Registered number: 01989349

Annual Report and Financial Statements 2023

Allianz (UK) Limited

Contents

Company Information

Directors	O R P Corbett (appointed 1 November 2023)
	C W T Dinesen (resigned 10 April 2023)
	F K Dyson (resigned 29 May 2023)
	P J Evans
	C J Holmes
	U Lange (appointed 30 May 2023)
	D J Larnder
	S C McGinn (resigned 30 April 2023)
	T Robson-Capps
	D A Torrance (resigned 31 March 2024)
	C G Townsend
	S Treloar (resigned 30 June 2023)
	J R Vazquez
Company secretary	C M Twemlow
Registered office	57 Ladymead Guildford Surrey GU1 1DB
Registered number	01989349
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

Strategic Report for the Year Ended 31 December 2023

The Directors present their strategic report for the year ended 31 December 2023.

Principal activities
Allianz (UK) Limited ("the Company") is an investment holding company.

Business review
The results for the year are set out in the Statement of Profit and Loss and Other Comprehensive Income on page 14. The loss for the year wholly attributable to the equity holder amounted to £12k (2022: £99,983k profit). The loss for the year wholly attributable to the equity holder in the year was mainly as a result of administrative expenses being higher than interest income and no dividends received in the year.

Key performance Indicators ("KPIs")
The financial KPIs monitored by the Company are (loss)/profit before tax, dividends received and total equity. The loss before tax for the year amounted to £16k (2022: £99,981k profit) with the Company receiving dividends of £nil (2022: £100,000k). At the year end, the Company had total equity of £1,611,825k (2022: £1,611,837k). The Company does not monitor any non-financial key performance indicators.

Principal risks and uncertainties
The principal risk faced by the Company is the performance of its subsidiary undertaking, Allianz Holdings plc ("AZH"). AZH holds subsidiary undertakings which are listed in note 6 (collectively, ("the Group")).

Future outlook
No changes to the principal activities are anticipated in the foreseeable future. The Company will continue to consider suitable investment opportunities as and when they arise.

The Group is in a strong position despite the ongoing competitive market conditions in the UK and the challenges presented by the economic environment. The Group is well equipped through its diverse portfolio and robust financial position to manage these challenges.

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

Non-Financial and Sustainability Information ("NFSI") statement
The information presented here, including the sections referred to, represent our non-financial and sustainability information statement as required by sections 414CA and 414CB of the Companies Act 2006.

Purpose and strategy
The Group's climate strategy is fully aligned with our corporate purpose statement of “We secure your future”. The strategy focuses on providing insurance solutions to help customers respond to a changing climate and facilitate the development of the low-carbon economy.

The Group has targeted transitioning to net-zero by 2050, and has interim targets for our business operations by 2030.

The Group is committed to an intermediate target to reduce Greenhouse Gas (“GHG”) emissions per employee by 70% as of year-end 2030, against a 2019 baseline across Scope 1, Scope 2, and selected Scope 3 emissions. Key levers for GHG emission reduction will be the areas of Renewable Electricity, Buildings, as well as Fleet, Business Travel, and Procurement. In the area of Renewable Electricity, the Group source 100% renewable electricity from 2023 onwards and implement energy efficiency measures. We aim to achieve a 40% reduction of GHG emissions from travel activities by 2025 compared to a 2019 baseline.

For Procurement, the Group will ask 100% of global framework vendors in its supply chain that provide services globally to establish a public commitment to net-zero GHG emissions in line with the 1.5°C path by 2025.

Non-Financial and Sustainability Information ("NFSI") statement (continued)

Governance and Board Oversight

The Group's Board ("The Board") is responsible for the climate strategy, targets and determining the risk appetite. The Group's Risk Strategy and Appetite statements covers both underwriting and investments climate risk and is approved by the Board annually. The Board routinely reviews key initiatives, risks, action plans and progress. This includes reviews and monitoring of climate change related risks and opportunities.

The Executive Committee has decision-making responsibility for steering, delivering and embedding the climate strategy, including identified climate risks and opportunities, supported by Governance forums. The Chief Financial Officer is the responsible Executive Committee member for sustainability and leads a sustainability team to manage activity and identify opportunities.

Executive remuneration and performance management processes include climate targets, climate responsibilities and climate risk management. They are included in the Statements of Responsibilities for relevant individuals.

Climate Risk Management

The Group is working to fully ensure that management of risks and opportunities resulting from climate change are embedded in our overall business plans and corporate strategy.

Qualitative and quantitative scenario assessments, and horizon-scanning exercises were performed to identify and assess climate-related risks and opportunities, which are reported regularly to the Board. The qualitative assessment identifies low, medium and high risk areas across the business, driven by physical and transitional climate change risk drivers, over a short/ medium term (up to 2030) and long term time horizon (up to 2050). The quantitative assessment considers various scenarios including a net-zero achievement by 2050 as well as delayed transition scenarios. Across all scenarios the Group has been found to be resilient.

The Group takes sustainability in our own operations seriously and aims to reduce operational carbon footprint and emissions over time. Principal identified climate-related risks, over a short (up to 3 years), medium (3-10 years) to long (ten years plus) time-frame, are extreme weather, water stress and drought, transport difficulties and supply chain interruptions.

In the short- to medium-term, occupational heat stress is not assessed as a significant risk for our employees in the UK due to the nature of work, but attention may be required in the longer term.

Climate change may require additional management attention and investment to improve cooling in workspaces and ensure data centres are resilient to increasing frequency and severity of natural disaster and weather events.

Risk management processes are in place for our investment portfolio covering all major asset classes, including analysis of climate scenarios, assessment of risks based on quantitative KPIs and portfolio monitoring.

Product level and underwriting risks are managed continuously by; developing and adjusting financial products and services; updating policies and processes; setting targets and limits; and applying rigorous standards and products assessments to ensure there is no "greenwashing".

The business reviews quarterly accumulation exposure analysis at an individual portfolio and aggregated insurance level, including climate perils. An Accumulation Committee reviews progress against portfolio change expectations. This Committee oversees the geospatial flood exposure and monitoring across the portfolios and recommends actions for change where necessary.

We no longer invest in or underwrite new single-site or stand-alone oil and selected gas risks, oil and gas activities related to the Arctic and the Antarctic or extra-heavy oil and ultra-deep-sea risks.

The Group controls its exposure to individual risks and defines reinsurance requirements based on risk appetite and its capital position.

The Group conducts stress-scenario analysis on NatCat risks like hail or windstorms to be used in risk steering. Nat Cat models are regularly updated with the latest scientific information, and we increasingly include global NatCat hazard information, including climate, in underwriting decisions.

Non-Financial and Sustainability Information ("NFSI") statement (continued)
At a Corporate level, opportunities arising from climate change include transitioning the employee fleet to electric vehicles and consolidating the property portfolio in line with remote working possibilities. Climate related product opportunities identified include the growth in the electric vehicle market, growth in renewable energy insurance, development of products for sustainably minded customers and investment in renewable technologies.

Climate related KPIs
The Group have identified the following key performance targets to support the overall climate strategy for our operations:

• 65% Greenhouse Gas (“GHG”) emissions reduction by 2025 in Own Operations, against a 2019 baseline
• Reduction of 40% GHG emissions deriving from travel activities by 2025 against a 2019 baseline
• Fully electric corporate car fleet by 2030
• Sourcing 100% renewable electricity since 2023

Further information in respect of carbon emissions is included in the Streamlined Energy and Carbon Reporting (“SECR”) section on page 8 of the Director’s Report.

The Executive Committee is updated quarterly on performance against key KPIs for Investments, Insurance and Business Operations. These include:

Business Operations
• GHG emissions in tonnes per employee, year on year reduction measured
• Energy (MJ), water (L), paper usage (Kg) usage per employee, year on year reduction measured
• Travel emissions in tonnes per employee, year on year reduction measured
• Supplier and tender sustainability commitments

Insurance
• Number of Sustainable Solutions including revenue growth
• Electric vehicle market share, measured in % on motor retail vehicles insured
• Green part usage (second hand or repair part usage), measured in Kg of green part savings and growth in % of use of green parts
• Repair vs. replace target (ratio of number of green parts used compared to new parts), month by month development measured.

Investments
• GHG emissions in tonnes in corporate bonds, year on year reduction measured.

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

As set out in principal activities, the Company is an investment holding Company and is the parent company of AZH. The Group governance structure is such that the Company’s Board composition is the same as the boards of AZH and other key regulated entities and holding companies within the Group (collectively, the “Boards”). As a result of this governance structure, strategic decisions and matters which affect the whole Group are considered by the Boards or their committees to an appropriate extent for the Group as a whole. Certain Group stakeholders and their interests (including the Group’s employees, community and the environment) are considered and actions concerning them determined at a Group level by the Boards rather than by the Company’s Board. Group strategy and stakeholder considerations are understood by the Company’s directors as they are members of the Boards. The Company’s directors have oversight of the Company’s key activities through the reporting provided to and the oversight provided by the Boards and the AZH Executive Committee. However, while oversight is carried out at Group level, any decisions put to the Company’s Board are considered from the perspective of the Company and its stakeholders. The Company’s Board meets at least quarterly to discuss matters relevant to the Company’s business.

Strategic Report for the Year Ended 31 December 2023 (continued)

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

The Company's key stakeholders are its subsidiary and its shareholders as well as wider stakeholders such as other Group entities, the local communities in which its subsidiary operates and employees working within the Group. 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 Company's Board, their broader impact on stakeholders are taken into account and this approach is embedded within the Group's governance structure.

Shareholders
The Company has regard to the interests of its immediate shareholders, Allianz Societas Europaea ("Allianz SE"), Allianz Europe B.V and the wider Group including AZH and its subsidiaries when making decisions. Allianz SE nominate a non-executive director to the Board of the Company. In 2023, the Board received regular updates from the Allianz SE Group on key matters being considered within the wider group. Shareholder views have been factored into various decisions made by the Board during the year.

Employees
The Company does not have any employees. During the year, Allianz Management Services Limited ("AMS") and Liverpool Victoria General Insurance Group Limited ("LVGIG"), companies within the Group, provided administration services and staff resources to the Group Companies. AMS and LVGIG have a high level of resources and expertise which benefit the Company and the Group.

Regulators
While the Company itself is not regulated, some of the principal subsidiaries of AZH, its subsidiary, are authorised and regulated by a Financial Conduct Authority ("FCA") and a Prudential Regulation Authority ("PRA"). Maintaining a good relationship with the regulators is the priority for the Group and regulatory considerations are given close scrutiny when making decisions.

Customers
The Company has no direct customers. The Group is committed to ensuring good outcomes for its customers. Customer centricity is fundamental to the Group's growth and development and is one of five important themes underpinning the Allianz SE business strategy which the Group has adopted. The Group's focus is on maintaining high levels of service, and supporting its customers.

Suppliers
Proposed significant supplier contracts, either strategic or by reason of size and significance to the Group, are considered by the Boards on behalf of the Group, following initial meetings and negotiations by procurement and commercial teams and direct engagement with senior management. In 2023, significant supplier contracts, supported by summary documents, were provided to the Boards.

Community and the Environment

The Group aims to be a leader in sustainability, and a committed corporate citizen. The focus is on promoting the transition to a low-carbon economy, social inclusion and ensuring the integration of Environmental, Social, Governance ("ESG") into all aspects of its businesses. Examples of other initiatives undertaken by the Group include its range of charitable giving programmes, including partnerships with mental health charities such as Mind, Scottish Action on Mental Health and Family Action. A transition plan to consider ways of decarbonising the Group's business was launched during the year.

Strategic Report for the Year Ended 31 December 2023 (continued)

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

Board decision-making

This part of the section 172 statement describes how the Board has had regard to the Company's and the Group's stakeholders and other matters considered under section 172(1) of the Act in some of the key decisions taken by the Board during the year.

The Board approved the annual report and financial statements for the year ended 31 December 2022 during the year. It considered, inter alia, the performance of the Company, its future outlook and going concern statement as well as the principal risks and uncertainties facing the Company in making the decision. The Board also approved the Modern Slavery Statement for the year ended 31 December 2022 during the year. In approving the statement, the Board considered the activities and actions taken in the preceding year to mitigate against the risk of modern slavery in the organisation and its subsidiary and its supply chain. In reviewing the statement, the Board noted employees and suppliers of the Group as the key stakeholders and considered the Allianz Modern Slavery Standard and how it laid out expectations from employees and the supply chain in maintaining the required standards within the business which were aimed at mitigating the risk of modern slavery. The Board also consented to the transfer of shares in the Company from Allianz Europe Limited to Allianz Europe B.V as part of a corporate reorganisation project to simplify and streamline the Group's holding structure. In contemplating the corporate reorganisation it was noted that a simplified Group structure would help eliminate some of the ongoing costs and administration connected with maintaining a large corporate structure. In arriving at this decision, the Board ensured that key stakeholders including the regulators and shareholder, were informed and where required, consent obtained.

On behalf of the Board

U Lange
Director

26 June 2024

Directors' Report for the Year Ended 31 December 2023

The Directors present their audited annual report and financial statements for the year ended 31 December 2023.

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

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

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

O R P Corbett (appointed 1 November 2023)

C W T Dinesen (resigned 10 April 2023)

F K Dyson (resigned 29 May 2023)

P J Evans

C J Holmes

U Lange (appointed 30 May 2023)

D J Larnder

S C McGinn (resigned 30 April 2023)

T Robson-Capps

D A Torrance (resigned 31 March 2024)

C G Townsend

S Treloar (resigned 30 June 2023)

J R Vazquez

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

Results and dividends
The results for the year are set out in the Statement of Profit and Loss and Other Comprehensive Income on page 14. A review of the Company's business activities and any likely future developments can be found in the Strategic Report on page 2.

No interim dividend was paid for the year ended 31 December 2023 (2022: £100,000k). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: £nil).

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

Going concern
These financial statements have been prepared on a going concern basis. The Board has reviewed the Company's forecasts for the next 12 months and beyond. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing the financial statements.

Streamlined Energy and Carbon Reporting ("SECR")
The Company fulfils the statutory requirements for SECR which includes disclosure of the Company's carbon emissions. Under the Companies Act 2006 and SECR Regulations, 'Large' companies are required to report their annual emissions in their Directors' report. It should be noted that the information disclosed relates to several entities within the Group as this is the lowest level of granularity for which the data is collected. Information relating to the Company alone is not available and identical disclosure has been made by all Companies meeting the reporting requirement.

The SECR statement covers the reporting period 1 January 2023 to 31 December 2023 and has been prepared in line with the requirements of the Streamlined Energy and Carbon Reporting regulations and the relevant areas of the Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard.

A 'Dual Reporting' methodology has been used to indicate emissions using UK electricity grid average emission factors (known as the 'Location based' method), and also emissions using supplier specific generation emission factors (the 'Market Based' method).

<u>'Location based' Method</u>

The total energy consumption for 2023 was 13,075,114.53kWh (2022: 16,034,389.25kWh) equating to 2,999.841 tCO2e (2022: 3,432.989 tCO2e).

	2023	**2022**
Emissions from combustion of gas (Scope 1)	**511.645 tCO_2e**	**345.008 tCO_2e**
Emissions from combustion of fuel for transport purposes (Scope 1)	**1,342.881 tCO_2e**	**1,454.868 tCO_2e**
Emissions from purchased electricity (Scope 2)	**899.530 tCO_2e**	**1,005.318 tCO_2e**
Emissions from third party purchased natural gas (Scope 2)	**-**	**443.209 tCO_2e**
Emissions from Transmission and Distribution (Scope 3)	**58.212 tCO_2e**	**55.235 tCO_2e**
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	**187.573 tCO_2e**	**129.351 tCO_2e**

Carbon intensity: Emissions of tCO2e/full-time equivalent during 2023 was 0.694 tCO2e (2022: 0.786 tCO2e).

However, the Company strategy has been to purchase renewable energy backed by Renewable Electricity Guarantees of Origin ("REGO") certificates. Through this strategy, within the above 2023 total energy consumption, AMS has sourced a total of 3,931,652.06 kWh (2022: 5,124,261.79 kWh) of REGO backed (zero emission) electricity for use within buildings, equating to 100% (2022: 98.57%) of total building electricity consumption.

<u>'Market Based' Method</u>

The total energy consumption for 2023 was 13,075,114.53 kWh (2022:16,034,389.25 kWh) equating to 2,134.876 tCO2e (2022: 2,388.140 tCO2e).

	2023	**2022**
Emissions from combustion of gas (Scope 1)	**511.645 tCO_2e**	**345.008 tCO_2e**
Emissions from combustion of fuel for transport purposes (Scope 1)	**1,342.881 tCO_2e**	**1,454.868 tCO_2e**
Emissions from purchased electricity (Scope 2)	**85.385 tCO_2e**	**14.388 tCO_2e**
Emissions from third party purchased natural gas (Scope 2)	**-**	**443.209 tCO_2e**
Emissions from Transmission and Distribution (Scope 3)	**7.391 tCO_2e**	**1.316 tCO_2e**
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	**187.573 tCO_2e**	**129.351 tCO_2e**

Directors' Report for the Year Ended 31 December 2023 (continued)

Streamlined Energy and Carbon Reporting (“SECR”) (continued)
'Market Based' Method (continued)

Carbon intensity: Emissions of tCO2e/full-time equivalent during 2023 was 0.494 tCO2e (2022: 0.547 tCO2e).

Energy Efficiency actions taken during 2023:
As the Company consolidates the office portfolio, the Allianz Buildings Minimum Performance Criteria has been utilised to select the most energy efficient office space available. Part of this strategy also entails the installation of electric vehicle charging points and donating any excess office furniture to local charities and schools.

- As part of the consolidation, refurbishment and new office fits outs, the following actions were taken across several sites (3 sites in total): Adapted landlord energy efficient LED light fittings and PiR controls (movement sensors) have been updated.
- During the fit out of the new Bristol Victoria Street office, further actions were taken: Adapted landlord energy efficient air-con and heating systems were installed. Also, adapted landlord energy efficient LED light fittings and PiR controls (movement sensors).

The Company is committed to an intermediate target to reduce GHG emissions per employee by 70% as of year end 2030, agaisnt a 2019 baseline across Scope 1, Scope 2, and selected Scope 3 emissions. Key levers for GHG emission reduction will be the areas of Renewable Electricity, Buildings, as well as Fleet, Business Travel, and Procurement. In the area of Renewable Electricity, the Company source 100% renewable electricity from 2023 onwards and implement energy efficiency measures. For Fleet and Business Travel, we aim to shift to a fully electric corporate car fleet by 2030 at the latest, achieve a 40% reduction of GHG emissions from travel activities by 2025 compared to a 2019 baseline. For Procurement, the Company will ask 100% of global framework vendors in our supply chain that provide services globally to establish a public commitment to net-zero GHG emissions in line with the 1.5°C path by 2025.

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

By order of the Board

C M Twemlow
Company secretary

26 June 2024

Statement of Directors' responsibilities in respect of the financial statements

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

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

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors required to:

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

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Directors' confirmations
In the case of each Director in office at the date the Directors' report is approved:

• so far as the 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.

On behalf of the Board

U Lange
Director

26 June 2024

Independent auditors’ report to the members of Allianz (UK) Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company’s affairs as at 31 December 2023 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the “Annual Report”), which comprise: the Statement of Financial Position as at 31 December 2023; the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in the accounting estimates and judgemental areas of the financial statements such as the valuation of investments in group undertakings. Audit procedures performed by the engagement team included:

- Discussions in consideration of known or suspected fraud with the Board of Directors, management, internal audit, senior management involved in the Risk and Compliance functions and the Legal function;
- Obtaining management's impairment analysis for the valuation of investment in group undertakings and challenging the assumptions made;
- Reviewing relevant meeting minutes including those of the Board of Directors, the Audit Committee and the Risk Committee of Allianz Holdings plc;
- Identifying and testing journal entries, in particular any journal entries that are determined to demonstrate fraud characteristics; and
- Designing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing.

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Sue Morling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 June 2024

Statement of Profit and Loss and Other Comprehensive Income
For the Year Ended 31 December 2023

	Note	2023 £'000	2022 £'000
Dividends received	3	-	100,000
Interest income		4	1
Administrative expenses	3	(20)	(20)
(Loss)/profit before tax		**(16)**	**99,981**
Income tax credit	4.1	4	2
(Loss)/profit for the year wholly attributable to the equity holder		**(12)**	**99,983**

There has been no other comprehensive income in the year ended 31 December 2023 (2022: £nil).

The accounting policies and notes on pages 18 to 25 are an integral part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 December 2023

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
At 1 January 2022		**1,304,800**	**62,800**	**244,254**	**1,611,854**
Profit for the year		-	-	99,983	99,983
Dividends paid	5	-	-	(100,000)	(100,000)
At 31 December 2022		**1,304,800**	**62,800**	**244,237**	**1,611,837**

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
At 1 January 2023		**1,304,800**	**62,800**	**244,237**	**1,611,837**
Loss for the year		-	-	(12)	(12)
At 31 December 2023		**1,304,800**	**62,800**	**244,225**	**1,611,825**

The accounting policies and notes on pages 18 to 25 are an integral part of these financial statements.

Statement of Financial Position
As at 31 December 2023

	Note	2023 £'000	2022 £'000
Assets			
Current tax assets	4.3	4	2
Investment in group undertakings	6	1,611,348	1,611,348
Cash and cash equivalents	7	506	537
Total assets		**1,611,858**	**1,611,887**
Equity and liabilities			
Equity			
Share capital	8	(1,304,800)	(1,304,800)
Share premium	8	(62,800)	(62,800)
Retained earnings		(244,225)	(244,237)
Total equity		**(1,611,825)**	**(1,611,837)**
Amounts due to related parties	3	(33)	(50)
Total equity and liabilities		**(1,611,858)**	**(1,611,887)**

These financial statements on pages 14 to 25 were approved by the Board of Directors on 19 June 2024 and signed on its behalf by:

U Lange
Director
26 June 2024

Allianz (UK) Limited
Registered Number: 01989349

Statement of Cash Flows
For the Year Ended 31 December 2023

	Note	2023 £'000	Restated 2022 £'000
Cash flows from operating activities			
(Loss)/profit before tax		**(16)**	**99,981**
adjusted for			
Dividends received [(1)]		-	(100,000)
		(16)	**(19)**
Changes in working capital			
Decrease in amounts due from related parties	3	-	521
(Decrease)/increase in amounts due to related parties	3	(17)	50
Cash (used in)/generated from operations		**(33)**	**552**
Dividends received		-	100,000
Income tax received/(paid)	4.2	2	(34)
Net cash flows (used in)/generated from operating activities		**(31)**	**100,518**
Cash flows from financing activities			
Dividends paid	5	-	(100,000)
Net cash flows used in financing activities		**-**	**(100,000)**
Net (decrease)/increase in cash and cash equivalents		**(31)**	**518**
Cash and cash equivalents at the beginning of the year	**7**	**537**	**19**
Cash and cash equivalents at end of year		**506**	**537**

[(1)] It has been determined that the presentation of dividends received in the statement of cash flows in 2022 was incorrect. Dividends received within non-cash items has been restated from £nil to £(100,000) and dividends received within cash flows from operating activities was restated from £nil to £100,000 this has been restated.

The accounting policies and notes on pages 18 to 25 are an integral part of these financial statements.

1 ACCOUNTING POLICIES

1.1 Company and its operations

Allianz (UK) Limited (“the Company”) is a private limited company, incorporated in England and Wales and domiciled in the United Kingdom.

1.2 Statement of compliance

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

1.3 Basis of preparation

The Company is exempt from the obligation to prepare and deliver group financial statements by virtue of the Companies Act 2006 (Section 401 1a) as it is a subsidiary undertaking of an EU parent (see note 13). The financial statements have been prepared on the historical cost basis. The functional and presentational currency is British Pounds.

Going concern

The financial statements have been prepared on a going concern basis. For more information on the going concern assessment please refer to Going Concern within the Strategic Report on page 2.

New standards and interpretations adopted by the Company

There are no new standards and interpretations affecting the Company that are mandatorily effective from 1 January 2023. The accounting policies have been consistently applied unless a new policy has been implemented.

New standards and interpretations not yet adopted by the Company

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

New amendments to existing standards not yet adopted by the Company

Amendments to IAS 1 ‘Presentation of Financial Statements’

Amendments to the classification of liabilities as either current or non-current, and non-current liabilities with covenants, clarify that the classification of liabilities as either current or non-current is based solely on the Company’s right to defer settlement for at least 12 months at the reporting date. The right needs to exist at the reporting date and must have substance. The amendments also aim to improve the quality of information the Company provides related to liabilities subject to these conditions. These amendments are not expected to have any impact on the Company.

1.4 Summary of material accounting policy information

The Company has identified the accounting policies that are most significant to its business operations and the understanding of its results. In each case, the determination of these is fundamental to the financial results and position and requires management to make complex judgements based on information and financial data that may change in the future periods. Since these involve the use of assumptions and subjective judgements as to future events and are subject to change, the use of different assumptions or data could produce significantly different results. Judgements made by management in the application of IFRSs that have a significant effect on the financial statements and estimates with a significant risk of significant adjustments in the next year are discussed in Note 2.

The material accounting policy information adopted in the preparation of the financial statements is set out in the following paragraphs:

1 ACCOUNTING POLICIES (CONTINUED)

1.4 Summary of material accounting policy information (continued)

(a) Amounts due to related parties

Amounts due to related parties are initially recognised and subsequently measured at cost because they are expected to be settled within twelve months and their carrying value is a reasonable approximation of fair value.

(b) Income taxes

Income tax on profit or loss for the year comprises current tax. Income tax is recognised in the income tax credit/(expense).

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

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

(c) Investment in group undertakings

Investments in group undertakings are shown in the Statement of Financial Position at cost less any impairment charges. The carrying value is reviewed for impairment annually, or whenever events or circumstances indicate that the carrying amount may not be recoverable. The impairment assessment compares the carrying amount of the investment in the subsidiary with the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Where the carrying amount is higher than the recoverable amount, an impairment is recognised in the Statement of Profit and Loss and Other Comprehensive Income in the period in which it occurred. A reversal of an impairment loss shall be recognised immediately in the Statement of Profit and Loss and Other Comprehensive Income.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand with an original maturity of three months or less at the date of placement.

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

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 RELATED PARTY TRANSACTIONS

Transactions with and balances from or to related parties

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

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

3 RELATED PARTY TRANSACTIONS (CONTINUED)

	2023 £'000	2022 £'000
Dividends received	-	100,000
Dividends paid	-	(100,000)
Administrative expenses	(20)	(20)

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

	2023 £'000	2022 £'000
Due to related parties at 31 December		
Other related parties	33	50
Total	**33**	**50**

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

The Company considers its key management personnel to be the Directors only. Further information is disclosed in note 11.

4 INCOME TAX

4.1 Income tax recognised in profit and loss

	2023 £'000	2022 £'000
Current tax		
In respect of the current year	(4)	(2)
Total current tax	**(4)**	**(2)**

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

	2023 £'000	2022 £'000
(Loss)/profit before tax	**(16)**	**99,981**
Income tax (credit)/expense calculated at 23.50% (2022:19%)	**(4)**	**18,996**
Effect of income that is exempt from taxation	-	(19,000)
Increase from transfer pricing adjustments	-	2
Income tax credit recognised in profit and loss	**(4)**	**(2)**

4 INCOME TAX (CONTINUED)

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

The Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules

The Allianz SE Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in the UK, the jurisdiction in which the company is incorporated, and will come into effect from 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the Allianz SE Group has no related current tax exposure. The Allianz SE Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the Allianz SE Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion Rules ("GloBE") effective tax rate per jurisdiction and the 15% minimum rate. The Allianz SE Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation cannot yet be reliably estimated. Therefore, even for those entities with an accounting effective tax rate above 15%, there might still be Pillar Two tax implications. The Allianz SE Group is currently engaged with tax specialists to assist it with applying the legislation.

4.2 Tax paid for cash flow purposes

	2023 £'000	2022 £'000
Current tax (receivable)/payable at 1 January	(2)	34
Amounts credited to the statement of profit and loss	(4)	(2)
Tax received/(paid) during the year	2	(34)
Current tax receivable at 31 December	**(4)**	**(2)**

4.3 Current tax assets

	2023 £'000	2022 £'000
Current tax assets	4	2

5 DIVIDENDS

No interim dividend was paid for the year ended 31 December 2023 (2022: £100,000k). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: £nil).

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

6 INVESTMENT IN GROUP UNDERTAKINGS

Shares in group undertakings are shown in the Statement of Financial Position at cost. The undertakings of the Company are shown below. The Company's shareholding in AZH is held directly, all other shareholdings are held indirectly. The registered office for all undertakings is 57 Ladymead, Guildford, Surrey, GU1 1DB.

Name of subsidiary	Country of incorporation	Primary business operation	Percentage holding
Allianz Holdings plc	England	Investment Holding	100.00%
Held by Allianz Holdings plc:			
Allianz Insurance plc	England	General Insurance	100.00%
Liverpool Victoria General Insurance Group Limited	England	Investment Holding and Management Services	100.00%
Allianz Management Services Limited	England	Management Services	100.00%
Allianz Engineering Inspection Services Limited	England	Engineering Inspections	100.00%
Home and Legacy Insurance Services Limited	England	Insurance Intermediary	100.00%
Allianz Business Services Limited	England	Insurance Intermediary	100.00%
Vet Envoy Limited	England	IT Data Services	100.00%
Held by Allianz Insurance plc:			
Trafalgar Insurance Limited	England	General Insurance	100.00%
Allianz Equity Investments Limited	England	Investing in Equity Shares	100.00%
Pet Plan Limited	England	Insurance Intermediary	100.00%
Allianz Properties Limited	England	Investing in Real Estate	100.00%
Allianz Pension Fund Trustees Limited	England	Pension Fund Trustee	100.00%
Held by Liverpool Victoria General Insurance Group Limited:			
Liverpool Victoria Insurance Company Limited	England	General Insurance	100.00%
LV Assistance Services Limited	England	Road Rescue	100.00%
LV Insurance Management Limited	England	Management Services	100.00%
Fairmead Insurance Limited	England	General Insurance	100.00%
Held by Liverpool Victoria Insurance Company Limited:			
LV Repair Services Limited	England	Repair Engineering Services	100.00%
Highway Insurance Group Limited	England	General Insurance Holding	100.00%
Held by Highway Insurance Group Limited:			
Highway Insurance Company Limited	England	General Insurance	100.00%
Held by Fairmead Insurance Limited			
Buddies Enterprises Limited	England	Insurance Intermediary	100.00%

6 INVESTMENT IN GROUP UNDERTAKINGS (CONTINUED)

In the opinion of the Directors, there has been no impairment during the year to the investment in group undertakings (2022: nil).

On 3 May 2023, the Board decided that Home and Legacy Insurance Services Limited ("Home & Legacy"), a subsidiary of the Company, is to be wound up as it is not core to the Group's strategy. The carrying amount exceeded the recoverable amount in Home and Legacy. The recoverable amount was deemed to be £nil due to the company being wound up.

7 CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Cash and cash equivalents	506	537
Total cash and cash equivalents	**506**	**537**

8 EQUITY

Share capital - allotted, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	1,304,800,002	1,304,800,002	1,304,800,002	1,304,800,002

	2023 £	2022 £
Share premium		
Share premium classified as fully paid	62,800,000	62,800,000

9 EMPLOYEE RELATED COSTS

The Company has no employees (2022: nil) and as such incurs no employee related costs.

10 AUDITORS' REMUNERATION

The total remuneration payable by the Company excluding VAT, to its auditors in respect of the audit of these financial statements, is shown below. The Company's audit fees are borne by AMS. Other services supplied pursuant to legislation were £nil (2022: £nil).

	2023 £'000	2022 £'000
Fees payable to the Company's auditors and its associates	16	16

11 DIRECTORS' EMOLUMENTS

During the year, 12 Directors were remunerated for their services; 10 Directors were paid by AMS, U Lange's remuneration was paid by Allianz SE with costs borne by AMS, S Treloar was remunerated by Liverpool Victoria General Insurance Group Limited ("LVGIG"); and C Townsend waived his right to receive emoluments. AMS and LVGIG are Group Services companies and make no recharge to the Company for such costs. The aforementioned individuals provided services to the Company and other companies within the Group and it is not possible to make an accurate apportionment of an individual's remuneration in respect of their role as a Director of the Company. Accordingly, no remuneration is being disclosed for such individuals.

12 RISK MANAGEMENT POLICIES

Capital management
The Company's capital risk is determined with reference to the requirements of the Group. In managing capital, the Company seeks to maintain sufficient, but not excessive, financial strength to support the payment of dividends and the requirements of all stakeholders. The sources of capital used by the Company are equity shareholders' funds. At 31 December 2023 the Company had £1,611,825k (2022: £1,611,837k) of total capital employed.

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

Market risk
Market risk is the risk that changes in market prices such as interest rate risks, foreign currency exchange rates and equity prices will affect the value of the Company's assets and income. The Company is exposed to market risk through its investments in group undertakings insofar as the carrying amount exceeds the net asset value of the subsidiary and as such the investment is overstated.

Credit risk
Credit risk is the risk that a counterparty will be unable to pay amounts due to the Company in full when they fall due. The Company is exposed to credit risk through cash and cash equivalents.

The Company deems the risk associated with its cash and cash equivalents to be low as the cash balances are held with a financial institution with an A credit rating.

Liquidity risk
Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. The Company is exposed to liquidity risk through its amounts due to group undertakings. All payables are deemed to be payable within 12 months of the Statement of Financial Position date.

13 PARENT AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Allianz Europe B.V, a company registered in the Netherlands. The ultimate parent undertaking and controlling party, Allianz SE, is incorporated in Germany and is the parent of the largest and smallest group of undertakings for which Group financial statements are drawn up and of which the Company is a member. Copies of the Allianz SE Group financial statements are available on request from the ultimate parent's registered address, Allianz SE, Königinstrasse 28, 80802 München, Germany.

Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

14 SUBSEQUENT EVENTS

On 4 June 2024 the Directors of AZH approved a dividend of £100,000k subject to non-objection from the PRA which was subsequently received. Upon receipt, the Company will pay a dividend of the same amount to its shareholder.