Aviva Central Services UK Limited

Registered in England and Wales No. 03259447

Annual Report and Financial Statements 2024

Contents

Directors and officer

Directors

The directors of the company in office at the date of signing the financial statements were:

J B Cummings
K E McClellan
R C Fazzini-Jones
E B Duff
J Barnard
J Buttigieg
G Ganandran
D Montgomery

Officer – Company Secretary

Aviva Company Secretarial Services Limited
80 Fenchurch Street
London
EC3M 4AE

Independent Auditors

Ernst & Young LLP, Statutory Auditor
London

Registered office

8 Surrey Street
Norwich
NR1 3NG

Company number

Registered in England and Wales no. 03259447

Other information

Aviva Central Services UK Limited ("the Company") is a member of the Aviva plc group of companies ("the Group").

Strategic report

The directors present their strategic report for the Company for the year ended 31 December 2024.

Review of the Company's business

Principal activities

The Company is a private limited company, incorporated and domiciled in the United Kingdom. The principal activity of the Company is the procurement of services on behalf of the Aviva Group and the delivery of services by the Company to other legal entities within the Aviva Group.

Financial position and performance

The financial position of the Company at 31 December 2024 is shown in the statement of financial position on page 17, with the results shown in the income statement on page 15 and the statement of cash flows on page 18.

Revenue has increased from £2,486 million in 2023 to £2,821 million in 2024. Revenue primarily comprises recharges of shared service costs and direct costs to group companies. This is based on actual expenditure for the year and has moved in line with that expenditure.

The profit before tax for the year is £nil (*2023: profit before tax £nil*).

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 Aviva plc Annual Report and Accounts 2024. The Company will work with the Group to support the implementation of these strategies.

The strategic direction of the Company is set by the directors of the Company. The directors consider that the Company's principal activities will continue unchanged for the foreseeable future.

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 21 to the financial statements.

Section 172 Statement

We report here on how our Directors have discharged their duties under Section 172 (1) of the Companies Act 2006.

S.172 (1) sets out a series of matters to which the Directors must have regard to in performing their duty to promote the success of the Company for the benefit of its shareholder, which includes having regard to other stakeholders.

Our Board considers it crucial that the Company maintains a reputation for high standards of business conduct. The Board is responsible for monitoring and upholding the culture, values, standards, ethics and reputation of the Company to ensure that our obligations to our shareholders, customers and other stakeholders are met and Management drives the embedding of the desired culture throughout the organisation. The Board monitors adherence to our policies and compliance with local corporate governance requirements and is committed to acting where our businesses fall short of the standards we expect.

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

Our culture

Our culture is shaped, in conjunction with the wider Aviva Group, by our clearly defined purpose – with you today for a better tomorrow. As the provider of financial services to millions of customers, Aviva seeks to earn their trust by acting with integrity and a sense of responsibility at all times. We look to build relationships with all our stakeholders based on openness and transparency and we value diversity and inclusivity in our workforce and beyond.

Strategic report continued

Stakeholder Engagement

(i) Engagement with Employees

The Company has no employees. All UK employees engaged in the activities of the Company are employed by Aviva Central Services' ("ACS") subsidiary, Aviva Employment Services Limited ("AES"). Disclosures relating to employees may be found in the annual report and financial statements of that company.

(ii) Our customers

The Company has no direct customers.

(iii) Our suppliers

The Company maintains oversight of the management of its most important suppliers and the Board regularly reviews reports on their performance.

- 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.
- In the UK, Aviva is a signatory of the Prompt Payment Code which sets high standards for payment practices. We are a Living Wage employer in the UK, and our supplier contracts include a commitment to paying eligible employees not less than the Living Wage in respect of work provided by Aviva in the UK.
- 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) Shareholders

The Board considers the long-term impact of corporate actions and decisions on our shareholders. Our shareholder is Aviva Group Holdings Limited ("AGH"). Any matters requiring escalation are escalated by the Board through the Chairman to its parent.

Key performance indicators

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

Measure	**2024**	2023
Increase/(decrease) in cost of sales	**14%**	(3)%
Profit for the year before tax (£m)	**—**	—

Climate-related Financial Disclosures

The company is ultimately owned and controlled by Aviva plc. The Aviva plc Annual Report and Accounts 2024 includes the activities of the company and provides the information required by the Non-financial and Sustainability Information Statement for the Group as a whole. Further information on the Group’s climate-related financial disclosures can be found on the Sustainability section of the Group’s website, https://www.aviva.com/sustainability/reporting.

Approved by the Board and signed on behalf of the Board on 11 August 2025

Signed by:

Alice Morgan

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For and on behalf of Aviva Company Secretarial Services Limited

Company Secretary

Directors' report

The directors submit their annual report and audited financial statements for the Company for the year ended 31 December 2024.

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:

G Ganandran was appointed as a director of the Company on 1 April 2024

A Dinwiddie resigned as a director of the Company on 1 April 2024

J P Storah was appointed as a director of the Company on 1 April 2024, and resigned as a director of the Company on 12 March 2025

D Montgomery was appointed as a director of the Company on 4 April 2025

Company secretary

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

Dividends

No interim ordinary dividend on the Company's ordinary shares was declared or paid during 2024 *(2023: £nil)*. The directors do not recommend a final dividend on the Company's ordinary shares for the year ended 31 December 2024 *(2023: £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 risks (see note 21).

The Company and its ultimate 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.

After making enquiries, the directors have a reasonable expectation that the Company and the Group as a whole have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements (at least to 11 August 2026). The review includes consideration of the Company's current and forecast solvency and liquidity which aligns to management's business plan. For this reason, they continue to adopt, and to consider appropriate, the going concern basis in preparing the financial statements.

Future outlook

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

Employees

The Company has no employees. All UK employees engaged in the activities of the Company are employed by ACS's subsidiary, AES.

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 Auditors, Ernst & Young LLP, are 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 Ernst & Young LLP are aware of that information.

Independent auditors

At the 2024 Annual General Meeting of the Company's ultimate parent company, shareholders approved the appointment of Ernst & Young LLP as the Group's external auditor for the financial year ending 31 December 2024 and PricewaterhouseCoopers LLP (PwC) resigned after 12 years in position.

Qualifying indemnity provisions

Aviva plc, the Company's ultimate parent, granted in 2004 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 during the financial year and 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 in respect of the financial statements

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulation.

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

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

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

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

The directors are also 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.

Approved by the Board and signed on behalf of the Board on 11 August 2025

Signed by:

Alice Morgan

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For and on behalf of Aviva Company Secretarial Services Limited

Company Secretary

Independent auditors' report to the members of Aviva Central Services UK Limited

Opinion

We have audited the financial statements of Aviva Central Services UK Limited for the year ended 31 December 2024 which comprise the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of financial position, the statement of cash flows and the related notes 1 to 24, including *material accounting policy information*. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 11 August 2026, being twelve months from the date when the financial statements are authorised for issue.

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

First year audit considerations

In the preparation for our first-year audit of the 31 December 2024 financial statements, we performed a number of transitional procedures. Following our selection as the statutory auditor, we undertook procedures to establish our independence of the Company. We used time prior to commencing any audit work to gain an understanding of the business issues and meet with key management to understand the key judgements being made for the 31 December 2023 year end. We also reviewed the former auditor PricewaterhouseCoopers LLP ('PwC's) 2023 audit work papers and gained an understanding of their risk assessment and key judgements.

We used the understanding the audit team had formed through these transitional procedures to form our audit base and assist in the formalisation of our audit strategy for the 2024 audit. This also involved gaining an understanding of the Company's key processes and controls over financial reporting through walkthroughs of the processes.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Independent auditors' report to the members of Aviva Central Services UK Limited continued

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are relevant laws and regulations related to elements of company law and tax legislation, and the financial reporting framework
- We understood how the company is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance matters. We also reviewed minutes of the Board and gained an understanding of the company's governance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the company has established to address risks identified by the company, or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making enquiries of those charged with governance, internal audit and senior management for their awareness of any non-compliance of laws or regulations, enquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees and enquiring about the company's methods of enforcing and monitoring compliance with such policies.
- We tested the appropriateness of journal entries recorded in the general ledger on a sample basis, including evaluating the business rationale for significant and/or unusual transactions.

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

Use of our report

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

Signed by:

Ernst & Young LLP

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Sophie Abashidze (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

11 August 2025

Accounting policies

The Company is a private limited company incorporated and domiciled in the United Kingdom ("UK") and limited by shares. 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 UK-adopted International Accounting Standards and the legal requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on the going concern basis as explained in the Directors' report on page 6.

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 a UK parent and is included in 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 issued and endorsed by the UK and 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 2024. The amendments do not have a significant impact on the Company's financial statements.

i. Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
ii. Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback
iii. Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosures: Supplier Finance Arrangements

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

The following standards and amendments to existing standards have been issued, are not yet effective for the Company, and have not been adopted early by the Company.

(i) IFRS 18: Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board ("IASB") published IFRS 18, which aims to improve how companies communicate in their financial statements by:

- Requiring additional defined subtotals in the statement of profit or loss;
- Requiring disclosures about management-defined performance measures; and
- Adding new principles for grouping of information.

IFRS 18 is effective for annual reporting beginning on or after 1 January 2027 and has yet to be endorsed by the UK. The standard is expected to result in presentational changes to the Company's income statement, and new disclosures of management-defined performance measures will be required in the notes to the financial statements. The Company is in the early stages of implementation; however, no financial impacts are expected as a result of adoption.

(ii) IFRS 19: Subsidiaries without Public Accountability: Disclosures

Published by the IASB in May 2024. IFRS 19 is effective for annual reporting beginning on or after 1 January 2027 and has yet to be endorsed by the UK.

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

(i) Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Published by the IASB in August 2023. The amendments are effective for annual reporting beginning on or after 1 January 2025 and have been endorsed by the UK.

(ii) Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments

Published by the IASB in May 2024. The amendments are effective for annual reporting beginning on or after 1 January 2026 and have been endorsed by the UK.

(iii) Annual improvements to IFRS Accounting Standards – Volume 11: Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

Published by the IASB in July 2024. The amendments are effective for annual reporting beginning on or after 1 January 2026 and have been endorsed by the UK.

(iv) Contracts Referencing Nature-dependent Electricity: Amendments to IFRS 9 and IFRS 7

Published by the IASB in December 2024. The amendments are effective for annual reporting beginning on or after 1 January 2026 and have yet to be endorsed by the UK.

(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 Company does not have any critical accounting policies in these financial statements.

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	Material accounting estimates	Accounting policy	Note
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.	M	17

(C) Investments in subsidiaries

Subsidiaries are those entities in which the Company, directly or indirectly, has power to exercise control over financial and operating policies in order to gain economic benefits. 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 rights 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.

(D) 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.

(E) Intangible assets

Intangible assets consist of software costs. These are amortised over their useful lives of between five and ten years, using the straight-line method. The amortisation charge for the year is included in the income statement under 'cost of sales'. An impairment review is carried out bi-annually or where there is an indication that intangible assets are impaired. Where the carrying amount exceeds the recoverable amount, an impairment is recognised (see policy G).

Accounting policies continued

(F) Property and equipment

Depreciation is calculated on the straight-line method to write down the cost of assets to their residual values over their estimated useful lives as follows:

– Leasehold property	Over the period of the lease
– Computer equipment	Three to five years
– Other assets	Three to five years

Gains and losses on disposal of equipment are determined by reference to their carrying amount.

Repairs and maintenance costs are charged to the income statement during the financial year in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing asset will flow to the Company and the renovation replaces an identifiable part of the asset. Major renovations are depreciated over the remaining useful life of the related asset.

(G) Impairment of non-financial assets

Equipment and other non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets which have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(H) 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.

(I) Receivables and other financial assets

Receivables and other financial assets are recognised initially at their fair value. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest rate method, less an allowance for expected credit losses.

Expected credit loss is an unbiased, probability-weighted estimate of credit losses. It considers all reasonable and supportable information, including forward looking economic assumptions and a range of possible outcomes. Expected credit losses for loans are calculated on a 12-month basis as loans due from Group operations are deemed to have low credit risk. The Company does not expect any material credit losses on loans due from Group operations. Changes in the allowance for expected credit losses are the amount of the provision recognised in the income statement.

The gross carrying amount of a receivable or other financial asset is written off to the extent that there is no reasonable expectation of recovery. Subsequent recoveries in excess of the written-down carrying value are credited to the income statement.

(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.

(K) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks 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

(L) Leases

Where the Company is the lessee, a lease liability equal to the present value of outstanding lease payments and a corresponding right-of use asset equal to cost are initially recognised. The right-of-use asset is subsequently measured at amortised cost and depreciated on a straight-line basis over the length of the lease term. Depreciation on lease assets and interest on lease liabilities is recognised in the income statement.

The Company has made use of the exemption available under IFRS 16 to not recognise any amounts on the balance sheet associated with leases that are either deemed to be short term, or where the underlying asset is of low value. A short-term lease in this context is defined as any arrangement which has a lease term of 12 months or less. Lease payments associated with such arrangements are recognised in the income statement as an expense on a straight-line basis.

Accounting policies continued

(L) Leases continued

Where the Company is the lessor, leases are classified as finance leases if the risks and rewards of ownership are substantially transferred to the lessee and operating leases if they are not substantially transferred. Lease income from operating leases is recognised in the income statement on a straight-line basis over the lease term. When assets are subject to finance leases, the present value of the lease payments, together with any unguaranteed residual value, is recognised as a receivable. The Company has not entered into any material finance lease arrangements as lessor.

Leases, where a significant portion of the risks and rewards of ownership is retained by the lessor, are classified as operating leases. Where the Company is the lessee, payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the term of the relevant leases.

Where the Company is the lessor, lease income from operating leases is recognised in the income statement on a straight-line basis over the lease term.

(M) 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. Discounting is applied to the provision where the effect of the time value of money is material. Provisions are not recognised for future operating losses.

Restructuring provisions comprise of lease termination obligations and they are recognised when the Company has a detailed formal plan and has raised a valid expectation that the restructure will be carried out, for example by announcing its main features to those affected. Costs included in restructuring provisions comprise only the direct expenditures arising from the restructuring. Costs associated with the ongoing activities of the entity are excluded.

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.

(N) 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.

Deferred tax is provided on any temporary differences arising from investments in subsidiaries, associates and joint ventures, 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, except for the tax consequences of distributions from certain equity instruments, to be recognised in the income statement.

Deferred tax related to any fair value re-measurement of investments, held at fair value through other comprehensive income, owner-occupied properties, 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.

Accounting policies continued

(O) 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:

- 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
- 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.

(P) Revenue recognition

Revenue comprises the fair value for the sale of goods and services, net of value added tax, rebates and discounts.

Sales of services are recognised in the accounting period in which the performance obligations are satisfied, by reference to the completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(Q) Finance costs

All borrowing costs are expensed as they are incurred.

Income statement

For the year ended 31 December 2024

	Note(s)	**2024** **£m**	2023 £m
Revenue	P & 1	**2,821**	2,486
Cost of sales	2	**(2,815)**	(2,480)
Operating profit		**6**	6
Finance costs	Q & 3	**(6)**	(6)
Loss before tax		**—**	—
Tax charge	N & 7	**(8)**	(5)
Loss for the year		**(8)**	(5)

Statement of comprehensive income

For the year ended 31 December 2024

	2024 **£m**	2023 £m
Loss for the year	**(8)**	(5)
Total comprehensive loss for the year	**(8)**	(5)

The accounting policies (identified alphabetically) on pages 10 to 14 and notes (identified numerically) on pages 19 to 31 are an integral part of the financial statements.

Statement of changes in equity

For the year ended 31 December 2024

	Notes	Ordinary Share Capital £m	Other reserves £m	Retained earnings £m	Total equity £m
Balance at 1 January 2023		43	3	15	61
Total comprehensive expense for the year		—	—	(5)	(5)
Balance at 31 December 2023	13, 14, 15	**43**	**3**	**10**	**56**
Balance at 1 January 2024		43	3	10	56
Total comprehensive expense for the year		—	—	(8)	(8)
Balance at 31 December 2024	13, 14, 15	**43**	**3**	**2**	**48**

The accounting policies (identified alphabetically) on pages 10 to 14 and notes (identified numerically) on pages 19 to 31 are an integral part of the financial statements.

Statement of financial position

As at 31 December 2024

	Note(s)	2024 £m	2023 £m
Assets			
Non-current assets			
Intangible assets	E & 8	**—**	—
Investments in subsidiaries	C & 9	**3**	3
Property and equipment	F & 10	**201**	207
Receivables and other financial assets	I & 12	**7**	29
Deferred tax asset	N & 16(b)	**26**	30
Tax assets recoverable	N & 16(a)	**—**	11
Current assets			
Current tax assets	N & 16(a)	**6**	—
Receivables and other financial assets	I & 12	**555**	443
Cash and cash equivalents	K & 20(b)	**298**	267
Total assets		**1,096**	990
Equity			
Ordinary share capital	O & 13	**43**	43
Other reserves	14	**3**	3
Retained earnings	15	**2**	10
Total equity		**48**	56
Liabilities			
Non-current liabilities			
Provisions	M & 17	**40**	47
Other liabilities	19	**175**	179
Current liabilities			
Provisions	M & 17	**8**	12
Tax liabilities	N & 16(a)	**—**	7
Payables and other financial liabilities	J & 18	**338**	306
Other liabilities	19	**487**	383
Total liabilities		**1,048**	934
Total equity and liabilities		**1,096**	990

The financial statements on pages 15 to 31 were approved by the Board of Directors on 11 August 2025 and signed on its behalf by

DocuSigned by:
Gajen Ganandran
8534BE4CAB94483...

G Ganandran

For and on behalf of the Board

Director

Registered in England and Wales No.03259447

The accounting policies (identified alphabetically) on pages 10 to 14 and notes (identified numerically) on pages 19 to 31 are an integral part of the financial statements.

Statement of cash flows

For the year ended 31 December 2024

	Note(s)	**2024**	2023
		£m	£m
Cash flows from operating activities			
Cash generated from operations	20(a)	**87**	43
Total net cash generated from operating activities		**87**	43
Cash flows used in investing activities			
Purchases of property and equipment	10	**(29)**	(98)
Total net cash used in investing activities		**(29)**	(98)
Cash flows used in financing activities			
Repayment of leases	11	**(22)**	(24)
Interest paid	3	**(5)**	(6)
Total net cash used in financing activities		**(27)**	(30)
Total net increase/(decrease) in cash and cash equivalents		**31**	(85)
Cash and cash equivalents at 1 January		**267**	352
Cash and cash equivalents at 31 December	K & 20(b)	**298**	267

The accounting policies (identified alphabetically) on pages 10 to 14 and notes (identified numerically) on pages 19 to 31 are an integral part of the financial statements.

Notes to the financial statements
For the year ended 31 December 2024

1. Revenue

	Note	**2024** **£m**	2023 £m
Income from fellow group companies and group employee pension schemes	22(a)(i)	**2,821**	2,479
Other income		**—**	7
Total revenue		**2,821**	2,486

The Company's activities consist primarily of the procurement of services on behalf of the Aviva Group and the delivery of services by the Company to other legal entities within the Aviva Group. Refer to note 22 for further information on income earned during the year. Other income relates to services performed for companies that were sold in 2020 and are no longer part of the Group.

2. Cost of Sales

(a) Cost of sales comprises

	Note	**2024** **£m**	2023 £m
Staff costs and other employee related expenses	2(b)	**1,279**	1,037
Depreciation of equipment	10	**32**	25
Impairment of property plant and equipment	10	**3**	—
Net foreign exchange losses		**1**	—
Software and hardware costs		**367**	352
Marketing		**119**	110
External professional fees		**745**	696
Investment management fees		**250**	184
Fees, levies and taxes		**11**	51
Other expenses	2(c)	**8**	25
Total expenses		**2,815**	2,480

(b) Staff costs

Staff costs are recharged by AES, a subsidiary of the Company. Disclosures relating to staff costs may be found in the AES Annual Report and Financial Statements 2024.

(c) Other expenses

Other expenses include internal and external costs incurred by the Company which are largely recharged to other companies within the Group. This is primarily made up of rental expenses, other professional services and third party administration fees.

3. Finance Costs

Finance costs comprise:

	Note	**2024** **£m**	2023 £m
Unwind of discount on provisions	17(b)	**1**	1
Interest on lease liability		**5**	5
		6	6

4. Employee information

The Company has no employees (*2023: nil*). All UK employees engaged in the activities of the Company are employed by subsidiary undertakings of Aviva plc.

5. Directors' remuneration

All directors are remunerated by AES for their services as employees to the Group as a whole. They 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 roles across the Group. This is consistent with prior years.

Notes to the financial statements
For the year ended 31 December 2024

6. Auditors' remuneration

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

	2024	2023
	£000s	£000s
Fees payable to Ernst & Young LLP (2023: PricewaterhouseCoopers LLP) for the statutory audit of the Company's financial statements	**61**	59

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, Ernst & Young LLP (*2023: PricewaterhouseCoopers LLP*) and its associates for services other than the statutory audit of the Company and other Group undertakings are disclosed in the consolidated annual report and financial statements of Aviva plc.

There were no non-audit fees paid to the Company's auditors during the year *(2023: £nil)*. All fees have been borne by Aviva plc.

7. Tax

(a) Tax charged to the income statement

(i) The total tax charge comprises:

	Note	**2024**	2023
		£m	£m
Current tax			
For the period		**—**	11
Adjustments in respect of prior years		**(4)**	(1)
Total current tax		**(4)**	10
Deferred tax			
Origination and reversal of temporary differences		**(4)**	(15)
Total deferred tax		**(4)**	(15)
Total tax charged to income statement	7(c)	**(8)**	(5)

(ii) Deferred tax charged to the income statement represents movements on the following items:

	2024	2023
	£m	£m
Accelerated capital allowances	**(2)**	(14)
Provisions and other temporary differences	**(2)**	(1)
Total deferred tax charged to the income statement	**(4)**	(15)

(b) Tax charged to other comprehensive income

There was no tax charged to other comprehensive income in either 2024 or 2023.

(c) Tax reconciliation

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

	2024	2023
	£m	£m
Total profit before tax	**—**	—
Tax calculated at standard UK corporation tax rate of 25% (2023: 23.5%)	**—**	—
Adjustment to tax charge in respect of prior periods	**(2)**	(2)
Disallowable expenses	**(11)**	(2)
Movement in valuation of deferred tax	**—**	(1)
Surrender of tax losses from Group undertakings for no charge	**5**	—
Total tax charged to income statement	**(8)**	(5)

The Company (as part of the Aviva Group) is subject to the reform of the international tax system proposed by The Organisation for Economic Co-operation and Development (OECD) which introduces a global minimum effective rate of corporation tax of 15% and took effect in the current period. No current tax charge is included in respect of these provisions. No amount is recorded in 2023 as the tax had not been introduced in this period.

In accordance with the amendments to IAS 12, endorsed in the UK on 19 July 2023, the Company has applied the exemption and not provided for deferred tax in respect of the global minimum tax reforms.

Notes to the financial statements continued

For the year ended 31 December 2024

8. Intangible assets

	2024	2023
	£m	£m
Gross amount		
At 1 January	**81**	81
At 31 December	**81**	81
Accumulated amortisation		
At 1 January	**(64)**	(64)
At 31 December	**(64)**	(64)
Accumulated impairment		
At 1 January	**(17)**	(17)
At 31 December	**(17)**	(17)
Carrying value at 31 December	**—**	—

The intangible assets represent the capitalisation of software costs.

9. Investments in subsidiaries

Investments in subsidiaries consist of £3 million investment in Aviva Services Spółka z ograniczoną odpowiedzialnością (ASSZ) (*2023: £3 million*).

Notes to the financial statements continued

For the year ended 31 December 2024

10. Property and Equipment

	Note	Leasehold Property £m	Computer equipment £m	Other assets £m	Total £m
Cost or valuation					
At 1 January 2023		395	23	9	427
Additions		61	8	29	98
Disposals		(62)	—	(1)	(63)
Derecognition of depreciated assets		—	(7)	—	(7)
At 31 December 2023		**394**	**24**	**37**	**455**
Additions		**11**	**5**	**13**	**29**
Disposals		**—**	**—**	**(1)**	**(1)**
Derecognition of depreciated assets		**—**	**(5)**	**—**	**(5)**
At 31 December 2024		**405**	**24**	**49**	**478**
Depreciation and impairment					
At 1 January 2023		(259)	(13)	(4)	(276)
Charge for the year	2	(19)	(5)	(1)	(25)
Derecognition of depreciated assets		—	7	—	7
Disposals		46	—	—	46
At 31 December 2023		**(232)**	**(11)**	**(5)**	**(248)**
Charge for the year	2	**(20)**	**(6)**	**(6)**	**(32)**
Derecognition of depreciated assets		**—**	**5**	**—**	**5**
Disposals		**—**	**—**	**1**	**1**
Impairment charge		**—**	**—**	**(3)**	**(3)**
At 31 December 2024		**(252)**	**(12)**	**(13)**	**(277)**
Carrying amount					
At 31 December 2023		162	13	32	207
At 31 December 2024		**153**	**12**	**36**	**201**

In 2024 the Company derecognised £5 million (*2023: £7 million*) of fully depreciated computer equipment.

Notes to the financial statements continued

For the year ended 31 December 2024

11. Lease assets and liabilities

The Company's leased assets primarily consist of properties occupied by the Company (see note 10).

i. Total interest expense included in the income statement in respect of lease liabilities is £5 million (*2023: £5 million*). Total cash outflows recognised in the year in relation to leases were £22 million (*2023: £24 million*). Expenses recognised in the Company income statement in relation to short term and low value leases were £nil (*2023: £nil*). Variable lease payments not included in the measurement of lease liabilities were £nil (*2023: £nil*).

ii. The following tables analyse the right of use assets relating to leased properties occupied by the Company as well as other leased assets:

	Property and equipment	Other assets (Car leases)	Total
	£m	£m	£m
Balance at 1 January 2023	136	3	139
Additions	61	3	64
Disposals	(16)	–	(16)
Depreciation	(19)	(2)	(21)
Balance at 31 December 2023	**162**	**4**	**166**
Additions	**11**	**4**	**15**
Depreciation	**(20)**	**(2)**	**(22)**
Balance at 31 December 2024	**153**	**6**	**159**

iii. Future contractual aggregate minimum lease payments are as follows:

	2024	2023
	£m	£m
Within 1 year	**26**	22
Later than 1 year and not later than 5 years	**118**	106
Later than 5 years	**79**	102
Total undiscounted lease liabilities	**223**	230

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of use asset. Future aggregate lease payments relating to leases which have not yet commenced but to which the Company is committed total £nil at 31 December 2024 (*2023: £nil*).

iv. Future contractual aggregate minimum lease rentals receivable under non-cancellable operating leases are as follows:

	2024	2023
	£m	£m
Within 1 year	**3**	4
Later than 1 year and not later than 5 years	**3**	2
Total at 31 December	**6**	6

Notes to the financial statements continued

For the year ended 31 December 2024

12. Receivables and other financial assets

	Note	2024 £m	2023 £m
Trade receivables	I	**9**	18
Amounts due from fellow Group companies	22(a)(i)	**429**	322
Prepayments and accrued income		**101**	111
Other receivables		**23**	21
Total as at 31 December		**562**	472
Expected to be recovered in less than one year		**555**	443
Expected to be recovered in more than one year		**7**	29
		562	472

The fair value of receivables is approximate to their carrying amounts. All receivables are held at amortised cost.

13. Ordinary share capital

	2024 £m	2023 £m
Allotted, called up and fully paid		
43,373,513 (2023: 43,373,513) ordinary shares of £1 each	**43**	43

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.

14. Other reserves

		2024		2023
	Capital reserve	**Total**	Capital reserve	Total
	£m	**£m**	£m	£m
At 1 January	3	3	3	3
At 31 December	**3**	**3**	3	3

The capital reserve represents a non-refundable cash contribution from the Company's immediate parent, AGH, made during the year ended 31 December 1997.

15. Retained earnings

	2024 £m	2023 £m
Balance at 1 January	**10**	15
Loss for the year	**(8)**	(5)
At 31 December	**2**	10

16. Tax assets and liabilities

(a) Current tax

Tax assets recoverable, and tax liabilities payable, in less than one year are £6 million and £nil (*2023: £nil and £7 million)* respectively.

Tax assets recoverable, and tax liabilities payable, in more than one year are £nil and £nil (*2023: £11 million and £nil*), respectively.

(b) Deferred tax

(i) The net deferred tax asset arises on the following items:

	2024	2023
	£m	£m
Provisions and other temporary differences	**6**	8
Accelerated capital allowances	**20**	22
Net deferred tax asset	**26**	30

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

	Note	**2024**	2023
		£m	£m
Net deferred tax asset at 1 January		**30**	45
Amounts charged to the income statement	7a(ii)	**(4)**	(15)
Net deferred tax asset at 31 December		**26**	30

(iii) The Company has unrecognised temporary differences of £31 million (*2023: £31 million)* to carry forward indefinitely against future taxable income. This comprises £31 million of capital losses (*2023: £31 million).*

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available in either the company or the wider group, against which the temporary differences can be utilised.

Notes to the financial statements continued
For the year ended 31 December 2024

17. Provisions

(a) Carrying value

	2024	2023
	£m	£m
Restructuring provisions	**24**	33
Other provisions	**24**	26
Total at 31 December	**48**	59
Expected to be settled in less than one year	**8**	12
Expected to be settled in more than one year	**40**	47
	48	59

(b) Movements in provisions

	Restructuring provisions	**Other provisions**	**Total**
	£m	**£m**	**£m**
At 1 January 2023	44	28	72
Additional provisions	—	4	4
Change in the discounted amount arising from passage of time	1	—	1
Utilised during the year	(2)	(4)	(6)
Released during the year	(10)	(2)	(12)
At 31 December 2023	**33**	**26**	**59**
Additional provisions	**—**	**2**	**2**
Change in the discounted amount arising from passage of time	**—**	**1**	**1**
Utilised during the year	**(9)**	**(5)**	**(14)**
At 31 December 2024	**24**	**24**	**48**

18. Payables and other financial liabilities

		2024	2023
	Note	**£m**	£m
Trade payables		**42**	48
Amounts due to subsidiaries	22(a)(ii)	**127**	105
Amounts due to fellow Group companies	22(a)(ii)	**139**	115
Other payables		**30**	38
Total as at 31 December		**338**	306
Expected to be settled within one year		**338**	306
		338	306

All payables and other financial liabilities are carried at cost, which approximates to fair value.

19. Other liabilities

	2024	2023
	£m	£m
Deferred income	**1**	1
Accruals	**453**	366
Lease liabilities	**189**	192
Other liabilities	**19**	3
Total as at 31 December	**662**	562
Expected to be settled within one year	**487**	383
Expected to be settled in more than one year	**175**	179
	662	562

20. Statement of cash flows

(a) The reconciliation of profit for the year before tax to the net cash inflow from operating activities is:

	Note	2024 £m	2023 £m
Profit for the year before tax		**—**	—
Adjustments for:			
Disposal of property and equipment	10	**—**	17
Depreciation of property and equipment	10	**32**	25
Impairment charge of property and equipment	10	**3**	—
Repayment of leases		**22**	24
Finance costs	3	**6**	6
		63	72
Changes in working capital:			
Increase in receivables and other financial assets		**(90)**	(41)
Decrease in provisions		**(11)**	(13)
Increase in payables, other liabilities and tax liabilities		**125**	25
		24	(29)
Cash flow generated from operating activities		**87**	43

(b) Cash and cash equivalents in the statement of cash flows at 31 December comprise:

	2024 £m	2023 £m
Cash and cash equivalents	**298**	267
Total at 31 December	**298**	267

21. Risk management

(a) Risk management framework

The Company operates a risk management framework that forms an integral part of management, Board processes and decision-making, aligned to the Group's risk management framework.

The Company's risk management approach is proportionate to its activities as a company largely providing physical infrastructure and associated support services to other companies within the Group. At least annually the Company's management review the key risks specific to the Company.

To promote a consistent and rigorous approach to risk management, the Group has set out formal risk management policies and business standards which set out the risk strategy, framework and minimum requirements for the Group's worldwide operations, including the Company.

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 and operational risk. Risks falling within these types may affect a number of metrics including those relating to statement of financial position, liquidity and profit.

The directors recognise the critical importance of having efficient and effective risk management systems in place and acknowledge that they are responsible for the Company's framework of internal control and of reviewing its effectiveness. The framework is designed to manage rather than eliminate the risk of failure to achieve the Company's objectives and can only provide reasonable assurance against misstatement or loss. The directors of the Company are satisfied that their adherence to this Company framework provides an adequate means of managing risk in the Company.

Further information on the types and management of specific risk types is given in sections (b) to (f) below.

(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.

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 internal counterparties.

The Company's 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.

Notes to the financial statements continued

For the year ended 31 December 2024

21. Risk management continued

(b) Credit risk continued

(i) Financial exposures to Group companies

The Company's primary financial assets are predominantly amounts due from fellow Group companies. The credit risk arising from Aviva Group counterparties failing to meet all or part of their obligations is considered remote. As at the reporting date, there are no material expected credit losses recognised in relation to amounts due from fellow Group companies.

Receivables and other financial assets include amounts due from the parent and other Group companies of £429 million *(2023: £322 million)* (see note 12).

(ii) Financial exposures by credit ratings

Financial assets are graded according to current 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 tables provide information regarding the aggregated credit risk exposure of the Company, excluding intragroup balances. Non-rated assets are assets not rated by external ratings agencies.

									2024
								Credit Rating	**Carrying value in the financial statements**
		AAA	**AA**	**A**	**BB**	**BBB**	**Speculative grade**	**Non-rated**	
	Note	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**£m**
Trade and other receivables	12	— %	— %	— %	— %	— %	— %	100 %	**32**

									2023
								Credit Rating	Carrying value in the financial statements
		AAA	AA	A	BB	BBB	Speculative grade	Non-rated	
	Note	%	%	%	%	%	%	%	£m
Trade and other receivables	12	— %	— %	— %	— %	— %	— %	100 %	39

The carrying amount of assets included in the statement of financial position represents the maximum credit exposure.

The credit quality of receivables and other financial assets is monitored by the Company, and expected credit losses are calculated using the simplified approach for trade receivables which don't include a significant financing component. Therefore expected credit losses are calculated over the lifetime of the instrument in question. As at 31 December 2024, no expected credit losses have been recognised in relation to trade and other receivables.

(c) Market risk

Market risk is the risk of adverse financial impact resulting directly or indirectly from fluctuations in interest rates, inflation, foreign currency exchange rates and property prices. The Company is exposed to market risk through its lease liabilities which are linked to interest rates. The maximum applicable interest rate applicable to these liabilities is capped to mitigate the risk of rising rates.

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.

(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's cash resources are held in a pooled banking arrangement with fellow group companies, AES and Aviva Insurance Limited ("AIL"), whereby the group participating companies are able to draw down on the cash resources in the pool for short term investment or to fund payments.

In extreme circumstances, the Company would approach the Group for additional short-term borrowing whilst the Company liquidated other assets. The Group maintains significant undrawn committed borrowing facilities of £1,700 million *(2023: £1,700 million)* from a range of leading international banks to mitigate this risk further.

Notes to the financial statements continued

For the year ended 31 December 2024

21. Risk management continued

(d) Liquidity risk continued

Maturity analysis

The following tables show the maturities of the Company's liabilities, and of the financial assets held to meet them.

(i) Analysis of maturity of liabilities

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

	Note	On demand or within 1 year £m	1-5 years £m	Greater than 5 years £m	2024 Total £m
Payables and other financial liabilities	18	**338**	**—**	**—**	**338**
Accruals	19	**451**	**2**	**—**	**453**
		789	**2**	**—**	**791**

	Note	On demand or within 1 year £m	1-5 years £m	Greater than 5 years £m	2023 Total £m
Payables and other financial liabilities	18	306	—	—	306
Accruals	19	363	3	—	366
		669	3	—	672

(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:

	Note	On demand or within 1 year £m	1-5 years £m	Greater than 5 years £m	2024 Total £m
Receivables and other financial assets	12	**555**	**7**	**—**	**562**
Cash and cash equivalents	20(b)	**298**	**—**	**—**	**298**
		853	**7**	**—**	**860**

	Note	On demand or within 1 year £m	1-5 years £m	Greater than 5 years £m	2023 Total £m
Receivables and other financial assets	12	443	29	—	472
Cash and cash equivalents	20(b)	267	—	—	267
		710	29	—	739

The assets above are analysed in accordance with the earliest possible redemption date of the instrument at the initiation of the Company.

(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 Company manages its operational risks using the Group-wide operational risk framework.

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'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 requirements of other stakeholders, having taken into account financial support available from its parent undertaking. The sources of capital used by the Company are equity shareholders' funds. At 31 December 2024 the Company had £48 million *(2023: £56 million)* of total capital employed.

Notes to the financial statements continued

For the year ended 31 December 2024

22. 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) Other transactions

(i) Services provided recharged to related parties

	2024		2023	
	Income earned in the year	**Receivable at year end**	Income earned in the year	Receivable at year end
	£m	**£m**	£m	£m
Fellow Group companies	**2,817**	**429**	2,475	322
Group employee pension schemes	**4**	**1**	4	—
	2,821	**430**	2,479	322

Income earned in the year relates to the provision of physical infrastructure and associated support services.

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 and expenses recharged by related parties

	2024		2023	
	Expenses incurred in the year	**Payable at year end**	Expenses incurred in the year	Payable at year end
	£m	**£m**	£m	£m
Subsidiary	**1,279**	**127**	1,037	105
Fellow Group companies	**246**	**139**	195	115
	1,525	**266**	1,232	220

Expenses incurred with subsidiary relate to provision of staff from AES.

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) Lease agreements

On 30 November 2017, a series of transactions took place to transfer the Hoxton properties from the Company to AGH, and subsequently transfer to AIL. Upon completion of the transfer above, AIL (as landlord) and the Company (as tenant) entered into a lease for 25 years in respect of each property. At the same time, AGH entered into a deed of guarantee and indemnity in respect of the lease guaranteeing the obligations of the Company. In May 2021, the freeholds of the 3 Hoxton properties occupied by Aviva were sold by AIL to an Aviva Investors joint venture, Hoxton Campus Ltd Partnership. The freeholds of the 3 remaining Hoxton properties were sold by AIL in June and July 2021 with vacant possession. The benefit of the leases to Aviva of the 3 occupied buildings (which commenced on 30/11/2017 for 25 years) therefore transferred to Hoxton Campus Ltd Partnership in May 2021.

(iv) Audit Fees

There were no non-audit fees paid to the Company's auditors during the year *(2023: £nil)*. Audit fees as described in note 6 are borne by the Company's ultimate parent, Aviva plc.

(b) 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 performing their duties is incidental to their role across the Group. The majority of such costs are borne by Aviva plc and are not recharged to the Company. Refer to note 5 for details of directors' remuneration.

(c) Parent entity

The immediate parent entity is Aviva Group Holdings Limited (AGH), a private limited company incorporated and domiciled in the United Kingdom.

(d) Ultimate controlling 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 Secretary, Aviva plc, 80 Fenchurch Street, London, EC3M 4AE, and on the Aviva plc website at www.aviva.com.

Notes to the financial statements continued

For the year ended 31 December 2024

23. Related undertakings

The Companies 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 2024 are listed below.

The direct related undertakings of the Company as at 31 December 2024 are listed below:

Name of undertaking	Registered address	Country of incorporation	Share class	% held by Group Companies
A.G.S. Customer Services (India) Private Limited	103/P3, Pentagon, Magarpatta City, Hadapsar, Pune – 411013, India	India	Ordinary Shares	100
Aviva Employment Services Limited	80 Fenchurch Street, London, EC3M 4AE, United Kingdom	United Kingdom	Ordinary Shares	100
Aviva Services Spółka z ograniczoną odpowiedzialnością	Inflancka 4b, 00-189, Warsaw, Poland	Poland	Ordinary Shares	100

24. Subsequent events

There are no subsequent events to report.