



**CIGNA European Services (UK) Limited**

**Annual report and financial statements  
for the year ended 31 December 2021**

Registered Number: 199739



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## **CIGNA European Services (UK) Limited**

### **Strategic report for the year ended 31 December 2021**

The Directors present their strategic report for CIGNA European Services (UK) Limited ("the Company") for the year ended 31 December 2021.

#### **Business Review**

The Company's principal activities ("Group Services") are the provision of administration support to CIGNA Life Insurance Company of Europe S.A.-N.V. (CLICE) and CIGNA Europe Insurance Company S.A.-N.V (CEIC) (collectively 'Insurance Companies'). These two companies are regulated and based in Belgium and write healthcare, individual life, credit and life insurance business throughout Europe.

The services and associated costs provided to the Insurance Companies are reviewed and agreed on an annual basis with the Insurance Companies' Executive Committees. Thereafter reviews of the service provision and actual costs are performed on a regular basis by the Service Company Management Team as well as with the Insurance Companies' Executive Committees.

The Company's other key activity is the provision of healthcare related business services including Medical Trust Business and a range of specialised health related service products in the UK and Spanish markets.

Turnover for the 2021 year saw a 23% decrease to £130,993,659 (2020: £170,308,676). In contrast, profit before tax saw a 320% increase in 2021 to £5,774,139 (2020: £1,374,050).

The Company produced a profit after tax for the financial year of £7,566,861 (2020: £1,145,023) which has led to a strengthening of the net asset position to £50,803,386 (2020: £41,516,842) with the balance of retained earnings carried forward of £35,905,302 (2020: £26,618,758).

#### UK

In relation to services provided to the Cigna Group, the Company's main offering continues to be full insurance intermediary services and specialist services to the two Belgian Insurance Companies, CLICE and CEIC. In addition to this we have built on our core service offering and now provide a range of services to other Cigna companies in North America, Asia and the Middle East. This is aligned to the Cigna Corporation strategy of geographical expansion and product diversification.

In relation to the external market, the UK Employer Health (UKEH) business is primarily focussed on the Group UK Private Medical Insurance (PMI) market providing both fully insured and administrative services only (ASO) solutions, and the UK Group dental market. We are seen in the market as an innovator due to continuous development of market leading care pathways and our integrated health and wellbeing solution. Our proposition is truly unique due to our full choice proposition and market leading nurse led care.

#### Spain

Since 2014 the Spanish branch of the Company continues to provide claims processing and insurance intermediary services to the broader European Group aligned with the Cigna global strategy. During 2021 the Spanish branch has increased the operational services in order to support business growth and delivery to our clients around the world.

In addition to this, the Spain branch also provides health services to support our traditional insurance products in the Spain Market. These products currently cover services such as laser eye surgery; smoking cessation and wellness programs; psychology; homecare for seniors; cosmetic surgery; comprehensive health tests; acupuncture, among others. We continue to grow this business organically through the development of additional products and Health Advocacy solutions for our clients.

**CIGNA European Services (UK) Limited**  
**Strategic report for the year ended 31 December 2021 (continued)**

**Future outlook and post balance sheet events**

We remain confident that the Company will maintain the current level of performance in the future.

This expansion of the business is anticipated to continue into future years with the continued growth of Group Services provision from the UK and Madrid locations to the CIGNA European Group, as well as to the broader international markets in which CIGNA operates, particularly in the Middle East. This is combined with the anticipated increase in our external market presence with innovations such as our integrated health and wellbeing solution, CIGNA Virtual Health and also the increase of ASO provision customers.

As we emerge from 2021 and the many challenges it presented amidst the ongoing Covid-19 pandemic, it is inevitable that the health service industry will continue to face further tests in 2022. Despite the headwinds faced, CIGNA continues to perform strongly even in these unpredictable times and remains well placed to weather the ongoing risks in the short term. We do not consider these risks to be a threat to the Company's solvency position and we anticipate on meeting our financial obligations for the foreseeable future and to remain a going concern.

The Russian invasion of Ukraine that took place post year end introduces a number of risks to the Company. The wider Cigna Europe Group services customers and members all around the world, including in Russia and Ukraine. The first priority has been to ensure we are able to respond to the needs of those members.

These events are not considered to be a significant risk to the performance or solvency of the Company at this stage but the inherent uncertainty in such situations means that this could change in the medium to longer term. Risks include Operational Risk, Insurance Risk, Legal & Compliance risk and Reputational Risk.

**Key performance indicators ("KPIs")**

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

For the Group Services the Directors of the Company manage the performance of the business through regular review of expenses incurred against detailed annual budgets together with reviewing the associated revenue streams from recharging the expenses on group companies such as CLICE and CEIC. The external business in Spain and UK forms part of the overall product offerings in these domestic markets. It is managed and reviewed as part of the product portfolios for these respective markets by the local management teams.

**Principal risks and uncertainties**

The Company's international operations expose it to a variety of financial and operational risks including the effects of change in foreign currency exchange rates, compliance risks and liquidity. In order to mitigate this, the Company has in place an overall risk management programme which seeks to manage and minimise any potential adverse impacts on the performance of the Company caused by the nature of its principal activities. The approach to the significant risks is noted below:

**Foreign currency risk**

The Company's major currency transaction exposure arises in respect of transactions with fellow group undertaking. As a consequence, the Company's results are sensitive to changes in foreign currency exchange rates. The risks arising from operational activities are generally short term in nature, and the Company's policy is to manage this through matching of cash flows in the relevant currencies and the matching of foreign currency assets and liabilities.

**Compliance risk**

The Company is exposed to regulatory risk from the potential failure to comply with the relevant laws and regulations for insurance undertakings within the CIGNA Group. To mitigate this, the Company has a risk and compliance function and has a control framework that has been rolled out and embedded within the culture throughout the Company to reduce the risk of non-compliance. This includes regular assessments and monitoring of the compliance and regulatory requirements with regular reporting.

**CIGNA European Services (UK) Limited**  
**Strategic report for the year ended 31 December 2021 (continued)**

**Principal risks and uncertainties (continued)**

Operational risk

The Company has identified the key operational risks to which it is exposed, principle among which are the protection of client information, the prevention of cybercrime and financial crime and compliance with regulations. An appropriate framework has been deployed to manage and mitigate these key operational risks.

Liquidity Risk

The Company generally has an excellent liquidity profile with good matching of assets and liabilities. In addition, a meeting is held at least quarterly between Corporate Finance, Investment, and Treasury departments to discuss liquidity needs. Expected cash flows are updated by the business area several times per year as part of the planning cycles.

**Section 172(1) statement**

In accordance with the provisions of The Companies (Miscellaneous Reporting) Regulations 2018, the Company is required to include a statement in its Strategic Report describing how the Directors have had regard to the matters set out in s.172 (1) (a)–(f) of the Companies Act 2006 for the 2021 financial year.

The Directors of the Company have acted in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so have had regard, amongst other matters, to:

- The likely consequences of any decisions in the long-term;
- The interests of the Company's employees;
- The need to foster the Company's business relationships with suppliers, customers and others;
- The impact of the Company's operations on the community and environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the Company.

The Directors have also considered the views and interests of a wider set of stakeholders, including members of the Company's defined benefit pension scheme and regulatory bodies. Considering and balancing this broad range of interests is an important part of the way the Board makes decisions.

Engagement with stakeholders

The size and distribution of our stakeholders means that stakeholder engagement often takes place at an operational level. As part of the wider CIGNA group, the Board considers and discusses information from across the organisation to help it understand the impact of Group operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting and through in-person presentations. As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

Engagement in action

The following are some examples of how the Directors have performed their duties as outlined in Section 172(1) (a)–(f):

*Workforce:*

We define workforce as the combination of employees and those contractors who work for us for periods in excess of 3 months. The Company's long term success is predicated on the commitment of our workforce to our purpose and its demonstration of our values on a daily basis. We engage with our workforce to ensure that we are fostering an environment that they are happy to work in and that best supports their well-being.

**CIGNA European Services (UK) Limited**  
**Strategic report for the year ended 31 December 2021 (continued)**

**Section 172(1) statement (continued)**

We discuss our employee engagement activities within the Directors' report on page 5. Following the enforced working from home requirement due to Covid-19, the Directors took the opportunity in 2021 to engage with the workforce on a consultation basis to determine the best way to provide a more dynamic way of working in order to meet both the needs of the Company and the employee. As a result of the consultation and the positive response from employees to a move towards a more flexible approach to work, the decision was made to reduce the office footprint and allow employees to continue working from home on a permanent basis. The Directors continue to assess this approach and consult with employees to ensure that a certain level of engagement is still obtained within the organisation while working remotely.

By order of the Board



I W Aird  
**Director**  
17 October 2022

**CIGNA European Services (UK) Limited**  
**Directors' report for the year ended 31 December 2021**

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2021. The results for the Company for the year ended 31 December 2021 and future developments are discussed in the Strategic Report.

**Directors and their interests**

The Directors of the Company in the year, and to the date of signing, are shown below:

Directors:                    T Buckley  
                                     S Hasle  
                                     I W Aird

Company Secretary:    I Lefevre

None of the Directors had any interests in the shares of the Company as at 31 December 2021 (2020: nil).

**Directors' indemnities**

The Company maintains liability insurance for its directors and officers. The Company also provides indemnity for its directors and the secretary, which is qualifying third party indemnity provision for the purpose of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force.

**Dividends**

The Directors have recommended that no interim or final dividend be paid (Interim dividend 2020: £nil, final dividend 2020: £nil).

**Financial Risk Management**

The Company's risks are included within the formal group risk management procedures which cover this Company and also the activities of the European Insurance Companies CLICE and CEIC. The risk management process is led by the Chief Risk Officer but involves all key functions and business areas in the assessment process. This includes the assessment of the key risks on an annual basis with updates provided on these risks and the actions to mitigate these risks performed on a quarterly basis.

We believe this group process is appropriate for the Company as one of the key dependencies in terms of growth and profitability is the performance of the group Insurance Companies. In addition foreign exchange risks are managed as far as possible through matching foreign currency assets and liabilities – see Note 1(s) Financial Risk Management.

**Employees**

The Company is an equal opportunities employer and bases all decisions on individual ability regardless of race, religion, gender, age or disability.

It is the policy of the Company to promote equality of employment opportunities by giving full and fair consideration to applications from disabled people for vacancies where particular job requirements are considered to be within their abilities.

If existing employees become disabled every effort is made to retain them within the workforce whenever reasonable and practicable. The Company also endeavours to provide equal opportunities in the training, promotion and general career development of disabled employees.

**Employee engagement statement**

The Company carries out a wide and varied programme of internal communication activity in order to keep staff informed of business objectives and results. This is done through a variety of channels – from line manager and team briefings to staff newsletters and online resources on a weekly and monthly basis. In addition, the Company formally solicits employee opinion via an annual staff survey.

As the Company is not listed on the UK stock market, our normal policy is not to offer a share option scheme. However, the Company does offer a bonus to employees who have made a significant contribution to the

**CIGNA European Services (UK) Limited**  
**Directors' report for the year ended 31 December 2021 (continued)**

Company's performance in the year. This reinforces the philosophy of encouraging employees to contribute directly to the achievement of the Company's goals and of rewarding individual and collective success.

As a result of the Covid-19 pandemic and the move to employees working from home, the Company took the opportunity to enhance their online presence for internal communication by replacing face to face meetings with a variety of virtual experiences. The Company recognised that the biggest challenge faced by employees was adapting to the new way of working in a non-office environment and the difficulties faced such as being alone, having young children at hand or even a neighbouring pet making noise. To address this, the Company proactively engaged with the employees and launched various campaigns and management tools to alleviate any additional stress or wellbeing issues.

**Streamlined Energy and Carbon Reporting (SECR) Disclosure**

The Company's energy use and the associated Greenhouse gas emissions for the year are shown below:

	2021	2020	
<b>Scope 1 (Direct) Greenhouse gas emissions</b>			
Natural Gas	kWh	219,454	419,193
<b>Scope 2 (Energy Indirect) Greenhouse gas emissions</b>			
Electricity	kWh	546,160	817,076
<b>Total UK energy use</b>	<b>kWh</b>	<b>765,614</b>	<b>1,236,269</b>
<b>Associated Greenhouse gas emissions Tonnes CO2 equivalent (CO2e)</b>			
		<b>167.7</b>	<b>267.6</b>
<b>Intensity Ratio</b>			
	<b>CO2e per m2 office space</b>	<b>0.038</b>	<b>0.040</b>

The Company's energy consumption arises primarily through electricity and gas usage in relation to the office space occupied by employees in the operation of the business. The decrease in the total emissions for the year 2021 has arisen primarily by the reduction in the office footprint of the business, with a reduction in floor space as the Company moves towards a Working From Home (WFH) model.

The Company is looking to develop and deliver a new progressive Corporate Responsibility (CR) programme for CIGNA Europe and Global Segments. This programme will be in line with our CIGNA Enterprise CR Strategy and localised to our EGS needs. The programme will focus on the likes of; reducing the impact our buildings have on the environment, health & safety at work, waste reduction & recycling and water management & pollution prevention.

In addition to this, CIGNA is also continuing to improve its CR by setting ambitious energy, carbon and water targets for its entire real estate portfolio.

The Company has achieved and retained ISO.50001 Energy management System accreditation since 2015

The above kWh figures of the Company's energy usage are recorded based on actual usage, determined via metering, of Electricity and Gas consumption. The associated Greenhouse gases in relation to this have then been calculated using the 2021 conversion factors as provided by the Carbon Trust website. [www.carbontrust.com/resources/conversion-factors-energy-and-carbon-conversion-guide](http://www.carbontrust.com/resources/conversion-factors-energy-and-carbon-conversion-guide)

**CIGNA European Services (UK) Limited**  
**Directors' report for the year ended 31 December 2021 (continued)**

**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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the 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.

**Independent auditor**

Mazars LLP were appointed as statutory auditor of the Company for the year ended 31 December 2021, and will continue to hold office in accordance with Section 487 of the Companies Act 2006.

By order of the Board



I W Aird

**Director**

17 October 2022

18<sup>th</sup> Floor  
5 Aldermanbury Square  
London  
United Kingdom  
EC2V 7HR  
Registered Number: 199739

**CIGNA European Services (UK) Limited**  
**Independent auditors' report to the members of Cigna European Services (UK) Limited**

**Opinion**

We have audited the financial statements of Cigna European Services (UK) Limited (the 'company') for the year ended 31<sup>st</sup> December 2021 which comprise Statement of comprehensive income, Statement of financial position, Statement of changes in equity and Notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31<sup>st</sup> December 2021 and of its profit for the year then ended; and
- 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.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **CIGNA European Services (UK) Limited**

### **Independent auditors' report to the members of Cigna European Services (UK) Limited**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of Directors**

As explained more fully in the statement of directors' responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements such as employment regulation, health and safety regulation, anti-money laundering regulation, data protection and GDPR and the Bribery Act.

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

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;

## **CIGNA European Services (UK) Limited**

### **Independent auditors' report to the members of Cigna European Services (UK) Limited**

- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

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

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

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

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

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

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

#### **Use of the audit report**

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



Leanne Finch (Oct 17, 2022 10:11 GMT+1)

Leanne Finch (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
30 Old Bailey  
London  
EC4M 7AU

17 October 2022

**CIGNA European Services (UK) Limited**  
**Statement of comprehensive income for the year ended 31 December 2021**

	Note	2021 £	2020 £
<b>Turnover</b>	3	<b>130,993,659</b>	170,308,676
Operating expenses		<b>(123,986,158)</b>	(168,969,758)
<b>Operating profit</b>	4	<b>7,007,501</b>	1,338,918
Impairment in associates		<b>(1,249,999)</b>	-
Interest receivable and similar income	7	<b>57,903</b>	206,699
Interest payable and similar expenses	7	<b>(41,266)</b>	(171,567)
Net interest income	7	<b>16,637</b>	35,132
<b>Profit before taxation</b>		<b>5,774,139</b>	1,374,050
Tax charge / (credit)	8	<b>1,792,722</b>	(229,027)
<b>Profit for the financial year</b>		<b>7,566,861</b>	1,145,023
<b>Other comprehensive income/(expense):</b>			
Actual return less expected return on assets	19	<b>1,023,480</b>	1,216,840
Experience gain/(loss) on liabilities and changes in actuarial	19	<b>1,269,430</b>	(1,953,880)
Net actuarial gain/(loss) on pension scheme		<b>2,292,910</b>	(737,040)
Movement on deferred tax relating to pension asset	15	<b>(573,227)</b>	140,038
<b>Other comprehensive income for the year, net of tax Income/(expense)</b>		<b>1,719,683</b>	(597,002)
<b>Total comprehensive income for the year</b>		<b>9,286,544</b>	548,021

The results above relate entirely to continuing operations.

**CIGNA European Services (UK) Limited**  
**Statement of financial position as at 31 December 2021**

	Note	2021 £	2020 £ (Restated)
<b>Fixed assets</b>			
Intangible assets	9	642,923	24,594,512
Tangible assets	10	6,732,717	7,907,353
Investments	11	1	-
		<b>7,375,641</b>	<b>32,501,865</b>
<b>Current assets</b>			
Debtors	12	24,882,164	49,997,803
Deferred tax asset	15	7,773,018	5,180,324
Cash at bank and in hand		44,810,825	12,194,050
		<b>77,466,007</b>	<b>67,372,177</b>
Creditors: amounts falling due within one year	13	<b>(37,397,152)</b>	<b>(49,315,940)</b>
<b>Net current assets</b>		<b>40,068,855</b>	<b>18,056,237</b>
<b>Total assets less current liabilities</b>		<b>47,444,496</b>	<b>50,558,102</b>
Creditors: amounts falling due after more than one year	14	-	(10,975,500)
Pension asset	19	3,358,890	1,934,240
<b>Net assets</b>		<b>50,803,386</b>	<b>41,516,842</b>
<b>Capital and reserves</b>			
Called up share capital	16	11,137,150	11,137,150
Capital reserve		3,760,934	3,760,934
Retained earnings		35,905,302	26,618,758
<b>Total shareholder's funds</b>		<b>50,803,386</b>	<b>41,516,842</b>

The notes on pages 14 to 32 are an integral part of these financial statements.

The financial statements on pages 11 to 32 were authorised for issue by the Board of Directors on 17 October 2022 and were signed on its behalf by:



I W Aird

**Director**

**CIGNA European Services (UK) Limited**

**Registered Number: 199739**

**CIGNA European Services (UK) Limited**  
**Statement of changes in equity for the year ended 31 December 2021**

	Called up share capital	Capital reserve	Retained earnings	Total shareholder's funds
	£	£	£	£
Balance as at 1 January 2020	11,137,150	3,760,934	26,070,737	40,968,821
Profit for the financial year	-	-	1,145,023	1,145,023
<i>Other comprehensive income:</i>				
Actuarial loss on pension scheme	-	-	(737,040)	(737,040)
Movement on deferred tax relating to pension scheme	-	-	140,038	140,038
Total comprehensive income for the year	-	-	548,021	548,021
<b>Balance as at 31 December 2020</b>	<b>11,137,150</b>	<b>3,760,934</b>	<b>26,618,758</b>	<b>41,516,842</b>
Profit for the financial year	-	-	7,566,861	7,566,861
<i>Other comprehensive income:</i>				
Actuarial gain on pension scheme	-	-	2,292,910	2,292,910
Movement on deferred tax relating to pension scheme	-	-	(573,227)	(573,227)
Total comprehensive income for the year	-	-	9,286,544	9,286,544
<b>Balance as at 31 December 2021</b>	<b>11,137,150</b>	<b>3,760,934</b>	<b>35,905,302</b>	<b>50,803,386</b>

## **CIGNA European Services (UK) Limited**

### **Notes to the financial statements for the year ended 31 December 2021**

#### **General Information**

The Company is a private Company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is the 13<sup>th</sup> Floor, 5 Aldermanbury Square, London, United Kingdom, EC2V 7HR.

The Company's principal activities are the provision of administration support to CIGNA Life Insurance Company of Europe S.A.-N.V. (CLICE) and CIGNA Europe Insurance Company S.A.-N.V (CEIC) (collectively 'Insurance Companies').

#### **1. Statement of compliance**

The individual financial statements of CIGNA European Services (UK) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **2. Summary of significant accounting policies**

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

##### **(a) Basis of preparation**

The financial statements have been prepared on a going concern basis under the historical cost convention and applicable accounting standards in the United Kingdom.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in 'Critical judgements and estimates in applying the accounting policies'.

##### **(b) Going concern**

The Company meets its day-to-day working capital requirements through its bank facilities. The Company's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. In light of the recent Covid-19 pandemic, specific 'worst case' scenario forecasting was completed, centred around the loss of key clients and foreign exchange losses. The role of the Company within the wider CIGNA group as a key provider of administration support services to the CIGNA European and Global Sections group has also been closely considered and comfort obtained over the going concern of the wider group.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2021**

**(c) Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of CIGNA Corporation which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- (i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- (ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- (iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- (iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

**(d) Consolidated financial statements**

The Company is a wholly owned subsidiary of CIGNA Elmwood Holdings SPRL and of its ultimate parent, CIGNA Corporation. It is included in the consolidated financial statements of CIGNA Corporation which are publicly available. In line with all the requirements as set out in section 401 of the Companies Act 2006 the Company is able to take exemption from the requirement to prepare consolidated financial statements.

These financial statements are the Company's separate financial statements.

**(e) Foreign currency**

*(i) Functional and presentation currency*

The Company's functional and presentation currency is the pound sterling.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transaction.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the statement of comprehensive income within 'Other operating charges'.

**(f) Turnover**

Turnover consists principally of management charges in respect of the provision of management and administration services to CLICE and CEIC, and fees charged for the business services provided in relation to the non-insurance products offered by CIGNA in the U.K. and Spain. Turnover is recognised in line with the provision of service.

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2021**

**(g) Employee benefits**

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

*(i) Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

*(ii) Defined contribution pension plans*

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

*(iii) Defined benefit pension plan*

The Company operates a defined benefit pension plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan. The assets of the Company's scheme are held separately from those of the Company in independently administered funds. This scheme is now closed to new members.

The asset recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually, the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ("discount rate").

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interests, are disclosed as "Actuarial loss on pension scheme".

The cost of the defined benefit plan, recognised in profit and loss as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in pension benefit liability arising from employee service during the period, and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as "Other operating charges".

*(iv) Annual bonus plan*

The Company operates a number of annual bonus plans for employees. An expense is recognised in the profit and loss account when the Company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2021**

**(h) Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

*(i) Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

*(ii) Deferred income tax*

Tax is charged on all taxable profits arising for the accounting period. Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that there will be suitable tax profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. The deferred tax is measured on an undiscounted basis.

**(i) Intangible assets**

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between 2.5 and 4 years, on a straight line basis.

Amortisation is charged to Operating Expenses within the statement of comprehensive income.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

## **CIGNA European Services (UK) Limited**

### **Notes to the financial statements for the year ended 31 December 2021**

#### **(j) Tangible assets**

All tangible fixed assets are stated at the lower of cost less accumulated depreciation and accumulated impairment losses. All tangible fixed assets are depreciated by the straight-line method.

Depreciation on short leasehold property is calculated, using the straight line method, to allocate the depreciable amount to their residual values over their estimated useful lives. The estimated useful life for short leasehold is calculated over the period of the lease. Motor vehicles, furniture and office machinery and data processing equipment are depreciated as follows:

#### Useful Life

Leasehold Improvements	Period of lease
Fixtures and Fittings	10 years
Office equipment	5 years
Data processing equipment	2.5 - 4 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of comprehensive income and included in 'Other operating (losses)/gains'.

#### **(k) Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Further information on charges in the period and future commitments is given in note 4 and note 18.

#### **(l) Impairment of non-financial assets**

At each statement of financial position date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2021**

**(m) Investment in associate**

Investment in an associate is held at cost less accumulated impairment losses.

**(n) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(o) Capital reserve**

Capital reserves arose in respect of additional funding received from CIGNA Holdings Overseas Inc., a group Company, to assist in financing the continued expansion of the business. It is used only for special purposes and is not available for distribution among the shareholders as dividend.

**(p) Share Capital**

Ordinary shares are classified as equity.

**(q) Financial instruments**

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

*(i) Financial assets*

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. Loans and receivables are classified within "Debtors" in the statement of financial position. These are initially recognised at fair value in the statement of financial position and subsequently carried at amortised cost, subject to impairment.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

*(ii) Financial liabilities*

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2021**

**(q) Financial instruments (continued)**

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivative financial instruments.

*(iii) Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

**(r) Critical judgements and estimates in applying the accounting policies**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

*(i) Accrual of dilapidation costs*

Dilapidation costs in relation to leased property have been estimated by taking the mid-range of a series of estimates made by the CIGNA Corporate Real Estate team. These estimates are based on recent data for similar type expenditure and costs are allocated based on the square footage of each property.

*(ii) Pension benefits*

The present value of the pension asset depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The Directors set these assumptions based on advice from independent, qualified actuaries. The key assumptions used include discount rate, inflation rate and mortality. Any changes in these assumptions will impact the carrying amount of the pension asset. Additional information including the other assumptions used is disclosed in note 19.

*(iii) Useful economic lives of tangible and intangible assets*

The annual depreciation charge for tangible fixed assets and intangible assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 9 and 10 for the carrying amount of both intangible and tangible fixed assets. The useful economic lives for each class of intangible and tangible asset is provided in notes 2(i) and 2(j) respectively.

**(s) Financial risk management**

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Company. The Company does not undertake any speculative treasury activities.

*Foreign exchange risk*

The Company operates primarily in the UK however there is some foreign exchange risk mainly associated with the Euro as a result of material inter-company transactions being generated in Euros.

The risks arising from operational activities are generally short term in nature, and the Company's policy is to manage this through matching of cash flows in the relevant currencies. Gains and losses on these activities are fully reflected in the statement of comprehensive income for the period in which they arise.

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2021**

*Interest rate risk*

The Company has an interest bearing asset where interest income is receivable, this being cash at bank. Cash at bank primarily relates to cash held on behalf of related companies as part of a cash pooling arrangement. The rate of interest is variable throughout the year and any interest earned is reallocated back to the Company of origin.

*Credit risk*

Credit risk arises from cash and cash equivalents, deposits with banks, as well as credit exposures to recognised third parties and other group undertakings. There are policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis to limit the Company's exposure to bad debts by taking into account the customer's financial position, past experience and other factors. The Company has policies that limit the amount of credit exposure to any one financial institution. There are no significant concentrations of credit risk within the Company and no credit limits were exceeded during the reporting period.

*Liquidity and funding*

The Company is financed through a mix of equity share capital and bank overdrafts.

The Company's liquidity risk management policy requires that sufficient cash is maintained to meet short term funding requirements.

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2021**

**3. Turnover**

The turnover and profit before taxation were solely derived from the Company's principal activities, being the provision of services, within the United Kingdom and Spain.

	2021 £	2020 £
<b>Turnover</b>		
- United Kingdom	113,609,117	152,571,482
- Spain	17,384,542	17,737,194
	<b>130,993,659</b>	<b>170,308,676</b>

**4. Operating profit**

	2021 £	2020 £
Operating profit is stated after charging:		
Depreciation of tangible fixed assets - owned assets	3,407,132	4,061,718
Amortisation of software costs	815,060	714,691
Loss on disposal of tangible assets	212,940	-
Loss on disposal of intangible assets	35,523,626	-
Gain / (loss) on foreign exchange movements	720,417	(1,001,546)
Operating lease charges:		
- land & buildings	1,046,538	1,802,919
Auditors' remuneration:		
- audit services (Mazars / PwC)	25,149	26,731

**5. Directors' emoluments**

	2021 £	2020 £
Aggregate emoluments	76,447	929,917
Aggregate defined contribution pension contributions paid by Company	6,780	48,044
	<b>83,227</b>	<b>977,961</b>

As at 31 December 2021 retirement benefits were accruing to 1 (2020: 1) Director under a defined contribution scheme.

**Highest paid Director**

The highest paid Director's emoluments were as follows:

	2021 £	2020 £
Total amount of emoluments	76,447	757,252
Defined contribution pension scheme	6,780	-
	<b>83,227</b>	<b>757,252</b>

The highest paid Director has no accrued pension or accrued lump sum at the end of the year in relation to the Company's defined benefit pension scheme.

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2021**

**6. Employee information**

The average monthly number of persons (including Executive Directors) employed by the Company during the year was 1,579 (2020: 1,531).

<b>By activity</b>	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
Selling and distribution	161	150
Administration	1,418	1,381
	<b>1,579</b>	<b>1,531</b>

  

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	70,629,071	83,085,467
Social security costs	6,449,155	8,831,433
Other pension costs (note 19)	5,716,905	5,519,917
	<b>82,795,131</b>	<b>97,436,817</b>

**7. Net Interest income**

**(a) Interest receivable and similar income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank interest received	11,249	108,683
Interest receivable on other loans	13,734	32,386
Other finance income (note 19)	32,920	65,630
<b>Total interest receivable and similar income</b>	<b>57,903</b>	<b>206,699</b>

**(b) Interest payable and similar expenses**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest payable on overdrafts	(27,431)	(1,305)
Interest payable on other loans	(13,835)	(170,262)
<b>Total interest payable and similar expenses</b>	<b>(41,266)</b>	<b>(171,567)</b>

**(c) Net interest income/(expense)**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest receivable and similar income	57,903	206,699
Interest payable and similar expenses	(41,266)	(171,567)
<b>Net interest income</b>	<b>16,637</b>	<b>35,132</b>

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2021**

**8. Tax on profit**

**(a) Analysis of credit in year**

	2021	2020
	£	£
Current Tax:		
UK corporation tax on profits of the year	37,220	74,921
Adjustments in respect of previous periods	-	67,798
<b>Total current tax</b>	<b>37,220</b>	<b>142,719</b>
Foreign corporation tax on profits of the period	475,602	244,565
Adjustments in respect of previous periods	194,458	13,552
<b>Total Foreign Tax</b>	<b>670,060</b>	<b>258,117</b>
Deferred tax (note 15):		
Adjustments in respect of previous periods	-	724,842
Effect of increased tax rate on opening liability	(1,482,066)	(432,652)
Origination and reversal of timing differences	(1,017,936)	(463,999)
<b>Total deferred tax</b>	<b>(2,500,002)</b>	<b>(171,809)</b>
<b>Tax (credit)/charge</b>	<b>(1,792,722)</b>	<b>229,027</b>

**(b) Factors affecting tax credit for year**

The tax assessed for the year is higher (2020: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£	£
Profit before taxation	5,774,139	1,374,050
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	1,097,086	261,070
Effects of:		
- Expenses not deductible for tax purposes	105,506	1,109,931
- Higher taxes on overseas earnings	42,584	245,950
- Adjustments in respect of previous periods	194,458	804,948
- Remeasurement of deferred tax for changes in tax rates	(1,653,366)	(440,975)
Group Relief claimed	(1,607,599)	(1,812,998)
Other	28,608	61,101
<b>Total tax credit for year</b>	<b>(1,792,723)</b>	<b>229,027</b>

At Spring Budget 2021, the government announced an increase in the Corporation Tax main rate from 19% to 25% for Companies with profits over £250,000 with effect from 1 April 2023. This was substantively enacted on 24 May 2021 and will increase the Company's future current tax charge accordingly. Any deferred tax asset at 31 December 2021 has been calculated at 25% (2020: 19%).

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2021**

**9. Intangible assets**

	Software £
<b>Cost</b>	
At 1 January 2021	26,366,479
Additions	12,387,097
Disposals	(36,301,915)
<b>At 31 December 2021</b>	<b>2,451,661</b>
<b>Accumulated amortisation</b>	
At 1 January 2021	1,771,967
Charge for the year	815,060
Disposals	(778,289)
<b>At 31 December 2021</b>	<b>1,808,738</b>
<b>Net book amount</b>	
<b>At 31 December 2021</b>	<b>642,923</b>
At 31 December 2020	24,594,512

**10. Tangible assets**

	Leasehold improvements £	Fixtures, fittings & office equipment £	Data processing equipment £	Total £
<b>Cost</b>				
At 1 January 2021	10,542,546	2,678,586	15,610,956	28,832,088
Additions	2,040,641	(31,276)	436,071	2,445,436
Disposals	(9,630,028)	(1,404,871)	(5,908,618)	(16,943,517)
<b>At 31 December 2021</b>	<b>2,953,159</b>	<b>1,242,439</b>	<b>10,138,409</b>	<b>14,334,007</b>
<b>Accumulated depreciation</b>				
At 1 January 2021	9,566,923	1,806,915	9,550,897	20,924,735
Charge for the year	605,522	144,942	2,656,668	3,407,132
Disposals	(9,609,705)	(1,212,255)	(5,908,617)	(16,730,577)
<b>At 31 December 2021</b>	<b>562,740</b>	<b>739,602</b>	<b>6,298,948</b>	<b>7,601,290</b>
<b>Net book amount</b>				
<b>At 31 December 2021</b>	<b>2,390,419</b>	<b>502,837</b>	<b>3,839,461</b>	<b>6,732,717</b>
At 31 December 2020	975,623	871,671	6,060,059	7,907,353

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2021**

**11. Investments**

	2021	2020
	£	£
At 1 January	-	-
Additions	1,250,000	-
Impairment	(1,249,999)	-
At 31 December	1	-

Company	Country of incorporation	Class of shares held	Held directly or indirectly
CIGNA Global Wellbeing Holdings Limited	UK	Ordinary	Direct

The Company owns 30% of the equity share capital of CIGNA Global Wellbeing Holdings Limited, a company incorporated in the UK and with registered address at 5 Aldermanbury Square, London, EC2V 7HR.

The principal activity of CIGNA Global Wellbeing Holdings Limited during the year was that of a non-trading holding Company. CIGNA Global Wellbeing Holdings Limited is a parent of a group of Companies whose principal activity is to act as a provider of health and productivity management services delivered through online applications on its hosted platform and through on-site intervention programmes.

In prior years, the carrying value of the investment has been fully impaired to Enil. During the year, a further capital injection of £1.25m was advanced by the Company to CIGNA Global Wellbeing Holdings Limited. The CIGNA Global Wellbeing group continues to have an overall net liability position with no investment carrying value deemed to be held. As such, the capital injection was immediately impaired to nominal carrying value of £1.

**12. Debtors**

	2021	2020
	£	£
		(Restated)
Trade debtors	436,715	4,678,403
Bad debt provision	(147,724)	(147,905)
Amounts owed by group undertakings	18,786,160	34,578,981
Taxation and social security	847,029	1,277,429
Other debtors	2,856,937	7,062,338
Prepayments and accrued income	2,103,047	2,548,556
	<b>24,882,164</b>	<b>49,997,802</b>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The maximum exposure to credit risk at the reporting date is the fair value of each class of debtors mentioned above. The fair value of debtors approximates the carrying value due to the short term nature of the transactions. The Company does not hold any collateral as security.

Note that trade debtors balance for 2020 was previously reported as £12,525,392 and the overall balance for Debtors for 2020 was previously reported as £57,844,791. In these 2021 financial statements, trade debtors for 2020 has been restated to correctly disclose the net position of balances and present the correct allocation of debtors versus creditors. This is line with the current treatment as presented for 2021 balances. There is no impact to the statement of comprehensive income as a result of this restatement in either the current or preceding year. Corresponding movement can be seen within other creditors as per note 13.

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2021**

**13. Creditors: amounts falling due within one year**

	2021	2020
	£	£
		(Restated)
Amounts owed to group undertakings	1,580,694	1,064,678
Taxation and social security	1,918,824	3,219,298
Other creditors	17,485,392	11,538,554
Accruals	16,412,242	33,493,410
	<b>37,397,152</b>	<b>49,315,940</b>

The fair value of creditors falling due within one year approximates the carrying value due to the short term nature of the transactions. Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Note that other creditors balance for 2020 was previously reported as £19,385,543 and the overall balance for Creditors: amounts falling due within one year for 2020 was previously reported as £57,162,928. In these 2021 financial statements, other creditors for 2020 has been restated to correctly disclose the net position of balances and present the correct allocation of debtors versus creditors. This is line with the current treatment as presented for 2021 balances. There is no impact to the statement of comprehensive income as a result of this restatement in either the current or preceding year. Corresponding movement can be seen within trade debtors as per note 12.

**14. Creditors: amounts falling due after more than one year**

	2021	2020
	£	£
<b>Amounts falling due after more than five years</b>		
Amounts owed to group undertakings	-	10,975,500
	-	10,975,500

A long term loan is held with group undertakings in the form of a Line of Credit, to be drawn down as and when required, up to a maximum amount of US\$35,000,000. The aggregate unpaid principal amount of all loans under this Agreement are due to be repaid on or before December 2027.

No balance is currently outstanding from the Company on this line of credit with no immediate requirement for the Company to draw down any funds.

Interest on the outstanding loan balance bears interest at an interest rate equivalent to (i) the weighted average rate of CIGNA Corporation commercial paper issued during the prior calendar month, or (ii) if CIGNA Corporation is not then regularly engaged in a program of issuing commercial paper, the 30-day commercial paper rate that would be available to CIGNA Corporation based on its then current trading as quoted in Bloomberg Dealer Placed CP Rates, or any commonly recognised successor information source.

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2021**

**15. Deferred tax asset**

	2021	2020
	£	£
Accelerated capital allowances	6,840,707	4,985,064
Provisions	932,311	183,018
<b>Total deferred tax asset</b>	<b>7,773,018</b>	<b>5,168,082</b>

	2021	2020
	£	£
At 1 January	5,180,324	4,962,343
Deferred tax credit in the statement of comprehensive income	2,592,695	217,981
At 31 December	7,773,019	5,180,324

	2021	2020
	£	£
Deferred tax liability relating to pension asset		
At 1 January	(453,710)	(547,652)
Deferred tax charge in the statement of comprehensive income	(92,692)	(46,096)
Deferred tax (credit)/charge in the statement of changes in equity	(573,227)	140,038
At 31 December	(1,119,629)	(453,710)

The deferred tax liability in relation to the pension surplus is included within the net pension surplus in the statement of financial position.

**16. Called up share capital**

	2021	2020
	£	£
<b>Authorised, allotted, issued and fully paid</b>		
11,137,150 (2020: 11,137,150) ordinary shares of £1 each	11,137,150	11,137,150

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

No interim or final dividends have been recommended or proposed for the year ended 31 December 2021 (2020: £nil).

## CIGNA European Services (UK) Limited

### Notes to the financial statements for the year ended 31 December 2021

#### 17. Related parties

The Company has taken advantage of the exemption, as provided by paragraph 33.1A of FRS 102 and does not disclose transactions with members of the CIGNA Corporation Group that are wholly owned. The Company discloses transactions with related parties which are not wholly owned with the CIGNA Corporation Group.

No contract of significance existed at any time during the year in which a Director or key manager was materially interested or which requires disclosure as a related party transaction as defined under paragraph 33.1A of FRS 102.

There were no other material transactions by the Company with related parties for the year ended 31 December 2021 (2020: nil).

#### 18. Financial commitments

At 31 December the Company had future minimum lease payments under non-cancellable operating leases expiring as follows:

	2021 £	2020 £
	<b>Land &amp; Buildings</b>	<b>Land &amp; Buildings</b>
Not later than one year	<b>1,046,538</b>	1,338,540
Later than one year and not later than five years	<b>1,669,982</b>	3,021,705
Later than five years	-	-
	<b>2,716,520</b>	<b>4,360,245</b>

#### 19. Pension commitments

The Company participates in an occupational pension scheme, known as CIGNA 2000 UK Pension Plan (the Plan), the assets of which are held separately from those of the participating entities. The Plan is established on a defined benefit basis (through its "closed section") and on a defined contribution basis.

The amount recognised in the profit and loss accounts is as follows:

	2021 £	2020 £
Defined benefit scheme (note 19(a))		
- Current service cost	<b>1,020,260</b>	872,510
- Past service cost	-	-
Defined contribution scheme (note 19(b))	<b>4,696,645</b>	4,647,407
Total charge in operating profit (note 6)	<b>5,716,905</b>	5,519,917
Defined benefit scheme		
- Interest income on plan assets	<b>(227,970)</b>	(306,780)
- Interest expense on defined benefit obligations	<b>195,050</b>	241,150
Net interest income (note 7)	<b>(32,920)</b>	(65,630)
<b>Total charge</b>	<b>5,683,985</b>	<b>5,454,287</b>

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2021**

**19. Pension commitments (continued)**

**a. Defined Benefit scheme**

A full actuarial valuation of the CIGNA 2000 UK Pension Plan, using the projected unit basis, was carried out at 1 April 2021 and updated to 31 December 2021 by a qualified, independent actuary. The results of this valuation were used for the purposes of Section 28 of FRS 102. The principal assumptions used by the independent qualified actuary in updating the latest valuation of the scheme were:

	<b>2021</b>	<b>2020</b>
	<b>(% p.a.)</b>	<b>(% p.a.)</b>
Discount rate	1.83	1.45
RPI Inflation	3.30	2.86
CPI Inflation	2.86	2.43
Deferred pension revaluation		
- pre 2005 (RPI max 5.0%)	3.30	2.86
- post 2005 (RPI max 2.5%)	2.50	2.50
Pension increases		
- post 1997 (RPI max 5.0%)	3.11	2.72
- pre 1997 (90.0% of RPI max 5.0%)	2.88	2.53
- post 1988 GMP (CPI max 3.0%)	2.20	1.96

The mortality assumptions used were as follows:

	<b>2021</b>	<b>2020</b>
Mortality table		
- Base table	88%/128% (males) and 101%/115% (females) of S3PMA for pensioners/non-pensioners	S3 year of birth tables with no adjustment for males and "middle" table with -2 years for females.
- Future improvements	CMI 2020 (Sk=7.5) projection model with convergence to a long term rate of improvement of 1.5% p.a. and no weight to 2020 data.	CMI 2019 (Sk=7.5) projection model with convergence to a long term rate of improvement of 1.5% p.a.

	<b>2021</b>	<b>2020</b>
	<b>years</b>	<b>Years</b>
Implied life expectancy at age 65		
- Male currently aged 65	23.3	22.3
- Male currently aged 45	22.0	23.9
- Female currently aged 65	24.0	25.8
- Female currently aged 45	24.8	27.6

The defined benefit section of the plan is now closed to new members and, as such, the service cost, as a percentage of pensionable salaries, will increase in the future as members near retirement.

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2021**

**19. Pension commitments (continued)**

**a. Defined Benefit scheme (continued)**

Reconciliation of scheme assets and liabilities:

	Assets £	Liabilities £	Total £
At 1 January 2021	15,967,860	(13,579,910)	2,387,950
Benefits paid	(255,800)	255,800	-
Employer contributions	785,000	-	785,000
Service cost	-	(268,310)	(268,310)
Interest income / (expense)	227,970	(195,050)	32,920
Insurance premiums for risk benefit	(268,310)	268,310	-
Expenses paid	(751,950)	-	(751,950)
Remeasurement gains / (losses)			
- Actuarial gains	-	1,269,430	1,269,430
- Return of plan assets excluding interest income	1,023,480	-	1,023,480
At 31 December 2021	16,728,250	(12,249,730)	4,478,520

The fair value of the plan assets was:

	2021 £	2020 £
Equity Instruments	6,768,760	6,269,390
Debt Instruments	9,557,950	9,298,580
Cash and cash equivalent	401,540	399,890
Total	16,728,250	15,967,860

Analysis of pension surplus:

	2021 £	2020 £
Fair value of plan assets	16,728,250	15,967,860
Benefit obligation	(12,249,730)	(13,579,910)
Surplus in plan	4,478,520	2,387,950
Related deferred tax liability	(1,119,630)	(453,710)
Net surplus in plan at end of year	3,358,890	1,934,240

The surplus held in CESL in respect of the pension is recoverable as the right to refund exists.

**Actuarial gains and losses**

The cumulative amount of actuarial gains/(losses) recognised in other comprehensive income/(expense) is £2,259,310 (2020: £50,220).

**b. Defined Contribution scheme**

The pension cost charge represents contributions payable by the Company and amounted to £4,696,645 (2020: £4,647,407).

**CIGNA European Services (UK) Limited**

**Notes to the financial statements for the year ended 31 December 2021**

**20. Ultimate parent undertaking**

The Company's immediate parent undertaking is CIGNA Elmwood Holdings SPRL, which is incorporated in Belgium. The address of its registered office is Plantin en Moretuslei 309, 2140 Antwerpen, Belgium.

The Company's ultimate parent undertaking, ultimate controlling party and the smallest and largest group to consolidate these financial statements is CIGNA Corporation, incorporated in U.S.A. The address of its registered office is 900 Cottage Grove Road, Bloomfield, Connecticut, United States of America, 06002-2920. Copies of the CIGNA Corporation's consolidated financial statements are publicly available and can be obtained from [www.cigna.com](http://www.cigna.com).