are no balances outstanding at the year end.

Remunerations of key management personnel of the Company are included under Note 6.

20. Post balance sheet events

The Directors are not aware of any significant post balance sheet events that require disclosure in the financial statements.