

# **Aviva Group Holdings Limited**

**Registered in England and Wales No. 1555746**

## **Annual Report and Financial Statements 2019**

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## **Directors and officers**

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### **Directors**

M Muir  
J Windsor  
E Arnold

### **Officer – Company Secretary**

Aviva Company Secretarial Services Limited  
St Helen's  
1 Undershaft  
London  
EC3P 3DQ

### **Independent Auditors**

PricewaterhouseCoopers LLP  
7 More London Riverside  
London  
SE1 2RT

### **Registered office**

St Helen's  
1 Undershaft  
London  
EC3P 3DQ

### **Company number**

Registered in England and Wales] no. 1555746

### **Other information**

Aviva Group Holdings Limited (the Company) is a member of the Aviva plc group of companies (the Group).

## Strategic report

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The directors present their strategic report for the Company for the year ended 31 December 2019.

### Review of the Company's business

#### Principal activities

The Company, a private limited company incorporated and domiciled in the United Kingdom (UK), is a holding company for subsidiaries transacting life assurance and long-term savings business, fund management and most classes of general and health insurance business in the UK, Ireland, continental Europe, Canada and Asia.

#### Financial position and performance

The financial position of the Company at 31 December 2019 is shown in the statement of financial position on page 21, with the trading results shown in the income statement on page 18 and the statement of cash flows on page 22.

#### Significant events

##### *Dividends received*

During 2019, the Company received dividend income of £2,678 million which comprised £2,671 million cash dividends and £7 million in specie dividends. The in specie dividends from subsidiaries comprised the settlement of intercompany balances from Aviva Asia Digital Private Limited (AADPL).

##### *Capital contributions*

During 2019, the Company made the following capital contributions to its subsidiaries:

- £5 million to Aviva Asia Digital Private Limited (AADPL) on 11 January 2019;
- £21 million to Aviva Asia Private Limited (AAPL) on 6 March 2019.

##### *Transfer to subsidiaries*

On 24 May 2019, the Company transferred its entire shareholding in Navigator Investment Services Limited (NISL) to its direct subsidiary, Aviva Ltd, for a consideration of £3 million in the form of shares in Aviva Ltd.

On 31 December 2019, the Company acquired from its direct subsidiary, UK Life Holdings Limited (UKLH), the entire shareholding in Aviva UK Digital Limited (UKD) for £103 million of consideration in the form of an intercompany balance with UKLH. On the same day, the Company transferred its entire shareholding in UKD to its direct subsidiary, Aviva Insurance Limited (AIL) for £233 million in consideration for a capital contribution to AIL. This transfer resulted in a profit on disposal of £27 million.

##### *Loans*

On 16 August 2019 the Company issued a new perpetual loan of £139 million to its direct subsidiary company, Aviva France SA.

##### *Dividend paid*

On 31 December 2019, the Company declared and paid an in specie dividend of £1,450 million (2018: £2,650 million) to its parent, Aviva plc. This dividend was settled against the Company's loans with Aviva plc.

#### Future outlook

Strategies for the wider Aviva Group as a whole are determined by the Board of Aviva plc and these are shown in the Group 2019 Annual Report and Accounts. The Company will work with the Group to support the implementation of these strategies.

The directors consider that the Company's principal activities will continue unchanged for the foreseeable future.

## Strategic report continued

### Principal risks and uncertainties

A description of the principal risks and uncertainties facing the Company and the Company's risk management policies are set out in note 25 to the financial statements.

Risk factors beyond the Company's control that could cause actual results to differ materially from those estimated include, but are not limited to:

- *Interest rate risk*, as the Company's earnings and financial resources are exposed to potential fluctuations in LIBOR, CDOR and EURIBOR benchmark interest rates. The effect of a 100 basis point increase/decrease in these benchmark rates would be an increase/decrease in net interest expense of £nil (2018: £nil).
- *Foreign currency risk*, arising from the Company's investment in overseas subsidiaries and planned future dividends from overseas subsidiaries. Foreign exchange derivatives and foreign currency denominated loans are used to reduce the Company's net exposure to currency risk.
- *Risks arising from funding guarantees to the Aviva Staff Pension Scheme (ASPS), RAC (2003) Pension Scheme (RAC PS), Friends Provident Pension Scheme (FPPS), Aviva Ireland Staff Pension Scheme (AISPS) and Unfunded Unapproved Retirement Benefit Scheme (UURBS).*
- *Other risk factors* that could materially impact the carrying value of the Company's investment in subsidiaries, resulting in a charge against shareholder's equity and profits. In particular, where indicators of impairment exist, such as poor performance, the carrying value of investment in subsidiaries is deemed impaired.
- *Exit of the UK from the EU & UK-EU Free Trade Agreement (FTA) negotiations.* In preparing for the end of the transition period on 31 December 2020 under the UK-EU withdrawal agreement, the Company has already taken the operational measures necessary irrespective of the outcome of UK-EU FTA negotiations. However, beyond 2020 the consequences of the UK's withdrawal from the EU on future financial services regulation and the UK economy will require careful monitoring.
- *Coronavirus* as noted within post balance sheet events in directors report on page 7.

### Section 172 Statement

We report here on how our directors have discharged their duties under Section 172 of the Companies Act 2006.

The Board is responsible for monitoring and upholding the culture, values, standards, ethics, and reputation of the Company to ensure that our obligations to its shareholder and to its stakeholders are met. The Board monitors adherence to the Aviva Group business standards and compliance with local corporate governance requirements, and is committed to acting if our businesses should fail to act in the manner the Board expects of them.

For each matter which comes before the Board, stakeholders who may be affected are identified and their interests are carefully considered as part of the Board's decision-making process.

The Board is also mindful of the wider social context within which the Company's businesses operate, including those issues related to climate change which are of fundamental importance to the planet's well-being.

### Our culture

The Aviva Group is a provider of vital financial services to millions of customers, it seeks to earn customers' trust by acting with integrity and responsibility at all times. They look to build relationships with all their stakeholders based on openness and continuing dialogue.

The Group's culture is shaped by clearly defined values to help ensure they do the right thing. They value diversity and inclusivity in the workforce and beyond. The commitment they make to each customer extends to all stakeholders; that Aviva is 'with you today, for a better tomorrow.' Throughout the Aviva Group, its people live by the core value of Caring More for customers, for each other and for the communities served.

Aviva Group Holdings as part of the Group looks to operate within and support this culture.

### Stakeholder Engagement

#### (i) Employees

The Company has no employees. All UK employees engaged in the activities of the Company are employed by subsidiary undertakings of Aviva plc. Disclosures relating to employees may be found in the annual report and financial statements of these companies.

#### (ii) Customers

The Company has no direct customers.

#### (iii) Suppliers

All Group supplier related activity is managed in line with the Group's Procurement & Outsourcing Business Standard. This ensures that supply risk is managed appropriately including in relation to customer outcomes, data security, corporate responsibility, financial, operational, contractual, and brand damage caused by inadequate oversight or supplier failure.

An important part of the Group's culture is the promotion of high legal, ethical, environmental and employee related standards within our business and also among our suppliers. Before working with any new suppliers, we provide them with our Supplier Code of Behaviour, and our interaction with them is guided by our Business Code of Ethics.

The Board reviews the actions the Group has taken to prevent modern slavery and associated practices in any part of our supply chain and approves the Group's Modern Slavery Act statement each year.

#### (iv) Communities

The Company has no direct customers.

#### (v) Shareholders

The Company's ultimate shareholder is Aviva plc and there is ongoing communication and engagement with the Aviva plc Board. Any matters requiring escalation are escalated by the Board through the Chair to its ultimate parent.

**Strategic report continued****Key performance indicators**

The directors consider that the Company's key performance indicators (KPIs) that communicate the financial performance are as follows:

	2019	2018
<b>Measure</b>		
Dividend income received (£m)	<b>2,678</b>	3,255
Net effective interest rate on loans (%)	<b>2.76</b>	2.64

Dividend income received in 2019 has reduced by £577 million from 2018 largely driven by one-off dividends received from Aviva Life & Pensions UK Limited (UKL) in 2018 not being repeated in 2019.

By order of the Board on 22 July 2020

For and on behalf of Aviva Company Secretarial Services Limited  
Company Secretary

## Directors' report

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The directors submit their annual report and the audited financial statements for the Company for the year ended 31 December 2019.

### Directors

The names of the current directors of the Company are shown on page 3.

Details of Board appointments and resignations during the year and since the year end are shown below:

A Montague	Resigned 4 March 2019
M Tulloch	Appointed 25 March 2019 and resigned 6 July 2020
A Darlington	Resigned 7 May 2019
T Stoddard	Resigned 30 June 2019
J Windsor	Appointed 9 July 2019
S Maillot	Resigned 9 July 2019
E Arnold	Appointed 25 February 2020

### Company secretary

The name of the company secretary of the Company is shown on page 3.

### Dividends

Interim ordinary dividends totalling £1,450 million on the Company's ordinary shares were declared and settled during 2019 (2018: £2,650 million). The directors do not recommend a final dividend on the Company's ordinary shares for the year ended 31 December 2019 (2018: £nil).

### Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report, which includes a section describing the principal risks and uncertainties. In addition, the financial statements include notes on the Company's management of its major risks (see note 25) and derivative financial instruments (see note 26).

The Company and its immediate parent, Aviva plc, have considerable financial resources together with a diversified business model, with a spread of businesses and geographical reach. The directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain macro-economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt, and to consider appropriate, the going concern basis in preparing the financial statements.

### Post balance sheet events

On 11 March 2020, the World Health Organization declared the outbreak of a strain of novel coronavirus disease, COVID-19, a global pandemic. Governments in affected areas have imposed a number of measures designed to contain the outbreak, including business closures, travel restrictions, stay at home orders and cancellations of gatherings and events. The spread of COVID-19 has resulted in an economic downturn in jurisdictions in which the Company operates and the global economy more widely, as well as causing increased volatility and declines in financial markets. If the pandemic is prolonged, or further diseases emerge that give rise to similar effects, the adverse impact on the global economy could be deepened and result in further declines in financial markets.

The Company's balance sheet exposure has been reviewed and actions are being taken to further reduce the sensitivity to economic shocks. The Company continues to maintain a positive net asset value. Since the onset of the pandemic the Company has remained operational, with key activities such as cash payments and transaction processing being maintained. Notwithstanding the Company's strong balance sheet position, deterioration in the situation could have further adverse implications arising from the impacts on financial markets, insurance exposures and operations. As the situation is rapidly evolving it is not practicable to quantify the potential financial impact of the outbreak on the Company at this stage.

On 16 July 2020 the Company completed the sale of its subsidiary company Friends Provident International Limited (FPIL) to R360 Holding Company Limited (RL360), a subsidiary of International Finance Group Limited (IFGL). Under the revised deal structure, the Company has sold a 76% shareholding in FPIL to IFGL for £259 million, of which £209 million is in cash and £50 million is in deferred cash consideration. This investment is shown as held for sale in these financial statements.

### Future outlook

Likely future developments in the business of the Company are discussed in the strategic report on page 4.

### Stakeholder engagement

#### Statement of corporate governance arrangements

For the year ended 31 December 2019, the Company has applied the Wates Corporate Governance Principles for Large Private Companies (the Principles). Application of the Principles by the Company during 2019 is set out below:

## Directors' report continued

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### Principle 1 - Purpose and leadership

The Company is part of the Aviva Group. Following the appointment of Mr M E Tulloch as Group CEO of Aviva plc in March 2019, the Group embarked on a strategic review aimed at optimising its organisational structure around creating excellent outcomes for its customers. The Group's purpose is to be 'with you today, for a better tomorrow' and the Group includes its customers, employees and our other stakeholders in this. The Group has set out three strategic priorities which will enable it to fulfil its purpose:

- Deliver great customer outcomes;
- Excel at the fundamentals; and
- Invest in sustainable growth.

The Board has made a number of strategic decisions through the year which are aligned to this purpose.

The Board monitors the culture of the Company and raises any concerns during meetings and the Board is able to express its views on the culture of the organisation through the Board Effectiveness Reviews.

The Board is responsible for promoting the long-term success of the Company for the benefit of its members as a whole, taking into account other stakeholders as defined by Section 172 of the Companies Act 2006 and the Articles of Association and including but not limited to; setting the Company's strategic aims, monitoring performance of the Company and management against those aims, setting the Company's risk appetite and monitoring the operation of prudent and effective controls and monitoring compliance with corporate governance principles.

### Principle 2 - Board composition

The Board's Chair assesses the composition annually to ensure that the balance of responsibilities, accountabilities and decision making across the Company is effectively maintained. The directors have equal voting rights when making decisions, except the Chair, who has a casting vote. All directors have access to the advice and services of the company secretary.

The Board is responsible for organising and directing the affairs of the Company in a manner that is most likely to promote the success of the Company for its shareholders as a whole and in a way that is consistent with its articles of association, applicable regulatory requirements and current corporate governance practice.

The Board undertook a formal effectiveness review of its performance, facilitated by the company secretary in July 2019, covering certain key areas to assess its effectiveness and to identify any areas for improvement. The Board's next assessment will take place in mid 2020. The 2019 board effectiveness review assessed that overall the Company was operating effectively with a number of areas prioritised for focus during the coming year.

### Principle 3 - Director responsibilities

The Company operates in accordance with the Aviva governance framework, as approved by Aviva plc. The Aviva governance framework articulates the interrelation between its purpose, culture, values; its reporting and escalation structures and their alignment with legal and regulatory duties and its risk management framework. The core elements are the legal and regulatory flow of accountability and decision making and the Company's frameworks, policies and standards and the checks and balances through the operation of the Company's 2nd and 3rd lines of defence which ensure effective Board oversight.

Within the Aviva Group, accountability is formally delegated by the Board of the Company to the Chair. The Chair delegations are referenced in the Board's terms of reference, with accountability resting with the Chair and the Board. The Company must also adhere to the subsidiary governance principles which are a set of internal governance principles.

The Board held six meetings this year, plus one ad hoc meeting to discuss specific items. The Board's key areas of focus in 2019 were aligning its business to the new Aviva Group strategy, embedding of a new leadership team including CEO and the disposal of the remaining shares in UKD from its subsidiary undertaking, AIL, by way of a capital contribution.

### Principle 4 - Opportunity and risk

The role of the Board is to promote the long-term sustainable success of the Company, generating value for its shareholder within a framework of prudent and effective controls, which enable risks to be assessed and managed.

The Company operates a risk management framework that forms an integral part of the management and Board processes and decision-making framework, aligned to the Group's risk management framework. The key elements of the risk management framework comprise risk appetite; risk governance, including risk policies and business standards, and the processes the Company uses to identify, measure, manage, monitor and report risks, including the use of risk models and stress and scenario testing. The Company's risk representative attends Board meetings and provides independent challenge and influence in key business decisions and in ensures the effective operation of the risk management framework and control environment, in addition to assessing the overall risk culture. Material matters are escalated by the Board and the Chief Risk Officer to the Company's parent legal entity Board and other Group forums as appropriate.

### Principle 5 - Remuneration

The Company has no employees. The majority of staff engaged in the activities of the Company are employed by fellow subsidiary undertakings of Aviva plc. As part of the Aviva Group, these staff enjoy the benefit of the Aviva Group policies and benefits made available to them.

Under the Aviva Group Reward Governance Framework, the Global Remuneration Policy is approved by the Aviva plc Remuneration Committee, and applies to all employees in entities within the Aviva Group. Details of Directors Remuneration is included in note 7.

The Aviva Group reports on the pay ratio of the Group CEO to UK employees, and details of this can be found in the Directors' Remuneration Report in the Aviva plc Annual Report and Accounts which is available at [www.aviva.com/investors/reports/](http://www.aviva.com/investors/reports/). Aviva plc also reports on its gender pay gap, and the steps it is taking in relation to this which can be found at [www.aviva.com/gpgr](http://www.aviva.com/gpgr).

As employees of the Group, staff are able to enjoy the comprehensive flexible benefits offering including the Aviva staff pension scheme which provides a top rate employer contribution of 14% of salary and Aviva's broader Wellbeing offering which aims to promote health and wellbeing among Aviva colleagues.

### Principle 6 - Stakeholders

Details about stakeholders can be found in the S172 statement in the strategic report on page 5.

## Directors' report continued

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### Financial instruments

The Company uses financial instruments to manage certain types of risks, including to those relating to credit, foreign currency exchange, cash flow, liquidity, interest rates, operational and staff pension scheme risks. Details of the objectives and management of these instruments are contained in note 25 on risk management.

### Employees

The Company has no employees. All UK employees engaged in the activities of the Company are employed by subsidiary undertakings of Aviva plc.

### Disclosure of information to the auditors

In accordance with section 418 of the Companies Act 2006, the directors in office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's External Auditor, PricewaterhouseCoopers LLP, is unaware and each director has taken all steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that PricewaterhouseCoopers LLP is aware of that information.

### Independent auditors

It is the intention of the directors to reappoint the auditors, PricewaterhouseCoopers LLP, under the deemed appointment rules of section 487 of the Companies Act 2006.

### Qualifying indemnity provisions

In 2004, Aviva plc, the Company's immediate parent, granted an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985, which continue to apply in relation to any provision made before 1 October 2007. This indemnity is a "qualifying third party indemnity" for the purposes of section 309A to section 309C of the Companies Act 1985. These qualifying third party indemnity provisions remain in force as at the date of approving the directors' report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

The directors also have the benefit of the indemnity provision contained in the Company's articles of association, subject to the conditions set out in the Companies Act 2006. This is a "qualifying third party indemnity" provision as defined by section 234 of the Companies Act 2006.

### Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

They 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.

By order of the Board on 22 July 2020

For and on behalf of Aviva Company Secretarial Services Limited  
Company Secretary

## Independent auditors' report to the members of Aviva Group Holdings Limited

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### Report on the audit of the financial statements

#### Opinion

In our opinion, Aviva Group Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the income statement, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

#### Basis for opinion

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

#### Independence

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

#### Conclusions relating to going concern

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

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

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

#### Reporting on other information

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

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

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

#### Responsibilities for the financial statements and the audit

##### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Independent auditors' report to the members of Aviva Group Holdings Limited continued

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### *Auditors' responsibilities for the audit of the financial statements*

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

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

### *Use of this report*

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

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.

Phillip Watson (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

22 July 2020

## Accounting policies

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The Company, a private limited company incorporated and domiciled in the United Kingdom (UK), is a holding company for subsidiaries transacting life assurance and long-term savings business, fund management and most classes of general and health insurance business in the UK, Ireland, continental Europe, Canada, Asia and other countries throughout the world.

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

### (A) Basis of preparation

The financial statements of the Company have been prepared and approved by the directors in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union (EU), and those parts of the Companies Act 2006 applicable to those reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss (FVTPL).

The financial statements have been prepared on the going concern basis as explained in the Directors' report on page 7.

The Company is exempt from preparing group financial statements by virtue of section 400 of the Companies Act 2006, as it is a subsidiary of an EEA parent and is included in the consolidated financial statements for the Group, i.e. the ultimate parent company, Aviva plc, and its subsidiaries, joint ventures and associates, at the same date. These financial statements therefore present information about the Company as an individual entity.

The Company's financial statements are stated in pounds sterling, which is the Company's functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in millions of pounds sterling (£m).

### New standards, interpretations and amendments to published standards that have been adopted by the Company

The Company has adopted the following amendments to standards which became effective for the annual reporting period beginning on 1 January 2019 or earlier, and do not have a significant impact on the Company's financial statements.

(i) *IFRIC 23, Uncertainty over Income Tax Treatments*

In June 2017, the IASB published IFRIC 23 Uncertainty over Income Tax Treatments. The standard is effective for annual reporting beginning on or after 1 January 2019.

(ii) *Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures*

In October 2017, the IASB published *Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)*. The amendments are effective for annual reporting beginning on or after 1 January 2019.

(iii) *Annual Improvements to IFRS Standards 2015-2017 Cycle*

These improvements consist of amendments to four IFRSs including IFRS 3 *Business Combinations*, IFRS 11 *Joint Arrangements*, IAS 12 *Income taxes* and IAS 23 *Borrowing Costs*. The amendments are effective for annual reporting beginning on or after 1 January 2019.

### Standards, interpretations and amendments to published standards that are not yet effective and have not been adopted early by the Company

The following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Company's financial statements:

(i) *Amendments to References to the Conceptual Framework in IFRS Standards*

Published by the IASB in March 2018. The amendments are effective for annual reporting beginning on or after 1 January 2020 and has been endorsed by the EU.

(ii) *Amendment to IFRS 3 Business Combinations*

Published by the IASB in October 2018. The amendments are effective for annual reporting beginning on or after 1 January 2020 and has been endorsed by the EU.

(iii) *Amendment to IAS 1 and IAS 8: Definition of material*

Published by the IASB in October 2018. The amendments are effective for annual reporting beginning on or after 1 January 2020 and has been endorsed by the EU.

(iv) *Interest Rate Benchmark Reform*

Published by the IASB in October 2019. The amendments are effective for annual reporting beginning on or after 1 January 2020 and has been endorsed by the EU.

(v) *Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non current*

Published by the IASB in January 2020. The amendments are effective for annual reporting beginning on or after 1 January 2022 and have not yet been endorsed by the EU.

## Accounting policies continued

### (B) Critical accounting policies and the use of estimates

The preparation of financial statements requires the Company to select accounting policies and make estimates and assumptions that affect items reported in the income statement, statement of financial position, other primary statements and notes to the financial statements.

#### Critical accounting policies

The following accounting policies are those that have the most significant impact on the amounts recognised in the financial statements, with those judgements involving estimation summarised thereafter.

Item	Critical accounting judgement	Accounting policy
Subsidiaries	Set out in accounting policy C.	C
Financial investments	Classification and measurement of financial investments including the mandatory application of measurement at fair value through profit or loss (FVTPL).	H

#### Use of estimates

All estimates are based on management's knowledge of current facts and circumstances, assumptions based on that knowledge and their predictions of future events and actions. Actual results may differ from those estimates, possibly significantly.

The table below sets out those items considered particularly susceptible to changes in estimates and assumptions, and the relevant accounting policy and note disclosures.

Item	Critical accounting estimates	Accounting policy	Note
Investment in subsidiaries	Investments in subsidiaries are recognised at cost less impairment. Investments are reviewed annually to test whether any indicators of impairment exist. Where there is objective evidence that such an asset is impaired, the investment is impaired to its recoverable value and any unrealised loss is recorded in the income statement.	C	11
Fair value of financial instruments and derivatives	The valuation techniques involve judgement with regard to the valuation models used and the inputs to these models can lead to a range of plausible valuations for financial investments.	E, H & L	13, 14 & 26
Impairment of financial investments	Factors considered when assessing the size of expected credit losses include payments terms, counterparty credit quality and whether there has been a significant or prolonged decline in fair value.	H	13
Provisions and contingent liabilities	When evaluating whether a provision or a contingent liability should be recognised the Company assesses the likelihood of a constructive or legal obligation to settle a past event and whether the amount can be reliably estimated. The amount of provision is determined based on the Company's estimation of the expenditure required to settle the obligation at the statement of financial position date.	P	23

### (C) Subsidiaries

Subsidiaries are those entities over which the Company has control, either directly or indirectly. The Company controls an investee if, and only if, the Company has all of the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Company considers all relevant facts and circumstances in assessing whether it has power over an investee including: the purpose and design of an investee, relevant activities, substantive and protective rights, and voting and potential voting rights. The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Investments in subsidiaries are recognised at cost less impairment. Investments are reviewed at least annually to test whether any indicators of impairment exist. Where there is objective evidence that such an asset is impaired, the investment is impaired to its recoverable value and any unrealised loss is recorded in the income statement.

### (D) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rate prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

Translation differences on debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses in the income statement. Translation differences on non-monetary items, such as equities which are designated as FVTPL, are reported as part of the fair value gain or loss in the income statement.

## Accounting policies continued

### (E) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. This presumes that the transaction takes place in the principal (or most advantageous) market under current market conditions. Fair value is a market-based measure and in the absence of observable market prices in an active market, it is measured using the assumptions that market participants would use when pricing the asset or liability.

The fair value of a non-financial asset is determined based on its highest and best use from a market participant's perspective. When using this approach, the Company takes into account the asset's use that is physically possible, legally permissible and financially feasible.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. In certain circumstances, the fair value at initial recognition may differ from the transaction price. If the fair value is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging), or is based on a valuation technique whose variables include only data from observable markets, then the difference between the fair value at initial recognition and the transaction price is recognised as a gain or loss in the income statement. When unobservable market data has a significant impact on the valuation of financial instruments, the difference between the fair value at initial recognition and the transaction price is not recognised immediately in the income statement, but deferred and recognised in the income statement on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out or otherwise matures.

If an asset or a liability measured at fair value has a bid price and an ask price, the price within the bid-ask spread that is most representative of fair value in the circumstances is used to measure fair value.

### (F) Net investment income

Investment income consists of dividends and interest for the year, movements in amortised cost on debt securities, realised gains and losses, and unrealised gains and losses on FVTPL investments and loans due from Group operations (as defined in accounting policy H and I respectively). Dividends on equity securities are recorded as revenue on the ex-dividend date. Dividends from investments in subsidiaries are recorded as revenue on the date the dividends are declared. Interest income is recognised as it accrues, taking into account the effective yield on the investment. It includes the interest rate differential on forward foreign exchange contracts.

A gain or loss on a financial investment is only realised on disposal or transfer, and is the difference between the proceeds received, net of transaction costs, and its original cost or amortised cost, as appropriate.

Unrealised gains and losses, arising on investments which have not been derecognised as a result of disposal or transfer, represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognised unrealised gains and losses in respect of disposals made during the year.

### (G) Derecognition and offset of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a currently enforceable legal right to set off the recognised amounts and there is the ability and intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### (H) Financial investments

The Company classifies its investments as financial assets at FVTPL based on a business model assessment and the extent to which the contractual cash flows associated with financial assets are solely payments of principle and interest. Purchases and sales of investments are recognised on the trade date, which is the date that the Company commits to purchase or sell the assets, at their fair values.

In general, the Company's investment or risk management strategy is to manage its financial investments on a fair value basis.

Debt and equity securities, which the Company manage and evaluate performance on a fair value basis, are classified as mandatorily held at FVTPL as are non-hedge derivatives (see accounting policy L).

Investments carried at fair value are measured using the methodology outlined in note 13, with values based on the quoted price within the bid-ask spread that is most representative of fair value or based on cash flow models using market observable inputs or unobservable inputs.

### (I) Receivables and other financial assets

Receivables and other financial assets are recognised initially at their fair value. Subsequent to initial measurement receivables, excluding those loans due from Group operations held at fair value as described below, are measured at amortised cost using the effective interest rate method, less expected credit losses.

#### Loans due from Group operations

Loans with fixed maturities are recognised when cash is advanced to borrowers. Loans where repayments consist solely of principal or interest are subsequently measured at amortised cost using the effective interest rate method. Loans with indefinite future lives are carried at unpaid principal balances. All other loans are held at FVTPL based on the outcome of a business model assessment, or where the contractual cash flows are not solely payment of principal and interest.

To the extent that a loan is considered to be uncollectable, it is written down as impaired through the Income Statement. Any subsequent recoveries are credited to the income statement.

## Accounting policies continued

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### (J) Payables and other financial liabilities

Payables and other financial liabilities, excluding derivatives, are recognised initially at their fair value and are subsequently measured at amortised cost using the effective interest rate method. Derivative liabilities are carried at fair value (see accounting policy L)

### (K) Financial guarantees

Financial guarantees are recognised initially at their fair value and are subsequently amortised over the duration of the contract. A liability is recognised for amounts payable under the guarantee if it is more likely than not that the guarantee will be called upon.

### (L) Derivative financial instruments

Derivative financial instruments include foreign exchange contracts, interest rate futures, currency and interest rate swaps, interest rate and currency options (both written and purchased) and other financial instruments that derive their value mainly from underlying interest rates, foreign exchange rates, credit or equity indices, commodity values or equity instruments.

All derivatives are initially recognised in the statement of financial position at their fair value, which usually represents their cost. They are subsequently remeasured at their fair value, with the method of recognising movements in this value depending on whether they are designated as hedging instruments and, if so, the nature of the item being hedged. The Company has not designated any derivatives as hedging instruments and they are therefore treated as derivatives mandatorily held at FVTPL. Their fair value gains and losses are recognised immediately in net investment income. Fair values are obtained from quoted market prices or, if these are not available, by using valuation techniques such as discounted cash flow models or option pricing models. All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative. Premiums paid for derivatives are recorded as an asset on the statement of financial position at the date of purchase, representing their fair value at that date.

Derivative contracts may be traded on an exchange or over-the-counter (OTC). Exchange-traded derivatives are standardised and include certain futures and option contracts and foreign exchange contracts. OTC derivative contracts are individually negotiated between contracting parties and include forwards, swaps, caps and floors. Derivatives are subject to various risks including market, liquidity and credit risk, similar to those related to the underlying financial instruments.

Many OTC transactions are contracted and documented under International Swaps and Derivatives Association (ISDA) master agreements or their equivalent, which are designed to provide legally enforceable set-off in the event of default, reducing the Company's exposure to credit risk.

The notional or contractual amounts associated with derivative financial instruments are not recorded as assets or liabilities on the statement of financial position as they do not represent the fair value of these transactions. These amounts are disclosed in note 26.

The Company has collateral agreements in place with relevant counterparties. Accounting policy N below covers collateral, both received and pledged, in respect of these derivatives.

#### Interest rate and currency swaps

Interest rate swaps are contractual agreements between two parties to exchange fixed rate and floating rate interest by means of periodic payments, calculated on a specified notional amount and defined interest rates. Most interest rate swap payments are netted against each other, with the difference between the fixed and floating rate interest payments paid by one party. Currency swaps, in their simplest form, are contractual agreements that involve the exchange of both periodic and final amounts in two different currencies. Both types of swap contracts may include the net exchange of principal. Exposure to gain or loss on these contracts will increase or decrease over their respective lives as a function of maturity dates, interest and foreign exchange rates, and the timing of payments.

#### Interest rate futures, forwards and options contracts

Interest rate futures are exchange-traded instruments and represent commitments to purchase or sell a designated security or money market instrument at a specified future date and price. Interest rate forward agreements are OTC contracts in which two parties agree on an interest rate and other terms that will become a reference point in determining, in concert with an agreed notional principal amount, a net payment to be made by one party to the other, depending upon what rate in fact prevails at a future point in time. Interest rate options, which consist primarily of caps and floors, are interest rate protection instruments that involve the potential obligation of the seller to pay the buyer an interest rate differential in exchange for a premium paid by the buyer. This differential represents the difference between current rate and an agreed rate applied to a notional amount. Exposure to gain or loss on all interest rate contracts will increase or decrease over their respective lives as interest rates fluctuate. Certain contracts, known as swaptions, contain features which can act as swaps or options. These contracts are categorised according to the type of contract they most closely resemble in practice.

#### Foreign exchange contracts

Foreign exchange contracts, which include spot and forward contracts, represent agreements to exchange the currency of one country for the currency of another country at an agreed price and settlement date. Foreign exchange option contracts are similar to interest rate option contracts, except that they are based on currencies, rather than interest rates. Exposure to gain or loss on these contracts will increase or decrease over their respective lives as currency exchange and interest rates fluctuate.

#### Derivative instruments

For a variety of reasons, certain derivative transactions, while providing effective economic hedges under the Company's risk management positions, do not qualify for hedge accounting under the specific IFRS rules and are therefore treated as derivatives mandatorily held at FVTPL. Their fair value gains and losses are recognised immediately in net investment income.

## Accounting policies continued

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### (M) Hedging

#### Financial instruments for hedging

Most of the Company's investments in foreign subsidiaries expose it to foreign exchange risk arising from movements in the underlying currency of the investment. In order to protect the value of these investments, the Company utilises financial instruments in the form of foreign currency loans from its parent, Aviva plc.

The Company's Euro currency loans from Aviva plc have been designated as fair value hedging instruments against certain overseas investments which are in Euros.

Hedge accounting is used for the loans designated in this way, provided certain criteria are met. At the inception of the transaction, the Company documents the relationship between the hedging instrument and the hedged item, as well as the risk management objective and the strategy for undertaking the hedge transaction. The Company also documents its assessment of whether the hedge is expected to be, and has been, highly effective in offsetting the risk in the hedged item, both at inception and on an ongoing basis.

Changes in the carrying value of the designated loans which arise from movements in exchange rates are recognised in the income statement. The gain or loss on the hedged item that is attributable to the hedged risk is recognised in the income statement. This applies even if the hedged item is measured at amortised cost. If a hedging relationship no longer meets the criteria for hedge accounting, the cumulative adjustment made to the carrying amount of the hedged item is amortised to the income statement, based on a recalculated effective interest rate over the residual period to maturity. In cases where the hedged item has been derecognised, the cumulative adjustment is released to the income statement immediately.

### (N) Collateral

The Company receives and pledges collateral in the form of cash or non-cash assets in respect of stock lending transactions and certain derivative contracts, in order to reduce the credit risk of these transactions. Collateral is also pledged as security for bank letters of credit. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

Collateral received in the form of cash, which is not legally segregated from the Company, is recognised as an asset in the statement of financial position with a corresponding liability for the repayment in financial liabilities. However, where the Company has a currently enforceable legal right of set-off and the ability and intent to net settle, the collateral liability and associated derivative balances are shown net. Non-cash collateral received is not recognised in the statement of financial position unless the transfer of the collateral meets the derecognition criteria from the perspective of the transferor. Such collateral is typically recognised when the Company either (a) sells or re-pledges these assets in the absence of a default, at which point the obligation to return this collateral is recognised as a liability; or (b) the counterparty to the arrangement defaults, at which point the collateral is seized and recognised as an asset.

Collateral pledged in the form of cash, which is legally segregated from the Company, is derecognised from the statement of financial position with a corresponding receivable recognised for its return. Non-cash collateral pledged is not derecognised from the statement of financial position unless the Company defaults on its obligations under the relevant agreement, and therefore continues to be recognised in the statement of financial position within the appropriate asset classification.

### (O) Statement of cash flows

#### Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand, deposits held at call with banks, treasury bills and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Such investments are those with less than three months' maturity from the date of acquisition, or which are redeemable on demand with only an insignificant change in their fair values.

For the purposes of the statement of cash flows, cash and cash equivalents also include bank overdrafts, which are included in payables and other financial liabilities on the statement of financial position.

### (P) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more probable than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recorded as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the effect of the time value of money is material, the provision is the present value of the expected expenditure. Provisions are not recognised for future operating losses.

Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The Company recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event but either a payment is not probable, or the amount cannot be reasonably estimated.

### (Q) Income taxes

The current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits before taxation and amounts charged or credited to components of other comprehensive income and equity as appropriate.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The rates enacted or substantively enacted at the statement of financial position date are used to value the deferred tax assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Where there is a history of tax losses, deferred tax assets are only recognised in excess of deferred tax liabilities if there is convincing evidence that future profits will be available.

## Accounting policies continued

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### **(Q) Income taxes continued**

Deferred tax is provided on any temporary differences arising from investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred taxes are not provided in respect of any temporary differences arising from the initial recognition of goodwill, or from the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction.

Current and deferred tax relating to items recognised in other comprehensive income and directly in equity are similarly recognised in other comprehensive income and directly in equity respectively. Deferred tax related to any fair value re-measurement of investments, pensions and other post-retirement obligations and other amounts charged or credited directly to other comprehensive income is recognised in the statement of financial position as a deferred tax asset or liability.

### **(R) Share capital**

#### **Equity instruments**

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- (i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- (ii) the instrument is a non-derivative that contains no contractual obligation to deliver a variable number of shares or is a derivative that will be settled only by the Company exchanging a fixed amount of cash or other assets for a fixed number of the Company's own equity instruments.

#### **Dividends**

Interim dividends on ordinary shares are recognised in equity in the period in which they are paid. Final dividends on these shares are recognised when they have been approved by shareholders.

### **(S) Pensions**

The Company has no employees. However, it is one of a number of companies in the Group being charged for staff participating in pension schemes in the UK and Ireland, and its contributions are affected by the financial position of these schemes. In the absence of any contractual arrangements to allocate the net defined benefit cost for these schemes, measured in accordance with IAS 19, to individual businesses, it is the Group policy to allocate this cost fully to the main trading companies.

The Company provides a significant proportion of the funding of the UK pension schemes and, where possible, recharges this funding to individual Group operating businesses. The funding paid for the Aviva Staff Pension Scheme, RAC (2003) Pension Scheme, Friends Provident Pension Scheme and Aviva Ireland Staff Pension Scheme is recognised as an expense in the income statement. The recharge to the operating businesses is recognised as income in the income statement. Full disclosure of the Group's pension schemes is given in the Annual Report and Accounts of Aviva plc.

### **(T) Held for sale assets**

Assets held for disposal as part of operations which are held for sale are shown separately in the statement of financial position. Operations held for sale are recorded at the lower of their carrying amount and their fair value less the estimated selling costs.

Profit or loss on disposal of subsidiaries is only realised on disposal or transfer, and is the difference between the proceeds received, net of transaction costs, and carrying value, as appropriate.

**Income statement**

For the year ended 31 December 2019

	Note	2019 £m	2018 £m
<b>Income</b>	2		
Net investment income	F	<b>2,788</b>	3,391
Profit on disposal of subsidiaries	T & 3	<b>27</b>	90
Other income		<b>—</b>	22
		<b>2,815</b>	3,503
<b>Expenses</b>	4		
Other expenses		<b>(70)</b>	(120)
Finance costs		<b>(155)</b>	(150)
Impairment of investment in subsidiaries	11(b)(iii) & 12(b)(iii)	<b>(207)</b>	(411)
		<b>(432)</b>	(681)
<b>Profit before tax</b>		<b>2,383</b>	2,822
Tax credit	Q & 9	<b>69</b>	22
<b>Profit for the year</b>		<b>2,452</b>	2,844

The accounting policies (identified alphabetically) on pages 12 to 17 and notes (identified numerically) on pages 23 to 64 are an integral part of the financial statements.

## Statement of comprehensive income

For the year ended 31 December 2019

	2019	2018
	£m	£m
<b>Profit for the year</b>	<b>2,452</b>	2,844
<b>Total comprehensive income for the year</b>	<b>2,452</b>	2,844

The accounting policies (identified alphabetically) on pages 12 to 17 and notes (identified numerically) on pages 23 to 64 are an integral part of the financial statements.

**Statement of changes in equity**

For the year ended 31 December 2019

						2019
	Note	Ordinary Share Capital £m	Share premium £m	Special reserve £m	Retained earnings £m	Total equity £m
<b>Balance at 1 January 2019</b>		<b>13,003</b>	<b>1,623</b>	<b>111</b>	<b>3,894</b>	<b>18,631</b>
Profit for the year		—	—	—	<b>2,452</b>	<b>2,452</b>
Total comprehensive income for the year		—	—	—	<b>2,452</b>	<b>2,452</b>
Dividends paid	R & 10	—	—	—	<b>(1,450)</b>	<b>(1,450)</b>
<b>Balance at 31 December 2019</b>		<b>13,003</b>	<b>1,623</b>	<b>111</b>	<b>4,896</b>	<b>19,633</b>

  

						2018
	Note	Ordinary Share Capital £m	Share premium £m	Special reserve £m	Retained earnings £m	Total equity £m
<b>Balance at 1 January 2018</b>		13,003	1,623	111	3,700	18,437
Profit for the year		—	—	—	2,844	2,844
Total comprehensive income for the year		—	—	—	2,844	2,844
Dividends paid	R & 10	—	—	—	(2,650)	(2,650)
<b>Balance at 31 December 2018</b>		13,003	1,623	111	3,894	18,631

The accounting policies (identified alphabetically) on pages 12 to 17 and notes (identified numerically) on pages 23 to 64 are an integral part of the financial statements.

**Statement of financial position**

As at 31 December 2019

	Note	2019 £m	2018 £m
<b>Assets</b>			
<b>Non current assets</b>			
Investments in subsidiaries	C & 11	19,297	19,485
Financial investments	H & 14	927	949
Receivables and other financial assets	I & 15	4,050	4,254
Deferred tax assets	Q & 19(a)	7	7
Current tax assets	Q & 19(b)	16	17
<b>Current assets</b>			
Investments in subsidiaries classified as held for sale	T & 12	334	334
Financial investments	H & 14	594	593
Receivables and other financial assets	I & 15	365	126
Cash and cash equivalents	O & 24	1,526	763
<b>Total assets</b>		<b>27,116</b>	<b>26,528</b>
<b>Equity</b>			
Ordinary share capital	R & 16	13,003	13,003
Share premium		1,623	1,623
Special reserve	17	111	111
Retained earnings	18	4,896	3,894
<b>Total equity</b>		<b>19,633</b>	<b>18,631</b>
<b>Liabilities</b>			
<b>Non current</b>			
Payables and other financial liabilities	G, J, N, L & 21	6,724	7,422
<b>Current</b>			
Payables and other financial liabilities	G, J, N, L & 21	753	469
Other liabilities	22	6	6
<b>Total liabilities</b>		<b>7,483</b>	<b>7,897</b>
<b>Total equity and liabilities</b>		<b>27,116</b>	<b>26,528</b>

The financial statements were approved by the Board of Directors on 22 July 2020 and signed on its behalf by

J Windsor  
Director

Registered in England and Wales No. 1555746

The accounting policies (identified alphabetically) on pages 12 to 17 and notes (identified numerically) on pages 23 to 64 are an integral part of the financial statements.

**Statement of cash flows**

For the year ended 31 December 2019

	Note	2019 £m	2018 £m
<b>Cash flows used in operating activities</b>			
Net pension expense		(57)	(36)
<b>Total net cash used in operating activities</b>		<b>(57)</b>	<b>(36)</b>
<b>Cash flows from investing activities</b>			
Dividend income		2,677	3,003
Interest received		118	124
Net disposal of financial investments		(118)	(180)
Capital contributions to subsidiaries	11(b)(i)	(26)	(182)
Disposal of subsidiaries		—	28
Loans provided to parent		—	(1,226)
Repayment of loans provided to parent		—	305
Loans provided to subsidiaries		(139)	(413)
Repayment of loans provided to subsidiaries		122	—
<b>Total net cash from investing activities</b>		<b>2,634</b>	<b>1,459</b>
<b>Cash flows used in financing activities</b>			
Interest paid		(66)	(106)
Funding provided by subsidiaries		256	61
Loans provided by subsidiaries		15	202
Repayment of loans provided by parent		(1,950)	(1,859)
Repayment of loans provided by subsidiaries		(67)	(63)
<b>Total net cash used in financing activities</b>		<b>(1,812)</b>	<b>(1,765)</b>
Total net increase/(decrease) in cash and cash equivalents		765	(342)
Cash and cash equivalents at 1 January		763	1,115
Effect of exchange rate changes on cash and cash equivalents		(2)	(10)
<b>Cash and cash equivalents at 31 December</b>	O & 24	<b>1,526</b>	<b>763</b>

The accounting policies (identified alphabetically) on pages 12 to 17 and notes (identified numerically) on pages 23 to 64 are an integral part of the financial statements.

## Notes to the financial statements

### 1. Exchange rates

Assets and liabilities have been translated at the following year end rates:

	2019	2018
Euro	1.1802	1.1141
US Dollar	1.3247	1.2736
Canadian Dollar	1.7179	1.7395
Singapore Dollar	1.7813	1.7359
Polish Zloty	5.0172	4.7846

### 2. Details of income

	Note	2019 £m	2018 £m
<b>Income from subsidiaries</b>			
Dividend income	28(c)(i)	2,678	3,255
Interest income due from loans mandatorily held at FVTPL	28(a)(i)	67	33
Interest income due from loans held at amortised cost	28(a)(i)	11	11
		<b>2,756</b>	<b>3,299</b>
<b>Income from parent</b>			
Interest income due from loans held at amortised cost	28(a)(i)	50	49
		<b>50</b>	<b>49</b>
<b>Interest and other similar income</b>			
From financial instruments mandatorily held at FVTPL		63	54
		<b>63</b>	<b>54</b>
<b>Net gains and losses</b>			
From financial instruments mandatorily held at FVTPL		(73)	(13)
From other financial assets and liabilities mandatorily held at FVTPL		(6)	3
		<b>(79)</b>	<b>(10)</b>
Other investment expenses		(2)	(1)
<b>Net investment income</b>		<b>2,788</b>	<b>3,391</b>
<b>Profit on disposal of subsidiary</b>	3	<b>27</b>	<b>90</b>
<b>Other income</b>			
Pension funding income	28(c)(i)	—	22
<b>Total income</b>		<b>2,815</b>	<b>3,503</b>

### 3. Profit on disposal of subsidiaries

	Note	2019 £m	2018 £m
Aviva US Corporation (AUSC)		—	80
Aviva Life Insurance Company Limited (Aviva Hong Kong)		—	10
Aviva UK Digital Limited (UKD)	11(b)(ii)	27	—
<b>Profit on disposal of subsidiaries</b>		<b>27</b>	<b>90</b>

In 2013, the Company sold its subsidiary, AUSC. As part of this sale, a provision for ongoing tax disputes and litigation fees with the US Inland Revenue Services was made. In 2018, the aggregate development of this provision resulted in a net £80 million gain which was presented as profit on disposal of subsidiary.

## Notes to the financial statements continued

## 4. Details of expenses

	Note	2019 £m	2018 £m
<b>Other expenses</b>			
Pension deficit funding expense	20	60	60
Other expenses		3	51
Net foreign exchange losses	5	7	9
		<b>70</b>	<b>120</b>
<b>Finance costs</b>			
Interest on loans due to parent	28(a)(ii)	89	81
Interest on loans due to subsidiaries	28(a)(ii)	66	69
		<b>155</b>	<b>150</b>
Impairment of investment in subsidiaries	11(b)(iii)	207	411
<b>Total expenses</b>		<b>432</b>	<b>681</b>

## 5. Net foreign exchange losses

	Note	2019 £m	2018 £m
Foreign exchange gains/(losses) on loans designated as hedges	26(b)	137	(27)
Foreign exchange (losses)/gains on investments in subsidiaries hedged by loans	26(b)	(137)	27
Foreign exchange losses on other assets and liabilities		(7)	(9)
		<b>(7)</b>	<b>(9)</b>

## 6. Employee information

The Company has no employees (2018: *nil*). All UK employees are employed by fellow subsidiary undertakings of Aviva plc.

## 7. Directors' remuneration

The directors were all remunerated by Aviva Employment Services Limited, a fellow subsidiary of Aviva plc for their services to the Group as a whole. They were not remunerated for their services as directors of the Company and the amount of time spent performing their duties is incidental to their roles across the Group. This is consistent with prior years.

Sir Montague was the Non-Executive Chairman of Aviva plc during the year and his remuneration is disclosed in that Company's annual report and accounts.

Messrs Tulloch, Stoddard and Windsor were directors of Aviva plc during the year and their emoluments are disclosed in that company's annual report and accounts.

Ms Darlington's and Ms Maillet's remuneration is disclosed within the aggregate of key management compensation in the annual report and accounts of Aviva plc.

## 8. Auditors' remuneration

The total remuneration payable by the Company, excluding VAT, to its auditors, PricewaterhouseCoopers LLP is as follows:

	2019 £000	2018 £000
Fees payable to PricewaterhouseCoopers LLP for the statutory audit of the Company's financial statements	59	103
	<b>59</b>	<b>103</b>

The Company is exempt under SI 2008/489 from the obligation to disclose fees in respect of 'Other services' as the Company is a subsidiary of Aviva plc, which prepares consolidated financial statements. Fees paid to the Company's auditors, PricewaterhouseCoopers LLP and its associates for services other than the statutory audit and audit related assurance services of the Company and other Group undertakings are disclosed in the consolidated accounts of Aviva plc.

All fees have been borne by Aviva plc.

## Notes to the financial statements continued

## 9. Tax

## (a) Tax credit to the income statement

(i) The total tax credit comprises:

	2019	2018
	£m	£m
<b>Current tax</b>		
For this year	16	17
Prior period adjustments	53	(2)
Total current tax	<u>69</u>	<u>15</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	—	7
Total deferred tax	<u>—</u>	<u>7</u>
<b>Total tax credited to the income statement</b>	<u>69</u>	<u>22</u>

## (b) Tax credited to other comprehensive income

There was no tax credited or charged to other comprehensive income in either 2019 or 2018.

## (c) Tax reconciliation

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate of the United Kingdom as follows:

	Note	2019	2018
		£m	£m
Total profit before tax		<u>2,383</u>	<u>2,822</u>
Tax calculated at standard UK corporation tax rate of 19% (2018: 19%)		(453)	(536)
Adjustment in respect of prior years		53	(2)
Non-assessable dividends		509	618
Impairment of investment in subsidiaries		(39)	(78)
Disallowable expenses		(6)	(6)
Non-taxable profit on sale of subsidiaries		5	17
Movement in unprovided deferred tax		—	9
<b>Total tax credit to the income statement</b>	9(a)	<u>69</u>	<u>22</u>

Finance Act 2016 introduced legislation reducing the UK corporation tax rate from 1 April 2020 to 17%. This reduced rate was used in the calculation of the Company's deferred tax assets and liabilities as at 31 December 2019. In the Budget of 11 March 2020 the UK Government reversed this rate reduction, announcing that the UK corporation tax rate will remain at 19% from 1 April 2020 and this was substantively enacted on 17 March 2020.

As of 31 December 2019, this measure had not been substantively enacted and therefore no impact is reflected in the calculation of the Company's deferred tax assets and liabilities as at 31 December 2019. This measure would increase the Company's deferred tax asset by approximately £1 million.

## 10. Dividends

	Note	2019	2018
		£m	£m
Ordinary dividends declared and charged to equity in the year:			
Interim dividend – £1,115.13 per share, paid on 31 December 2019	18 & 28(c)(v)	1,450	—
Interim dividend – £2,037.99 per share, paid on 31 December 2018	18 & 28(c)(v)	—	2,650
		<u>1,450</u>	<u>2,650</u>

The interim dividends were settled by reducing the loan due from the Company's parent, Aviva plc.

## Notes to the financial statements continued

**11. Investments in subsidiaries****(a) Movements in the Company's investments in its subsidiaries**

	Note	2019 £m	2018 £m
<b>At 1 January</b>		<b>19,485</b>	19,815
Additions	11(b)(i)	<b>365</b>	200
Transfers to subsidiaries	11(b)(ii)	<b>(209)</b>	(114)
Other movements		—	(39)
Impairments	4 & 11(b)(iii)	<b>(207)</b>	(404)
Foreign exchange (losses)/gains on investments in subsidiaries hedged by loans	5	<b>(137)</b>	27
<b>At 31 December</b>		<b>19,297</b>	19,485

**(b) Material movements****(i) Additions**

During 2019, the Company made the following capital contributions to its subsidiaries:

- £5 million to AADPL on 11 January 2019;
- £21 million to AAPL on 6 March 2019;
- £3 million purchase of shares in Aviva Ltd upon sale of NISL on 24 May 2019 (see note 11(b)(ii));
- £103 million acquisition of further shareholding in UKD from UKLH on 31 December 2019 (see note 11(b)(ii)); and
- £233 million capital contribution in AIL upon transfer of UKD on 31 December 2019 (see note 11(b)(ii)).

**(ii) Transfer to subsidiaries**

On 24 May 2019, the Company transferred its entire shareholding in NISL to its direct subsidiary, Aviva Ltd, for a consideration of £3 million in the form of shares in Aviva Ltd.

On 31 December 2019, the Company acquired from its direct subsidiary, UKLH, the entire shareholding in UKD for £103 million of consideration in the form of an intercompany balance with UKLH. On the same day, the Company transferred its entire shareholding in UKD to its direct subsidiary, AIL for £233 million in consideration for a capital contribution to AIL. This transfer resulted in a profit on disposal of £27 million.

**(iii) Impairments**

Interest in subsidiaries are tested for impairment of their carrying value when there is an indicator of impairment. They are tested for impairment by comparing the carrying value of the investment to the recoverable value of that investment. Recoverable value is the higher of value in use and fair value. Value in use is calculated as the discounted value of expected future profits of each investment. Fair value is determined based on IFRS net assets, Solvency II net assets or IFRS tangible net asset value multiples underpinned by the quoted market valuation of comparable listed entities.

In 2019 the Company determined that its investments in the following were impaired following management's annual impairment review, resulting in a total impairment of £207 million (2018: £404 million) within the income statement:

- £27 million for AAPL largely driven by the transfer of activities to Singapore Life;
- £18 million for AADPL largely driven by the transfer of activities to Singapore Life;
- £56 million for Aviva International Holdings Limited due to adverse movements in respect of its investment in its Indian business;
- £75 million for Aviva Re due to lower net asset value as the entity is winding down;
- £24 million for Aviva Central Services Limited due to the adoption of the modified respective approach for IFRS 16 within this entity;
- £2 million for Wealthify Limited due to lower net asset value driven by the under-performance of Wealthify Limited; and
- £5 million for NISL due to lower net asset value driven by the under-performance of NISL.

**(c) Related undertakings**

See note 30 for details of all related undertakings.

## Notes to the financial statements continued

### 12. Investments in subsidiaries classified as held for sale

Movements in the Company's investments in its subsidiaries held for sale are as follows:

	Note	2019 £m	2018 £m
<b>Fair value at 1 January</b>		<b>334</b>	375
Disposals		—	(16)
Transfer to subsidiaries		—	(18)
Impairments	4	—	(7)
<b>Fair value at 31 December</b>		<b>334</b>	334

Investments in subsidiaries classified as held for sale are comprised of the Company's investment in Friends Provident International Limited (FPIL) of £334 million (2018: £334 million). A sale has been agreed for FPIL and was completed on 16 July 2020.

### 13. Fair value methodology

#### (a) Basis for determining fair value hierarchy of financial instruments

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the 'fair value hierarchy' described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

##### Level 1

Inputs to Level 1 fair values are quoted prices (unadjusted) in active markets for identical assets and liabilities that the Company can access at the measurement date.

##### Level 2

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the instrument. Level 2 inputs include the following:

- quoted prices for similar assets and liabilities in active market;
- quoted prices for identical or similar assets and liabilities in markets that are not active, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly;
- inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, and credit spreads); and
- market-corroborated inputs.

Where broker quotes are used and no information as to the observability of inputs is provided by the broker, the investments are classified as follows:

- where the broker price is validated by using internal models with market observable inputs and the values are similar, the investment is classified as Level 2; and
- in circumstances where internal models are not used to validate broker prices, or the observability of inputs used by brokers is unavailable, the investment is classified as Level 3.

##### Level 3

Inputs to Level 3 fair values are unobservable inputs for the asset or liability. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Unobservable inputs reflect the assumptions the Company considers that market participants would use in pricing the asset or liability. Examples are investment properties, certain private equity investments and private placements.

The majority of the Company's assets and liabilities measured at fair value are based on quoted market information or observable market data. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. Third-party valuations using significant unobservable inputs validated against Level 2 internally modelled valuations are classified as Level 3, where there is a significant difference between the third-party price and the internally modelled value. Where the difference is insignificant, the instrument would be classified as Level 2.

## Notes to the financial statements continued

## 13. Fair value methodology continued

## (b) Changes to valuation techniques

There were no changes in the valuation techniques during the year compared to those described in the 2018 annual report and financial statements.

## (c) Comparison of the carrying amount and fair values of financial instruments

Fair value of the following assets and liabilities approximate to their carrying amounts:

- Receivables and other financial assets
- Cash and cash equivalents
- Payables and other financial liabilities

## (d) Fair value hierarchy

An analysis of assets and liabilities measured at fair value categorised by fair value hierarchy is given below:

					2019
Recurring fair value measurements	Note	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
<b>Financial investments</b>					
Debt securities	14	515	—	—	515
Equity security investments	14	—	—	58	58
Other investments	14	158	—	790	948
<b>Total</b>		<b>673</b>	<b>—</b>	<b>848</b>	<b>1,521</b>
<b>Receivables</b>					
Loans due from subsidiaries	15	—	—	980	980
<b>Total</b>		<b>—</b>	<b>—</b>	<b>980</b>	<b>980</b>
<b>Financial liabilities</b>					
Derivative liabilities	26	—	—	(9)	(9)
<b>Total</b>		<b>—</b>	<b>—</b>	<b>(9)</b>	<b>(9)</b>

  

					2018
Recurring fair value measurements	Note	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
<b>Financial investments</b>					
Debt securities	14	517	—	—	517
Equity security investments	14	—	—	51	51
Other investments	14	180	19	775	974
<b>Total</b>		<b>697</b>	<b>19</b>	<b>826</b>	<b>1,542</b>
<b>Receivables</b>					
Loans due from subsidiaries	15	—	—	867	867
<b>Total</b>		<b>—</b>	<b>—</b>	<b>867</b>	<b>867</b>
<b>Financial liabilities</b>					
Derivative liabilities	26	(5)	—	(6)	(11)
<b>Total</b>		<b>(5)</b>	<b>—</b>	<b>(6)</b>	<b>(11)</b>

## Notes to the financial statements continued

## 13. Fair value methodology continued

## (e) Transfers between levels of the fair value hierarchy

For financial instruments that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels of the fair value hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of the reporting year.

No material transfers occurred between Level 1 and Level 2, Level 1 and Level 3 and Level 2 and Level 3.

## (f) Further information on Level 3 financial instruments

The table below shows movements in the Level 3 assets and liabilities measured at fair value:

	Assets			Liabilities
	Equity securities	Other investments	Loans from fellow group companies	Derivative liabilities
	£m	£m	£m	£m
<b>Opening balance at 1 January 2019</b>	<b>51</b>	<b>775</b>	<b>867</b>	<b>(6)</b>
Total net gains / (losses) recognised in the income statement	2	(38)	(26)	(3)
Purchases	6	61	139	—
Disposals	(1)	(8)	—	—
<b>Balance at 31 December 2019</b>	<b>58</b>	<b>790</b>	<b>980</b>	<b>(9)</b>

	Assets			Liabilities
	Equity securities	Other investments	Loans from fellow group companies	Derivative liabilities
	£m	£m	£m	£m
Opening balance at 1 January 2018	26	628	505	—
Total net gains / (losses) recognised in the income statement	3	8	(2)	(6)
Purchases	24	139	364	—
Disposals	(2)	—	—	—
Balance at 31 December 2018	51	775	867	(6)

## Sensitivities

Where possible, the Company tests the sensitivity of the fair values of Level 3 liabilities to changes in unobservable inputs to reasonable alternatives. Valuations for Level 3 investments are sourced from independent third parties when available and, where appropriate, validated against internally-modelled valuations, third-party models or broker quotes. Where third-party pricing sources are unwilling to provide a sensitivity analysis for their valuations, the Company undertakes, where feasible, sensitivity analysis on the following basis:

- For third-party valuations validated against internally-modelled valuations using significant unobservable inputs, the sensitivity of the internally modelled valuation to changes in unobservable inputs to a reasonable alternative is determined.
- For third-party valuations either not validated or validated against a third-party model or broker quote, the third-party valuation in its entirety is considered an unobservable input. Sensitivities are determined by flexing inputs of internal models to a reasonable alternative, including the yield, NAV multiple or other suitable valuation multiples of the financial instrument implied by the third-party valuation. For example, for a fixed income security the implied yield would be the rate of return which discounts the security's contractual cash flows to equal the third-party valuation.

On the basis of the methodology outlined above, the Company is able to perform sensitivity analysis on the multiple valuations for £475 million (2018: £481 million) of the Company's Level 3 assets. For these Level 3 assets, changing unobservable valuation inputs to a reasonable alternative would result in a change in fair value by +£32 million / -£16 million (2018: +£26 million / -£19 million). Of the £1,353 million (2018: £1,212 million) Level 3 assets for which sensitivity analysis is not provided, it is estimated that a 5% change in valuation downwards of these assets would result in a change in fair value of approximately £68 million (2018: £61 million).

## Notes to the financial statements continued

## 14. Financial investments

## (a) Carrying amount

Financial investments comprise:

	2019	2018
	£m	£m
<b>Financial assets mandatorily held at FVTPL</b>		
<b>(i) Fixed maturity securities</b>		
Debt securities		
UK government	515	517
	<b>515</b>	<b>517</b>
<b>(ii) Equity securities</b>		
Ordinary shares		
Other	58	51
	<b>58</b>	<b>51</b>
<b>(iii) Other investments</b>		
Unit trusts	220	155
Derivative financial instruments	21	76
Tier 1 subordinated loan notes	707	743
	<b>948</b>	<b>974</b>
<b>Total financial investments</b>	<b>1,521</b>	<b>1,542</b>
Expected to be recovered in less than one year	594	593
Expected to be recovered in more than one year	927	949
<b>Total financial investments</b>	<b>1,521</b>	<b>1,542</b>

## (b) Cost, unrealised gains and fair value

The following is a summary of the cost/amortised cost, gross unrealised gains and losses and fair value of financial investments:

	2019				2018			
	Cost/ amortised cost	Unrealised gains	Unrealised losses and impairments	Fair value	Cost/ amortised cost	Unrealised gains	Unrealised losses and impairments	Fair value
	£m	£m	£m	£m	£m	£m	£m	£m
Debt securities	510	65	(60)	515	520	55	(58)	517
Equity securities	49	14	(5)	58	47	11	(7)	51
Other investments								
Unit trusts	222	10	(12)	220	164	1	(10)	155
Derivative financial instruments	41	—	(20)	21	55	24	(3)	76
Tier 1 subordinated loan notes	707	—	—	707	743	—	—	743
	<b>1,529</b>	<b>89</b>	<b>(97)</b>	<b>1,521</b>	1,529	91	(78)	1,542

All unrealised gains and losses and impairments on financial investments classified as FVTPL have been recognised in the income statement.

Unrealised gains and losses on financial investments and derivative liabilities reported within payables note 21, classified as FVTPL and recognised in the income statement in the year, were a net gain of £5 million (2018: net gain of £14 million), which comprises unrealised gains of £8million (2018: gains of £26 million) and unrealised losses of £3 million (2018: losses of £12 million).

The movement in the unrealised gain/loss position reported in the statement of financial position during the year, shown in the table above, includes transfers due to the realisation of gains and losses on disposal and the recognition of impairment losses.

## Notes to the financial statements continued

## 15. Receivables and other financial assets

	Notes	2019 £m	2018 £m
Loans due from parent	28(a)(i)	3,045	3,045
Loans due from subsidiaries	28(a)(i)	1,255	1,266
Amounts due from subsidiaries	28(c)(i)	76	54
Accrued interest		29	6
Prepayments		10	9
<b>Total as at 31 December</b>		<b>4,415</b>	<b>4,380</b>
Expected to be recovered in less than one year		365	126
Expected to be recovered in more than one year		4,050	4,254
		<b>4,415</b>	<b>4,380</b>

Loans due from subsidiaries include £980 million of loans mandatorily held at FVTPL (2018: £868 million). All other receivables are held at amortised cost.

## 16. Ordinary share capital

	2019 £m	2018 £m
Allotted, called up and fully paid		
1,300,300 (2018: 1,300,300) ordinary shares of £10,000 each	13,003	13,003

Ordinary shares in issue in the Company rank pari passu. All the ordinary shares in issue carry the same right to receive all dividends and other distributions declared, made or paid by the Company.

## 17. Special Reserve

As part of the ongoing Group restructuring, the Company transferred its entire shareholding in Aviva Insurance Limited at its fair value of £1,348 million to its subsidiary Aviva International Insurance Limited (All) on 31 December 2007. The consideration was satisfied by the issue of new shares in All with the nominal value of £1,237 million, and the establishment of a special reserve of £111 million under the group reconstruction relief provisions of section 611 of the Companies Act 2006, which will become distributable upon the assets being disposed of or transferred, realising the value of the assets.

There has been no movement in the special reserve since inception.

## 18. Retained earnings

	Note	2019 £m	2018 £m
Balance at 1 January		3,894	3,700
Profit for the year		2,452	2,844
Dividends paid	10 & 28(c)(v)	(1,450)	(2,650)
<b>Balance at 31 December</b>		<b>4,896</b>	<b>3,894</b>
Distributable		2,536	1,524
Non distributable		2,360	2,370
<b>Balance at 31 December</b>		<b>4,896</b>	<b>3,894</b>

## 19. Tax assets

## (a) Current tax

	2019 £m	2018 £m
Expected to be recoverable in more than one year	16	17
<b>Tax asset recognised in statement of financial position</b>	<b>16</b>	<b>17</b>

Assets for prior years tax to be settled by group relief of £16 million (2018: £41 million) are recoverable in less than one year.

An EU dividend provision of £128 million (2018: £182 million) is included within group relief, within payables and other financial liabilities and is due in less than one year.

The net group relief payable of £112 million (2018: £141 million) is included within payables and other financial liabilities (see note 21) and within the related party transactions (see note 28).

## Notes to the financial statements continued

## 19. Tax assets continued

## (b) Deferred tax

(i) The balance at 31 December comprises:

	2019	2018
	£m	£m
Deferred tax asset	7	7
<b>Deferred tax asset</b>	<b>7</b>	<b>7</b>

(ii) The net deferred tax balance arises on the following items:

	2019	2018
	£m	£m
Revaluation of loans due to and from group undertakings	7	7
<b>Net deferred tax asset</b>	<b>7</b>	<b>7</b>

(iii) The movement in the net deferred tax asset was as follows:

	2019	2018
	£m	£m
<b>Net deferred tax asset at 1 January</b>	<b>7</b>	—
Amounts credited to income statement	—	7
<b>Net deferred tax asset at 31 December</b>	<b>7</b>	<b>7</b>

The Company has unrecognised capital losses of £66 million (2018: £66 million) to carry forward indefinitely against future taxable income.

## 20. Pension obligations

## (a) Introduction

In the UK and Ireland, the Group operates a number of defined benefit and defined contribution pension schemes. The material defined benefit schemes are the Aviva Staff Pension Scheme (ASPS), the RAC (2003) Pension Scheme which was retained after the sale of RAC Limited in September 2011, the Friends Provident Pension Scheme (FPPS), which was acquired as part of the Friends Life acquisition in 2015, and the Aviva Ireland Staff Pension Scheme (AISPS).

Formal actuarial valuations normally take place every three years and, where there is a deficit, the Company and the Trustee would agree a deficit recovery plan. The assumptions adopted for triennial actuarial valuations are determined by the Trustee and agreed with the Company and are normally more prudent than the assumptions adopted for IAS19 purposes, which are best estimate.

For ASPS, following the actuarial valuation as at 31 March 2015, a schedule of contributions was agreed, even though the ASPS was fully funded on its technical provisions basis consistent with the requirements of the UK pension regulations. This funding arrangement was reaffirmed following the triennial actuarial valuation as at 31 March 2018. As at 31 December 2019, the ASPS was fully funded.

In 2010 AGH entered into a Deed Poll in favour of senior managers with Unfunded Unapproved Retirement Benefit Scheme (UURBS) entitlements, to give them similar protection to the members of the ASPS. Pursuant to the Deed Poll, AGH would replace all previous Aviva group guarantors of the UURBS and become the sole Group guarantor in relation to all contracts of employment granted to Eligible Employees.

Full details of the Group's pension arrangements are given in note 52 of the Aviva plc Annual report and accounts 2019.

## (b) Charges to the income statement

The Company provides a proportion of the deficit funding to the ASPS pension scheme and, where possible, recharges this funding to individual Group operating businesses. The Company provides the full proportion of the deficit funding to the RAC PS and AISPS.

The total costs of funding of the UK pension schemes borne by the Company were:

		2019	2018
	Note	£m	£m
Total pension costs	4	60	60
Less: amounts recharged	2 & 28(c)(i)	—	(22)
<b>Costs retained in the Company</b>		<b>60</b>	<b>38</b>

There were no significant contributions outstanding or prepaid as at either 31 December 2019 or 2018.

## Notes to the financial statements continued

### 20. Pension obligations continued

#### (c) Guarantees in respect of UK and Ireland pension schemes

The Company has provided a guarantee in respect of the three UK schemes noted in section (a) above, and the AISPS covering the employing companies' performance obligations up to the full cost of buying out the entire scheme liabilities with a third party insurance company should this be necessary. It has also provided a guarantee for the UURBS entitlements noted in section (a).

### 21. Payables and other financial liabilities

	Note	2019 £m	2018 £m
Loans due to parent	28(a)(ii)	5,069	5,450
Loans due to subsidiaries	28(a)(ii)	1,969	2,022
Amounts due to parent	28(c)(ii)	18	19
Amounts due to subsidiaries	28(c)(ii)	300	227
Group relief payable	19	112	141
Derivative liabilities	26	9	11
Obligations for repayment of cash collateral received	27	—	21
<b>Total as at 31 December</b>		<b>7,477</b>	<b>7,891</b>
Expected to be settled within one year		753	469
Expected to be settled in more than one year		6,724	7,422
<b>Total as at 31 December</b>		<b>7,477</b>	<b>7,891</b>

### 22. Other liabilities

	2019 £m	2018 £m
Accruals	6	6
<b>Total as at 31 December</b>	<b>6</b>	<b>6</b>
Expected to be settled within one year	6	6
<b>Total as at 31 December</b>	<b>6</b>	<b>6</b>

### 23. Contingent liabilities and other risk factors

The Company has guaranteed and indemnified the obligations of certain other Group companies. In the opinion of the directors, no material loss will arise in respect of these guarantees.

The Company has also provided guarantees for the ASPS, RAC PS, FPPS and AISPS. See note 20 for further details.

In addition, in line with standard business practice, the Company has given guarantees, indemnities and warranties in connection with disposals in recent years of subsidiaries outside the group. In the opinion of the directors, no material loss will arise in respect of these guarantees, indemnities and warranties.

### 24. Cash and cash equivalents

	Note	2019 £m	2018 £m
Cash at bank and in hand		4	50
Cash equivalents		1,522	713
<b>Total at 31 December</b>		<b>1,526</b>	<b>763</b>

### 25. Risk management

#### (a) Risk management framework

The Group operates a risk management framework that forms an integral part of the management and Board processes and decision-making framework across the Group, including the Company and its subsidiaries. The key elements of the risk management framework comprise risk appetite; risk governance, including risk policies and business standards, risk oversight committees and roles and responsibilities; and the processes the Group uses to identify, measure, manage, monitor and report (IMMMR) risks, including the use of risk models and stress and scenario testing.

For the purposes of risk identification and measurement, and aligned to the Group's risk policies, risks are usually grouped by risk type: credit, market, liquidity, life insurance, general insurance, asset management and operational risk. Risks falling within these types may affect a number of metrics including those relating to statement of financial position strength, liquidity and profit. They may also affect the performance of the products the Group delivers to its customers and the service to its customers and distributors, which can be categorised as risks to brand and reputation or as conduct risk.

## Notes to the financial statements continued

### 25. Risk management continued

#### (a) Risk management framework continued

To promote a consistent and rigorous approach to risk management across all businesses, the Group has a set of risk policies and business standards which set out the risk strategy, appetite, framework and minimum requirements for the Group's worldwide operations. The business chief executive officers make an annual declaration supported by an opinion from the business chief risk officers that the system of governance and internal controls was effective and fit for purpose for their business throughout the year.

A regular top-down key risk identification and assessment process is carried out by the risk function. This includes the consideration of emerging risks and is supported by deeper thematic reviews. The risk assessment processes are used to generate risk reports which are shared with the relevant risk committees.

Risk models are an important tool in the measurement of risks and are used to support the monitoring and reporting of the risk profile and in the consideration of the risk management actions available. The Group carries out a range of stress (where one risk factor, such as equity returns, is assumed to vary) and scenario (where combinations of risk factors are assumed to vary) tests to evaluate their impact on the business and the management actions available to respond to the conditions envisaged.

Roles and responsibilities for risk management in the Group, including the Company, are based around the 'three lines of defence model' where ownership for risk is taken at all levels in the Group. Line management in the business is accountable for risk management, including the implementation of the risk management framework and embedding of the risk culture. The risk function is accountable for quantitative and qualitative oversight and challenge of the risk identification, measurement, monitoring, management and reporting processes and for developing the risk management framework. Internal Audit provides an independent assessment of the risk management framework and internal control processes.

Board oversight of risk and risk management across the Group is maintained on a regular basis through the Aviva plc Risk Committee and Customer, Conduct and Reputation Committee. The Aviva plc Board has overall responsibility for determining risk appetite, which is an expression of the risk the business is willing to take. Risk appetites are set relative to capital and liquidity at Group and in the business units.

The Group's position against risk appetite is monitored and reported to the Aviva plc Board on a regular basis. Long-term sustainability depends upon the protection of franchise value and good customer relationships. As such, the Group has a risk preference that we will not accept risks that materially impair the reputation of the Group and requires that customers are always treated with integrity. The oversight of risk and risk management at the Group level is supported by the Asset Liability Committee (ALCO), which focuses on insurance business and financial risks, and the Operational Risk Committee (ORC), which focuses on operational and reputational risks. Similar committee structures with equivalent terms of reference exist in the business units.

Further information on the types and management of specific risk types is given in sections (b) to (i) below. The risks to the Company's subsidiaries are managed through the risk management framework described above. Sections (b) to (i) below are limited to the specific risks of the Company.

#### (b) Credit risk

Credit risk is the risk of financial loss as a result of the default or failure of third parties to meet their payment obligations to the Company, or variations in market values as a result of changes in expectations related to these risks. Credit risk is taken so that the Company can provide the returns required to satisfy policyholder liabilities and to generate returns to the Company's shareholders.

The Company's approach to managing credit risk recognises that there is a risk of adverse financial impact resulting from fluctuations in credit quality of third parties including default, rating transition and credit spread movements. The Company's credit risks arise principally through exposures to debt securities, structured asset investments, bank deposits, derivative and securities financing counterparties, and Group counterparties to bank deposits, inter-company loans and receivables, and indirectly by guaranteeing the obligations of certain other Group companies.

The Group manages its credit risk at business unit and Group level. All business units' management of credit risk includes implementation of credit risk management processes (including limits frameworks), the operation of specific risk management committees, and detailed reporting and monitoring of exposures against pre-established risk criteria.

##### (i) Financial exposures to Group companies

The Company has significant financial exposure to amounts due from fellow Group companies. The credit risk arising from Group counterparties failing to meet all or part of their obligations is considered remote. Due to the nature of the intra-group loans, the level of collateral provided and the fact that these loans are not traded, the Company does not provide for fluctuations in market value caused by changing perceptions of the credit worthiness of such counterparties. As at the reporting date, there are no material expected credit losses recognised in relation to loans due from subsidiaries held at amortised cost.

##### (ii) Financial exposures by credit ratings

Financial assets, other than equities, are graded according to current external credit ratings issued. AAA is the highest possible rating. Investment grade financial assets are classified within the range of AAA to BBB ratings. Financial assets which fall outside this range are classified as sub-investment grade. The following table provides information regarding the aggregated credit risk exposure of the Company for financial assets with external credit ratings excluding assets "held for sale". "Not rated" assets capture assets not rated by external ratings agencies. The majority of non-rated debt securities are allocated an internal rating using a methodology consistent with that adopted by an external rating agency and are considered to be of investment grade credit quality. The credit quality of receivables and other financial assets is monitored by the Company, and provisions for impairment are made for irrecoverable amounts. In assessing whether assets are impaired, due consideration is given to the factors outlined in accounting policy 1.

## Notes to the financial statements continued

## 25. Risk management continued

## (b) Credit risk continued

							Carrying value
31 December 2019	AAA	AA	A	BBB	Below BBB	Not-rated	£m
Debt securities	—	100%	—	—	—	—	515
Derivative financial assets	—	—	—	—	—	100%	21

  

							Carrying value
31 December 2018	AAA	AA	A	BBB	Below BBB	Not-rated	£m
Debt securities	—	100%	—	—	—	—	517
Derivative financial assets	—	—	—	—	—	100%	76

An assessment is carried out over all categories of financial asset to determine to what extent assets held can be considered to have low credit risk as at the reporting date. A low credit risk is demonstrated where the borrower has a strong capacity to meet its contractual cash flow obligations in the near term. In making this assessment, the Company makes use of both internal and external credit risk ratings, along with other qualitative and quantitative factors where external ratings are not available. Where a financial asset is deemed to have low credit risk, it is assumed that the credit risk on the respective assets has not increased significantly since initial recognition.

A financial asset is considered to be in default where contractual payments are past due, and there is objective evidence that the counterparty will be unable to subsequently meet their payment obligations. A financial asset is written off only when all other available measures have been taken to recover amounts due. During the period, none of the cashflows associated with any of the Company's financial assets have been modified or renegotiated (2018: none).

## (iii) Other investments

Other investments include unit trusts and other investment vehicles; derivative assets, representing positions to mitigate the impact of adverse market movements; and other financial assets includes deposits with credit institutions.

The credit quality of the underlying debt securities within investment vehicles is managed by the safeguards built into the investment mandates for these funds which determine the funds' risk profiles. The asset quality of unit trusts and other investment vehicles is monitored against set limits.

A proportion of the assets underlying these investments are represented by equities and so credit ratings are not generally applicable. Equity exposures are managed against agreed benchmarks that are set with reference to overall appetite for market risk.

## (iv) Calculation of expected credit losses

Expected credit losses on material receivables and other assets are calculated with reference to the Company's historical experience of losses, along with an analysis of payment terms. Short term financial assets (where all amounts are receivable within twelve months from the reporting date) do not generally attract an expected credit loss charge, unless there is objective evidence that losses are likely to arise.

The Company has no financial assets which are categorised such that lifetime expected credit losses are calculated or which are deemed to be credit impaired at the reporting date. The Company has not purchased or originated any credit-impaired financial assets as at the reporting date.

The Company makes use of the simplified approach when calculating expected credit losses on trade receivables which don't include a significant financing component, and therefore calculates expected credit losses over the lifetime of the instrument in question. As at the reporting date, no lifetime expected credit losses have been recognised in relation to trade receivables.

Receivables, other financial assets and financial investments of £5,936 million (2018: £5,922 million) are neither past due nor impaired and are comprised of loans and amounts due from other Group companies and financial investments.

## (v) Modification of contractual cash flows that have not resulted in derecognition

There have been no significant modifications of contractual cash flows on any of the Company's financial assets during the period.

## (vi) Derivative credit exposures

The Group is exposed to counterparty credit risk through derivative trades. This risk is generally mitigated through holding collateral for most trades. Residual exposures are captured within the Group's credit management framework.

## Notes to the financial statements continued

## 25. Risk management continued

## (b) Credit risk continued

## (vii) Impairment of financial assets

In assessing the extent to which expected credit losses should be recognised, due consideration is given to the factors outlined in accounting policy I. The following table provides information regarding the carrying value of financial assets subject to impairment testing that have been impaired and the ageing of those assets that are past due but not impaired.

	Financial assets that are past due but not impaired						Financial assets that have been impaired	2019
	Neither past due nor impaired	0-3 months	3-6 months	6 months-1 year	Greater than 1 year	Carrying value		
	£m	£m	£m	£m	£m	£m		
Receivables and other financial assets	4,415	—	—	—	—	—	4,415	

  

	Financial assets that are past due but not impaired						Financial assets that have been impaired	2018
	Neither past due nor impaired	0-3 months	3-6 months	6 months-1 year	Greater than 1 year	Carrying value		
	£m	£m	£m	£m	£m	£m		
Receivables and other financial assets	4,380	—	—	—	—	—	4,380	

Receivables and other financial assets carried at amortised cost include loans due from parent of £3,045 million (2018: £3,045 million) and amounts due from other Group companies of £275 million (2018: £398 million).

The Company's maximum exposure to credit risk of financial assets, without taking collateral into account, is represented by the carrying amount of assets included in the statement of financial position plus financial guarantees given to other Group companies (see note 23), and funding guarantees provided to the ASPs, RAC PS, FPPS, AISPS and UURBS (see note 20).

## (c) Market risk

Market risk is the risk of adverse financial impact resulting directly or indirectly from fluctuations in interest rates, inflation and foreign currency exchange rates. Market risk arises due to fluctuations in both the value of liabilities and the value of investments held. The Company seeks some market risks as part of its investment. However, it has limited appetite for interest rate risk because it does not believe interest rate risk is adequately rewarded.

The management of market risk is undertaken at business unit and at Group level. Businesses manage market risks locally using the Group market risk framework and within local regulatory constraints. Group Capital is responsible for monitoring and managing market risk at Group level and has established criteria for matching assets and liabilities to limit the impact of mismatches due to market movements.

The most material types of market risk that the Company is exposed to are described below.

## (i) Equity price risk

The Company is subject to direct equity price risk arising from changes in the market values of its equity securities portfolio.

The Company continues to limit its direct equity exposure in line with its risk preferences. The Company's investment limits and investment regulations require that it holds diversified portfolios of assets thereby reducing exposure to individual equities. The Company does not have material holdings of unquoted equity securities.

Equity risk is also managed using a variety of derivative instruments, including futures and options.

Sensitivity to changes in equity prices is given in section (f) 'risk and capital management' below.

## (ii) Interest rate risk

Interest rate risk arises primarily from the Company's loans with fellow Group companies. The interest received and paid on the loans is linked to LIBOR, CDOR or EURIBOR benchmark rates and so a change in any of those rates would impact the level of interest income earned and interest expense paid by the Company.

Sensitivity of profit before tax and shareholder funds to changes in these benchmark interest rates is given in section (f) 'risk and capital management' below.

## (iii) Currency risk

The Company has exposure to currency risk primarily through Euro and Canadian Dollar denominated loans due to and from its parent and subsidiaries, foreign exchange derivatives and its investment in overseas subsidiaries principally denominated in Euro. The Company has a low appetite for currency risk and actively manages the position using derivatives where appropriate.

The Company's total equity deployment by currency (after impact of hedging) is set out below. Some of the Company's Euro denominated loans have been designated as a fair value hedge of its investment in overseas subsidiaries (see note 11). In addition, the Company uses foreign currency forwards to manage planned Euro dividend distributions from its subsidiaries (albeit no forward contracts were in-force at 31 December 2019) and Euro denominated equity options, which are sensitive to changes in foreign currency exchange rates.

## Notes to the financial statements continued

## 25. Risk management continued

## (c) Market risk continued

	GBP	EUR	CAD	Total
31 December 2019	£m	£m	£m	£m
Total equity	19,538	76	19	19,633

  

	GBP	EUR	CAD	Total
31 December 2018	£m	£m	£m	£m
Total equity	18,611	(58)	78	18,631

## (iv) Derivatives risk

Derivatives are used for efficient investment management, and risk hedging purposes. Derivatives are used within policy guidelines agreed by the Board of Directors and activity is overseen by the Group Capital and Group Risk teams, which monitor exposure levels and approve large or complex transactions.

The Company applies strict requirements to the administration and valuation processes it uses, and has a control framework that is consistent with market and industry practice for the activity that is undertaken.

## (d) Liquidity risk

Liquidity risk is the risk of not being able to make payments as they become due because there are insufficient assets in cash form.

The Company seeks to ensure that it maintains sufficient financial resources to meet its obligations as they fall due.

The Company has set its investment strategy to ensure it has sufficient liquid funds to meet its expected obligations as they fall due. In extreme circumstances, the Company would approach the Company's parent, Aviva plc, for additional short-term borrowing whilst the Company liquidated other assets.

Aviva plc maintains significant undrawn committed borrowing facilities (£1,650 million) from a range of highly-rated banks to mitigate this risk further.

The Company's liquidity position and financing of its longer-term loan commitments is dependent on the payment of dividends by subsidiaries, which may be subject to regulatory approval.

## Maturity analyses

The following tables show the maturities of the Company's liabilities, and of the financial assets held to meet them. A maturity analysis of the contractual amounts payable for payables, other financial liabilities and derivatives is given in notes 21, 22 and 26, respectively.

## (i) Analysis of maturity of liabilities

The following table shows the Company's financial liabilities analysed by duration:

	2019			
	Total	On demand or within 1 year	1-5 years	5-15 years
	£m	£m	£m	£m
Payables and other financial liabilities	7,477	753	4,904	1,820
	<b>7,477</b>	<b>753</b>	<b>4,904</b>	<b>1,820</b>

  

	2018			
	Total	On demand or within 1 year	1-5 years	5-15 years
	£m	£m	£m	£m
Payables and other financial liabilities	7,891	469	4,100	3,322
	<b>7,891</b>	<b>469</b>	<b>4,100</b>	<b>3,322</b>

## (ii) Analysis of maturity of financial assets

The following table provides an analysis, by maturity date of the principal, of the carrying value of financial assets which are available to fund the repayment of liabilities as they crystallise. This table excludes assets held for sale.

## Notes to the financial statements continued

## 25. Risk management continued

## (d) Liquidity risk continued

						2019
		Total	On demand or within 1 year £m	1-5 years £m	Over 5 years £m	No fixed term (perpetual) £m
	Note	£m	£m	£m	£m	£m
Debt securities	14	515	515	—	—	—
Equity securities	14	58	—	—	—	58
Other investments	14	948	79	—	—	869
Receivables and other financial assets	15	4,415	365	3,045	305	700
Cash and cash equivalents	24	1,526	1,526	—	—	—
		<b>7,462</b>	<b>2,485</b>	<b>3,045</b>	<b>305</b>	<b>1,627</b>

  

						2018
		Total	On demand or within 1 year £m	1-5 years £m	Over 5 years £m	No fixed term (perpetual) £m
	Note	£m	£m	£m	£m	£m
Debt securities	14	517	517	—	—	—
Equity securities	14	51	—	—	—	51
Other investments	14	974	76	155	—	743
Receivables and other financial assets	15	4,380	126	3,296	366	592
Cash and cash equivalents	24	763	763	—	—	—
		<b>6,685</b>	<b>1,482</b>	<b>3,451</b>	<b>366</b>	<b>1,386</b>

The assets above are analysed in accordance with the earliest possible redemption date of the instrument at the initiation of the Company. Where an instrument is transferable back to the issuer on demand, such as a unit trust or similar type of investment vehicle, it is included in the 'On demand or within 1 year' column. Debt securities with no fixed contractual maturity date are generally callable at the option of the issuer at the date the coupon rate is reset under the contractual terms of the instrument. The terms for resetting the coupon are such that the Company expects the securities to be redeemed at this date, as it would be uneconomic for the issuer not to do so, and for liquidity management purposes the Company manages these securities on this basis. The first re-pricing and call date is normally ten years or more after the date of issuance. Most of the Company's investments in equity securities and debt securities are market traded and therefore, if required, can be liquidated for cash at short notice in unstressed circumstances.

## (e) Operational risk

Operational risk is the risk of direct or indirect loss, arising from inadequate or failed internal processes, people and systems, or external events including changes in the regulatory environment.

The Group has limited appetite for operational risk and aims to reduce these risks as far as is commercially sensible.

The Company's Operational Risk and Control Management Framework integrates the results of the risk identification and assurance activities carried out across the Company's three lines of defence. Operational risks are initially identified and assessed against implemented controls. Residual risk, outside tolerance, is given prioritised management action to reduce it within tolerance.

Operational risk is quantitatively assessed on the basis of financial loss and misstatement. Potential reputational and conduct impacts are qualitatively assessed. Management use key indicator data to help monitor the status of the risk and control environment. They also identify and capture loss events, taking appropriate action to address actual control breakdowns and promote internal learning.

## (f) Risk and capital management

The Company uses a number of sensitivity test-based risk management tools to understand the volatility of earnings, the volatility of capital requirements and to manage its capital more efficiently. Risk based capital models are used to support the quantification of risk under the Solvency II framework. Management undertakes a quarterly review of risk, the output from which is a key input into the risk-based capital assessments. Primarily, a risk-based capital model and scenario tests are used. Sensitivities to economic and operating experience are regularly produced on financial performance measurements to inform the Group's decision making and planning processes, and as part of the framework for identifying and quantifying the risks to which the Company is exposed.

## Notes to the financial statements continued

## 25. Risk management continued

## (f) Risk and capital management continued

## (i) Sensitivity results

Some results of sensitivity testing for the Company's business are set out below. For each sensitivity the impact of a change in a single factor is shown, with other assumptions left unchanged.

Sensitivity factor	Description of sensitivity factor applied
Interest rate and investment return	The impact of a change in market interest rates by $\pm 1\%$
Equity market values	The impact of a change in equity/property market values by $\pm 10\%$
Credit spreads	The impact of a 0.5% increase in credit spreads over risk free interest rates on corporate bonds and other non-sovereign credit assets.
Foreign exchange rates	The impact of a change in the GBP: Foreign currency exchange rate of $\pm 10\%$ , with a positive change representing a strengthening of pound sterling.

The above sensitivity factors are applied using statistical models. The impacts are shown in tables below:

	2019					
	Interest rates 1%	Interest rates -1%	Credit spreads 0.5%	Credit spreads -0.5%	Equity 10%	Equity -10%
	£m	£m	£m	£m	£m	£m
Impact on profit before tax	—	—	—	—	17	(8)
Impact on shareholder's equity	—	—	—	—	14	(7)

	2018					
	Interest rates 1%	Interest rates -1%	Credit spreads 0.5%	Credit spreads -0.5%	Equity 10%	Equity -10%
	£m	£m	£m	£m	£m	£m
Impact on profit before tax	—	—	—	—	20	(37)
Impact on shareholder's equity	—	—	—	—	16	(30)

	2019			
	Euro 10%	Euro -10%	CAD 10%	CAD -10%
	£m	£m	£m	£m
Impact on profit before tax	64	(78)	(4)	4
Impact on shareholder's equity	52	(63)	(3)	4

	2018			
	Euro 10%	Euro -10%	CAD 10%	CAD -10%
	£m	£m	£m	£m
Impact on profit before tax	80	(98)	(9)	11
Impact on shareholder's equity	64	(78)	(7)	9

## Limitations of sensitivity analysis

The sensitivity analyses do not take into account that the assets and liabilities are actively managed and may vary at the time that any actual market movement occurs. For example, the Company's financial risk management strategy aims to manage the exposure to market fluctuations. As investment markets move past various trigger levels, management actions could include selling investments, changing investment portfolio allocation and taking other protective action.

Other limitations in the above sensitivity analyses include the use of hypothetical market movements to demonstrate potential risks that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty, and the assumption that all interest rates move in an identical fashion.

Assets are held at fair value in accordance with the relevant accounting policy. Other than investments in subsidiaries, the majority of such assets are valued based on quoted market information or observable market data and the remaining assets recorded at fair value are based on estimates. Where estimates are used, these are based on a combination of independent third party evidence and internally developed models calibrated to market observable data where possible.

The Company's capital risk is determined with reference to the requirements of the Company's stakeholders. In managing capital, the Company seeks to maintain sufficient, but not excessive, financial strength to support the payment of interest due on loans and the requirements of other stakeholders. The sources of capital used by the Company are equity shareholders' funds.

## Notes to the financial statements continued

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### 25. Risk management continued

#### (g) Risks relating to staff pension schemes

In addition to credit risk, the funding guarantees provided to the ASPS, FPPS, RAC PS, UURBS and AISPS expose the Company indirectly to risks affecting the value of the assets and liabilities of these schemes, which can be summarised as follows:

- Market risks affecting the valuation of pension scheme assets, being interest rates, equity prices, property prices and foreign exchange rates.
- Credit and market risks affecting the average rate yield on AA-rated corporate bonds used to discount pension scheme liabilities.
- Risks affecting assumptions used to calculate pension scheme liabilities, such as retail/ consumer price inflation and mortality assumptions. Mortality assumptions are subject to longevity risk.

See note 20 for further information on ASPS, FPPS, RAC PS and AISPS and the funding guarantees provided by the Company to them.

#### (h) Exit of the UK from the EU & UK-EU Free Trade Agreement (FTA) negotiations

In preparing for the end of the transition period on 31 December 2020 under the UK-EU withdrawal agreement, we have already taken the operational measures irrespective of the outcome of UK-EU Free Trade Agreement negotiations. However, beyond 2020 the consequences of the UK's withdrawal from the EU on future financial services regulation and the UK economy will require careful monitoring.

#### (i) Coronavirus

On 11 March 2020, the World Health Organization declared the outbreak of a strain of novel coronavirus disease, COVID-19, a global pandemic. Governments in affected areas have imposed a number of measures designed to contain the outbreak, including business closures, travel restrictions, stay at home orders and cancellations of gatherings and events. The spread of COVID-19 has resulted in an economic downturn in jurisdictions in which the Company operates and the global economy more widely, as well as causing increased volatility and declines in financial markets. If the pandemic is prolonged, or further diseases emerge that give rise to similar effects, the adverse impact on the global economy could be deepened and result in further declines in financial markets.

The Company's balance sheet exposure has been reviewed and actions are being taken to further reduce the sensitivity to economic shocks. The Company continues to maintain a positive net asset value. Since the onset of the pandemic the Company has remained operational, with key activities such as cash payments and transaction processing being maintained. Notwithstanding the Company's strong balance sheet position, deterioration in the situation could have further adverse implications arising from the impacts on financial markets, insurance exposures and operations. As the situation is rapidly evolving it is not practicable to quantify the potential financial impact of the outbreak on the Company at this stage.

### 26. Derivative financial instruments and hedging

The Company uses a variety of derivative financial instruments, including both exchange traded and over-the-counter instruments, in line with our overall risk management strategy. The objectives include managing exposure to price, foreign currency and/or interest rate risk on existing assets or liabilities, as well as planned or anticipated investment purchases.

In the narrative and tables below, figures are given for both the notional amounts and fair values of these instruments. The notional amounts reflect the aggregate of individual derivative positions on a gross basis and so give an indication of the overall scale of the derivative transaction. They do not reflect current market values of the open positions. The fair values represent the gross carrying values at the year end for each class of derivative contract held (or issued) by the Company.

The fair values do not provide an indication of credit risk, as many over-the-counter transactions are contracted and documented under International Swaps and Derivatives Association (ISDA) master agreements or their equivalent. Such agreements are designed to provide a legally enforceable set-off in the event of default, which reduces credit exposure. In addition, the Company has collateral agreements in place with the relevant counterparties. See note 27 for further information on collateral and net credit risk of derivative instruments.

## Notes to the financial statements continued

**26. Derivative financial instruments and hedging continued****(a) Instruments not qualifying for hedge accounting**

Certain derivatives either do not qualify for hedge accounting or the option to designate them as hedge instruments has not been taken. These are referred to below as non-hedge derivatives.

(i) The Company's non-hedge derivatives at 31 December 2019 and 2018 were as follows

	2019			2018		
	Contract/ notional amount £m	Fair value asset £m	Fair value liability £m	Contract/ notional amount £m	Fair value asset £m	Fair value liability £m
<b>Equity/Index contracts</b>						
<i>OTC</i>						
Options	708	21	—	913	57	(5)
	<b>708</b>	<b>21</b>	<b>—</b>	<b>913</b>	<b>57</b>	<b>(5)</b>
<b>Foreign exchange contracts</b>						
<i>Exchange traded</i>						
Options	—	—	—	174	9	—
	<b>—</b>	<b>—</b>	<b>—</b>	<b>174</b>	<b>9</b>	<b>—</b>
<b>Other</b>						
<i>OTC</i>						
Options	11	—	(9)	11	—	(6)
	<b>11</b>	<b>—</b>	<b>(9)</b>	<b>11</b>	<b>—</b>	<b>(6)</b>
<b>Credit contracts</b>	—	—	—	2,558	10	—
<b>Total as at 31 December</b>	<b>719</b>	<b>21</b>	<b>(9)</b>	<b>3,656</b>	<b>76</b>	<b>(11)</b>

(ii) The contractual undiscounted cash flows in relation to non-hedge derivative liabilities have the following maturities

	2019	2018
	£m	£m
Within 1 year	(9)	(5)
Between 1 and 2 years	—	(6)
	<b>(9)</b>	<b>(11)</b>

**(b) Instruments qualifying for hedge accounting**

The Company has formally assessed and documented the effectiveness of its instruments qualifying for hedge accounting.

The Company's hedge activity at 31 December 2019 was as follows:

*Fair value hedges*

The Company has EUR denominated investments in overseas subsidiaries which expose the Company to foreign currency risk. To reduce its exposure to foreign currency risk, the Company has designated its foreign currency denominated loans as a fair value hedge of the foreign exchange exposure in relation to these subsidiaries. The matching currency denomination of the investments in subsidiaries and the loan liabilities leads to an economic relationship, where a change in the value of the asset, as a result of changes in the foreign exchange rate, will be offset directly by an opposite change in the value of the liability.

The value of the EUR denominated hedged items are designated in a hedge relationship in such a way that the value hedged matches exactly the nominal amounts of the hedging instrument being used. The hedge ratio is therefore 1:1 and the hedge is fully effective. Foreign exchange gains of £137 million (2018: losses of £27 million) on translation of the debt to sterling at the statement of financial position date have been offset by a release of foreign exchange losses of £137 million (2018: gains of £27 million) on investments in subsidiaries.

## Notes to the financial statements continued

## 26. Derivative financial instruments and hedging continued

## (b) Instruments qualifying for hedge accounting continued

At inception, the nature of the economic relationship is such that the fair value hedge is expected to be highly effective, however, ineffectiveness or discontinuation of the hedging relationship may arise should a hedged item be sold during the period or where a hedging instrument matures without the availability of a replacement instrument (see note 5).

Other risks associated with the Company's investments in overseas subsidiaries are not covered by this hedging arrangement.

The following hedging instruments were placed in a fair value hedge as at the period end:

Hedging instrument	Currency	Maturity date	Note	2019			2018	
				Nominal amount £m	Carrying amount £m	Change as a result of FX movement £m	Carrying amount £m	Change as a result of FX movement £m
Loan due to parent	EUR	5 July 2023	28	650	550	(33)	583	6
Loan due to parent	EUR	3 July 2024	28	700	593	(35)	628	7
Loan due to parent	EUR	4 December 2025	28	900	764	(44)	808	9
Loan due to parent	EUR	27 October 2023	28	500	424	(25)	449	5
				<b>2,750</b>	<b>2,331</b>	<b>(137)</b>	<b>2,468</b>	<b>27</b>

The following hedged items were placed in a fair value hedge as at the period end:

Hedged item	Currency	2019			2018		
		Carrying amount £m	Cumulative FX movements £m	Change as a result of FX movement £m	Carrying amount £m	Cumulative FX movements £m	Change as a result of FX movement £m
Investment in Aviva Italia S.p.A	EUR	637	5	(13)	650	18	3
Investment in Aviva France	EUR	1,723	(44)	(124)	1,847	80	24
		<b>2,360</b>	<b>(39)</b>	<b>(137)</b>	<b>2,497</b>	<b>98</b>	<b>27</b>

No ineffective loss was recognised in profit or loss in either 2019 or 2018.

## (c) Collateral

Certain derivative contracts, primarily interest rate and currency swaps, involve the receipt or pledging of cash and non-cash collateral. The amounts of cash collateral payable are included in note 21.

## 27. Financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

## (a) Offsetting financial assets and liabilities and related net exposures

Financial assets and liabilities are offset in the statement of financial position when the Company has a currently enforceable legal right to offset and has the intention to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously.

The Company mitigates credit risk in derivative contracts by entering into collateral agreements, where practical, and in International Swaps and Derivatives Association (ISDA) master netting agreements to facilitate the Company's right to offset credit risk exposure. The credit support agreement will normally dictate the threshold over which collateral needs to be pledged by the Company or its counterparty.

Derivative transactions requiring the Company or its counterparty to post collateral are typically the result of over-the-counter derivative trades, comprised mostly of interest rate swaps, currency swaps and credit swaps. These transactions are conducted under terms that are usual and customary to standard long-term borrowing, derivative, securities lending and securities borrowing activities.

In other arrangements, securities are exchanged for other securities. The collateral received must be in a readily realisable form such as listed securities and is held in segregated accounts. Transfer of title always occurs for the collateral received. In many instances, however, no market risk or economic benefit is exchanged and these transactions are not recognised on the statement of financial position in accordance with our accounting policies, and accordingly not included in the tables below. If risks and benefits are exchanged then the transactions are recognised on the statement of financial position and reflected in the tables below.

## Notes to the financial statements continued

## 27. Financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements continued

## (a) Offsetting financial assets and liabilities and related net exposures continued

	2019				
	Gross amounts	Gross amounts offset	Net amounts presented in the statement of financial position	Related amounts not set off in the statement of financial position	
				Cash collateral	Net amount
£m	£m	£m	£m	£m	
<b>Financial assets</b>					
Derivative financial assets	21	—	21	—	21
<b>Total financial assets</b>	<b>21</b>	<b>—</b>	<b>21</b>	<b>—</b>	<b>21</b>
<b>Financial liabilities</b>					
Derivative financial liabilities	(9)	—	(9)	—	(9)
<b>Total financial liabilities</b>	<b>(9)</b>	<b>—</b>	<b>(9)</b>	<b>—</b>	<b>(9)</b>
					2018
	Related amounts not set off in the statement of financial position				
	Gross amounts	Gross amounts offset	Net amounts presented in the statement of financial position	Related amounts not set off in the statement of financial position	
				Cash collateral	Net amount
£m	£m	£m	£m	£m	
<b>Financial assets</b>					
Derivative financial assets	76	—	76	(21)	55
<b>Total financial assets</b>	<b>76</b>	<b>—</b>	<b>76</b>	<b>(21)</b>	<b>55</b>
<b>Financial liabilities</b>					
Derivative financial liabilities	(11)	—	(11)	—	(11)
<b>Total financial liabilities</b>	<b>(11)</b>	<b>—</b>	<b>(11)</b>	<b>—</b>	<b>(11)</b>

Derivative assets are recognised as 'Derivative financial instruments' in note 15, while derivative liabilities are recognised as such in note 21.

## (b) Collateral

In the tables above, the amounts of assets or liabilities presented in the statement of financial position are offset first by financial instruments that have the right of offset under master netting or similar arrangements with any remaining amount reduced by the amount of cash and securities collateral. The actual amount of collateral may be greater than amounts presented in the tables above in the case of over collateralisation.

Of the collateral received by the Company, none can be sold or re-pledged in the absence of default in 2019 or 2018.

The level of collateral held is monitored regularly, with further collateral obtained where this is considered necessary to manage the Company's risk exposure.

## 28. Related party transactions

The Company has the following transactions with related parties which include parent companies, subsidiaries, and fellow Group companies in the normal course of business.

## (a) The Company had the following related party transactions

## (i) Loans receivable

*Loans due from parent*

On 3 September 2013 a loan facility was put in place with the Company's parent which is an unsecured loan accruing interest at 75 basis points above 6 month LIBOR and with maturity date of 3 September 2018, which was subsequently extended to 31 December 2023. As at the Statement of Financial Position date, the loan balance outstanding was £3,045 million (2018: £3,045 million).

*Loans due from subsidiaries*

The Company provided the following loans to its subsidiary, Aviva Investors Holdings Limited:

- 16 December 2014, an unsecured loan of £65 million, accruing interest at a fixed rate of 5% per annum. As at the statement of financial position date, the total loan balance outstanding was £nil as this loan was fully repaid on 16 December 2019 (2018: £65 million).
- On 30 November 2015, an unsecured loan of £25 million, accruing interest at a fixed rate of 5.5% per annum with settlement expected to be received at maturity in November 2026. As at the statement of financial position date, the total loan balance outstanding was £25 million (2018: £25 million).

On 18 December 2015, the Company provided an unsecured loan of £250 million to its subsidiary, Aviva Life Holdings UK Limited. The loan accrues interest at 164 basis points above 6 month LIBOR with settlement expected to be received at maturity in December 2020. As at the statement of financial position date, the total amount drawn down at 2019 was £250 million (2018: £250 million).

## Notes to the financial statements continued

**28. Related party transactions (continued)****(a) The Company had the following related party transactions (continued)**

The Company provided the following loans to its subsidiary, Aviva Participations SA:

- On 8 December 2015, the Company provided an unsecured, perpetual loan of €250 million. The loan accrues interest at 453 basis points above 6 month EURIBOR. As at the financial position date, the total loan balance outstanding was £212 million (2018: £225 million).
- On 16 August 2019, the Company provided an unsecured, perpetual loan of €150 million. The loan accrues interest at 405 basis points above 6 months EURIBOR. As at the financial position date, the total loan balance outstanding was £127 million.

On 27 June 2016, the Company provided an unsecured loan of CAD 480 million to its subsidiary, Aviva Insurance Limited. The loan accrues interest of 474 basis points above 6 month CDOR with settlement expected to be received at maturity on 26 June 2046. As at the statement of financial position date, the total amount drawn down was £280 million (2018: £277 million).

On 19 March 2018, the Company provided an unsecured loan of CAD 100 million to its subsidiary, Aviva Canada Inc. The loan accrues interest of 50 basis points above 3 month CDOR. Settlement was received at maturity on 19 March 2019 and therefore at the statement of financial position date, the total amount drawn down was £nil (2018: £57 million).

On 8 November 2018, an unsecured, perpetual loan of £356 million was transferred from the Company's subsidiary Friends Life Holdings plc to the Company at its fair value of £364 million. The loan accrues interest at a fixed rate of 10.05% per annum. As at the statement of financial position date, the total fair value loan balance was £361 million (2018: £367 million).

The maturity analysis of the related party loans receivable is as follows:

	2019	2018
	£m	£m
Within 1 year	250	57
1-5 years	3,045	3,295
Over 5 years	305	366
No fixed term	700	593
	<b>4,300</b>	<b>4,311</b>
Effective interest rate	<b>3.38%</b>	3.00%

The interest received on these loans shown in the income statement is £173 million (2018: £136 million), which comprises interest income due from subsidiaries of £123 million (2018: £83 million) and interest income due from parent of £50 million (2018: £49 million). See note 2.

**(ii) Loans payable**

Loans due to parent

On 1 January 2013, Aviva International Holdings Limited, a subsidiary, transferred the following loan liabilities with the Company's parent Aviva plc by way of in specie dividend to the Company at their fair value of €1,610 million:

- an unsecured loan of €250 million (fair value €329 million) entered into on 7 May 2003. The loan accrues interest at a fixed rate of 5.5% with settlement to be paid at maturity in May 2033. As at the statement of financial position date, the total amount drawn down on the facility was £255 million (2018: £273 million).

On 23 December 2014, the Company's parent, Aviva plc, provided an unsecured revolving credit facility of £2,000 million to the Company with an initial maturity date of 3 September 2018, which was subsequently extended to 31 December 2023. The facility accrues interest at 75 basis points above 6 month LIBOR. As at the statement of financial position date, the total amount drawn down on the facility was £1,563 million (2018: £1,752 million).

On 27 June 2016, the Company's parent, Aviva plc, provided an unsecured loan of CAD 446 million to the Company with a maturity date of 27 June 2046. The loan accrues interest at 348 basis points above 6 month CDOR. As at the statement of financial position date, the total amount drawn down was £260 million (2018: £256 million).

On 30 September 2016, the Company's parent, Aviva plc, provided the following unsecured loans:

- €850 million to the Company with a maturity date of 30 September 2021. The loan accrues interest at 115 basis points above 12 month EURIBOR with settlement to be paid at maturity. As at the statement of financial position date, the total amount drawn was £661 million (2018: £700 million).
- €650 million to the Company with a maturity date of 5 July 2023. The loan accrues interest at a fixed rate of 1.54% with settlement to be paid at maturity. As at the statement of financial position date, the total amount drawn down on the facility was £551 million (2018: £584 million).
- €700 million to the Company with a maturity date of 3 July 2024. The loan accrues interest at a fixed rate of 1.64% with settlement to be paid at maturity. As at the statement of financial position date, the total amount drawn down on the facility was £593 million (2018: £628 million).
- €900 million to the Company with a maturity date of 4 December 2025. The loan accrues interest at a fixed rate of 1.74% with settlement to be paid at maturity. As at the statement of financial position date, the total amount drawn down on the facility was £762 million (2018: £808 million).

On 21 November 2016, the Company's parent, Aviva plc, provided an unsecured loan €500 million to the Company with a maturity date of 27 October 2023. The loan accrues interest at a fixed rate of 1.75% with settlement to be paid at maturity. As at the statement of financial position date, the total amount drawn was £424 million (2018: £449 million).

## Notes to the financial statements continued

**28. Related party transactions (continued)****(a) The company had the following related party transactions (continued)***Loans due to subsidiaries*

On 22 December 2008, Aviva Annuity UK Limited, the Company's indirect subsidiary, provided an unsecured loan of £87 million to the Company. This loan was transferred to UKLAP via a Part VII Transfer on 1 January 2017 prior to the dissolution of Aviva Annuity UK Limited. The loan accrues interest at a fixed rate of 8.2% with settlement to be paid at maturity in December 2028. As at the statement of financial position date, the total loan balance outstanding was £87 million (2018: £87 million).

On 1 January 2013, the Company entered into a loan of £5,870 million from Aviva Insurance Limited, a subsidiary. The loan is secured on the UK Life business and certain non-UK operations of the Group, and has a final maturity date of December 2042. Interest accrued at 308 basis points above 12 month LIBOR until 31 December 2017, after which interest accrues at 240 basis points above 12 month LIBOR until the next reset date on 31 December 2022. Effective in 2017, minimum annual repayments were amended to £50 million until December 2026, with no rights of deferral. During the year, the loan balance has been reduced by £51 million to £1,268 million at 31 December 2019 (2018: £1,319 million). The reduction was the annual repayment in cash of £50 million plus a £1 million payment in specie.

On 1 January 2013, Aviva International Insurance Limited, a subsidiary, provided a secured loan facility to the Company of £15,942 million. The loan accrues interest at 12 month LIBOR plus a credit margin, currently at 195 basis points, with settlement to be paid in cash at maturity in December 2042. The credit margin is reset every 5 years, and was reset on 31 December 2017. This follows a fair value of assessment of the credit risk of the Company and the terms and conditions of the loan agreement. The next reset of the credit margin is due on 31 December 2022. The aggregate interest rate moves each year with changes in the risk free rate (12 month LIBOR), and with the change in credit margin the effective interest rate from 1 January 2018 will be 2.72%. As at the statement of financial position date, the loan balance outstanding was £200 million (2018: £200 million). This facility has been secured by a legal charge against the ordinary share capital of Aviva Insurance Limited.

On 25 March 2015, Aviva International Holdings Limited, the Company's subsidiary, provided an unsecured revolving credit facility of £300 million to the Company. This facility accrues interest at 65 basis points above 12 month LIBOR, with settlement expected to be received in cash at maturity in April 2020. As at the statement of financial position date, the total drawn down on the facility is £14 million (2018: £16 million).

On 25 March 2015, Aviva Europe SE, the Company's subsidiary, provided an unsecured revolving credit facility of £300 million to the Company. This facility accrues interest at 65 basis points above 12 month LIBOR, with settlement expected to be received in cash at maturity in April 2020. As at the statement of financial position date, the total drawn down on the facility at 2019 was £nil (2018: £nil).

Aviva Life & Pensions UK Limited, the Company's indirect subsidiary, provided the following loans to the Company:

- On 18 December 2015, an unsecured loan of £250 million accruing interest at 144 basis points above 6 month LIBOR with settlement to be paid at maturity in December 2020. As at the statement of financial position date, the total loan balance outstanding is £250 million (2018: £250 million).
- On 9 January 2017, an unsecured loan of £150 million accruing interest at a fixed rate of 3.26% with settlement to be paid at maturity, initially in January 2019 and subsequently extended to January 2022. As at the statement of financial position date, the total loan balance outstanding is £150 million (2018: £150 million).

The maturity analysis of the related party loans payable is as follows:

	2019	2018
	£m	£m
Within 1 year	<b>314</b>	50
1-5 years	<b>4,904</b>	4,100
Over 5 years	<b>1,820</b>	3,322
	<b>7,038</b>	7,472
Effective interest rate	<b>2.1%</b>	2.37%

The interest paid on these loans shown in the Income Statement is £155 million (2018: £150 million), see note 4.

**(b) Financial investments**

On 8 December 2015, Aviva Participations SA issued €700 million Tier 1 subordinated loan notes to the Company. As at the financial position date, the total loan balance outstanding was £593 million (2018: £628 million). The interest received from these loan notes shown in the income statement is £38 million (2018: 39 million).

On 31 May 2018, the Company transferred its entire shareholding in Friends First Life Assurance Company Limited to its indirect subsidiary, UKLAP for a consideration of £114 million Tier 1 subordinated loan notes issued by UKLAP to the Company. The interest received from these loan notes shown in the income statement is £6 million (2018: £4 million), which includes £1 million (2018: £1 million) outstanding at the financial position date included within accrued interest.

## Notes to the financial statements continued

**28. Related party transactions (continued)****(c) Other transactions****(i) Services provided to related parties**

	2019		2018	
	Income earned in the year	Receivable at year end	Income earned in the year	Receivable at year end
	£m	£m	£m	£m
Subsidiaries	<b>2,678</b>	<b>76</b>	3,277	54
	<b>2,678</b>	<b>76</b>	3,277	54

Income earned relates to dividends received of £2,678 million (2018: £3,255 million) and pension funding income of £nil million (2018: £22 million).

The related parties' receivables are not secured and no guarantees were received in respect thereof. The receivables will be settled in accordance with normal credit terms.

**(ii) Services provided by related parties**

	2019		2018	
	Expenses incurred in the year	Payable at year end	Expenses incurred in the year	Payable at year end
	£m	£m	£m	£m
Parent	—	<b>18</b>	—	19
Subsidiaries	<b>63</b>	<b>300</b>	111	227
	<b>63</b>	<b>318</b>	111	246

Expenses incurred in the year relates to pension funding expense of £60 million (2018: £60 million) and £3 million other expenses (2018: £51 million).

The related parties' payables are not secured, and no guarantees were given in respect thereof. The payables will be settled in accordance with normal credit terms.

**(iii) Audit fees**

There were no non-audit fees paid to the Company's auditors during the year (2018: £nil). Audit fees as described in note 8 are borne by the Company's ultimate parent, Aviva plc.

**(iv) Group relief**

Transactions with Group companies for settlement of corporation tax assets and liabilities by way of group relief are described in note 19.

**(v) Dividends paid**

Dividends paid relates to an intercompany transaction of £1,450 million (2018: £2,650 million) with the Company's parent, Aviva plc.

**(d) Key management compensation**

Key management, which comprises the directors of the Company, are not remunerated directly for their services as directors of the Company and the amount of time spent performing their duties is incidental to their role across the Group. All such costs are borne by Aviva plc and are not recharged to the Company. See note 7 for details of directors' remuneration.

**(e) Ultimate parent entity**

The ultimate parent entity and controlling party, is Aviva plc, a public limited Group incorporated and domiciled in the United Kingdom. This is the parent undertaking of the smallest and largest Group to consolidate these financial statements. Copies of Aviva plc consolidated financial statements are available on application to the Group Company Secretary, Aviva plc, St Helen's, 1 Undershaft, London EC3P 3DQ, and on the Aviva plc website at [www.aviva.com](http://www.aviva.com).

**29. Subsequent events**

On 11 March 2020, the World Health Organization declared the outbreak of a strain of novel coronavirus disease, COVID-19, a global pandemic. Governments in affected areas have imposed a number of measures designed to contain the outbreak, including business closures, travel restrictions, stay at home orders and cancellations of gatherings and events. The spread of COVID-19 has resulted in an economic downturn in jurisdictions in which the Company operates and the global economy more widely, as well as causing increased volatility and declines in financial markets. If the pandemic is prolonged, or further diseases emerge that give rise to similar effects, the adverse impact on the global economy could be deepened and result in further declines in financial markets.

The Company's balance sheet exposure has been reviewed and actions are being taken to further reduce the sensitivity to economic shocks. The Company continues to maintain a positive net asset value. Since the onset of the pandemic the Company has remained operational, with key activities such as cash payments and transaction processing being maintained. Notwithstanding the Company's strong balance sheet position, deterioration in the situation could have further adverse implications arising from the impacts on financial markets, insurance exposures and operations. As the situation is rapidly evolving it is not practicable to quantify the potential financial impact of the outbreak on the Company at this stage.

On 16 July 2020 the Company completed the sale of its subsidiary company FPIL to R360 Holding Company Limited (RL360), a subsidiary of International Finance Group Limited (IFGL). Under the revised deal structure, the Company has sold a 76% shareholding in FPIL to IFGL for £259 million, of which £209 million is in cash and £50 million is in deferred cash consideration. This investment is shown as held for sale in these financial statements.

## Notes to the financial statements continued

## 30. Related undertakings

The Company's Act 2006 requires disclosure of certain information about the Company's related undertakings which is set out in this note. Related undertakings comprise direct and indirect subsidiaries, joint ventures, associates and other significant holdings.

The Company's related undertakings along with the country of incorporation, the registered address, the class of shares held and the effective percentage of equity owned at 31 December 2019 are listed below.

## (a) The direct related undertakings of the Company as at 31 December 2019 are listed below:

Name of undertaking	Registered address	Country of incorporation	Share class	% held
Aviva Asia Digital Pte. Ltd.	6 Temasek Boulevard, 29th Floor, Suntec Tower 4, Singapore, 038986, Singapore	Singapore	Ordinary shares	100
Aviva Asia Pte Ltd	6 Temasek Boulevard, 29th Floor Suntec Tower Four, Singapore, 038986, Singapore	Singapore	Ordinary shares	100
Aviva Central Services UK Limited	8 Surrey Street, Norwich, Norfolk, NR1 3NG, United Kingdom	United Kingdom	Ordinary shares	100
Aviva Europe SE	St Helen's, 1 Undershaft, London, EC3P 3DQ, United Kingdom	United Kingdom	Ordinary shares	91.667
Aviva France	80 avenue de l'Europe, 92270 Bois-Colombes, France	France	Ordinary shares	99.99
Aviva Insurance Limited	Aviva, Pitheavlis, Perth, Perthshire, PH2 0NH, United Kingdom	United Kingdom	Ordinary shares	100
Aviva International Holdings Limited	St Helen's, 1 Undershaft, London, EC3P 3DQ, United Kingdom	United Kingdom	Parent Interest	100
Aviva International Insurance Limited	St Helen's, 1 Undershaft, London, EC3P 3DQ, United Kingdom	United Kingdom	Ordinary shares	100
Aviva Investors Holdings Limited	St Helen's, 1 Undershaft, London, EC3P 3DQ, United Kingdom	United Kingdom	Ordinary shares	100
Aviva Italia Holding S.p.A	Via Scarsellini 14, 20161, Milan, Italy	Italy	Ordinary shares	100
Aviva Italia S.p.A	Via Scarsellini 14, 20161, Milan, Italy	Italy	Ordinary shares	100
Aviva Life Holdings UK Limited	Aviva, Wellington Row, York, YO90 1WR, United Kingdom	United Kingdom	Ordinary shares	100
Aviva Ltd	4 Shenton Way, # 01 - 01 SGX Centre 2, Singapore, 068807, Singapore	Singapore	Ordinary shares	100
Aviva Re Limited	Canon's Court, 22 Victoria Street, Hamilton / Bermuda, HM12, Bermuda	Bermuda	Ordinary shares	100
Aviva Towarzystwo Ubezpieczen Na Zycie S.A.	ul. Inflancka 4B, 00-189, Warsaw, Poland, Poland	Poland	Parent Interest	90
Aviva Towarzystwo Ubezpieczen Ogolnych S.A.	ul. Inflancka 4B, 00-189, Warsaw, Poland	Poland	Ordinary shares	90
CGU International Holdings BV	St Helen's, 1 Undershaft, London, EC3P 3DQ, United Kingdom	Netherlands	Ordinary shares	100
Friends Life Holdings plc	Pixham End, Dorking, Surrey, RH4 1QA, United Kingdom	United Kingdom	Ordinary shares	100
Friends Provident International Limited	Royal Court, Castletown, IM9 1RA, Isle of Man	Isle of Man	Ordinary shares	100
Undershaft Limited	St Helen's, 1 Undershaft, London, EC3P 3DQ, United Kingdom	United Kingdom	Ordinary shares	100
Wealthy Group Limited	Tec Marina Terra Nova Way, Penarth, Cardiff, Wales, CF64 1SA, United Kingdom	United Kingdom	Ordinary shares	60

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
<b>Australia</b>			<b>555 Chabanel Ouest, Bureau 900, Montreal QC H2N 2H8</b>		
<b>c/o TMF Corporate Services (Aust) Pty Ltd, 201 Elizabeth Street, Australia 2000</b>			Aviva Agency Services Inc.		
Aviva Investors Pacific Pty Ltd	Ordinary	100		Common A	100
<b>Barbados</b>			<b>Cayman Islands</b>		
<b>c/o USA Risk Group (Barbados) Ltd., 6th Floor, CGI Tower, Warrens, St. Michael, BB22026</b>			Victory Arcadia Fund		
Victoria Reinsurance Company Ltd.	Common Shares	100		OEIC	46
<b>Belgium</b>			<b>Czech Republic</b>		
<b>Cumberland House, 7<sup>th</sup> Floor, 1 Victoria Street,</b>			<b>5/482 Ve Svahu, Prague 4, 14700, Czech Republic</b>		
Parnasse Square Invest	Ordinary Shares	99	AIEREF Renewable Energy s.r.o		
<b>Bermuda</b>			<b>France</b>		
<b>The Vallis Building, No 58 Par-la-Ville Road, Hamilton HM11 Bermuda</b>			<b>3 Boulevard Saint Martin</b>		
Lend Lease JEM Partners Fund Limited	Ordinary	22	Aviva Impact Investing France		
<b>Canada</b>			Ordinary		
<b>10 Aviva Way, Suite 100, Markham On L6G 0G1</b>			100		
9543864 Canada Inc.	Common	100	<b>128 Boulevard Raspail, 75006, Paris</b>		
Aviva Canada Inc.	Voting Interest	100	UFF Oblicontext 2021-A (UFFo21A)		
Aviva General Insurance Company	Common	100	FCP		
			98		
Aviva Insurance Company of Canada	Common	100	UFF Oblicontext 2023 A (UFFo23A)		
Aviva Warranty Services Inc.	Common	100	FCP		
Bay-Mill Specialty Insurance Adjusters Inc.	Common	100	98		
Elite Insurance Company	Common	100	UFF Obligations 3-5 A		
Insurance Agent Service Inc.	Common	100	FCP		
National Home Warranty Group Inc.	Common	100	86		
Nautimax Ltd	Ordinary	100	UFF Allocation Strategies A		
OIS Ontario Insurance Service Limited	Common	100	FCP		
Pilot Insurance Company	Common	100	73		
S&Y Insurance Company	Common	100	<b>13 Rue du Moulin Bailly, 92270, Bois Colombes</b>		
			Agents 3A		
Scottish & York Insurance Co. Limited	Common Preference	100	Ordinary		
Traders General Insurance Company	Common	100	50		
Wayfarer Insurance Brokers Limited	Common	100	Aviva Assurances, Société Anonyme d'Assurances Incendie, Accidents et Risques Divers		
			Ordinary		
			100		
<b>100 King Street West, Suite 4900, Toronto On M5X 2A2</b>			<b>13, Avenue Lebrun, 92188, Antony Cedex</b>		
Aviva Investors Canada Inc.	Common	100	Pierrevenus		
			Ordinary		
			74		
<b>480 University Avenue, Suite 800, Toronto On M5G 1V2</b>			<b>14 Rue Roquépine, 75008, Paris</b>		
Prolink Limited	Common A	34	AFER - SFER		
			Ordinary		
			100		
			Global Allocation M		
			FCP		
			85		
			Aviva Investors Euro Credit Bonds ISR		
			FCP		
			100		
			Aviva Investors Euro Credit Bonds 1-3		
			FCP		
			95		
			Aviva Investors Euro Crédit Bonds 1-3 HDR		
			FCP		
			100		
			Afer Actions Amerique		
			FCP		
			100		
			Afer Actions Monde		
			FCP		
			100		
			Afer Diversifie Durable		
			FCP		
			100		
			Afer Marches Emergents Fcp		
			FCP		
			100		
			Afer Multi Foncier		
			FCP		
			100		
			Afer Oblig Monde Entreprisese		
			FCP		
			100		
			Afer Patrimoine		
			FCP		
			100		
			Afer-Flore		
			FCP		
			97		

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
Afer Actions Euro ISR	FCP	100	Aviva Multigestion	FCP	98
Afer Actions Monde	FCP	100	Aviva Oblig International	SICAV	67
Afer Avenir Senior	SICAV	100	Aviva Oblirea	Ordinary	86
After Convertibles	FCP	100	Aviva Oblirea	SICAV	97
Aviva Actions Convex	FPS	100	Aviva Patrimoine	SICAV	97
Aviva Actions Croissance	FCP	100	Aviva Performance	FCP	100
Aviva Actions Euro	FCP	100	Aviva Rebond	FCP	82
Aviva Actions Europe ISR	FCP	100	Aviva Rendement Europe	Ordinary	82
Aviva Actions France	FCP	79	Aviva Selection Opportunites	FCP	99
Aviva Amerique	FCP	100	Aviva Selection Patrimoine	FCP	98
Aviva Asie	FCP	100	Aviva Signatures Europe	FCP	100
Aviva Convertibles	Ordinary	100	Aviva Structure Index 1.	FCP	99
Aviva Conviction Opportunites	FCP	100	Aviva Structure Index 2	FCP	100
Aviva Conviction Patrimoine	FCP	100	Aviva Structure Index 4.	FIPS	100
Aviva Croissance Durable ISR	FCP	100	Aviva Structure Index5	FCP	100
Aviva Developpement	SICAV	99	Aviva Small & Mid Caps Euro ISR	FCP	100
Aviva Diversifié	SICAV	94	Aviva Valeurs Francaises	Ordinary	98
Aviva Europe	SICAV	96	Aviva Valeurs Immobilières	Ordinary	26
Aviva Flexible (AVIFLEX)	FPS	100	Aviva Valorisation Opportunite	FCP	97
Aviva Flexible Emergents A FCP	FCP	100	Aviva Valorisation Patrimoine	FCP	97
Aviva France Opportunites	FCP	91	FPE Aviva Investors Euro Corporate Senior Debts	FPE	24
Aviva Grandes Marques ISR	FCP	99	FPE Aviva Small & Midcap ASAM	FCP	100
Aviva Interoblig	FCP	100	UFF Cap Defensif	FCP	100
Aviva Investors Actions Euro	FCP	93	UFF Euro-Valeur 0-100 A	FCP	98
Aviva Investors Alpha Taux A	FCP	100	UFF Obligations 5-7 A	FCP	99
Aviva Investors Alpha Yield	FCP	96	Obligations 5-7M	FCP	81
Aviva Investors Britannia	SICAV	98	Rendement Diversifie M	FCP	96
Aviva Investors Conviction	FCP	98	UFF Rendement Diversifie A	FCP	100
Aviva Investors Euro Aggregate	FCP	75	<b>24-26 Rue De La Pépinière, 75008, Paris</b>		
Faraday	FCP	100	100 Courcelles	Ordinary	100
Aviva Investors Euro Crédit Bonds 1-3	FCP	96	AFER Immo	Ordinary	100
Aviva Investors Japon ISR	FCP	95	AFER Immo 2	Ordinary	100
Aviva Investors Portefeuille	FCP	100	Aviva Commerce Europe	Ordinary	65
Aviva Investors Reference Diversifie	FCP	100	Aviva Immo Selection	Ordinary	98
Aviva Investors Repo (avirepo)	FCP	100	Aviva Investors Real Estate France S.A.	Ordinary	100
Aviva Investors Selection	FCP	100	Aviva Investors Real Estate France SGP	Ordinary	100
Aviva Investors Valeurs	FCP	100	Aviva Patrimoine Immobilier	Ordinary	93
Aviva Investors Valeurs Europe	FCP	80	Logiprime Europe	Ordinary	92
Aviva Investors Yield Curve Abs Rt R	FCP	100	Primotel Europe	Ordinary/ Preference	99
Aviva Monetaire Isr (A)	FCP	98	SCI La Coupole Des Halles	Ordinary	98
			SCI Pergola	Ordinary	100

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
Société Civile Immobilière Thomas Edison	Ordinary	50	Uffrance Patrimoine	Ordinary	74
Société Civile Immobilière Pleyel R2	Ordinary	50	UFF Privilège A	FCP	69
Sapphire Ile de France SCI	SPV	100	Union Financière de France Banque	Ordinary	74
Aviva Investors Experimmo Propco 1	Ordinary	100	<b>36 Rue De Naples 75008 Paris</b>		
Aviva Investors Experimmo Propco 2	Ordinary	100	Uffrance Immobilier	SCI	20
<b>153, Boulevard Haussmann, 75008, Paris</b>			<b>37 Avenue des Champs Elysées, 75008, Paris</b>		
Selectus	FCP	97	Bellatrix	SICAV	99
<b>159 rue Montmartre, France 75002</b>			Betelgeuse	SICAV	92
Mamann Invest	Ordinary	100	Europe Israel Croissance	SICAV	85
SACAF	Ordinary	100	Société Française de Gestion et d'Investissement	Ordinary	67
<b>20 Place Vendome, 75001 Paris</b>			Sirius	SICAV	99
AXA Lbo Fund IV Feeder	Private Equity Fund	38	<b>41 Rue Capitaine Guynemer, 92400, Courbevoie</b>		
AXA UK Infrastructure Investment SAS	Ordinary Shares	100	Logipierre 1	Ordinary	44
Croissance Pme A.C.	FCP	100	<b>47 Rue du Faubourg Saint-Honoré, 75008, Paris</b>		
<b>29 Avenue de Messine, 75008, Paris</b>			CGU Equilibre	FCP	100
Afer Premium	SICAV	100	Aviva Selection	FCP	100
<b>32, Avenue d'Iéna, 75116 Paris</b>			Diapason 1	FCP	84
CGP Entrepreneurs	Ordinary	74	UFF Global Convertibles A	FCP	98
Aviva Capital Planete	FCP	100	UFF Oblicontext Moyen Terme A	FCP	94
UFF Grandes Marques A	FCP	99	<b>53 Avenue d'Iéna</b>		
Myria Asset Management	Ordinary	74	UFF Valeurs Pme-A (Fintrma)	FCP	98
UFF Selection Alpha-A (Ufselaa)	FCP	98	<b>59 Avenue Pierre Mendes, France 75013, Paris</b>		
UFF Actions France-Aeur (UFFacfa)	FCP	99	Aviva La Fabrique Impact ISR	FCP	100
UFF Allocation Optimum	FCP	98	<b>7 Rue Auber, 75009, Paris</b>		
UFF Cap Diversifie (UCAPDIV)	FCP	50	Vip Conseils	Ordinary	34
UFF Capital Planete A (Aviufcp)	FCP	98	<b>70 Avenue De L'Europe, 92270 Bois-Colombes</b>		
UFF Croissance Pme A (Ucapcro)	FCP	100	Aviva Epargne Retraite	Ordinary	100
UFF Emergence-A (UFFemga)	FCP	99	Aviva France Ventures	Ordinary	100
UFF Europe Opportunités-Aeur (UFFgeua)	FCP	99	Aviva Investissements	Ordinary	100
UFF Euro Valeur A	FCP	100	Aviva Retraite Professionnelle	Ordinary	100
UFF Global Allocation A	FCP	100	Aviva Vie, Société Anonyme d'Assurances Vie et de Capitalisation	Ordinary	100
UFF Global Foncières-A (Ufgf70A)	FCP	98	Epargne Actuelle	Ordinary	100
UFF Global Multi-Strategie-A (Ufglmsa)	FCP	99	Newco 5	Ordinary	100
UFF Global Obligations-A (Ufgf30A)	FCP	95	Newco 6	Ordinary	100
UFF Global Reactif-A (Ufgf10A)	FCP	95	SCI Pesaro	Ordinary	79
UFF Selection Premium A (Uavfran)	FCP	98	Carpe Diem Société Civile Immobilière	Ordinary	50
Uffrance Gestion	Ordinary	74	Societe Civile Immobiliere Charles Hermite	Ordinary	56

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
Societe Civile Immobiliere Montaigne	Ordinary	92	<b>Max-Planck-Strasse, 3,85609 Ascheim-Dornach, Germany</b>		
Zelmis	Ordinary	100	ASF German Retail GmbH & Co KG	KG	98
Aviva Developpement Vie	Ordinary	100	German Retail I GmbH	SPV	98
<b>80 Avenue De L'Europe, 92270 Bois-Colombes</b>			German Retail II GmbH	SPV	98
Aviva Solutions	Ordinary	100	German Retail III GmbH	SPV	98
Croissance Pierre II	Ordinary	100	German Retail Investment Properties Sarl	SPV	98
Groupement D'Interet Economique du Groupe Aviva France	Ordinary	100	German Retail IV GmbH	SPV	98
Locamat SAS	Ordinary	100	German Retail IX GmbH	SPV	98
Newco	Ordinary	100	German Retail V GmbH	SPV	98
Selectinvie - Societe Civile Immobiliere	Ordinary	100	German Retail VII GmbH	SPV	98
Selectipierre - Société Civile	Ordinary	95	German Retail VIII GmbH	SPV	98
Societe Concessionnaire des Immeubles de la Pepiniere	Ordinary	100	Sachsenfonds GmbH	SPV	98
Victoire Immo 1- Société Civile	Ordinary	100	Eschenheimer Anlage 1, 60315 Frankfurt		
Voltaire S.A.S	Ordinary	100	Reschop Carre Hattingen GmbH	SPV	95
<b>90 Boulevard Pasteur, 75015, Paris</b>			Reschop Carre Marketing GmbH	SPV	100
Aviva Actions S2 C.	FCP	100	<b>Guernsey</b>		
Aviva Couverture Actions	FPS	100	<b>PO Box 255, Trafalgar Court, Les Banques, St. Peter Port, GY1 3QL</b>		
<b>91-93 Boulevard Pasteur, 75015, Paris</b>			AXA Property Trust Ltd	Ordinary	28
SCI Campus Medicis St Denis	Ordinary	30	BMO Commercial Property Trust Ltd	Ordinary	47
SCI Campus Rimbaud St Denis	Ordinary	30	<b>PO Box 34, St Martin's House, Le Bordage, Guernsey CY1 4AU</b>		
<b>9 Rue Newton, 75116 Paris</b>			Paragon Insurance Company Guernsey Limited	Ordinary	46
Pretons Ensemble	FPS	30	<b>Marlborough International Management Limited, First Floor, Tudor House, Le Bordage, St Peter Port, Guernsey, Channel Islands GY1 1 DB</b>		
Pretons Ensemble 2	FPS	30	Marlborough International Fund PCC Limited re: Marlborough Balanced Cell	OEIC	27
<b>1 Boulevard Haussman, 75009 Paris</b>			<b>PO Box 287, 4th Floor, West Wing, Trafalgar Court, Admiral Park</b>		
Afer Actions PME	FCP	100	WSF Asian Pacific Fund	OEIC	33
Aviva Investors Euro Commercial Real Estate Debt II	FCT	34	<b>Hong Kong</b>		
Aviva Perspective 2021-2025	FCP	100	<b>21st Floor, Chater House, 8 Connaught Road Central</b>		
Aviva Perspective 2026-2030	FCP	100	JPMorgan Indonesia Fund	Unit Trust	37
Aviva Perspective 2031-2035	FCP	100	<b>30/F, One Kowloon, 1 Wang Yuen Street, Kowloon Bay, Hong Kong</b>		
Aviva Perspective 2036-2040	FCP	100	Aviva Life Insurance Company Limited	Ordinary	40
<b>Germany</b>			<b>India</b>		
<b>c/o Wswp Weinert GmbH, Theatinerstr. 31, 80333, Munich</b>			<b>2nd Floor, Prakash Deep Building 7, Tolstoy Marg, New Delhi, Delhi, 110001</b>		
FPB Holdings GmbH	Series A Shares, Series B Shares	100	Aviva Life Insurance Company India Limited	Ordinary	49
<b>Speditionstrasse 23, Germany 40221</b>			<b>A-47 (L.G.F), Hauz Khas, New Delhi, Delhi</b>		
Projektgesellschaft Hafenspitze	Ordinary	94	Sesame Group India Private Limited	Ordinary	100

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
<b>Pune Office Addresses 103/P3, Pentagon, Magarpatta City, Hadapsar, Pune - 411013</b>			Peak Re Designated Activity Company		
A.G.S. Customer Services (India) Private Limited	Ordinary	100	Ordinary		100
<b>Indonesia</b>			<b>Charlotte House, Charlemount Street</b>		
<b>Pondok Indah Office Tower 3, 1st Floor, Jl. Sultan Iskandar Muda Kav. V-TA, Pondok Indah, Jakarta Selatan, Jakarta, 12310</b>			Mercer Diversified Retirement Fund		
PT Astra Aviva Life	Ordinary	50	OEIC		26
<b>Ireland</b>			Mercer Multi Asset Defensive Fund		
<b>25/28 North Wall Quay, Dublin</b>			Mercer Multi Asset Growth Fund		
Aviva Investors Euro Liquidity Fund	Liquidity Fund	95	OEIC		37
Aviva Investors Sterling Government Liquidity Fund	Liquidity Fund	94	OEIC		33
Aviva Investors Sterling Liquidity Fund	Liquidity Fund	77	OEIC		24
Aviva Investors Sterling Liquidity Plus Fund	Liquidity Fund	78	OEIC		46
<b>Georges Court, 54-62 Townsend Street, Dublin 2</b>			<b>3rd Floor, 2 Harbourmaster Place, IFSC</b>		
FPPE Fund Public Limited Company	Shares Of No Par Value Shares, 1 Subscriber Euro €1 Shares	100	KBI Institutional Fund ICAV - KBI Institutional Eurozone Equity Fund		
EM LC Gov Bond Index Fund (B14)	OEIC	23	OEIC		37
GAM Fund Management Limited, "George Court, 54-62 Townsend Street"	OEIC	23	<b>Behan House 10 Mount Street Lower Dublin 2, Ireland</b>		
<b>Guild House, Guild Street, IFRS, Dublin 1</b>			CALM Eurozone Equity Sub Fund		
Aviva Irl Merrion Exempt Trust - Managed Fund	Unit Trust	60	OEIC		99
Aviva Irl Merrion Multi Asset 30	Unit Trust	100	AG10 Currency Fund		
Aviva Irl Merrion Multi Asset 50	Unit Trust	100	OEIC		95
<b>One Park Place, Hatch Street, Dublin 2</b>			<b>78 Sir John Rogersons Quay Dublin 2 Ireland</b>		
Area Life International Assurance dac	A Shares, B Shares	100	State Street IUT Balanced Fund S30		
Aviva DB Trustee Company Ireland Designated Activity Company	Ordinary	92	Unit Trust		31
Aviva DC Trustee Company Designated Activity Company	Ordinary	92	Russell Investment Company Plc - Acadian Multi-Asset Absolute Return UCITS		
Aviva Direct Ireland Limited	Ordinary	100	OEIC		28
Aviva Driving School Ireland Limited	Ordinary	100	SSgA GRU Euro Index Equity Fund		
Aviva Group Services Ireland Limited	Ordinary	92	Unit Trust		46
Aviva Insurance Ireland Designated Activity Company	Ordinary	100	<b>One Coleman Street, London EC2R 5AA</b>		
Aviva Life & Pensions Ireland Designated Activity Company	Ordinary	100	Legal & General ICAV - L&G World Equity Index Fund		
Aviva Life Services Ireland Limited	Ordinary	92	OEIC		64
			Legal & General ICAV - L&G Multi-Index EUR V Fund		
			OEIC		100
			Legal & General ICAV - L&G Multi-Index EUR IV Fund		
			OEIC		100
			Legal & General ICAV - L&G Multi-Index EUR III Fund		
			OEIC		100
			<b>Friends First House Cherrywood Science &amp; Technology Park Loughlinstown, Co. Dublin Ireland</b>		
			Ashtown Management Company Limited		
			Ordinary		50
			Friends First US Property Company Limited		
			Ordinary		100
			<b>1211 Avenue of the Americas (Proxy)</b>		
			Annaly Credit Opportunities Ireland ICAV		
			Alternative Investment		100
			<b>2nd Floor, IFSC House, Int'l Financial Services Centre, Custom House Docks</b>		
			Barings International Umbrella Fund - Barings International Bond Fund		
			Unit Trust		26

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
<b>1 Custom House Plaza, IFSC</b>			11-12 Hanover Square UT	Unit Trust	50
Blackrock Emerging markets Bond Hard Currency Fam Fund	OEIC	23	130 Fenchurch Street UT	Unit Trust	50
Eurizon Flexible Equity Strategy FAM Fd	OEIC	26	30-31 Golden Square UT	Unit Trust	50
JP Morgan European Equity FAM Fund	OEIC	28	Barratt House UT	Unit Trust	50
Nordea Stable Performance FAM Fd	OEIC	21	Chancery House Unit Trust	Unit Trust	50
Vontobel Global Equity FAM Fd	OEIC	22	Irongate House UT	Unit Trust	50
<b>JP Morgan House, International Financial Services Centre</b>			New Broad Street House UT	Unit Trust	50
BlackRock Index Selection Fund Market Advantage Strategy	Unit Trust	27	Pegasus House and Nuffield House UT	Unit Trust	50
<b>Trafalgar Court, Admiral Park</b>			W Nine Unit Trust	Unit Trust	50
CGWM Affinity Fund	OEIC	36	<b>3rd Floor Walker House, 28-34 Hill Street, St Helier, JE4 8PN</b>		
CGWM Diversity Fund	OEIC	25	1 Fitzroy Place Jersey Unit Trust	Unit Trust	50
CGWM Opportunity Fund	OEIC	45	2 Fitzroy Place Jersey Unit Trust	Unit Trust	50
<b>13-18 City Quay, Ireland</b>			<b>Lime Grove House , Green Street, St Helier, JE1 2ST</b>		
Friends First Managed Pensions Funds Designated Activity Company	Ordinary	100	20 Gracechurch Unit Trust	Unit Trust	100
<b>25 Cabot Square, Canary Wharf</b>			Designer Retail Outlet Centres Unit Trust	Unit Trust	97
FundLogic Alternatives plc	OEIC	30	COW Real Estate Investment Unit Trust	Unit Trust	100
<b>MDO Management Company SA, 19 rue de Bitbourg</b>			Quantum Unit Trust	Unit Trust	50
Kensington Diversified Balanced Fund	OEIC	20	Southgate Unit Trust	Unit Trust	50
Kensington Diversified Growth Fund	OEIC	27	The Designer Outlet Centres (Mansfield) Unit Trust	Unit Trust	97
<b>One Iron Street</b>			The Designer Outlet Centres (York) Unit Trust	Unit Trust	97
SPDR FTSE EPRA Europe ex UK Real Estate UCITS ETF	OIEC	24	The Designer Retail Outlet Centres Unit Trust	Unit Trust	97
<b>3rd Floor, 2 Harbourmaster, IFSC</b>			<b>3rd Floor, One The Esplanade, Jersey, JE2 3QA</b>		
KBI Institutional Fund ICAV - KBI Institutional Eurozone Equity Fund	OEIC	36	Crieff Road Limited	Ordinary Shares	100
<b>Isle of Man</b>			FF UK Select Limited	Ordinary Shares	100
<b>Royal Court, Castletown, IM9 1RA</b>			<b>Lithuania</b>		
Friends Provident International Services Limited	Ordinary Shares	100	<b>Lvovo g. 25, Vilnius, LT-09320</b>		
<b>Italy</b>			Uþdaroji akcinė gyvybės draudimo ir pensijø bendrovė "Aviva Lietuva" (Joint Stock Limited Life Insurance and Pension Company Aviva Lietuva)		
<b>Piazzetta Guastalla 1, 20122, Milan</b>			Ordinary Shares	90	
Banca Network Investimenti SPA	Ordinary	25	<b>Luxembourg</b>		
<b>Via Scarsellini 14, 20161, Milan</b>			<b>15 Rue du Fort Bourbon, L-1249</b>		
Aviva Italia Servizi Scarl	Ordinary	36	Aviva Investors European Secondary Infrastructure Credit SV S.A	Ordinary	67
Aviva Life SPA	Ordinary	100	<b>16 Avenue de la Gare, 1610</b>		
Aviva SPA	Ordinary	50	Aviva Investors Luxembourg Services S.a.r.l	Ordinary	100
<b>Milano, Piazza Lina Bo Bardi n. 3</b>			AFRP Sarl	SARL	100
Aviva Immobiliare	Real Estate Fund	100	Aviva Investors European Renewable Energy SA	SA	100
<b>Jersey</b>			Victor Hugo 1 Sarl	Sarl	100
<b>19-21 Broad Street, St Helier, JE1 3PB</b>			Aviva Investors Polish Retail S.à r.l.	Ordinary	100
			MPS L14 Sarl	Unit Trust	100

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
<b>2 rue Edward Steichen, L - 2540, Luxembourg, LU</b>			Aviva Investors European Corporate Bond Fund	SICAV	64
VAM Managed Funds (Lux) - VAM Balanced Fund	SICAV	53	Aviva Investors Emerging Markets Equity Small Cap Fund	SICAV	85
VAM Managed Funds (Lux) -International Real Estate Equity Fund	SICAV	34	Aviva Investors Emerging Markets Bond Fund	SICAV	82
<b>1c Rue Gabriel Lippmann, L -5365, Munsbach, LU</b>			Aviva Investors Emerging Corporate Bond Fund	SICAV	84
Patriarch Classic B&W Global Freestyle	FCP	31	Aviva Investors Emerging Equity Income Fund	SICAV	99
<b>2 Boulevard de la Foire, L-1528</b>			Aviva Investors Emerging Markets Local Currency Bond Fund	SICAV	90
Pramerica Pan-European Real Estate Fund	Ordinary Shares	76	Aviva Investors European Equity Fund	SICAV	67
<b>2 Rue de Bitbourg, L-1273</b>			Aviva Investors Equity Income Fund	SICAV	100
Janus Henderson Horizon - European Growth Fund	SICAV	32	Aviva Investors European Real Estate Securities Fund	SICAV	66
<b>2 Rue du Fort Bourbon, L-1249 Luxembourg, Grand Duchy of Luxembourg</b>			Aviva Investors Global Aggregate Bond Fund	SICAV	96
AFRP Sarl	SARL	100	Aviva Investors Global Convertibles Absolute Return Fund	SICAV	77
AIEREF Holdings 1 Sarl	SARL	44	Aviva Investors Global Convertibles Fund	SICAV	76
AIEREF Holdings 2 Sarl	Sarl	100	Aviva Investors Global Emerging Markets Equity Unconstrained Fund	SICAV	100
Aviva Investors Alternative Income Solutions General Partner Sarl	Sarl	100	Aviva Investors Global Emerging Markets Index Fund	SICAV	89
Aviva Investors Alternative Income Solutions Investment SA	Fund	100	Aviva Investors Global Equity Endurance Fund	SICAV	99
Centaurus CER (Aviva Investors) Sarl	Sarl	100	Aviva Investors Global Equality Unconstrained Fund	SICAV	100
EP Megaron GmbH & Co KG	KG	100	Aviva Investors Global High Yield Bond Fund	SICAV	68
EP Megaron GP GmbH	GmbH	100	Aviva Investors Global Investment Grade Corporate Bond Fund	SICAV	88
EP Megaron Holding Sarl	Sarl	100	Aviva Investors Investment Solutions Emerging Markets Debt Fund	SICAV	100
European Properties Sarl	Sarl	98	Aviva Investors Luxembourg	Ordinary	100
Sapphire Ile de France 1 Sarl	Sarl	100	Aviva Investors Multi-Strategy Fixed Income Fund	SICAV	29
Sapphire Ile de France 2 Sarl	Sarl	100	Aviva Investors Multi-strategy Target Income Fund	SICAV	75
Aviva Investors Perpetual Capital	Alternative Investment Fund	50	Aviva Investors Multi-strategy Target Return Fund	SICAV	48
Aviva Investors Alternative Income Solutions SCSp	SARL	55	Aviva Investors Short Duration Global High Yield Bond Fund	SICAV	41
Aviva Investors Alternative, FCP-RAIF	RAIF	57	Aviva Investors Sustainable Income & Growth Fund	SICAV	98
Aviva Investors Asian Equity Income Fund	SICAV	99	Aviva Investors UK Equity Focus Fund	SICAV	94
Aviva Investors Cells Fund	Alternative Investment	100	Aviva Investors US Equity Income Fund	SICAV	68
Aviva Investors CELLS Danone Sarl	GP	100	German Retail Investment Property Fund	FCP	98
Aviva Investors CELLS Holdings	Sarl	100	Hexagone.S.a.r.l	SICAV	100
Aviva Investors CELLS Stern Sarl	Sarl	100	<b>3 Rue des Labours, L-1912</b>		
Aviva Investors CELLS SCSp	SCSp	100	Haspa Trendkonzept	FCP	55
Aviva Investors EBC Sarl	Sarl	100	<b>42 Rue de la Vallée, L-2661, Luxembourg LU</b>		
Aviva Investors Climate Transition Equity Fund	SICAV	99	World Investment Opportunities Funds - China Performance Fund	SICAV	35

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
World Investment Funds - India Performance Fund	SICAV	34	Invesco Funds - Invesco Global Opportunities Fund	SICAV	30
<b>46a Avenue John F Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg</b>			Invesco Funds - Invesco UK Equity Fund	SICAV	36
Centaurus CER (Aviva Investors) Sarl	Sarl	100	Invesco Funds - Invesco US Fund	SICAV	42
EPI NU Sarl	Sarl	100	<b>562 rue de Neudorf, L - 2220 Luxembourg LU</b>		
<b>47 Avenue John F Kennedy, L-1855 Luxembourg</b>			Nordea 1 - Swedish Bond Fund	SICAV	32
Goodman European Business Park Fund (Lux) S.à.r.l.	SARL	50	Nordea 1 - Swedish Short-Term Bond Fund	SICAV	32
<b>49 Avenue J-F Kennedy, L-1855, Luxembourg LU</b>			<b>11 rue Aldringen, L1118, Luxembourg LU</b>		
BMO European Growth & Income Fund	SICAV	100	KMG Sicav - SIF Devere Global Frontier Markets Fund	SICAV	22
BMO Diversified Growth Fund	SICAV	90	KMG Sicav - SIF Devere Medical Opportunities Fund	SICAV	20
BMO Global Total Return Bond Fund	SICAV	63	<b>6 H route de Treves, L - 2633, Senningerberg, LUK</b>		
<b>2 Boulevard Konrad Adenauer, L-1115, Luxembourg</b>			Momentum Global Funds Harmony Portfolios Asian Growth Fund	SICAV	20
Aviva Infrastructure Debt Europe SA	Fund	100	Momentum Global Funds Harmony Portfolios Euro Diversified Fund	SICAV	24
DWS Global Aribusiness	FCP	20	<b>6 Route de Treves, L - 2633, Senningerberg, LU</b>		
Xtrackers II Eurozone Government Bond 15-30 UCITS ETF	SICAV	27	JPMorgan Funds - USD Money Market VNAV Fund	SICAV	24
<b>5, Allée Scheffer, L-2520</b>			<b>Malta</b>		
Pramerica Pan-European Real Estate Fund	Alternative Investment Fund	59	<b>Central North Business Centre, Level 1, Sqaq il-Fawwara, Sliema (Proxy)</b>		
Pramerica Pan-European Estate Fund II	Alternative Investment Fund	25	Herakles	Alternative Investment Fund	47
Tikehau Italy Retail Fund II Scsp-Area12	Alternative Investment Fund	20	Herakles II	Alternative Investment Fund	100
Tikehau Senior Loans III	Alternative Investment Fund	20	<b>Mauritius</b>		
<b>5 rue Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg</b>			<b>4th Floor, Raffles Tower, 19 Cybercity, Ebene</b>		
The Jupiter Global Fund - Jupiter Financial Innovation	SICAV	26	Reliance Emergent India Fund	OEIC	88
<b>2C rue Albert Borschette, L-1246, Luxembourg</b>			<b>Norway</b>		
AQR Systematic Total Return Fund II	SICAV	62	<b>Tollbugate 27,0157 Oslo Norway</b>		
<b>4 Rue Albert Borschette, 1246 Luxembourg</b>			Aviva Investors CELLS Norway AS	AS	100
Negentropy - Debt Select Fund	Alternative Investment Fund	32	Aviva CELLS Norway Holding AS	AS	100
<b>14 Porte de France</b>			Kongsgard Alle 20 AS	AS	100
Aviva Investors Cells Fund	Alternative Investment Fund	64	<b>Poland</b>		
<b>15 rue du Bourbon, L-1249 Luxembourg, Grand Duchy of Luxembourg</b>			<b>Inflancka 4b, 00-189 Warszawa</b>		
Aviva Investors European Secondary Infrastructure Credit SV S.A	Fund	68	AdRate Sp z.o.o	Ordinary	90
<b>2-4 Rue, Eugene Ruppert - 2453, Luxembourg LU</b>			Aviva Investors FIO Aktywnej Alokacji	UCITS	23
Invesco Funds - Invesco Emerging Markets Equity Fund	SICAV	28	Aviva Investors Fio Depozyt Plus	UCITS	42
Invesco Funds - Invesco Global Care Fund	SICAV	35	Aviva Investors Fio Malych Spolek	UCITS	68

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
Aviva Investors Fio Nowoczesnych Technologii	UCITS	79	<b>Singapore</b>		
Aviva Investors Fio Obligacji	UCITS	79	<b>12 Marina View, #18-02 Asia Square Tower 2, 018961</b>		
Aviva Investors Fio Polskich Akcji	UCITS	57	Nikko AM Shenton Asia Pacific Fund	Unit Trust	66
Aviva Investors Sfio Akcyjny	Non UCITS	100	Nikko AM Shenton Income Fund	Unit Trust	53
Aviva Investors Sfio Aviva Lokacyjny	Non UCITS	71	<b>Nikko AM Shenton Global Green Bond Fund</b>	Unit Trust	45
Aviva Investors Sfio Dlugy	Non UCITS	100	<b>4 Shenton Way, #01-01 SGX Centre 2, Singapore, 068807</b>		
Aviva Investors Sfio Dlugy Spotek	Non UCITS	100	Navigator Investment Services Limited	Ordinary	100
Aviva Investors Sfio Pap Nieskarbowych	Non UCITS	99	<b>6 Shenton Way, #09-08, OUE Downtown, 068809</b>		
Aviva Investors Sfio Pieniezny	Non UCITS	100	Professional Advisory Holdings Ltd.	Ordinary A	92
Aviva Investors Sfio Spolek Dywidend	Non UCITS	100	Professional Investment Advisory Services Pte Ltd	Ordinary A	92
Aviva Services Spolka z ograniczona odpowiedzialnoscia	Non UCITS	90	<b>1 Raffles Quay #27-13 South Tower 4, Singapore 048583</b>		
Expander Advisors Sp z.o.o	Ordinary	90	Aviva Investors Asia Pte Limited	Ordinary	100
Life Plus Sp z.o.o	Ordinary	90	<b>6 Temasek Boulevard, #29-00, Suntec Tower 4, 038986</b>		
Aviva Poland Towarzystwo Funduszy Investycyjnych SA	Ordinary	95	Aviva Financial Advisers Pte. Ltd	Ordinary	100
Aviva Powszenchne Towarzystwo Emerytaine Aviva Santander SA	Ordinary	81	Aviva Global Services (Management Services) Private Ltd.	Ordinary	100
Santander Aviva Towarzystwo Ubezpieczen na Zycie Spolka Akcyjna	Ordinary	51	<b>Spain</b>		
Santander Aviva Towarzystwo Ubezpieczen Spolka Akcyjna	Ordinary	51	<b>Avda Andalucia, 10-12, Malaga</b>		
Porowneo.pl Sp z.o.o	Ordinary	90	Ahorro Andaluz, S.A	Ordinary	46
Aviva Sfio Subfundusz Aviva Oszczednosciowy	Non UCITS (AIF)	100	<b>Avda de Bruselas - Numero 13, Edificio, America, Piso 1, Puerto d, Alcobendas 28-Madrid</b>		
Aviva Spolka z ograniczona odpowiedzialnoscia	Ordinary	90	Eolica Almatret SL	SPV	45
<b>Prosta 69 Poland 00-383</b>			<b>Nanclares de Oca, numero 1-B Spain 28022</b>		
Proowneo.pl Sp zoo	Ordinary	90	San Ramon Hoteles	Ordinary	100
<b>AI Jana Powla</b>			Todo Real Est Investments	Ordinary	100
Focus Mall Zielona Gora Sp Zoo	SPV	100	<b>Switzerland</b>		
Focus Park Piotrkow Trybunalski Sp zoo	SPV	100	<b>Stockerstrasse, 38 8002 , Zurich</b>		
Wroclaw BC Sp Zoo	SPV	100	Aviva Investors Schweiz GmbH	Interest	100
<b>Saudi Arabia</b>			<b>Turkey</b>		
<b>Riyad Capital, 6775 Takhassusi Street - Olaya, Riyadh 12331 - 3712</b>			<b>Saray Mah., Adnan Büyüjdeniz Cad. No:12 34768 Umraniye, Istanbul</b>		
Riyad Al Jarei Fund (SAR)	Mutual Fund	28	AvivaSA Emeklilik ve Hayat	Ordinary	40
Riyad Al Jarei Sharia Fund (SAR)	Mutual Fund	67	<b>United Kingdom</b>		
Riyad Al Mutahafedh Sharia Fund (SAR)	Mutual Fund	89	<b>No 1 Dorset Street, Southampton, Hampshire SO15 2DP</b>		
Riyad Al Mutawazen Sharia Fund (SAR)	Mutual Fund	80	Mill NU Properties Limited	Ordinary A	100
Riyad Al Shujia'a Fund (SAR)	Mutual Fund	22	Building a Future (Newham Schools) Limited	Ltd	100
Riyad Al Shujia'a Sharia Fund	Mutual Fund	90	NU Local Care Centres (Bradford) Limited	Ordinary	100
			NU Local Care Centres (Chichester No.1) Limited	Ordinary	100

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
NU Local Care Centres (Chichester No.2) Limited	Ordinary	100	Tenet Business Solutions Limited	Ordinary	47
NU Local Care Centres (Chichester No.3) Limited	Ordinary	100	Tenet Client Services Limited	Ordinary	47
NU Local Care Centres (Chichester No.4) Limited	Ordinary	100	Tenet Financial Services Limited	A Ordinary Redeemable	37
NU Local Care Centres (Chichester No.5) Limited	Ordinary	100	Tenet Group Limited	Ordinary B	47
NU Local Care Centres (Chichester No.6) Limited	Ordinary	100	Tenet Limited	Ordinary	47
<b>Argyll House, All Saints Passage, London SW18</b>			Tenet Platform Services Limited	Ordinary A	47
Freertricity Southeast Limited	Ordinary	100	TenetConnect Limited	Ordinary	47
<b>Centrium 1, Griffiths Way St Albans, United Kingdom, AL1 2RD</b>			TenetConnect Services Limited	Ordinary	47
Opal (UK) Holdings Limited	Ordinary	28	TenetFinancial Solutions Limited	Ordinary	47
Opal Information Systems Limited	Ordinary	28	TenetLime Limited	Ordinary	47
Outsourced Professional Administration Limited	Ordinary	28	TenetSelect Limited	Ordinary	47
Synergy Financial Products Limited	Ordinary	28	<b>5 Old Broad Street, London EC2N 1A</b>		
<b>29 Queen Anne's Gate, London SW1H 9BU</b>			Architas Multi-Manager Diversified Protector 70	OEIC	50
LF Bentley Global Growth	OEIC	58	Architas Multi-Manager Diversified Protector 80	OEIC	37
LF Bentley Sterling Balanced Fund	OEIC	33	<b>50 Stratton Street, London, W1J 8LL</b>		
<b>30 Finsbury Square, London, EC2P 2YU</b>			Lazard Multicap UK Income Fund	OEIC	50
The Designer Retail Outlet Centres (General Partners) Limited	GP	50	<b>7 Lochside View, Edinburgh, EH12 9DH</b>		
<b>42 Dingwall Road, Croydon, Surrey, CR0 2NE</b>			Origo Services Limited	Ordinary	22
Health & Case Management Limited	Ordinary Preference	25	<b>7 Newgate Street, EC1A 7NX</b>		
Ballard Investment Company Limited	Ordinary	25	AXA Ethical Distribution Fund	OEIC	32
<b>4th Floor, New London House, 6 London Street, London, EC3R 7LP</b>			AXA Rosenberg American Fund	OEIC	89
Polaris U.K. Limited	Ordinary	39	AXA Rosenberg Asia Pacific Ex Japan Fund	OEIC	97
<b>The Green Easter Park, Benyon Road, Reading RG7 2PQ</b>			AXA Rosenberg Global Fund	OEIC	88
Homesun 2 Limited	Ordinary	100	AXA Rosenberg Japan Fund	OEIC	95
Homesun 3 Limited	Ordinary	100	<b>8 Surrey Street, Norwich, Norfolk, NR1 3NG</b>		
Homesun 4 Limited	Ordinary	100	Aviva Consumer Products UK Limited	Ordinary	100
Homesun 5 Limited	Ordinary	100	Aviva Health UK Limited	Ordinary	100
Homesun Limited	Ordinary	100	Aviva Insurance UK Limited	Ordinary	100
Anesco Mid Devon Limited	Ordinary	100	Aviva UKGI Investments Limited	Ordinary	100
Anesco South West Limited	Ordinary	100	Gresham Insurance Company Limited	Ordinary	100
Free Solar (Stage 1) Limited	Ordinary	100	Healthcare Purchasing Alliance Limited	Ordinary A	50
New Energy Residential Solar Limited	Ordinary	100	London and Edinburgh Insurance Company Limited	Ordinary	100
Norton Energy SLS Limited	Ordinary	100	RAC Pension Trustees Limited	Ordinary	100
TGHC Limited	Ordinary	100	Solus (London) Limited	Ordinary	100
<b>5 Lister Hill, Horsforth, Leeds, LS18 5AZ</b>			Synergy Sunrise (Broadlands) Limited	Ordinary	100
Aspire Financial Management Limited	Ordinary	47	<b>East Farmhouse, Cams Hall Estate, Fareham, PO16 8UT</b>		
Living in Retirement Limited	Ordinary	47	IQUO Limited	Ordinary A Shares	67
			<b>Exchange House, Primrose Street, EC2A 2HS</b>		

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
BMO Emerging Markets Equity Fund	OEIC	35	Gateway Specialist Advice Services Limited	Ordinary	100
BMO MM Navigator Balanced Fund	OEIC	20	London and Manchester Group Limited	Ordinary	100
BMO Global Total Return Bond (GBP Hdg) Fund	Private Equity	30	Premier Mortgage Service Limited	Ordinary	100
<b>Calton Square, 1 Greenside Row</b>			SB Loan Administration Limited	Ordinary	100
Baillie Gifford Investment Funds II ICVC-Baillie Gifford UK Equity Core Fuynd	OEIC	20	Sesame Bankhall Group Limited	Ordinary	100
<b>12 Throgmorton Avenue</b>			Sesame Bankhall Valuation Services Limited	Ordinary A	75
BlackRock Market Advantage Fund	Unit Trust	32	Sesame General Insurance Services Limited	Ordinary	100
<b>Pitheavlis, Perth, Perthshire, PH2 0NH</b>			Sesame Limited	Ordinary	100
Aviva Investors Private Equity Programme 2008 Partnership	LP	40	Sesame Regulatory Services Limited	Ordinary	100
Aviva (Peak No.1) UK Limited	Ordinary	100	Sesame Services Limited	Ordinary A	100
Aviva Investors (FP) Limited	Ordinary	100	Suntrust Limited	Ordinary	100
Aviva Investors (FP) LP	LP	100	Undershaft FAL Limited	Ordinary	100
General Accident plc	Ordinary	100	Undershaft FPLLA Limited	Ordinary	100
Aviva Investors (GP) Scotland Limited	GP	100	Undershaft SLPM Limited	Ordinary	100
<b>Pixham End, Dorking, Surrey, RH4 1QA</b>			Wealth Limited	Ordinary	100
Aviva Administration Limited	Ordinary	100	<b>St Helen's, 1 Undershaft, London, EC3P 3DQ</b>		
Aviva Investment Solutions UK Limited	Ordinary	100	1 Fitzroy Place Limited	LP	50
Aviva Management Services UK Limited	Ordinary	100	1 Liverpool Street General Partner Limited	GP	100
Bankhall Support Services Limited	Ordinary	100	1 Liverpool Street Nominee 1 Limited	Ordinary	100
Friends AEL Trustees Limited	Ordinary	100	1 Liverpool Street Nominee 2 Limited	Ordinary	100
Friends AELLAS Limited	Ordinary	100	10-11 GNS Limited (Great Newport Street)	Ordinary	100
Friends AELRIS Limited	£1 Stock	100	11-12 Hanover Square LP	LP	50
Friends Life and Pensions Limited	Ordinary	100	11-12 Hanover Square Nominee 1 Limited	Nominee	50
Friends Life Assurance Society Limited	Ordinary	100	11-12 Hanover Square Nominee 2 Limited	Nominee	50
Friends Life Company Limited	Ordinary	100	130 Fenchurch Street General Partner Limited	GP	50
Friends Life Distribution Limited	Ordinary	100	130 Fenchurch Street Nominee 1 Limited	Nominee	50
Friends Life FPG Limited	Ordinary	100	130 Fenchurch Street LP	LP	50
Friends Life FPL Limited	Ordinary	100	130 Fenchurch Street Nominee 2 Limited	Nominee	50
Friends Life FPLMA Limited	Ordinary	100	1-5 Lowndes Square Management Company Limited	Ordinary	100
Friends Life Limited	Ordinary	100	2 Fitzroy Place Limited Partnership	LP	100
Friends Life WL Limited	Ordinary	100	20 Lowndes Square Management Company Limited	Ltd	50
Friends Provident Distribution Holdings Limited	Ordinary	100	20 Gracechurch (General Partner) Limited	GP	100
Friends Provident Investment Holdings Limited	Ordinary A	100	20 Gracechurch Limited Partnership	LP	100
Friends Provident Life Assurance Limited	Ordinary	100	2-10 Mortimer Street (GP No1) Limited	GP	50
Friends Provident Managed Pension Funds Limited	Ordinary	100	2-10 Mortimer Street GP Limited	GP	50
Friends SL Nominees Limited	Ordinary	100	2-10 Mortimer Street GP Limited	Limited Partnership	50
Friends SLUA Limited	Ordinary	100	30 Station Road Nominee 1 Limited	Ordinary	50

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
30 Station Road Nominee 2 Limited	Ordinary	50	Aviva Investors Polish Retail Limited Partnership	LP	100
30 Station Road Unit Trust - Closed Ended Fund	Unit Trust	50	Aviva Investors Property Fund Management Limited	Ordinary	100
30 Warwick Street LP	LP	50	Ascot Real Estate Investments LP	Limited Partnership	50
30 Warwick Street Nominee 1 Limited	Nominee	50	Ascot Real Estate Investments GP LLP	Limited Partnership	50
30 Warwick Street Nominee 2 Limited	Nominee	50	Aviva Group Holdings Limited	Ordinary	100
30-31 Golden Square Nominee LP	LP	50	Aviva Staff Pension Trustee Limited	Ordinary	100
30-31 Golden Square Nominee 1 Ltd	Nominee	50	Aviva Brands Limited	Ordinary	100
30-31 Golden Square Nominee 2 Ltd	Nominee	50	Aviva Commercial Finance Limited	Ordinary	100
41-42 Lowndes Square Management Company Limited	Ltd	100	Aviva Company Secretarial Services Limited	Ordinary	100
43 Lowndes Square Management Company Limited	Ltd	100	Aviva Credit Services UK Limited	Ordinary	100
44-49 Lowndes Square Management Company Limited	Ltd	100	Aviva Employment Services Limited	Ordinary	100
50-60 Station Road Nominee 1 Limited	Ltd	50	Aviva Insurance Services UK Limited	Ordinary	100
50-60 Station Road Nominee 2 Limited	Ltd	50	Aviva Investors Global Services Limited	Ordinary	100
6-10 Lowndes Square Management Company Limited	Ltd	100	Aviva Investors Ground Rent GP Limited	Ordinary	100
AI Special PFI SPV Limited	SPV	100	Aviva Investors EBC Limited Partnership	LP	100
Atlas Park Management Company Limited	Ordinary	100	Aviva Investors EBC GP Limited	GP	100
AEP Feeder Fund V	Unit Trust	100	Aviva Investors UK Fund Services Limited	Ordinary	100
AsI Infrastructure Equity Npv	Ordinary	100	Aviva Investors UK Funds Limited	Ordinary	100
Aviva Plc	Ordinary	100	Aviva Overseas Holdings Limited	Ordinary	100
Aviva Investors 40 Spring Gardens (General Partner) Limited	GP	100	Aviva Public Private Finance Limited	Ordinary	100
Aviva Investors Commercial Asset GP Limited	GP	100	Aviva UK Digital Limited	Ordinary	100
Aviva Investors Pensions Limited	Ordinary	100	Aviva UKLAP De-risking Limited	Ordinary	100
Aviva Investors Energy Centres No 1 Limited Partnership	GP	100	Aviva Investors Real Estate Limited	Ordinary	100
Aviva Investors Ground Rent Holdco Limited	Ordinary	100	Aviva Investors Realm Energy Centres GP Limited	GP	100
Aviva Investors Infrastructure GP Limited	GP	100	Aviva Investors Social Housing Limited	Ordinary	100
Aviva Investors Infrastructure Income No 1 Limited	Ordinary	100	Aviva Investors Social Housing GP Limited	Ordinary	100
Aviva Investors Infrastructure Income No 2 Limited	Ordinary	100	Aviva Investors UK CRESO GP Limited	GP	100
Aviva Investors Infrastructure Income No 3 Limited	Ordinary	100	Aviva Investors UK Equity Ex Tobacco	Collective Investment Scheme	100
Aviva Investors Infrastructure Income No 4A Limited	Ordinary	100	Aviva Investors 30 70 Global Equ Ccy Hedged Ind Fund	Collective Investment Scheme	100
Aviva Investors Infrastructure Income No 4B Limited	Ordinary	100	Aviva Investors 40 60 Global Equity Index Fund	Collective Investment Scheme	100
Aviva Investors Polish Retail GP Limited	GP	100	Aviva Investors 50 50 Global Equity Index Fund	Collective Investment Scheme	100

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
Aviva Investors 60 40 Global Equity Index Fund	Collective Investment Scheme	100	Aviva Investors Equity Income Fund	OEIC	78
Aviva Investors Asia Pacific ex Japan Fund	Collective Investment Scheme	100	Aviva Investors High Yield Bond Fund	OEIC	40
Aviva Investors Asia Pacific Property Fund	OEIC	80	Aviva Investors Index Linked Gilt Fund	Collective Investment Scheme	100
Aviva Investors Balanced Life Fund	Collective Investment Scheme	100	Aviva Investors Idx-Lkd Gilts Ovr 5 Yrs Idx Fund	Collective Investment Scheme	100
Aviva Investors Balanced Pension Fund	Collective Investment Scheme	100	Aviva Investors International Index Tracking Fund	Collective Investment Scheme	70
Aviva Investors Cautious Pension Fund	Collective Investment Scheme	100	Aviva Investors Japan Equity Alpha Fund	Collective Investment Scheme	100
Aviva Investors Continental Euro Equity Index Fund	Collective Investment Scheme	100	Aviva Investors Japan Equity Fund	Collective Investment Scheme	100
Aviva Investors Continental European Eq Alpha Fund	Collective Investment Scheme	100	Aviva Investors Japan Equity MoM 1 Fund	Collective Investment Scheme	100
Aviva Investors Corporate Bond Fund	OEIC	93	Aviva Investors Japanese Equity Index Fund	OEIC	100
Aviva Investors Dev Asia Pacific Ex Japan Eq Ind Fund	Collective Investment Scheme	100	Aviva Investors Managed High Income Fund	OEIC	62
Aviva Investors Dev Euro Ex UK Equity Index Fund	Collective Investment Scheme	100	Aviva Investors Money Market VNAV Fund	Collective Investment Scheme	100
Aviva Investors Dev World Ex UK Equity Index Fund	Collective Investment Scheme	100	Aviva Investors Multi-Asset 40 85 Shares Index Fund	Collective Investment Scheme	100
Aviva Investors Developd Overseas Gov Bd Ex UK Ind Fd	Collective Investment Scheme	100	Aviva Investors Multi-Asset III Fund	OEIC	50
Aviva Investors Distribution Life Fund	Collective Investment Scheme	100	Aviva Investors Multi-Asset V Fund	OEIC	75
Aviva Investors Europe Equity ex UK Fund	Collective Investment Scheme	100	Aviva Investors Multi-Manager 20-60% Shares Fund	OEIC	75
Aviva Investors European Property Fund	OEIC	77	Aviva Investors Multi-Manager 40-85% Shares Fund	OEIC	82
Aviva Investors Global Equity Alpha Fund	Collective Investment Scheme	100	Aviva Investors Multi-Manager Flexible Fund	OEIC	82
Aviva Investors Global Equity Endurance Fund	OEIC	100	Aviva Investors Multi-Strategy Target Income Fund - OEIC	OEIC	88
Aviva Investors Global Equity Fund	Collective Investment Scheme	100	Aviva Investors Multi-Strategy Target Return Fund - OEIC	OEIC	48

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
Aviva Investors Non-Gilt Bond All Stocks Index Fund	Collective Investment Scheme	100	Aviva Investors UK Listed Equity Income Fund	OEIC	47
Aviva Investors Non-Gilt Bond Over 15 Yrs Index Fund	Collective Investment Scheme	100	Aviva Investors UK Listed MoM 1 Fund	OEIC	100
Aviva Investors Non-Gilt Bond up to 15 Yrs Index Fund	Collective Investment Scheme	100	Aviva Investors UK Listed High Alpha Fund	OEIC	94
Aviva North American Equity Fund	Collective Investment Scheme	100	Aviva Investors US Equity Index Fund	Collective Investment Scheme	100
Aviva Investors North American Equity Index Fund	Collective Investment Scheme	100	Aviva Investors US Large Cap Equity Fund	Collective Investment Scheme	100
Aviva Investors Pacific Ex Japan Equity Index Fund	Collective Investment Scheme	100	Aviva Special PFI GP Limited	Ordinary	100
Aviva Investors Pre-Annuity Fixed Interest Fund	Collective Investment Scheme	100	Aviva Special PFI Limited Partnership	LP	94.8
Aviva Investors Sterling Corporate Bond Fund	Collective Investment Scheme	100	Access 10 Management Limited	Ordinary	100
Aviva Investors Sterling Gilt Fund	Collective Investment Scheme	100	Axa Sun Life Private	Unit Trust	100
Aviva Investors Stewardship Fixed Interest Fund	Collective Investment Scheme	100	Barratt House LP	LP	50
Aviva Stewardship International Equity Fund	Collective Investment Scheme	100	Barratt House Nominee 1 Limited	Nominee	50
Aviva Investors Stewardship UK Equity Fund	Collective Investment Scheme	100	Barratt House Nominee 2 Limited	Nominee	50
Aviva Investors Strategic Bond Fund	OEIC	43	Barwell Business Park Nominee Limited	Ordinary	100
Aviva Investors Strategic Global Equity Fund	Collective Investment Scheme	100	Biomass UK No 2 Limited	Ordinary	100
Aviva Investors UK Eq Ex Aviva Inv Trusts Index Fund	Collective Investment Scheme	100	Biomass UK No 3 Limited	Ordinary	100
Aviva Investors UK Equity Alpha Fund	Collective Investment Scheme	100	Biomass UK No 1 Limited	Ordinary	100
Aviva Investors UK Equity Dividend Fund	Collective Investment Scheme	100	Boston Biomass Limited	Ordinary	100
Aviva Investors UK Equity Fund	Collective Investment Scheme	100	Boston Wood Recovery Limited	Ordinary	100
Aviva Investors UK Equity Index Fund	Collective Investment Scheme	100	Cambridge Research + Innovation	Ordinary	100
Aviva Investors UK Gilts All Stocks Index Fund	Collective Investment Scheme	100	Cannock Designer Outlet (GP Holdings) Limited	Nominee	100
Aviva Investors UK Gilts Over 15 Years Index Fund	Collective Investment Scheme	100	Cannock Designer Outlet (GP) Limited	GP	100
Aviva Investors UK Gilts Up to 5 Yrs Index Fund	Collective Investment Scheme	100	Cannock Designer Outlet (Nominee 1) Limited	Ordinary	100
Aviva Investors UK Index Tracking Fund	OEIC	60	Cannock Designer Outlet (Nominee 2) Limited	Nominee	100

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
Capital Residential Fund	Ordinary	88	Irongate House Nominee 2 Limited	Ordinary	50
Cardiff Bay GP Limited	Ordinary	100	Lime Property Fund (General Partner) Limited	Ordinary	100
Chesterford Park (General Partner) Limited	Limited Partnership	50	Lime Property Fund (Nominee) Limited	Ordinary	100
Commercial Union Corporate Member Limited	Ordinary	100	Lombard (London) 1 Limited	Ordinary	100
Commercial Union Life Assurance Company Limited	Ordinary	100	Lombard (London) 2 Limited	Ordinary	100
Commercial Union Trustees Limited	Ordinary	100	Matthew Parker Street (Nominee No1) Limited	Ordinary	100
Cornerford Limited	Ordinary	100	Matthew Parker Street (Nominee No 2) Limited	Ordinary	100
Chesterford Park Limited Partnership	Ordinary	50	Medium Scale Wind No 1 Limited	Ordinary	100
Chesterford Park (Nominee) Limited	Ordinary	100	Mortimer Street Associated Co 1 Limited	Ordinary	50
COW Real Estate Investment Nominee Limited	Ordinary	100	Mortimer Street Associated Co 2 Limited	Ordinary	50
DIF Infrastructure III Off-Shore Open Ended	Unit Trust	100	Mortimer Street Nominee 1 Limited	Ordinary	50
EES Operations 1 Limited	Ordinary	100	Mortimer Street Nominee 2 Limited	Ordinary	50
EIF USPF IV Blocker Fund Closed	Unit Trust	100	Mortimer Street Nominee 3 Limited	Ordinary	50
Friends Life Funds Limited	Ordinary	100	New Broad Street House LP	Ordinary	50
Fitzroy Place GP 2 Limited	Ordinary	50	New Broad Street House Nominee 1 Limited	Ordinary	50
Fitzroy Place Management Co Limited	Ordinary	50	New Broad Street Nominee 2 Limited	Ordinary	50
Fitzroy Place Residential Limited	Ordinary	50	Norwich Union (Shareholder GP) Limited	Ordinary	100
Fppe Private Equity	Unit Trust	100	Norwich Union Public Private Partnership Fund	Ordinary	100
Free Solar Holdco Limited	Ordinary	100	NU 3PS Limited	Ordinary	100
General Accident Executor and Trustee Company Limited	Ordinary	100	NU Developments (Brighton) Limited	Ordinary	100
Gobafoss General Partner Limited	Ordinary	100	NU Library For Brighton Limited	Ordinary	100
Gobafoss Partnership Nominee No 1 Limited	Ordinary	100	NU Offices for Redcar Limited	Ordinary	100
GS Mezzanine Partners V Offshore LP	Unit Trust	100	NU Schools for Redbridge Limited	Ordinary	100
Hemel Hempstead Estate Management Limited	Ordinary	100	NU Technology and Learning Centres (Hackney) Limited	Ordinary	100
Hillswood Management Limited	Ordinary	24	NUPPP (Care Technology and Learning Centres) Limited	Ordinary	100
Houlton Commercial Management Company Limited	Limited by Guarantee	50	NUPPP (GP) Limited	Ordinary	100
Houlton Community Management Company Limited	Limited by Guarantee	50	NUPPP Nominees Limited	Ordinary	100
Igloo Regeneration (Nominee) Limited	Nominee	50	Opus Park Management Limited	Limited By Guarantee	100
Igloo Regeneration Developments (General Partner) Limited	Ordinary	50	Paddington Central III Limited Partnership	Limited Partnership	100
Igloo Regeneration Developments (Nominees) Limited	Ordinary	50	Paddington Central III (GP) Limited	Ordinary	100
Igloo Regeneration Developments LP	Ordinary	50	Porth Teigr Management Company Limited	Ordinary	50
Igloo Regeneration Partnership LP	Ordinary	40	Pegasus House and Nuffield House LP	Ordinary	50
Igloo Regeneration Property Unit Trust	Ordinary	50	Pegasus House and Nuffield House Nominee 1 Ltd	Ordinary	50
Igloo Regeneration (Butcher Street) Limited	Ordinary	50	Pegasus House and Nuffield House Nominee 2 Limited	Ordinary	50
Igloo Regeneration (General Partner) Limited	Ordinary	50	Property Management Company (Croydon) Limited	Ordinary	100
Irongate House LP	Limited Partnership	50	NU Local Care Centres (Farnham) Limited	Ordinary	100
Irongate House Nominee 1 Limited	Ordinary	50	Quaryvale One Limited	Ordinary	100

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
Quaryvale Three Limited	Ordinary	100	The Yorkshire Insurance Company Limited	Ordinary	100
Renewable Clean Energy Limited	Ordinary	100	<b>Swan Court Waterman's Business Park, Kingsbury Crescent, Staines, Surrey, TW18 3BA</b>		
Rugby Radio Station (General Partner) Limited	Ordinary	50	Healthcode Limited	Ordinary C, Ordinary E	20
Rugby Radio Station Limited Partnership	Limited Partnership	50	<b>Wellington Row, York, YO90 1WR</b>		
Rugby Radio Station (Nominee) Limited	Limited Partnership	50	Aviva (Peak No.2) UK Limited	Ordinary	100
Capital Residential Fund	LP	88	Aviva Annuity UK Limited	Ordinary Shares	100
Slas Axa Private Equity	Unit Trust	100	Aviva Client Nominees UK Limited	Ordinary	100
Slas Venture Capital Ye Cash	Ordinary	100	Aviva Equity Release UK Limited	Ordinary	100
Solar Clean Energy Limited	Ordinary	100	Aviva ERFA 15 UK Limited	Ordinary	100
Southgate General Partner Limited	Ordinary	50	Aviva Life & Pensions UK Limited	Ordinary	100
Southgate Limited Partnership	Ordinary	50	Aviva Life Investments International (Recovery) Limited	Ordinary	100
Southgate LP (Nominee 1) Limited	Ordinary	50	Aviva Life International (General Partner) Limited	Ordinary	100
Southgate LP (Nominee 2) Limited	Ordinary	50	Aviva Life Services UK Limited	Ordinary	100
Station Road Cambridge LP NPV	Unit Trust	50	Aviva Pension Trustees UK Limited	Ordinary	100
Stonebridge Cross Management Limited	Limited by Guarantee	100	Aviva Trustees UK Limited	Ordinary	100
Swan Valley Management Limited	Ordinary	100	Aviva Wrap UK Limited	Ordinary	100
SUE Developments Limited Partnership	LP	50	CGNU Life Assurance Limited	Ordinary	100
SUE GP Nominee Limited	Nominee	50	Friends Provident Pension Scheme Trustees Limited	Ordinary	100
SUE GP LLP	GP	50	IFSL Tilney Bestinvest Global Income Portfolio	OEIC	22
Stonebridge Cross Management Limited	Limited by Guarantee	100	The Lancashire and Yorkshire Reversionary Interest Company Limited	Ordinary	100
Southgate LP (Nominee 2) Limited	Ordinary	50	The Norwich Union Life Insurance Company Limited	Ordinary	100
Stichting Aviva Infrastructure Debt Europe 1	Ordinary	100	Synergy Sunrise (Sentinel House) Limited	Ordinary	100
Stichting European Secondary Infrastructure Credit	Ordinary	100	Undershaft (NULLA) Limited	Ordinary	100
The Designer Retail Outlet Centres (Mansfield) General Partner Limited	Ordinary	100	Voyager Park South Management Company Limited	Ordinary	52
The Designer Retail Outlet Centres (Mansfield) Limited Partnership	Ordinary	97	<b>12 Throgmorton Avenue</b>		
The Designer Retail Outlet Centres (York) General Partner Limited	Ordinary	100	BlackRock Market Advantage Fund	Unit Trust	52
The Designer Retail Outlet Centres (York) Limited Partnership	Ordinary	97	<b>Artemis Fund Managers Limited, 57-59 St James's Street, London SW1A 1LD</b>		
The Gobafoss Partnership	Ordinary	100	Artemis UK Special Situations Fund	Unit Trust	24
The Ocean Marine Insurance Company Limited	Ordinary Shares	100	<b>Liontrust Fund Partners LLP, 2 Savoy Court London WC2R 0EZ</b>		
The Square Brighton Limited	Ordinary	100	Liontrust Sustainable Future Corporate Bond Fund	OEIC	36
Tyne Assets (No2) Limited	Ordinary	100	Liontrust Sustainable Future UK Growth Fund	OEIC	47
Tyne Assets Limited	Ordinary	100	Liontrust Sustainable Future Global Growth Fund	OEIC	45
W Nine LP	LP	50	Liontrust Sustainable Future Absolute Growth Fund	OEIC	53
W Nine Nominee 1 Limited	Nominee	50	Liontrust UK Ethical Fund	OEIC	68
W Nine Nominee 2 Limited	Nominee	50	Liontrust Future European Growth Fund	OEIC	56
The Welsh Insurance Corporation Limited	Ordinary	100	Liontrust Sustainable Future Managed Fund	OEIC	68

## Notes to the financial statements continued

## 30. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2019 are listed below:

Company name	Share Class	% held
<b>47 Bermondsey Street, London SE1 3XT</b>		
Neos Venures Limited	Ordinary	91
<b>1020 Eskdale Road, Winnersh, Wokingham RG41 5TS</b>		
Serviced Offices UK GP Limited	GP	50
Norwich Union Life Insurance Company Limited	Ordinary	100
Synergy Sunrise (Sentinel House) Limited	Ordinary	100
<b>1 London Wall Place, London, UK</b>		
Schroder QEP US Core Fund	Unit Trust	40
<b>BlackRock Pensions, 33 King William Street</b>		
Undrly Aquila Cnt CcyH Glb Eq108010 2L	OEIC	65
<b>Samuel House , 6 St Albans Street, 4<sup>th</sup> Floor, SW1Y 4SQ</b>		
Acre Platforms Limited	Ordinary	40
<b>15 Canada Square, E14 5GL</b>		
LUC Holdings Limited	Ordinary	20
<b>Tec Marina Terra Nova Way Penarth, Wales United Kingdom CF64 1SA</b>		
Wealthify Limited	Ordinary Shares	60
<b>United States</b>		
<b>1209 Orange Street, City of Wilmington DE 19801,</b>		
Aviva Investors Americas LLC	Sole Member	100
<b>2222 Grand Avenue, Des Moines IA 50312</b>		
Aviva Investors North America Holdings, Inc	Common Stock Of No Par Value Shares	100
<b>2711 Centreville Road, Suite 400, Wilmington, New Castle, DE, 19808</b>		
UKP Holdings Inc.	Common Stock Shares	100
AI-RECAP GP I, LLC	Limited Partnership	100
<b>National Corporate Research Limited, 850 New Burton Road, Suite 201, Dover, Delaware Kent County 19904</b>		
Exeter Properties Inc.	Common Stock Wpv Shares	95
Winslade Investments Inc.	Common Stock Wpv Shares	100
<b>Vietnam</b>		
<b>10th Floor, Handi Resco Building, No. 521 Kim Ma, Ba Dinh, Hanoi</b>		
Aviva Vietnam Life Insurance Company Limited	Non-Listed Shares	90