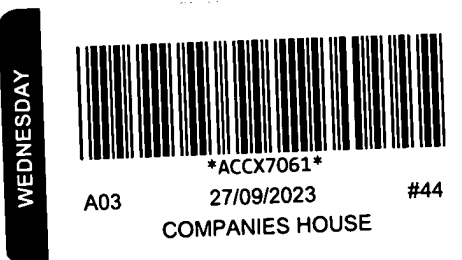




**CIGNA European Services (UK) Limited**

**Annual report and financial statements  
for the year ended 31 December 2022**

Registered Number: 199739



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

### **Strategic report for the year ended 31 December 2022**

The Directors present their strategic report for CIGNA European Services (UK) Limited (“the Company”) for the year ended 31 December 2022.

#### **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 2022 year saw a 9.6% increase to £143,563,384 (2021: £130,993,659). Profit before tax saw a 98.6% increase in 2022 to £11,467,183 (2021: £5,774,139).

The Company produced a profit after tax for the financial year of £8,183,092 (2021: £7,566,861) which has led to a strong net asset position of £45,579,146 (2021: £50,803,386) with the balance of retained earnings carried forward of £30,681,062 (2021: £35,905,302). Dividends, for the value of £10,000,000 were paid at the end of 2022.

#### 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. As from the 1st January 2023, the UKEH medical business is now managed in run-off, with the UKEH dental business also scheduled to be managed in run off effective 1st October 2023.

#### 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 2022 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 2022 (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.

Defined Benefit Pension Scheme

The Company has agreed with the Plan Trustees of the Defined Benefit Pension Plan (the Plan) to pursue an insurance transaction to secure the Plan liabilities. An external advisor has been appointed and offers have been invited from the external market.

The current market valuation of the pension assets required to complete the transaction do not suggest there would be a surplus for CESL. Because of the Company's intention to complete the transaction, the Company estimates that the economic benefits available in the form of the refunds from the plan is nil as of 31 December 2022. Therefore, the Company is not able to recover surplus in the future and derecognises the surplus accordingly.

**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.

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.

**CIGNA European Services (UK) Limited**  
**Strategic report for the year ended 31 December 2022 (continued)**

**Principal risks and uncertainties (continued)**

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.

Russian invasion of Ukraine

The Russian invasion of Ukraine that took place in 2022 introduced a number of risks to the Company. Cigna Europe services customers and members all around the world, including in Russia and Ukraine, and our priority was to ensure we were able to respond to the needs of those members and ensure they maintained access to quality healthcare. There was a heightened medical, accident and life insurance risk of customers living in the conflict area, however most have left the country and as a consequence claims have been minimal. In response to the conflict, a large number of individuals and entities were added to European and US sanctions lists. Management took actions to ensure our systems and processes were adjusted to take account of this.

Climate change

Climate change constitutes a serious risk for society, including insurance and reinsurance undertakings. Whilst the worst effects of climate change may not have an impact for many years, Cigna has started to analyse the potential risks in 2021 and continued to develop this in 2022. Key risks highlighted from our analysis include investment risks (pressure on investment values, spread risk), insurance risks (likelihood of pandemics and impact on health), commercial risks (reduced global mobility) and reputational risks (from increasing public interest and pressure). Regulatory requirements for climate change and sustainability are becoming more stringent in the locations the company does business and we have started an internal working group to ensure cross functional engagement. We will continue to refine our assessment and response to climate change risk as further information and more mature tools become available.

**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

**CIGNA European Services (UK) Limited**  
**Strategic report for the year ended 31 December 2022 (continued)**

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

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):

*Shareholders:*

The Company forms part of The Cigna Group. The Company's ultimate parent is The Cigna Group, incorporated in U.S.A, and its immediate shareholder is CIGNA Elmwood Holdings SPRL (Elmwood), which is incorporated in Belgium. The Company is a service provider within Cigna's International Health business, supplying services to other companies in The Cigna Group.

Members of the Company's Board are also directors of other entities within The Cigna Group, in particular the insurance entities CLICE and CEIC, who are main recipients of the Company's principal activity of Group Service provision. This enables an ongoing dialogue to be maintained between the Company and its key fellow subsidiaries within the Group.

*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.

As part of The Cigna Group's environmental, social and governance ("ESG") framework, a focus of our mission to improve the health and vitality of those we serve is the 'Healthy Workforce'. We believe that employers play a vital role in the health care system, and we strive to be a model for others by prioritizing the health and well-being of employees within our own company. We are advancing our diversity, equity and inclusion commitments. We are continuing to evolve our employee programs to meet the dynamic working environment and supporting our employees in their career growth as they support the growth of our business.

*Suppliers:*

The Cigna Group is dependent on the provision of services by a number of external suppliers in order to support its operations. Many of these key supplier relationships are arranged through CIGNA European Services (UK) Limited and are monitored on an ongoing basis by the Company's Board.

The Board recognises the importance of the Company's relationship with its suppliers and service providers. Regular updates from management on these supplier relationships are available and the Board is advised of any significant issues which may arise.

By order of the Board



I W Aird

**Director**

22 September 2023

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

### **Directors' report for the year ended 31 December 2022**

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2022. The results for the Company for the year ended 31 December 2022 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:                    S Hasle  
                                     I W Aird  
                                     T Buckley (resigned 1 December 2022)  
                                     R Lewis (appointed 1 December 2022; resigned 24 April 2023)

Company Secretary:    I Lefevre

None of the Directors had any interests in the shares of the Company as at 31 December 2022 (2021: 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 declared and paid a final dividend of £10,000,000 during the year (Interim dividend 2021: £nil, final dividend 2021: £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 2022 (continued)**

**Employee engagement statement (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.

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

The SECR disclosure presents the Company's carbon footprint within the United Kingdom across scope 1 (Direct) and scope 2 (Energy Indirect) emissions, appropriate intensity metric, the total energy used and energy efficiency actions taken during the relevant financial year.

Description	2022	2021	2022	2021
	Quantity kWh		Emissions tCO <sub>2</sub> e	
Gas usage	228,747	219,454	41.17	40.35
Electricity usage	547,632	546,160	105.90	127.33
<b>Total energy consumption in kWh</b>	<b>776,379</b>	<b>765,614</b>		
<b>Total emissions in metric tonnes CO<sub>2</sub>e</b>			<b>147.08</b>	<b>167.70</b>
<b>Intensity ratio per m<sup>2</sup> office space</b>	<b>4,434 m<sup>2</sup></b>	<b>4,434 m<sup>2</sup></b>	<b>0.033</b>	<b>0.038</b>

*Methodology*

The reporting method used is in line with the HM Government Environmental Reporting Guidelines issued in March 2019. The company has used the Greenhouse Gas Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

*Energy Efficiency*

CIGNA is continuing to improve its Corporate Responsibility by setting ambitious energy, carbon and water targets for its entire real estate portfolio. During 2022 we have installed LED lighting and automatic lighting controls in our offices. We also replaced end of life cycle gas boilers with a more energy efficient type.

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

We invest in the technology enabling CIGNA employees to communicate with colleagues and customers via videoconferencing rather than meeting on site reducing emissions from travel.

**CIGNA European Services (UK) Limited**  
**Directors' report for the year ended 31 December 2022 (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 2022, 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**  
22 September 2023

13<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 December 2022 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 United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

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

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

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

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as 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, revenue recognition (which we pinpointed to the cut-off assertion) 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.

**CIGNA European Services (UK) Limited**

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

**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 (Sep 22, 2023 15:08 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

22 September 2023

**CIGNA European Services (UK) Limited**  
**Statement of comprehensive income for the year ended 31 December 2022**

	Note	2022 £	2021 £
<b>Turnover</b>	3	<b>143,563,384</b>	130,993,659
Operating expenses		<b>(132,370,951)</b>	(123,986,158)
<b>Operating profit</b>	4	<b>11,192,433</b>	7,007,501
Impairment in associates		-	(1,249,999)
Interest receivable and similar income	7	<b>279,543</b>	57,903
Interest payable and similar expenses	7	<b>(4,793)</b>	(41,266)
Net interest income	7	<b>274,750</b>	16,637
<b>Profit before taxation</b>		<b>11,467,183</b>	5,774,139
Tax (charge)/credit	8	<b>(3,284,091)</b>	1,792,722
<b>Profit for the financial year</b>		<b>8,183,092</b>	7,566,861
<b>Other comprehensive income/(expense):</b>			
Actual return less expected return on assets	20	<b>(6,082,920)</b>	1,023,480
Experience gain on liabilities and changes in actuarial assumptions	20	<b>4,475,190</b>	1,269,430
Changes in asset ceiling on pension scheme	20	<b>(2,935,380)</b>	-
Net actuarial (loss)/gain on pension scheme		<b>(4,543,110)</b>	2,292,910
Movement on deferred tax relating to pension asset	15	<b>1,135,778</b>	(573,227)
<b>Other comprehensive (expense)/income for the year, net of tax</b>		<b>(3,407,332)</b>	1,719,683
<b>Total comprehensive income for the year</b>		<b>4,775,760</b>	9,286,544

**CIGNA European Services (UK) Limited**  
**Statement of financial position as at 31 December 2022**

	Note	2022 £	2021 £ (Restated)
<b>Fixed assets</b>			
Intangible assets	9	78,659	642,923
Tangible assets	10	6,852,141	6,732,717
Investments	11	1	1
		<b>6,930,801</b>	<b>7,375,641</b>
<b>Current assets</b>			
Debtors	12	38,443,676	24,882,164
Deferred tax asset	15	4,939,080	7,773,018
Cash at bank and in hand		31,626,508	44,810,825
		<b>75,009,264</b>	<b>77,466,007</b>
Creditors: amounts falling due within one year	13	<b>(34,516,871)</b>	<b>(35,618,668)</b>
<b>Net current assets</b>		<b>40,492,393</b>	<b>41,847,339</b>
<b>Total assets less current liabilities</b>			
		<b>47,423,194</b>	<b>49,222,980</b>
Provisions for other liabilities	19	<b>(1,844,048)</b>	<b>(1,778,484)</b>
Pension asset	20	-	3,358,890
<b>Net assets</b>		<b>45,579,146</b>	<b>50,803,386</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		30,681,062	35,905,302
<b>Total shareholder's funds</b>		<b>45,579,146</b>	<b>50,803,386</b>

The notes on pages 15 to 34 are an integral part of these financial statements.

The financial statements on pages 12 to 34 were authorised for issue by the Board of Directors on 22 September 2023 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 2022**

	Called up share capital	Capital reserve	Retained earnings	Total shareholder's funds
	£	£	£	£
Balance as at 1 January 2021	11,137,150	3,760,934	26,618,758	41,516,842
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>
Profit for the financial year	-	-	8,183,092	8,183,092
<i>Other comprehensive income:</i>				
Actuarial loss on pension scheme	-	-	(4,543,110)	(4,543,110)
Movement on deferred tax relating to pension scheme	-	-	1,135,778	1,135,778
Total comprehensive income for the year	-	-	4,775,760	4,775,760
Dividends paid			(10,000,000)	(10,000,000)
<b>Balance as at 31 December 2022</b>	<b>11,137,150</b>	<b>3,760,934</b>	<b>30,681,062</b>	<b>45,579,146</b>

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**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. Further to this, specific extreme 'worst case' scenario forecasting was completed, centred around the loss of key clients and foreign exchange losses. The results of this continued to evidence that the Company should be able to continue to operate even under such outcomes. 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 2022**

**(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 2022**

**(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, restricted by the application of any asset ceiling.

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.

An asset ceiling is applied to limit the amount of the net pension asset recognised in the statement of financial position, to the lower of (i) the amount of the net pension asset or (ii) the present value of any economic benefits available in the form of refunds or reductions in future contributions to the plan.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. Similarly, any increase or decrease in the asset ceiling is 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 2022**

**(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 2022**

**(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 2022**

**(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 2022**

**(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) Dilapidation provision*

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 2022**

*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 2022**

**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.

	2022	2021
	£	£
<b>Turnover</b>		
- United Kingdom	<b>122,874,504</b>	113,609,117
- Spain	<b>20,688,880</b>	17,384,542
	<b>143,563,384</b>	130,993,659

**4. Operating profit**

	2022	2021
	£	£
Operating profit is stated after charging:		
Depreciation of tangible fixed assets including FX movement	<b>3,427,775</b>	3,407,132
Amortisation of software costs	<b>564,264</b>	815,060
Loss on disposal of tangible assets	-	212,940
Loss on disposal of intangible assets	-	35,523,626
(Gain) on foreign exchange movements	<b>(2,316,876)</b>	(720,417)
Operating lease charges:		
- land & buildings	<b>1,391,911</b>	1,046,538
Auditors' remuneration:		
- audit services current year	<b>44,422</b>	25,149
- audit services prior year	<b>17,249</b>	-

**5. Directors' emoluments**

The directors of the Company are variously directors of a number of difference companies within The Cigna Group.

I W Aird was paid by and is a director of the Company throughout the year. R Lewis was paid by the Company throughout the year and served as a director of the Company for part of the year. S Hasle is paid by Cigna Elmwood Holdings SPRL ("Elmwood") and by Cigna Life Insurance Company of Europe SA-NV ("CLICE"), both Belgian fellow subsidiary companies within The Cigna Group. S Hasle is a director of CLICE but not a director of Elmwood. T Buckley is paid by Cigna Management Company, LLC a US fellow subsidiary company in The Cigna Group.

The directors do not believe it is possible to accurately apportion their remuneration to individual companies within The Cigna Group based on services provided.

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**6. Employee information**

The average monthly number of persons (including Executive Directors) employed by the Company during the year was 1,577 (2021: 1,579).

<b>By activity</b>	<b>2022</b>	<b>2021</b>
	<b>No</b>	<b>No</b>
Selling and distribution	98	161
Administration	1,479	1,418
	<b>1,577</b>	<b>1,579</b>

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	68,631,050	70,629,071
Social security costs	9,387,176	6,449,155
Other pension costs (note 20)	5,651,677	5,716,905
	<b>83,669,903</b>	<b>82,795,131</b>

**7. Net Interest income**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank interest received	197,743	11,249
Interest receivable on other loans	-	13,734
Other finance income (note 19)	81,800	32,920
<b>Total interest receivable and similar income</b>	<b>279,543</b>	<b>57,903</b>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest payable on overdrafts	(4,793)	(27,431)
Interest payable on other loans	-	(13,835)
<b>Total interest payable and similar expenses</b>	<b>(4,793)</b>	<b>(41,266)</b>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest receivable and similar income	279,543	57,903
Interest payable and similar expenses	(4,793)	(41,266)
<b>Net interest income</b>	<b>274,750</b>	<b>16,637</b>

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**8. Tax on profit**

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

	2022	2021
	£	£
Current Tax:		
UK corporation tax on profits of the year	32,153	37,220
Adjustments in respect of previous periods	(41,225)	-
<b>Total current tax</b>	<b>(9,072)</b>	<b>37,220</b>
Foreign corporation tax on profits of the period	597,704	475,602
Adjustments in respect of previous periods	(170,968)	194,458
<b>Total Foreign Tax</b>	<b>426,736</b>	<b>670,060</b>
Deferred tax (note 15):		
Adjustments in respect of previous periods	1,422,340	-
Effect of increased tax rate on opening liability	-	(1,482,066)
Origination and reversal of timing differences	1,444,087	(1,017,936)
<b>Total deferred tax</b>	<b>2,866,427</b>	<b>(2,500,002)</b>
<b>Tax (credit)/charge</b>	<b>3,284,091</b>	<b>(1,792,722)</b>

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

The tax assessed for the year is higher (2021: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2022 of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£	£
Profit before taxation	11,467,183	5,774,139
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	2,178,765	1,097,086
Effects of:		
- Expenses not deductible for tax purposes	364,702	105,506
- Higher taxes on overseas earnings	115,417	42,584
- Adjustments in respect of previous periods	1,210,148	194,458
- Adjustment in respect of pension asset	1,135,778	-
- Remeasurement of deferred tax for changes in tax rates	108,323	(1,653,366)
Group Relief claimed	(1,862,842)	(1,607,599)
Other	33,800	28,608
<b>Total tax credit for year</b>	<b>3,284,091</b>	<b>(1,792,723)</b>

At Spring Budget 2022, 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 2022 has been calculated at 25% (2021: 25%).

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**9. Intangible assets**

	Software £
<b>Cost</b>	
At 1 January 2022	2,451,661
Additions	-
<b>At 31 December 2022</b>	<b>2,451,661</b>
<b>Accumulated amortisation</b>	
At 1 January 2022	1,808,738
Charge for the year	564,264
<b>At 31 December 2022</b>	<b>2,373,002</b>
<b>Net book amount</b>	
<b>At 31 December 2022</b>	<b>78,659</b>
At 31 December 2021	642,923

**10. Tangible assets**

	Leasehold improvements £	Fixtures, fittings & office equipment £	Data processing equipment £	Total £
<b>Cost</b>				
At 1 January 2022	2,953,159	1,242,439	10,138,409	14,334,007
Additions	37,483	-	3,479,675	3,517,158
FX movement	30,041	-	-	30,041
<b>At 31 December 2022</b>	<b>3,020,683</b>	<b>1,242,439</b>	<b>13,618,084</b>	<b>17,881,206</b>
<b>Accumulated depreciation</b>				
At 1 January 2022	562,740	739,602	6,298,948	7,601,290
Charge for the year	772,167	115,348	2,531,910	3,419,425
FX movement	8,350	-	-	8,350
<b>At 31 December 2022</b>	<b>1,343,257</b>	<b>854,950</b>	<b>8,830,858</b>	<b>11,029,065</b>
<b>Net book amount</b>				
<b>At 31 December 2022</b>	<b>1,677,426</b>	<b>387,489</b>	<b>4,787,226</b>	<b>6,852,141</b>
At 31 December 2021	2,390,419	502,837	3,839,461	6,732,717

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**11. Investments**

	2022	2021
	£	£
At 1 January	1	-
Additions	-	1,250,000
Impairment	-	(1,249,999)
At 31 December	1	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 (CGWH), a company incorporated in the UK and with registered address at 5 Aldermanbury Square, London, EC2V 7HR.

The principal activity of CGWH during the year was that of a non-trading holding Company. CGWH 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.

CGWH and its subsidiary companies have now ceased to trade and are currently dormant. In prior years, the carrying value of the investment has been fully impaired to £nil.

**12. Debtors**

	2022	2021
	£	£
Trade debtors	3,535,766	436,715
Bad debt provision	(40,411)	(147,724)
Amounts owed by group undertakings	24,431,383	18,786,160
Taxation and social security	2,220,525	847,029
Other debtors	4,788,764	2,856,937
Prepayments and accrued income	3,507,649	2,103,047
	<b>38,443,676</b>	<b>24,882,164</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.

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

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

	2022 £	2021 £ (Restated)
Amounts owed to group undertakings	2,575,795	1,580,694
Taxation and social security	3,145,321	1,918,824
Other creditors	13,814,620	17,032,079
Accruals	14,981,135	15,087,071
	<b>34,516,871</b>	<b>35,618,668</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 and Accruals balances for 2021 were previously reported as £17,485,392 and £16,412,242 respectively and the overall balance for Creditors: amounts falling due within one year for 2021 was previously reported as £37,397,152. In these 2022 financial statements, Other creditors and Accruals for 2021 have been restated to correctly disclose the net position of balances and present the correct allocation of Provisions for other liabilities versus Creditors. This is in line with the current treatment as presented for 2022 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 Provisions for other liabilities as per note 19.

**14. Creditors: available credit facilities**

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. Any 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 2022**

**15. Deferred tax asset**

	2022	2021
	£	£
Accelerated capital allowances	4,810,259	6,840,707
Provisions	112,482	932,311
Foreign exchange adjustment	16,339	-
<b>Total deferred tax asset</b>	<b>4,939,080</b>	<b>7,773,018</b>

	2022	2021
	£	£
At 1 January	7,773,019	5,180,324
Deferred tax credit in the statement of comprehensive income	(2,850,278)	2,592,695
Foreign exchange adjustment	16,339	-
At 31 December	4,939,080	7,773,019

	2022	2021
	£	£
Deferred tax liability relating to pension asset		
At 1 January	(1,119,629)	(453,710)
Deferred tax charge in the statement of comprehensive income	(16,149)	(92,692)
Deferred tax (credit)/charge in the statement of changes in equity	1,135,778	(573,227)
At 31 December	-	(1,119,629)

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

**16. Called up share capital**

	2022	2021
	£	£
<b>Authorised, allotted, issued and fully paid</b>		
11,137,150 (2021: 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.

The Directors declared and paid a final dividend of £10,000,000 during the year. (Interim dividend 2021: £nil, final dividend 2021: £nil).

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**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 2022 (2021: nil).

**18.Financial commitments**

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

	2022 £	2021 £
	<b>Land &amp; Buildings</b>	Land & Buildings
Not later than one year	<b>1,391,911</b>	1,046,538
Later than one year and not later than five years	<b>1,748,241</b>	1,669,982
Later than five years	-	-
	<b>3,140,152</b>	<b>2,716,520</b>

**19.Provisions for other liabilities**

The Company had the following provisions during the year:

	2022 £
	<b>Asset Retirement Obligation</b>
At 1 January	<b>1,778,484</b>
Accretion Expense recognised in the statement of comprehensive income	<b>41,418</b>
Foreign exchange adjustment	<b>24,146</b>
	<b>1,844,048</b>

As part of its property leasing arrangements, the group has an obligation to return some properties to their original conditions. Where the group has conducted significant leasehold improvements, such as installing partition walls, it has an obligation to remove these improvements. The present value of the expected cost is capitalised as a part of the leasehold improvement asset. The provision would be utilised as the property leases terminate. The current leases are due to terminate between 2024 and 2026.

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**20. 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:

	2022	2021
	£	£
Defined benefit scheme (note 19(a))		
- Current service cost	267,210	1,020,260
- Past service cost	-	-
Defined contribution scheme (note 19(b))	5,384,467	4,696,645
<b>Total charge in operating profit (note 6)</b>	<b>5,651,677</b>	<b>5,716,905</b>
Defined benefit scheme		
- Interest income on plan assets	(304,170)	(227,970)
- Interest expense on defined benefit obligations	222,370	195,050
<b>Net interest income (note 7)</b>	<b>(81,800)</b>	<b>(32,920)</b>
<b>Total charge</b>	<b>5,569,877</b>	<b>5,683,985</b>

**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 2022 by a qualified, independent actuary. The results of this valuation were used for the purposes of Section 28 of FRS 102.

In early 2023, the Company agreed with the Plan Trustees to pursue an insurance transaction to secure the Plan liabilities.

The current market valuation of the pension assets required to complete the transaction do not suggest there would be a surplus for CESL. Because of the Company's intention to complete the transaction, the Company estimates that the economic benefits available in the form of the refunds from the plan is nil as of 31 December 2022. Therefore, the Company is not able to recover surplus in the future and derecognises the surplus accordingly.

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**20. Pension commitments (continued)**

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

The principal assumptions used by the independent qualified actuary in updating the latest valuation of the scheme were:

	<b>2022</b>	<b>2021</b>
	(% p.a.)	(% p.a.)
Discount rate	5.00	1.83
RPI Inflation	3.12	3.30
CPI Inflation	2.62	2.86
Deferred pension revaluation		
- pre 2005 (RPI max 5.0%)	3.12	3.30
- post 2005 (RPI max 2.5%)	2.50	2.50
Pension increases		
- post 1997 (RPI max 5.0%)	2.89	3.11
- pre 1997 (90.0% of RPI max 5.0%)	2.66	2.88
- post 1988 GMP (CPI max 3.0%)	2.00	2.20

The mortality assumptions used were as follows:

	<b>2022</b>	<b>2021</b>
Mortality table		
- Base table	88%/128% (males) and 101%/115% (females) of S3PMA for pensioners/non-pensioners	88%/128% (males) and 101%/115% (females) of S3PMA for pensioners/non-pensioners.
- Future improvements	CMI 2021 (Sk=7.5) projection model with convergence to a long term rate of improvement of 1.5% p.a. and no weight to 2021 data and 2020 data.	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

	<b>2022</b>	<b>2021</b>
	years	Years
Implied life expectancy at age 65		
- Male currently aged 65	23.3	23.3
- Male currently aged 45	22.1	22.0
- Female currently aged 65	24.0	24.0
- Female currently aged 45	24.9	24.8

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 2022**

**20. Pension commitments (continued)**

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

Reconciliation of scheme assets and liabilities:

	Assets £	Liabilities £	Total £
At 1 January 2022	16,728,250	(12,249,730)	<b>4,478,520</b>
Benefits paid	(196,410)	196,410	-
Employer contributions	250,000	-	<b>250,000</b>
Interest income / (expense)	304,170	(222,370)	<b>81,800</b>
Expenses paid	(267,210)	-	<b>(267,210)</b>
Remeasurement gains / (losses)			
- Actuarial gains	-	4,475,190	<b>4,475,190</b>
- Return of plan assets excluding interest income	(6,082,920)	-	<b>(6,082,920)</b>
At 31 December 2022	10,735,880	(7,800,500)	<b>2,935,380</b>

Change in asset ceiling:

	2022 £	2021 £
Asset ceiling at end of prior year	-	-
Remeasurements :		
-Changes in asset ceiling	(2,935,380)	-
At 31 December 2022	(2,935,380)	-

The fair value of the plan assets was:

	2022 £	2021 £
Equity Instruments	<b>794,460</b>	6,768,760
Debt Instruments	<b>9,417,410</b>	9,557,950
Cash and cash equivalent	<b>524,010</b>	401,540
Total	<b>10,735,880</b>	16,728,250

Analysis of pension surplus:

	2022 £	2021 £
Fair value of plan assets	<b>10,735,880</b>	16,728,250
Benefit obligation	<b>(7,800,500)</b>	(12,249,730)
Surplus in plan	<b>2,935,380</b>	4,478,520
Changes in asset ceiling	<b>(2,935,380)</b>	-
Related deferred tax liability	-	(1,119,630)
Net surplus in plan at end of year	-	3,358,890

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

**b. Defined Contribution scheme**

The pension cost charge represents contributions payable by the Company and amounted to £5,384,467 (2021: £4,696,645).

**CIGNA European Services (UK) Limited**  
**Notes to the financial statements for the year ended 31 December 2022**

**21. 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 The Cigna Group, 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 Group's consolidated financial statements are publicly available and can be obtained from [www.thecignagroup.com](http://www.thecignagroup.com).