

## Scope and application of the requirements

The disclosures in this document are made in respect of Cofunds Limited, a wholly owned subsidiary of Aegon UK plc for year ended 31 December 2019.

The Capital Requirements (country-by-country) Reporting Regulations 2013 (“the regulations”) implement Article 89 of the Capital Requirements Directive IV (CRD IV – Directive 2013/36/EU). The regulations impose reporting obligations on institutions in the United Kingdom that are in scope of CRD IV. Cofunds Limited (the Company) is authorised by the Financial Conduct Authority (‘FCA’). The company is within the scope of CRD IV country by country reporting obligations and must comply with the UK Regulations which bring these requirements into force in the UK. This document meets these disclosure requirements.

1. Name, nature of activities and locations of the institution and any subsidiaries and branches
2. Turnover
3. Average number of employees on a full time equivalent basis
4. Profit or loss before tax
5. Corporation tax paid
6. Public subsidies received

## Name of entity covered

Cofunds Limited

## Basis of preparation

The Capital Requirements Directive Country by Country Reporting disclosure is prepared in line with the Capital Requirements Directive (country-by-country) Reporting Regulations 2013 (“the regulations”) and the financial statements of the entity listed above and have been prepared on the going concern basis, under the historic cost convention. This is in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework’ and with the Companies Act 2006.

## Nature of activities

The Company’s principal activity is the provision of a consolidated investment platform.

## Location of the institution and any related subsidiaries and branches

The Company is incorporated and domiciled in England and Wales.

## Turnover

Turnover for the accounting period ended 31 December 2019 was £96.6m (2018: £104.2m).

## Average number of employees on a full time equivalent basis

The company had no employees on a full time equivalent basis during the accounting period ended 31 December 2019 (2018: nil) with all employment contracts held by Aegon UK Corporate Services Limited (a fellow Aegon UK plc group undertaking). All administrative expenses are recharged by Aegon UK Corporate Services Limited.

## Profit or Loss before tax

Cofunds Limited made a loss before tax of £49.1m during the year ended 31 December 2019 (2018: loss of £46.9m).

Since January 2020, the coronavirus disease (COVID-19) outbreak is causing disruption to society, impacting the Company, its employees, suppliers and customers. The Company is continuously monitoring the market and economic turbulence that has arisen as a consequence of the COVID-19 outbreak. Going forward, because of the far-reaching measures governments around the world are taking to control the impact of this pandemic, we expect profitability to be impacted by these measures. At the time of publishing this document it remains too early to tell what the impact of these measures will be on the Company’s performance.

## Corporation tax paid

Cofunds Limited recorded a tax expense of £3.8m (2018: £9.9m tax credit) and made no corporation tax payments for the year ended 31 December 2019 (2018: nil). Losses are carried forward to be offset against future profits and gains, and have no expiry.

## Public subsidies received

Cofunds Limited received no public subsidies for the year ended 31 December 2019 (2018: nil).



## **Independent auditors' report to the Directors of Cofunds Limited**

### **Report on the audit of the country-by-country information**

#### **Opinion**

In our opinion, Cofunds Limited's country-by-country information for the year ended 31st December 2019 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

We have audited the country-by-country information for the year ended 31 December 2019 in the Country-by-Country Report.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the country-by-country information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

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

#### **Emphasis of matter – Basis of preparation**

In forming our opinion on the country-by-country information, which is not modified, we draw attention to the note "Basis of preparation" of the country-by-country information which describes the basis of preparation. The country-by-country information is prepared for the directors for the purpose of complying with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. The country-by-country information has therefore been prepared in accordance with a special purpose framework and, as a result, the country-by-country information may not be suitable for another purpose.

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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the country-by-country information is not appropriate; or
- the directors have not disclosed in the country-by-country information any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the country-by-country information is authorised for issue.

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

## Responsibilities for the country-by-country information and the audit

### *Responsibilities of the directors for the country-by-country information*

The directors are responsible for the preparation of the country-by-country information in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as explained in the basis of preparation in the above country-by-country information, and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of country-by-country information that is free from material misstatement, whether due to fraud or error.

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

### *Auditors' Responsibility for the audit of the country-by-country information*

It is our responsibility to report on whether the country-by-country information has been properly prepared in accordance with the relevant requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

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

A further description of our responsibilities for the audit of the country-by-country information is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinion, has been prepared for and only for the company's directors in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh  
16 April 2020