

Aviva Life Services UK Limited

Registered in England and Wales No. 2403746

Annual Report and Financial Statements 2024

Contents

	Page
Directors and officer	3
Strategic report	4
Directors' report	7
Independent auditors' report	9
Accounting policies	11
Income statement	14
Statement of changes in equity	15
Statement of financial position	16
Statement of cash flows	17
Notes to the financial statements	18
1. Interest receivable	18
2. Operating expenses	18
3. Directors' remuneration	18
4. Auditors' remuneration	18
5. Tax charge	18
6. Intangible assets	19
7. Investments in subsidiaries	20
8. Receivables	20
9. Ordinary share capital	20
10. Retained earnings/(accumulated losses)	20
11. Tax assets	21
12. Provisions	21
13. Payables and other financial liabilities	21
14. Statement of cash flows	22
15. Capital	22
16. Risk management	23
17. Related party transactions	24

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

Directors and Officer

Directors

R C Fazzini-Jones

V J Hagon

C E Lund-Conlon

Officer – Company Secretary

Aviva Company Secretarial Services Limited

80 Fenchurch Street

London

EC3M 4AE

Independent Auditors

Ernst & Young LLP

25 Churchill Place

London

E14 5EY

Registered Office

Aviva

Wellington Row

York

YO90 1WR

Company Number

Registered in England and Wales no. 2403746

Other Information

Aviva Life Services UK Limited (the "Company") is authorised and regulated by the Financial Conduct Authority (the "FCA")

The Company is a member of the Aviva plc group of companies (the "Group")

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

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 limited company, incorporated under the laws of England and Wales. It is a wholly owned subsidiary of Aviva plc and is managed as part of its Insurance, Wealth & Retirement (IWR) business. The principal activity of the Company is the provision of corporate administrative services to the IWR business, being Aviva Life Holdings UK Limited (UKLH) and its subsidiaries.

Significant events

There were no significant events in the year.

Financial position and performance

The financial position of the Company at 31 December 2024 is shown in the statement of financial position on page 16, with the results shown in the income statement on page 14 and the statement of cash flows on page 17.

The Company has generated a post-tax profit of £2.3 million in 2024 (2023: £12.0 million loss).

Total operating expenses have increased from £1,284.1 million in 2023 to £1,544.4 million in 2024.

Total equity and the profit for the year are detailed in the key performance indicators section set out below.

Section 172 (1) statement and our stakeholders

We report here on how our Directors have performed their duties under Section 172(1) ('s172') of the Companies Act 2006. S.172 sets out a series of matters which the directors must have regard to when performing their duty to promote the success of the Company for the benefit of its shareholders, including 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 establishing, monitoring and upholding the culture, values, standards, ethics and reputation of the Company to ensure that our obligations to our stakeholders are met. The Board monitors adherence to our policies and compliance with local corporate governance requirements and is committed to acting where our business falls short of the standards we expect.

Our Board is also focussed 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.

Key strategic decisions in 2024

For each matter that comes before the Board, the Board considers the likely consequences of any decision in the long term, identifies stakeholders who may be affected, and carefully considers their interests and any potential impact as part of the decision-making process.

Our Stakeholders

This section provides insight into how the Board engages with our stakeholders. The Board recognises that stakeholders have diverse interests and that these interests need to be heard. Engaging with our stakeholders is essential to understand what matters most to them and the likely impact of any key decisions.

The Board is legally accountable for the business of the Company but it recognises that the Company is part of the IWR business within the Aviva Group. As such policies and best practice are set by Aviva plc, some of which are described in the tables below. Aviva plc sets the overall strategic direction of the Group. The Board has established its awareness of the likely consequences of its long-term decisions as part of its consideration of Aviva's strategy.

Our Section 172(1) Statement sets out our approach on how our directors have performed their statutory duty. Our Board's activities section provides further information on key decisions taken in 2024, including how stakeholder views and inputs have been factored into the Board's decision making.

Details of how we engaged with our different groups of stakeholders during 2024 can be found on the following pages.

Strategic report (continued)

Our people Our people's wellbeing and commitment to serving Aviva's customers are the foundations for our performance.	
How we have engaged <ul style="list-style-type: none"> • 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. • The Board always aims to provide an inclusive working environment where talent is developed, performance is rewarded, support is provided and our differences are valued. • Our people have the opportunity to share in the business's success as shareholders through membership of our global share plans. All Employees are eligible for our global share plans. 	Outcomes and actions during the year <ul style="list-style-type: none"> • Aviva, and in particular the Nomination and Governance Committee, focused on succession planning, culture and the talent pipeline to ensure they were attracting and retaining the best leaders. • Aviva updated the Diversity, Equity and Inclusion Statement to reflect its commitment to diversity and inclusion initiatives. • The Voice of Aviva 2024 survey engagement was the highest it has ever been at 91% (+3 vs 2023).
Customers Understanding what's important to Aviva's customers is key to our long-term success.	
How we have engaged <ul style="list-style-type: none"> • The Board received regular reporting on customer experience, customer journeys, customer services levels and outcomes and customer related strategic initiatives. • The Group Board attended showcases in IWR during the Board strategy offsite meeting focusing on the Wealth and Health apps. • The Board closely monitors customer metrics and engages with the leadership team to understand the issues if performance does not meet customers' expectations. The Company is supported by the Aviva Life Holdings UK Limited ('UKLH') Conduct Committee to enable it to monitor customer metrics, the Board can escalate any matter it feels necessary to the UKLH Conduct Committee for further scrutiny. 	Outcomes and actions during the year <ul style="list-style-type: none"> • The Board reviewed and approved the the 2024 Consumer Duty Annual Assessment for the Company. • There was an increased focus on improving the digital roadmap and experience for customers which resulted in the updated 'MyAviva' app leading to increased Overall Experience Scores. Focus will remain on further consolidation to improve the customer journey. • Aviva launched the UK's first 'Find and Combine' pension tracing, checking and consolidation service.
Shareholders Our retail and institutional shareholders are the owners of the Company.	
How we have engaged <ul style="list-style-type: none"> • 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 parent. Additionally, members of the Aviva plc Board can attend the Company's Board meeting by invitation. • At Aviva Group level, a shareholder newsletter was published on aviva.com every quarter and provided shareholders with publicly available information including recent Board changes, financial or strategic updates, and information about our Aviva Foundation projects. • The Chair of the Aviva plc Board engaged and attended meetings with major shareholders of the Group 	Outcomes and actions during the year <ul style="list-style-type: none"> • As a result of positive feedback received from shareholders regarding hosting the AGM outside of London, the Board decided to hold the 2025 AGM in Bristol providing another opportunity to meet local retail shareholders. • In March 2024, Aviva announced a further buyback of its ordinary shares for a maximum aggregate consideration of £300 million as part of our programme of regular and sustainable capital returns, taking the total amount of capital returns and dividends to shareholders to more than £9 billion over the last three years and the updated dividend guidance to grow the cash cost of the dividend by mid-single digits. The buyback which commenced on 7 March 2024 was completed on 28 June 2024 with 62,815,617 shares cancelled under the programme.
Communities We recognise the importance of contributing to our communities through volunteering, community investment, and long term partnerships.	
How we have engaged <ul style="list-style-type: none"> • Aviva supported the communities in which we operate, through investment in business and infrastructure, paying tax revenues and community support activity. • At Aviva Group level, the Customer and Sustainability Committee received regular updates on the progress of Aviva's Sustainability Ambition throughout 2023 with the Committee Chair providing an update on matters discussed at each Aviva plc Board meeting. 	Outcomes and actions during the year <ul style="list-style-type: none"> • Employees across the Aviva Group were offered the opportunity to volunteer their time to support charities and organisations.

Strategic report (continued)

Regulators The Company is subject to financial services regulation and approvals.	
How we have engaged <ul style="list-style-type: none">• We have maintained a constructive and open relationship with our regulators.	Outcomes and actions during the year <ul style="list-style-type: none">• Regulatory priorities were regularly discussed at Board meetings.

Suppliers We operate in conjunction with a wide range of suppliers to deliver services to Aviva customers. It is vital that we build strong working relationships with our intermediaries.	
How we have engaged <ul style="list-style-type: none">• The Company maintains oversight of the management of its most important suppliers and reviews reports on their performance.• The Board normally delegates engagement with suppliers and oversight to senior management.• All supplier related activity is managed in line with the group procurement and outsourcing business standards. This ensures that supplier risk is managed appropriately in relation to customer outcomes, data security, corporate responsibility, and financial, operational and contractual issues.• The Board was kept updated on the development of any key supplier risk.	Outcomes and actions during the year <ul style="list-style-type: none">• To ensure continued efforts to strengthen controls, the Aviva Group procurement & outsourcing (P&O) Business Standard was refreshed for 2024.• Aviva remains a signatory to the Prompt Payment Code.

Future outlook

Strategies for the Group as a whole are determined by the Board of Aviva plc and these are shown in the Group 2024 Annual Report and Accounts. 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

The Company is exposed to financial risk through its financial assets and liabilities in the ordinary course of its business. It is also exposed to operational risk resulting from inadequate or failed internal processes, personnel or systems, or from external events, including regulatory risk. The Company uses a number of metrics to identify, measure, manage, monitor and report risks, and a fuller explanation of these risks can be found in note 16 to the financial statements.

Key performance indicators

Revenue represents fees charged by the Company for the provision of operational assets and services during the year. Revenue for the year has increased by £260.4 million to £1,544.5 million (2023: £1,284.1 million).

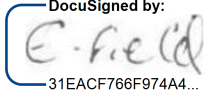
Total expenses for the year increased by £245.9 million to £1,544.4 million (2023: £1,298.5 million).

Profit for the year increased from £12.0 million loss in 2023 to £2.3 million profit in 2024.

Total equity has increased by £2.3 million to £23.5 million (2023: decreased by £12.0 million to £21.2 million), reflecting the profit for the year of £2.3m (2023: loss of £12.0 million).

By order of the Board on 29 May 2025

DocuSigned by:



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E A Field

Aviva Company Secretarial Services Limited
Company Secretary

Directors’ report

In accordance with Section 415 of the Companies Act 2006 (the Act), the directors present their report 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:

D A Brown	Resigned 23 January 2024
C E Lund-Conlon	Appointed 18 July 2024
M Robinson	Resigned 31 July 2024
V J Hagon	Appointed 1 October 2024
A MacKenzie	Resigned 24 October 2024

Company Secretary

The name of the Company Secretary is shown on page 3.

Dividends

No dividend was paid for the financial year ending 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.

The Company and its ultimate holding company, 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 an assessment, 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.

Important events since the financial year end

There have been no significant post balance sheet events subsequent to 31 December 2024.

Future outlook

Likely future developments in the business of the Company are discussed in the Strategic Report on page 6.

Employees

The Company has no employees (2023: nil). The majority of employees engaged in the activities of the Company are employed by a subsidiary undertaking of Aviva plc, Aviva Employment Services Limited (AES). Disclosures relating to employees may be found in the annual report and financial statements of this company. The Company is recharged with the costs of the staff provided by AES however the associated costs and average number of persons employed cannot be accurately disclosed.

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, Ernst & Young, 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 Ernst & Young is aware of that information.

Independent auditors

The Company's ultimate parent Company, Aviva plc, is required to tender for the provision of the external audit every 10 years. Following a full and rigorous competitive tender process, which was overseen by the Company's Audit Committee, the appointment of Ernst & Young was approved by the Aviva plc Board and the appointment was confirmed by the Company's shareholders in May 2024. Ernst & Young will undertake the audit for the financial year ending 31 December 2024.

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

Directors' report (continued)

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 s309A to s309C 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 s234 of the Companies Act 2006.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

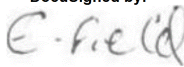
Under Company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- 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.

By order of the Board on 29 May 2025.

DocuSigned by:

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E A Field
For and on behalf of Aviva Company Secretarial Services Limited
Company Secretary

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

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

Opinion

We have audited the financial statements of Aviva Life Services UK Limited for the year ended 31 December 2024 which comprise income statement, statement of changes in equity, statement of financial position, statement of cash flows and the related notes 1 to 17, 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 profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Company's financial close process, we confirmed our understanding of management's going concern assessment process;
- We evaluated management's going concern assessment which included assessing their evaluation of business strategy, principal risks and liquidity;
- We performed enquiries of management and those charged with governance to identify risks or events that may impact the Company's ability to continue as a going concern. We also reviewed management's assessment was approved by the Board, minutes of meetings of the Board and its committees; and
- We reviewed the going concern disclosures included in the financial statements for conformity with accounting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 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.

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.

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

Independent auditors' report to the members of Aviva Life Services UK Limited (continued)

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, 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.

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 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.

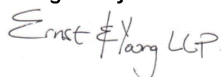
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are relevant laws and regulations related to elements of company law and tax legislation, and the financial reporting framework.
- We understood how Aviva Life Services UK Limited 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 Committees; 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.

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:


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Satty Khangura (Senior statutory auditor)

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

London

29 May 2025

Accounting policies

The Company, a private company limited by shares, incorporated and domiciled in the United Kingdom (UK), provides sales and corporate administrative services and operational assets to the IWR business. 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. 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 7.

The 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 thousands of pounds sterling (£'000).

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 European Economic Area ("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. Information on the ultimate controlling parent and immediate parent can be found in note 17.

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 Group's consolidated financial statements or 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 Arrangement*

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 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 Group 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 periods 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 use of estimates

The preparation of the Company's financial statements, in accordance with IFRS, requires management to make judgements, estimates and assumptions in applying the accounting policies 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 that are considered to have a significant impact on the financial statements.

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

Accounting policies (continued)**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 list below sets out those items we consider particularly susceptible to changes in estimates and assumptions, and the relevant accounting policy.

Item	Accounting policy	Note
Impairment of subsidiaries	G	7
Provisions	K	12

(C) Revenue

Revenue represents fees charged by the Company for the provision of operational assets and services during the year. Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(D) Net investment income

Net investment income consists of interest receivable, accounted for on an accruals basis.

(E) Operating expenses

Operating expenses are recognised on an accruals basis.

(F) Intangible assets

Costs of developing and acquiring intangible assets are capitalised only if the asset can be reliably measured, will generate future economic benefits and there is an ability to use or sell the asset. An impairment review is carried out at each reporting date and an impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount.

Intangible assets consist of internally generated software. These assets are amortised over their useful lives using the straight-line method.

Computer software 5 years

The amortisation charge for the period is included in the income statement under operating expenses.

(G) Subsidiaries

Subsidiaries are those entities over which the Company has control. 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.

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, such as the financial difficulty of the entity or a significant or prolonged decline in its fair value below cost, the investment is impaired to its recoverable value and any unrealised loss is recorded in the income statement.

Income from shares in group undertakings is recognised in the period in which they are received.

(H) Impairment of non financial assets

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.

(I) Receivables and payables and other financial liabilities

The classification and measurement of financial assets, including receivables, is driven by an assessment of the Company's business model for managing financial assets, and the extent to which the financial assets' contractual cash flows are solely payment of principal and interest. Based on the outcome of this assessment, receivables are initially recognised at the transaction price, with subsequent measurement being at amortised cost.

The Company calculates expected credit losses for all financial assets held at amortised cost. Expected credit losses are generally calculated on either a 12-month or lifetime basis depending on the extent to which credit risk has increased significantly since initial recognition. The Company makes use of a simplified approach for trade receivables such that expected credit losses are always calculated on a lifetime basis.

Payables and other financial liabilities are initially recognised at their fair value, with subsequent measurement being at amortised cost.

(J) Statement of cash flows

Cash and cash equivalents consist of cash at banks and in hand, deposits held on 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.

Accounting policies (continued)

(K) Provisions

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.

(L) 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.

(M) 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 will not be settled by delivery of a variable number of shares or is a derivative that can be settled other than for a fixed amount of cash, shares or other financial assets.

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

Income statement

For the year ended 31 December 2024

	Note(s)	2024 £000	2023 £000
Income			
Revenue	C	1,544,498	1,284,132
Interest receivable	D & 1	2,769	3,128
		1,547,267	1,287,260
Expenses			
Operating expenses	E & 2	(1,544,412)	(1,284,111)
Finance costs		(17)	(14)
Impairment loss on subsidiary undertakings	G & 7	—	(14,356)
		(1,544,429)	(1,298,481)
Profit/(loss) before tax		2,838	(11,221)
Tax charge	L & 5	(584)	(744)
Profit/(loss) for the year		2,254	(11,965)

The Company has no other comprehensive income (2023: £nil).

The accounting policies (identified alphabetically) on pages 11 to 13 and the notes (identified numerically) on pages 18 to 24 are an integral part of these financial statements.

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

Statement of changes in equity

For the year ended 31 December 2024

2024			
	Ordinary share capital	Retained earnings/ (accumulated losses)	Total equity
Note(s)	£000	£000	£000
Balance at 1 January	22,800	(1,588)	21,212
Profit for the year	10 —	2,254	2,254
Balance at 31 December	22,800	666	23,466

2023			
	Ordinary share capital	Retained earnings/ (accumulated losses)	Total equity
Notes	£000	£000	£000
Balance at 1 January	22,800	10,377	33,177
Loss for the year	10 —	(11,965)	(11,965)
Balance at 31 December	22,800	(1,588)	21,212

The accounting policies (identified alphabetically) on pages 11 to 13 and the notes (identified numerically) on pages 18 to 24 are an integral part of these financial statements.

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

Statement of financial position

As at 31 December 2024

	Note(s)	2024 £000	2023 £000
Assets			
Intangible assets	F & 6	—	—
Investments in subsidiaries	G & 7	22,567	22,567
Deferred tax assets	L & 11	2,660	3,244
Current tax assets	L & 11	—	102
Receivables	I & 8	95,096	55,917
Cash and cash equivalents	J & 14	37,973	57,807
Total assets		158,296	139,637
Equity			
Ordinary share capital	M & 9	22,800	22,800
Retained earnings/(accumulated losses)	10	666	(1,588)
Total equity		23,466	21,212
Liabilities			
Provisions	K & 12	10,360	14,952
Payables and other financial liabilities	I & 13	124,470	103,473
Total liabilities		134,830	118,425
Total equity and liabilities		158,296	139,637

The financial statements were approved by the Board of Directors on 29 May 2025 and signed on its behalf by

DocuSigned by:

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V J Hagon

Director

The accounting policies (identified alphabetically) on pages 11 to 13 and the notes (identified numerically) on pages 18 to 24 are an integral part of these financial statements.

Statement of cash flows
For the year ended 31 December 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Cash used in operations	14	(19,817)	(6,185)
Net cash used in operating activities		(19,817)	(6,185)
Cash flows from financing activities			
Interest paid		(17)	(14)
Net cash used in financing activities		(17)	(14)
Net decrease in cash and cash equivalents		(19,834)	(6,199)
Cash and cash equivalents at 1 January		57,807	64,006
Cash and cash equivalents at 31 December	14	37,973	57,807

The accounting policies (identified alphabetically) on pages 11 to 13 and the notes (identified numerically) on pages 18 to 24 are an integral part of these financial statements.

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

Notes to the financial statements

For the year ended 31 December 2024

1. Interest receivable

	2024	2023
	£000	£000
Interest receivable	2,769	3,128
Total interest receivable	2,769	3,128

2. Operating expenses

Under a management agreement Aviva Central Services UK Limited, a fellow group undertaking, supplies and makes charges for the provision of operational assets and services to the Company. The agreement specifies the amounts payable in respect of these services.

Aviva Employment Services Limited, a fellow group undertaking, supplies and makes a charge for the provision of staff to the Company.

The Group offers share awards and option plans over Aviva plc ordinary shares, including a Save As You Earn plan. The costs of these plans relating to the IWR business are recharged to the Company. Aggregate disclosures in relation to share-based payments have been included in the financial statements of Aviva plc, the ultimate parent undertaking.

	2024	2023
	£000	£000
ACS recharges (operating)	1,544,412	1,283,769
Other operating expenses	—	342
Total operating expenses	1,544,412	1,284,111

3. Directors' remuneration

All directors were remunerated by Aviva Employment Services Limited, a fellow subsidiary of the ultimate parent company, Aviva plc. The emoluments are recharged, as part of a head office management charge under management service agreements, to all operating divisions of the Aviva Group. No direct recharge has been made to the Company in respect of these emoluments as they cannot be accurately calculated or disclosed. Accordingly, no emoluments are disclosed in respect of these directors. Their total emoluments are disclosed in the financial statements of Aviva Life & Pensions UK Limited.

4. Auditors' remuneration

The total remuneration payable by the Company, excluding VAT, to its auditors, Ernst & Young Accountants LLP (EY) (2023: PricewaterhouseCoopers LLP) is as follows:

	2024	2023
	£000	£000
Fees payable to EY (2023: PWC) for the audit of the Company's financial statement	108	105

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, EY 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 financial statements of Aviva plc. Audit fees are payable by Aviva Central Services UK Limited, a fellow group company, and recharged as appropriate to the Company and fellow Group companies.

5. Tax charge**(a) Tax charged to the income statement**

(i) The total tax charge comprises:

	2024	2023
	£000	£000
Current tax		
Adjustments in respect of prior years	—	102
Total current tax	—	102
Deferred tax		
Origination and reversal of temporary differences	(584)	(846)
Total deferred tax	(584)	(846)
Total tax charged to the income statement	(584)	(744)

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

Notes to the financial statements (continued)

For the year ended 31 December 2024

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

	2024	2023
	£000	£000
Unused losses and tax credits	—	(134)
Accelerated capital allowances	(584)	(712)
Total deferred charged to income statement	(584)	(846)

(b) Tax (charged)/credited to other comprehensive income

There was no tax charged or credited 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
	£000	£000
Profit/(loss) before tax	2,838	(11,221)
Tax calculated at standard UK corporation tax rate of 25% (2023: 23.5%)	(710)	2,637
Adjustment to tax charge in respect of prior periods	—	(32)
Impairment of investment in subsidiaries	—	(3,374)
Movement in valuation of deferred tax	—	(43)
Surrender of tax losses from Group undertakings for no charge	126	68
Total tax charge to income statement	(584)	(744)

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.

6. Intangible Assets

	2024	2023
	£000	£000
Cost		
At 1 January	21,428	21,428
De-recognised assets	(21,428)	—
At 31 December	—	21,428
Accumulated amortisation		
At 1 January	21,428	21,071
Charge for the year	—	357
De-recognised assets	(21,428)	—
At 31 December	—	21,428
Net book value		
At 1 January	—	357
At 31 December	—	—

In line with IAS 38, an adjustment was made in 2024 for fully amortised intangible assets. These have now been de-recognised as no future economic benefits are expected from their use.

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

Notes to the financial statements (continued)

For the year ended 31 December 2024

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

	2024 £000	2023 £000
Carrying amount at 1 January	22,567	36,923
Impairment losses	—	(14,356)
At 31 December	22,567	22,567

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, such as the financial difficulty of the entity or a significant or prolonged decline in its fair value below cost, the investment is impaired to its recoverable value and any unrealised loss is recorded in the income statement.

The impairment losses for 2023 were driven by losses in Aviva Administration Limited.

(b) The subsidiary undertakings of the Company are shown below, all of which are wholly-owned and incorporated in England.

Subsidiary	Principal activity
Aviva Management Services UK Limited	Corporate administration services
Aviva Administration Limited	Corporate administration services

Registered office address:

Aviva, Wellington Row, York, United Kingdom, YO90 1WR

8. Receivables

	2024 £000	2023 £000
Amounts owed by group undertakings	92,755	54,589
Other receivables	2,341	1,328
Total as at 31 December	95,096	55,917
Expected to be recovered in less than one year	95,096	55,917
Expected to be recovered in more than one year	—	—
	95,096	55,917

9. Ordinary share capital

	2024 £000	2023 £000
Allotted, called up and fully paid		
22,800,000 (2023: 22,800,000) ordinary shares of £1 each	22,800	22,800

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.

10. Retained earnings/(Accumulated losses)

	2024 £000	2023 £000
Balance at 1 January	(1,588)	10,377
Profit/(loss) for the year	2,254	(11,965)
Balance at 31 December	666	(1,588)

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

Notes to the financial statements (continued)

For the year ended 31 December 2024

11. Tax assets**(a) Current tax**

Current tax assets recoverable in more than one year are £nil (2023: £nil)

(b) Deferred tax

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

	2024	2023
	£000	£000
Accelerated capital allowances	2,660	3,244
Net deferred tax asset at 31 December	2,660	3,244

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

	2024	2023
	£000	£000
Net deferred tax asset at 1 January	3,244	4,090
Amounts charged to income statement	(584)	(846)
Net deferred tax asset at 31 December	2,660	3,244

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

12. Provisions

	2024	2023
	£000	£000
Balance At 1 January	14,952	17,107
Amounts utilised	(3,505)	(2,155)
Amounts released	(1,087)	—
Balance At 31 December	10,360	14,952

In 2015 a provision of £22.0 million was made in relation to an onerous contract in respect of maintenance contracts on properties that have been vacated by the Group. The balance outstanding at 31 December 2024 is £8.8 million (2023: £11.7 million). The balance of the provision relates to onerous contracts in respect of vacant properties. The discount rate used to calculate the onerous lease element of the provision remained unchanged at 2.5%.

13. Payables and other financial liabilities

	2024	2023
	£000	£000
Amounts owed to group undertakings	120,746	100,705
Other payables including taxation and social security	3,724	2,768
Total as at 31 December	124,470	103,473
Expected to be settled within one year	124,470	103,473
Expected to be settled in more than one year	—	—
	124,470	103,473

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

Notes to the financial statements (continued)

For the year ended 31 December 2024

14. Statement of cash flows**(a) The reconciliation of profit/(loss) before tax to the net cash outflow from operating activities is:**

	2024	2023
	£000	£000
Profit/(loss) before tax	2,838	(11,221)
Adjustments for:		
Amortisation of intangible assets	—	357
Impairment losses on investments in subsidiaries	—	14,356
Interest expense	17	14
Changes in working capital:		
Decrease in tax assets	102	741
(Increase)/decrease in receivables	(39,179)	2,022
Decrease in provisions	(4,592)	(2,155)
Increase/(decrease) in payables and other financial liabilities	20,997	(10,299)
Total cash used in operating activities	(19,817)	(6,185)

(b) Cash and cash equivalents in the statement of cash flows for the year ended 31 December comprised:

	2024	2023
	£000	£000
Cash at bank and in hand	37,973	57,807

15. Capital

The Company maintains an efficient capital structure from equity shareholders' funds, consistent with the Company's overall risk profile and the regulatory and market requirements of the business. This note describes the way the Company manages capital and shows how this is structured.

(a) General

IFRS underpins the Company's capital structure and accordingly the capital structure is analysed on this basis. The Company measures its capital requirements under the IPRU (Interim Prudential Sourcebook for Investment Businesses) and MIPRU (Prudential Sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries) rulebooks.

(b) Capital management

In managing its capital, the Company seeks to:

- (i) match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- (ii) maintain financial strength to support new business growth and satisfy the requirements of its policyholders and regulators;
- (iii) retain financial flexibility by maintaining strong liquidity; and
- (iv) allocate capital efficiently to support growth and repatriate excess capital where appropriate.

(c) Different measures of capital

The Company measures its capital on a number of different bases. These include measures which comply with the regulatory regime within which the Company operates and those which the directors consider appropriate for the management of the business. The measures which the Company uses are:

- (i) Accounting basis

The Company is required to report its results on an IFRS basis.

- (ii) Regulatory basis

Relevant capital and solvency regulations are used to measure and report the Company's financial strength. These measures are based on the Company being subject to the capital requirements applicable to companies which are personal investment firms imposed by the FCA. The Company fully complied with the relevant regulatory requirements during the year.

The reconciliation below is between total IFRS funds and total own funds under IPRU (Inv) and MIPRU.

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

Notes to the financial statements (continued)

For the year ended 31 December 2024

	2024	2023
	£000	£000
Total IFRS shareholders' funds	23,466	21,212
Adjustments onto a regulatory basis:		
Deferred tax assets	(2,660)	(3,244)
Total own funds	20,806	17,968

The intangible assets deduction relates to the deferred tax asset which is inadmissible for FCA purposes.

In addition to the minimum regulatory requirements outlined above, the Company complies with Group mandated Capital Management Risk Standards which include the setting of risk appetites which are designed to give some buffer against adverse events when compared with minimum solvency. These appetites define what action should be taken by management where the actual capital level is above or below the desired target level.

16. Risk management**(a) Risk management framework**

The Company operates a risk management framework (RMF) 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, risk oversight committees and roles and responsibilities; and the processes the Company uses to identify, measure, manage, monitor and report ("IMMMR") risks.

The RMF has been adopted by the boards of the legal entities within the business collectively referred to as "Insurance, Wealth & Retirement (IWR)" (including this Company).

For the purposes of risk identification and measurement, and aligned to the Company's risk policies, risks are usually grouped by risk type: credit, market, liquidity, life insurance (including long-term health), 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.

To promote a consistent and rigorous approach to risk management across the business, the Company has a set of risk policies and business standards which set out the risk strategy, appetite, framework and minimum requirements for the Company's operations. The IWR Chief Executive Officer makes an annual declaration that the system of governance and internal controls was effective and fit for purpose for their business throughout the year; this declaration is supported by an opinion from the IWR Chief Risk Officer. Any material weaknesses in subsidiary companies are considered as part of this overall process.

The Risk Appetite Framework was refreshed during the year, with revised risk appetites considered and approved by the Board. Since 2021, Climate Risk has been integrated and defined within the overall UK IWR risk appetite framework as part of the use in risk-based decision-making.

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. UK IWR also operates a risk and control self-assessment process. The risk assessment processes are used to generate risk reports which are shared with the Board.

Roles and responsibilities for risk management are based around the 'three lines of defence model' where ownership for risk is taken at all levels. 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 IMMMR 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 Company is maintained on a regular basis.

(b) Market risk

Market risk is the risk of loss or adverse change in the financial situation (including the value of assets, liabilities and income) resulting, directly or indirectly, from fluctuations in the level or the volatility of market variables, such as interest rates, foreign exchange rates, equity, property and commodity prices. The nature of the business means that the Company is not exposed to significant market risk.

(c) Credit risk

Credit risk is the risk of adverse financial impact resulting from fluctuations in credit quality of third parties including default, rating transition and credit spread movements.

The nature of the Company's business means that it is not exposed to significant credit risk. This is because its receivables are mainly inter-company balances. A significant amount of business relates to the Aviva Group of companies and exposure is managed through regular and timely payments.

Expected credit losses on material trade receivables and other assets are calculated with reference to the Company's historical experience of losses, along with an analysis of payment terms. 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. Expected credit losses have been calculated using a provision matrix where recoverability has been assessed against the age of the receivable.

(d) Liquidity risk

The nature of the business means that the Company is not exposed to significant liquidity risk. The Board seeks to determine that the Company has sufficient financial resources to meet its obligations as they fall due.

The Company has no liabilities with a contractual maturity date and as such no analysis of liabilities based on the remaining period at the statement of financial position date to their contractual maturity is supplied.

Aviva Life Services UK Limited

Annual Report and Financial Statements 2024

Notes to the financial statements (continued)

For the year ended 31 December 2024

(e) Operational risk

Increasing geo-political tensions have heightened the risk of cyber security attacks on the Aviva Group or its suppliers, with the potential to cause business service interruption and/or data or intellectual property theft. In response the Aviva Group continues to actively monitor the threat environment and enhance its IT infrastructure and Cyber controls to identify, detect and prevent attacks. Aviva's Cyber defences are regularly tested using our own 'ethical hacking' team and the Aviva Group has engaged with suppliers to put in place all reasonable measures so that services to Aviva and its customers are protected.

The Aviva Group actively monitors social and other media in order to manage misinformation about our business, products, colleagues and customers should we be targeted by a hostile actor, taking corrective media action if necessary.

17. Related party transactions

(a) The members of the Board of Directors are listed on page 3 of these financial statements.

Under a management agreement Aviva Central Services UK Limited, a fellow group undertaking, supplies and makes charges for the provision of operational assets and services to the Company. The agreement specifies the amounts payable in respect of these services.

(b) Services provided to related parties

Other amounts receivable at the year end are due to the following:

	2024		2023	
	Income earned in year	Receivable at year end	Income earned in year	Receivable at year end
	£000	£000	£000	£000
Parent	—	—	—	—
Fellow subsidiaries	1,544,498	92,755	1,280,266	54,589
	1,544,498	92,755	1,280,266	54,589

The related parties' receivables are not secured and no guarantees were received in respect thereof. No provision or expense has been recognised during the year in respect of bad and doubtful debts (2023: £nil).

(c) Services provided by related parties

	2024		2023	
	Expense incurred in year	Payable at year end	Expense incurred in year	Payable at year end
	£000	£000	£000	£000
Fellow subsidiaries	1,544,412	120,746	1,283,769	100,705
	1,544,412	120,746	1,283,769	100,705

The related parties' payables are not secured and no guarantees were received in respect thereof.

(d) Key management compensation

Key management personnel are remunerated by Aviva Employment Services Limited, a fellow subsidiary of the ultimate parent company, Aviva plc. They act as key management for a number of fellow subsidiary undertakings and their remuneration is recharged, under management service agreements, across a number of operating divisions of the Aviva Group. Key management personnel's remuneration cannot be accurately calculated or disclosed. Accordingly, no costs are disclosed in respect of these employees.

(e) Parent undertaking

The immediate parent undertaking is Aviva Life Holdings UK Limited, a company incorporated in England.

(f) Ultimate controlling entity

The ultimate controlling entity, and parent of the largest and smallest groups which consolidate the results of the Company, is Aviva plc. Its Group Financial Statements are available on application to the Group Company Secretary, Aviva plc, 80 Fenchurch Street, London, EC3M 4AE and on the Aviva plc website at www.aviva.com.

The company has taken the exemption from preparing consolidated financial statements.