

# **Aviva UK Digital Limited**

**Registered in England and Wales No. 09766150**

## **Annual Report and Financial Statements 2024**

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## Directors and officers

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### Directors

S Bridger  
F J Bruce  
J B Cummings  
T J Latter  
O C Morris

### 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

8 Surrey Street  
Norwich  
Norfolk  
NR1 3NG

### Company number

Registered in England and Wales no. 09766150

### Other information

Aviva UK Digital Limited ("the Company") is regulated by the Financial Conduct Authority ("FCA") and 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 limited liability by shares company, incorporated and domiciled in England, United Kingdom and a subsidiary of Aviva Insurance Limited (“AIL”). The Company’s principal activity during the year was as an insurance intermediary receiving commission and fee income from AIL to distribute insurance products underwritten by other Aviva subsidiaries to their customers in the UK.

Financial position and performance

The financial position of the Company as at 31 December 2024 is shown in the Statement of Financial Position on page 17, with the results for the year shown in the Income Statement on page 15 and the Statement of Cash Flows on page 18.

Significant events

The Company’s financial results are affected by general economic and market conditions, government policy and legislation. During the year, inflation and changes in insurer pricing influenced client behaviour and commission income. The Company continues to monitor these external factors closely and adapt its operations accordingly.

Section 172 Statement

We report here on how our directors have performed their duties under Section 172(1) of the Companies Act 2006 (‘S.172’).

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. Where this statement draws upon information contained in other sections of the Strategic report, this is signposted accordingly.

The 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.

The 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.

The Company's culture

The Company's culture is shaped, in conjunction with its immediate parent company, AIL, and its ultimate shareholder, Aviva plc, 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. The Company looks to build relationships with all our stakeholders based on openness and transparency and by valuing 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.

The Board decided not to pay a dividend to its parent in 2024. The Company considers whether it is appropriate to pay dividends to its parent each year, taking into account the impact of its risk appetite statements.

Stakeholders Engagement

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 S.172 sets out the Company’s approach on how its directors have performed their duty. The following table sets out the Board’s approach to stakeholder engagement during 2024.

Our people Our people’s wellbeing and commitment to serving our customers are the foundations for our performance.	
How we have engaged 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.	Focus during the year Continued employee engagement contributed to sustained performance and customer service quality.  Outcomes and actions during the year The Voice of Aviva and Pulse surveys indicated a continued positive culture and high levels of employee engagement.  In the Health business, positive improvements in workload management and absence rates were achieved.

## Strategic report continued

<b>Customers</b> <b>Understanding what's important to our customers is key to our long-term success.</b>	
<b>How we have engaged</b> The Board receives regular reporting on customer outcomes and strategic initiatives throughout the year.	<b>Focus during the year</b> The Board regularly reviewed Voice of the Customer reports, which provided insights into customer expectation and satisfaction.  <b>Outcomes and actions during the year</b> Explored the customer journey and options for meeting their evolving needs.  Prioritised customer journey improvements with a focus on their claims experience.  Received enhanced reporting on Customer Conduct Outcomes and Consumer Duty, ensuring that customer needs and fair outcomes remained central to decision-making.  Supported the development of the Company specific conduct metrics and endorsed improvements in governance and oversight, particularly IT service resilience and product suitability.  Ensured data quality and customer understanding were enhanced through better data management and that fair value was embedded in product design.
<b>Shareholders</b> <b>Our retail and institutional shareholders are the owners of the Company.</b>	
<b>How we have engaged</b> 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 meetings by invitation.	<b>Focus during the year</b> Maintained strong financial stewardship and governance to protect shareholder value, including prudent capital management, regulatory compliance, and alignment with Group governance frameworks.  <b>Outcomes and actions during the year</b> The Board maintained oversight of market conditions, including macroeconomic and political developments, and their potential impact on the business and shareholder returns.  The Board reviewed and responded to regulatory developments, including the FCA's PROD4 Thematic review and Consumer Duty expectations, ensuring that shareholder interests were protected through compliance and risk mitigation.
<b>Regulators</b> <b>As an insurance company, we are subject to financial services regulation and approvals in all the markets we operate in.</b>	
<b>How we have engaged</b> As a regulated entity under the Senior Manager's Certification Regime, the Company is required to produce a management Responsibility Map and this is shared with the Regulators on a quarterly basis.  The Board engages with the Regulator as appropriate.	<b>Focus during the year</b> Strengthening regulatory compliance and governance through enhanced risk management and Consumer Duty alignment.  <b>Outcomes and actions during the year</b> The Board received regular updates on regulatory developments, including: <ul style="list-style-type: none"> <li>The FCA's PROD 4 Thematic Review, which identified industry wide shortcomings in product governance. The Company contributed to a group wide gap analysis and committed to follow up actions.</li> <li>In terms of the Consumer Duty Annual Assessment the Company aligned with the Group's reporting and governance model and participated in attestation planning.</li> <li>The FCA's feedback on Aviva's regulatory strategy.</li> </ul>
<b>Communities and the Environment</b> <b>We recognise the importance of contributing to our communities through volunteering, community investment, and long term partnerships.</b>	
<b>How we have engaged</b> We have strengthened our approach to climate related risks by refining how we assess and price insurance products, and by considering environmental factors in our investment decisions. We also support customers and communities in adapting to climate challenges through ongoing engagement and awareness efforts.  The Board supports the community activities of the Aviva Group including the wellbeing proposition for UK employees, the Aviva Communities to help drive greater diversity and inclusivity throughout the organisation and to support colleagues to volunteer in their communities.	<b>Focus during the year</b> Recognising that climate change presents both risks and opportunities for our customers, communities, employees, and business, Aviva has committed to the United Nations Net-Zero Asset Owner Alliance. As part of the Aviva Group, the Company supports the Group's long-term strategy to achieve net zero by 2040. To help reach this target, Aviva has defined climate risk preferences and operating risk limits. In parallel, we are committed to fostering a diverse, inclusive, and equitable workplace, recognising that employee engagement and diversity are critical to driving innovation and resilience in the face of climate challenges.  <b>Connecting People and Planet</b> Our approach to sustainability is holistic, placing equal importance on environmental responsibility and social impact. By supporting employee wellbeing and fostering an inclusive culture, we strengthen our capacity to address climate challenges. Likewise, our climate strategy is designed to be inclusive and community focused, ensuring that the transition to a low carbon future benefits all stakeholders. Together, these efforts reflect our belief that a sustainable future depends on both a healthy planet and empowered, resilient communities.  <b>Outcomes and actions during the year</b> The Board continued to adopt the new climate risk preferences during the year.

Strategic report continued

<b>Suppliers</b> <b>We operate in conjunction with a wide range of suppliers to deliver services to our customers. It is vital that we build strong working relationships with our intermediaries.</b>	
<b>How we have engaged</b> The Company maintains oversight of the management of its most important suppliers and reviews reports on their performance.	<b>Focus during the year</b> Maintaining effective governance and oversight of operational risks, including IT service providers and third party performance, with specific attention to service resilience, remediation plans, and control enhancements.  <b>Outcomes and actions during the year</b> The Board approved updates to the Operational Risk Appetite which included metrics for supplier related risks and failures.  The Board Identified IT management and resilience risks and introduced enhanced supplier related controls. It closely monitored the resolution of identified third party performance issues.

Future outlook

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

The Company is well positioned to compete in its key markets by leveraging the power of Aviva's breadth of offering within the UK to deliver compelling propositions to meet our customer needs, alongside driving digitisation through customer services, propositions and ensuring we are easy for customers to do business with, however they chose.

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 11 to the financial statements.

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

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

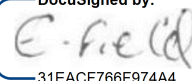
Key performance indicators

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

Measure	2024	2023
	£m	£m
Commission and fee income for the year ended 31 December	153	121

In 2024, commission income increased to £153 million (2023: £121 million).

By order of the Board on 30 July 2025

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E A Field  
For and on behalf of Aviva UK Digital Limited  
Company Secretary

## Directors' report

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

### Directors

The names of the present directors of the Company appear on page 3. The changes in directors in office since the start of the accounting year are as follows:

T L Gration was appointed as a director of the Company on 15 March 2024 and resigned as a director of the Company on 2 April 2025. C J Clark resigned as a director of the Company on 20 March 2024.

In addition, the following directors of the Company have continued in their roles:

S Bridger  
F J Bruce  
J B Cummings  
T J Latter  
O C Morris

### Company Secretary

The name of the present Company Secretary appears on page 3.

### Dividends

The directors did not recommend an interim dividend on the Company's ordinary shares dividends in 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 management of its risks including operational, credit and liquidity risk (see note 11).

The Company and its ultimate parent, Aviva plc, have sufficient 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 Group has adequate resources to continue in operational existence for a period of at least twelve months (to 30 July 2026) from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### Important events since the financial year end

Details of significant post balance sheet events that have occurred subsequent to 31 December 2024 are disclosed in note 13, of which there are none to report.

### Political and charitable donations

The Company did not make any political and charitable donations during the year (2023: £nil).

### 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. The majority of employees engaged in the activities of the Company are employed by a subsidiary undertaking of Aviva plc, Aviva Employment Services Limited. Disclosures relating to employees may be found in the annual report and financial statements of that company. The Company is recharged with the costs of the staff provided by Aviva Employment Services Limited.

### 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 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 Group's Audit Committee, the appointment of Ernst & Young LLP was approved by the Aviva plc Board and the appointment was confirmed by the Group's shareholders in May 2024. Ernst & Young LLP undertook the audit for the financial year ending 31 December 2024. In February 2025, the Group Audit Committee recommended to the Group Board that Ernst & Young LLP be reappointed as external auditor for the financial year ended 31 December 2025. The Group Board endorsed that recommendation, and the reappointment of Ernst & Young LLP was approved at the Annual General Meeting held on 30 April 2025.

**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 section 309A to section 309C of the Companies Act 1985. These qualifying third-party indemnity provisions remain in force as at the date of approving the directors' report by virtue of paragraph 15, schedule 3 of the Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

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

**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Strategic report, the Directors' report and Financial Statements 2024 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, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

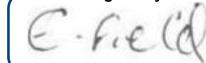
- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By order of the Board on 30 July 2025

DocuSigned by:



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E A Field

For and on behalf of Aviva UK Digital Limited  
Company Secretary



## Independent auditors' report to the members of Aviva UK Digital Limited

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### Opinion

We have audited the financial statements of Aviva UK Digital Limited for the year ended 31 December 2024 which comprise the Income statement, the Statement of changes in equity, the Statement of financial position, the Statement of cash flows, and the related notes 1 to 13, 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 result 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 30 July 2026

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.

## Independent auditors' report to the members of Aviva UK Digital Limited continued

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### 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

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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 the relevant laws and regulations related to elements of company law and tax legislation, and the financial reporting framework.
- We understood how Aviva UK Digital Limited is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance matters. We also reviewed correspondence between the company and the regulatory bodies, reviewed minutes of the Board and obtained an understanding of the company's approach to 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. We also considered areas of significant judgement, including complex transactions, performance targets, external pressures and the impact these have on the control environment and their potential to influence management to manage earnings or influence the perceptions of investors and stakeholders. Furthermore, our audit procedures included testing the appropriateness of journal entries recorded in the general ledger.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved, making enquiry of those charged with governance and senior management as to their awareness of any non-compliance with laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees and inquiring 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.

Independent auditors’ report to the members of Aviva UK Digital Limited continued

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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Heidi Burton (Senior statutory auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
30 July 2025

## Accounting policies

### Accounting policies

The Company, (registered in England no. 09766150), a private company limited by shares incorporated and domiciled in England and Wales. The address of the Company's registered office is included on page 3. 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, as modified by the revaluation of financial assets and financial liabilities at fair value through other comprehensive income.

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

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 pound 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 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.

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 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 yet to be 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.

## Accounting policies (continued)

### (v) IFRS 19: Subsidiaries without Public Accountability: Disclosures

Published by the IASB in May 2024. This standard cannot be applied by the Company because it is only applicable to subsidiaries that have no public accountability. IFRS 19 is effective for annual reporting beginning on or after 1 January 2027 and has 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.

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 directors do not consider any particular accounting policy or estimate to be susceptible to significant changes in estimates and assumptions.

### (C) Revenue

Revenue comprises commission income and service charges from fellow group companies. For each revenue stream income is recognised in the accounting period in which the services are provided. Transaction price is determined by the contract.

There is no significant judgment or uncertainty in determining the revenue recognition point, expiry date of the delivery obligation or in determining the value of future performance obligations as these are contractual. The revenue recognition policies and methods selected are considered appropriate as they are a faithful depiction of the services being provided and the contractual arrangements to provide them.

### (D) Operating expenses

Staff costs and other employee related expenditure, ongoing administrative and other operating expenses are recognised as incurred.

### (E) Fair value measurement

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

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

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. In certain circumstances, the fair value at initial recognition may differ from the transaction price. If the fair value is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging), or is based on a valuation technique whose variables include only data from observable markets, then the difference between the fair value at initial recognition and the transaction price is recognised as a gain or loss in the Income Statement. When unobservable market data have 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 matured.

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

### (F) 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 in the Income Statement 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.

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

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

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

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

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

## Accounting policies (continued)

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### (H) Payables and other financial liabilities

Payables and other financial liabilities are recognised initially at their fair value and are subsequently measured at amortised cost using the effective interest rate method.

### (I) Statement of Cash Flows

#### Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand, deposits held at call with banks. Such investments are redeemable on demand with only an insignificant change in their fair values.

### (J) 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.

### (K) 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.

Income statement

For the financial year ended 31 December 2024

		2024	2023
	Notes	£m	£m
<b>Income</b>			
Revenue	1	153	121
		153	121
<b>Expenses</b>			
Operating expenses	2	(153)	(121)
<b>Result for the period before tax</b>			
Tax	6	—	—
<b>Result for the period after tax</b>			
		—	—

The Company has no recognised income and expenses other than that included in the results above (2023: none) and therefore a separate statement of comprehensive income has not been presented.

The accounting policies (identified alphabetically) on pages 12 to 14 and notes (identified numerically) on pages 19 to 25 are an integral part of these financial statements.

Statement of changes in equity

For the financial year ended 31 December 2024

	Ordinary share capital	Retained earnings	Total
	£m	£m	£m
Balance at 1 January 2023	1	15	16
Total comprehensive income for the year	—	—	—
Balance at 31 December 2023	1	15	16
Total comprehensive income for the year	—	—	—
Balance at 31 December 2024	1	15	16



Annual Report and Financial Statements 2024

Statement of financial position

As at 31 December 2024

		2024	2023
	Notes	£m	£m
<b>Assets</b>			
Current tax asset	9	2	2
Cash and cash equivalents	10	14	14
<b>Total assets</b>		<b>16</b>	<b>16</b>
<b>Equity</b>			
Ordinary share capital	7	1	1
Retained earnings	8	15	15
<b>Total equity</b>		<b>16</b>	<b>16</b>
<b>Liabilities</b>			
<b>Total liabilities</b>		<b>—</b>	<b>—</b>
<b>Total equity and liabilities</b>		<b>16</b>	<b>16</b>

The financial statements were approved and signed on behalf of the Board of Directors on 30 July 2025 by

Signed by:  
  
E349CA781DA14EE...  
T Latter  
Director

Statement of cash flows

For the financial year ended 31 December 2024

		2024	2023
	Notes	£m	£m
Cash flows from operating activities			
Tax relief from fellow group companies		—	2
Net cash generated from operating activities		—	2
Net increase in cash and cash equivalents		—	2
Cash and cash equivalents at 1 January		14	12
Cash and cash equivalents at 31 December	10	14	14

## Notes to the financial statements

### 1. Revenue

	2024	2023
	£m	£m
Commission income	146	114
Service charge income	7	7
<b>Total revenue</b>	<b>153</b>	<b>121</b>

### 2. Operating expenses

	2024	2023
	£m	£m
Administration expenses	(96)	(82)
Commission expenses	(57)	(39)
<b>Total</b>	<b>(153)</b>	<b>(121)</b>

### 3. Employee information

The Company has no employees (2023: none). The majority of staff engaged in the activities of the Company are employed by Aviva Employment Services Limited, a fellow subsidiary undertaking of Aviva plc. Disclosures relating to employee remuneration and the average number of persons employed are made in the financial statements of Aviva Employment Services Limited. The Company is recharged with the costs of the staff provided by Aviva Employment Services Limited.

### 4. Directors' remuneration

The directors were remunerated during the year for their roles as employees across the Group. They were not remunerated directly for their services as directors of this Company and no cost is borne by the Company for these services. The exception is Mr. Clark, who resigned in March 2024. Mr. Clark received remuneration in respect of his directorship for the year ended 31 December 2023. However, he did not receive any remuneration for his role on the Board during the 2024 financial year. See Note 12(b) for details.

During the year, one of the directors exercised share options (2023: three) and four of the Directors were granted shares under long term incentive schemes (2023: five) in relation to shares of the Company's ultimate parent company, Aviva plc.

### 5. Auditors' remuneration

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

	2024	2023
	£'000	£'000
Fees payable for the statutory audit of the Company's financial statements	19	16

There were no 'Other services' provided to the Company by the Company's auditors, Ernst & Young LLP.

Audit fees are paid by Aviva Central Services UK Limited, a fellow Group company, and borne by the Company's parent, Aviva Insurance Limited.

## Notes to the financial statements (continued)

### 6. Tax credit

#### (a) Total tax charged to the Income Statement

(i) The total tax (charge)/credit comprises:

	2024	2023
	£m	£m
<b>Current tax</b>		
For this year	—	2
<b>Total current tax</b>	—	2
<b>Deferred tax</b>		
Origination and reversal of temporary differences	—	(2)
Total deferred tax	—	(2)
<b>Total tax (charged)/credited to the Income Statement</b>	—	—

#### (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 is the same as the theoretical amount that would arise using the tax rate of the United Kingdom as follows:

	Note	2024	2023
		£m	£m
Total profit/(loss) before tax		—	—
Tax calculated at standard UK corporation tax rate of 25% (2023: 23.5%)		—	—
<b>Total tax (charged)/credited to the Income Statement</b>	6(a)	—	—

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.

### 7. Ordinary share capital

#### (a) Details of the Company's ordinary share capital are as follows:

	2024		2023	
	Number of shares	£m	Number of shares	£m
Allotted, called up and fully paid				
Ordinary shares of £1 each	1,000,000	1	1,000,000	1
<b>Total at 31 December</b>	<b>1,000,000</b>	<b>1</b>	<b>1,000,000</b>	<b>1</b>

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.

## Notes to the financial statements (continued)

### 8. Retained earnings

	2024	2023
	£m	£m
<b>Balance at 1 January</b>	<b>15</b>	15
Result for the year	—	—
<b>Balance at 31 December</b>	<b>15</b>	15

### 9. Tax assets and liabilities

#### (a) Current tax

Current tax assets recoverable in more than one year are £nil million (2023: £2 million). Tax assets recoverable in less than one year are £2 million (2023: £nil).

#### (b) Deferred tax

(i) The Company had no deferred tax assets or liabilities at 31 December 2024 (2023: £nil).

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

	2024	2023
	£m	£m
Net deferred tax asset at 1 January	—	2
Amounts charged to the Income Statement	—	(2)
<b>Net deferred tax asset at 31 December</b>	<b>—</b>	—

### 10. Cash and cash equivalents

Cash and cash equivalents in the Statement of Cash Flows at 31 December comprise:

	2024	2023
	£m	£m
Cash in bank and in hand	<b>14</b>	14
<b>Total at 31 December</b>	<b>14</b>	14

### 11. Risk management

During the year, the global economy has experienced moderate growth with central banks maintaining high interest rates to combat persistent inflation. In the UK, interest rates remain above the Bank of England ('BoE') target albeit with some cuts in base rate having taken place and indications of future rate cuts to come. Market expectations for 2025 suggest that monetary policy will begin to cautiously ease as central banks try to protect economic growth. However, growth forecasts have recently been downgraded due to concerns that without higher public spending and targeted tax relief economic stagflation is likely to persevere. Geo-political and economic concerns remain with ongoing conflicts, rising instability, political shifts in trade relationships, including political changes in tariffs, policy, persistent services and wage inflation. Affordability concerns continue to impact many customer and the Company continued to actively manage customer experience and outcomes.

The Group remains committed to supporting a low carbon economy that will improve the resilience of our economy, society and the financial system in line with the 2015 Paris Agreement target on climate change. In March 2021, the Group set an ambition to become a Net Zero carbon Group by 2040 and actions continue to be taken to mitigate and manage the impact of climate change on the business. The Group calculates a Climate Value at Risk ("VaR") against the Intergovernmental Panel on Climate Change ("IPCC") scenarios to assess the climate-related risks and opportunities under different emission projections and associated temperature pathways. A range of different financial indicators at the AIL/UKGI Business Unit level (which the Company is a part of) are used to assess the impact on the Company's operations.

## Notes to the financial statements (continued)

### 11. Risk management (continued)

#### (a) Risk management framework (RMF)

The Company's RMF has a key role in supporting the business to deliver its purpose for our customers, our people and our shareholder, helping the business discover, predict, understand and manage our risks thereby maintaining a safe risk environment. The RMF is aligned to both its immediate parent, AIL and the ultimate parent, Aviva plc. The RMF comprises the systems of governance, including risk policies and business standards, risk management processes and Risk Appetite Framework (RAF), risk oversight by the Board and Management Committees and clearly defined roles and responsibilities along with the processes used to identify, measure, manage, monitor and report (IMMMR) risks.

The Company's RAF outlines the risks that the Company selects and manages in pursuit of return, the risks the Company accepts and retains a moderate level of and the risks the Company actively avoids or takes action to mitigate as far as practical. It comprises:

- Risk preferences: qualitative statements that express where the business prefers to take risk (or else accept or avoid) and why, applied to individual key risk types (e.g. Climate, Operational and Artificial Intelligence).
- Risk appetites: overarching statements, metrics and thresholds that express the level of risk the business is willing to accept. The Company has risk appetites for Operational, Conduct and Climate risk (albeit climate metrics are reported at an AIL level only). Risk appetites are approved annually by the Board and monitored by relevant Management Committees.
- Risk limits: quantify more granular limits for specific defined risk exposure (e.g. maximum credit exposure limits to particular counterparties). These are also reported at an AIL / UKGI Business Unit level (which the Company is a part of).

Board oversight of risk and risk management across the Company is maintained on a regular basis. The Board has overall responsibility for determining risk appetite, which is an expression of the risk the business is willing to take.

To promote a consistent and rigorous approach to risk management across the business, the Company has adopted a number of Risk Policies and Business Standards. The Risk Policies set out the Board's risk strategy appetite for risk and its expectations in respect of the management of risk while the Business Standards set out the mandated controls which together with any local controls aim to keep key operational risks within tolerance. The immediate parent company Chief Executive Officer makes an annual attestation that the system of governance and internal controls was effective and fit for purpose for the Company throughout the year. This declaration is supported by an opinion from the immediate parent company's Chief Risk Officer.

A variety of tools and processes are available to support risk identification; both bottom up and top down, and while run separately, these are designed to complement each other and are used to generate risk reports which are shared with the relevant Risk Committees. These different processes, which ensure all risks to which it is or may be exposed, both quantifiable and non-quantifiable, are appropriately identified include Risk and Control Self Assessment (RCSA), Risk review of the Business Plan, Emerging Risk Spectrum, and Risk Identification (Risk ID). With the exception of RCSA, risk identification processes consider risks across all risk categories. The RCSA process only covers operational risks that arise from within internal processes, systems or people and which might prevent the business from achieving its objectives.

Aviva staff acting on behalf of the Company are involved in the management and mitigation of risk, with the RMF embedded in the day-to-day management and decision making processes. The 'three lines of defence model' is adopted by the Company and the Group (as required by the RMF policy). First Line (the Business) is accountable for the management of all risks relevant to the business of the Company, including the implementation of the RMF and embedding of the risk culture. Second line (the Risk Function) is responsible for providing independent objective quantitative and qualitative oversight and challenge of the IMMMR processes and for developing the RMF. The third line (Internal Audit) provides an independent assessment of the RMF and internal control processes.

Long-term sustainability depends upon the protection of franchise value and good customer relationships. As such, the Company has no appetite for risk of poor customer outcomes, market abuse or activities which might impact market stability and/or integrity of fair competition and takes all reasonable steps to comply with all conduct regulations and deliver good customer outcomes.

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

#### (b) Credit risk

Credit risk is the risk of loss or adverse outcomes due to a third-party default event or to a change to a third-party credit standing. Credit risk is taken so that the Company can provide the returns required to satisfy policyholder liabilities and to generate returns to the Company's shareholders.

The Company's approach to managing credit risk recognises that there is a risk of adverse financial impact resulting from fluctuations in credit quality of third parties including default, and rating transition and credit spread movements. The Company's credit risks arise principally through exposures to internal counterparties.

The Company's approach to managing credit risk management processes (including limits frameworks) complies with the Aviva Group credit limit framework. The immediate parent Company AIL Asset & Liability Committee (ALCO) oversees financial risks including credit risk, and ensures detailed reporting and monitoring of exposures against pre-established risk criteria (including the credit quality of receivables and other financial assets, with provisions made for irrecoverable amounts; see section (i) below. Any material updates are provided to the Company's Board for decision.

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

The Company's financial assets are largely 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.

##### (ii) Calculation of expected credit losses

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

There are no financial assets past due or impaired in either 2024 or 2023.

## Notes to the financial statements (continued)

### 11. Risk management (continued)

#### (c) 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 either in normal / or stressed conditions.

The Company seeks to ensure that it maintains sufficient financial resources to meet its obligations as they fall due through the application of the Liquidity Business Standard.

#### (d) 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 has a very low appetite for operational risks which could result in material losses (direct or indirect), a financial misstatement or have a material negative impact on reputation, customers, employees or other stakeholders.

As an insurance intermediary, regulated by the FCA and digital distributor for other Aviva Group companies in the UK, the Company's principal operational risks are conduct, regulatory compliance and IT technology risks, including data security. The Company's Operational Risk and Control Management framework (ORCM) integrates the results of the risk identification and assurance activities carried out across the Company's three lines of defence. Operational risks are initially identified and assessed against implemented controls. Residual risk outside tolerance is given prioritised management action to reduce it within tolerance.

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

In addition, specifically with respect to conduct risks, the Company has a very low appetite for poor customer outcomes and seeks to avoid customer harms across all its business activities. Further, it seeks to avoid market abuse or activities which might impact market stability, integrity of fair competition and takes reasonable steps to comply with all conduct regulations and deliver positive customer outcomes.

Oversight of operational risk for the Company is undertaken by the Board.

In addition, specifically with respect to conduct risks, the Company has a very low appetite for poor customer outcomes and seeks to avoid customer harms across all its business activities. Further, it seeks to avoid market abuse or activities which might impact market stability, integrity of fair competition and takes reasonable steps to comply with all conduct regulations and deliver positive customer outcomes.

#### (e) 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 stakeholders. The sources of capital used by the Company are equity shareholders' funds. At 31 December 2024 the Company had £16 million of total capital employed (2023: £16 million).

#### (f) Climate change

The Company considers climate change to be a significant risk to our strategy and business model and its impacts are already being felt. Global average temperatures over the last five years have been the hottest on record, with 2024 being the world's hottest year, and past the 1.5C warming limit. Despite the United Nations Framework Convention on Climate Change Paris Agreement, the current trend of increasing CO<sub>2</sub> emissions is expected to continue and in the absence of radical action by governments, global temperatures are likely to exceed pre-industrial levels by at least 2°C and weather events (floods, droughts and windstorms) increase both in frequency and severity.

The Aviva Group is acting now through its Sustainability Ambition to mitigate and manage its impacts both today and in the future. The ambition is to lead the UK financial services sector in taking action on climate change, building stronger, more resilient communities and running ourselves as a sustainable business. Through these actions, resilience to climate-related transition, physical and liability risks continue to be built. Climate-related risks are 'cross-cutting' rather than standalone risks in our Risk Taxonomy, recognising that climate impacts other risks. The most affected risks are credit risk, market risk and general insurance risk.

The material climate-related impacts were described in the Prudential Regulation Authority (PRA) 2015 report 'The impact of climate change on the UK insurance sector' and are defined by the Group and the Company below.

Our scenario analysis approach consists of a combination of quantitative (using our Climate VaR metric) and qualitative views, considering transition risks and opportunities, physical risks and litigation risks.

Transition: covers the projected costs of policy action related to limiting greenhouse gas emissions and projected profits from green revenues arising from the development of new technologies and patents across the market.

Physical: covers the financial impact from extreme weather events (acute) (e.g. flood, wind storm and tropical cyclones) and those associated with longer-term shifts in climate patterns (chronic effects such as sea level rise). Although we recognise that the most extreme physical effects are most likely to be felt in the second half of the century, extreme weather events attributed to climate change are already occurring and impacts may be greater and sooner than expected as earth systems react to temperature rises.

Litigation: In light of the increased occurrence of climate-related litigation we have qualitatively assessed its potential impact accordingly.

## Notes to the financial statements (continued)

### 11. Risk management (continued)

Further climate-related regulatory developments have included the PRA Supervisory Statement SS3/19, which enhances banks' and insurers' approaches to managing financial risks from climate change; and the various guides and practical tools to help financial firms manage climate-related risks produced by the Climate Financial Risk Forum (CFRF), jointly convened by the PRA and the FCA.

Climate considerations continue to be integrated into the Company's strategy, planning, governance, disclosures and risk management processes. As part of this, the Company has integrated climate into its risk management framework and has qualitatively defined its climate risk appetite statement as:

"We have a very low appetite for climate-related risks which could have a material negative impact upon our balance sheet and business model as well as our customers and wider society. We actively seek to reduce our exposure over time to the downside risks arising from the transition to a low carbon economy. We seek to identify and support solutions that will drive a transition to a low-carbon, climate resilient economy. We seek to limit our net exposure to the more acute and chronic physical risks that will occur in the event the Paris Agreement target is not met. We actively avoid material exposure to climate litigation risks."

Alongside actions taken by the Government, the insurance industry and the wider society, Aviva Group and the Company are addressing climate change with a broad range of actions underway to deliver on its ambition of Net Zero carbon by 2040, and by embedding consideration of climate and sustainability risks into the culture of the Company.

### 12. Related party transactions

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

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

##### (i) Services provided to related parties

	Income earned in the period	2024 Receivable at period end	Income earned in the period	2023 Receivable at period end
	£m	£m	£m	£m
Parent	135	—	104	—
Fellow group undertakings	18	—	17	—
	153	—	121	—

Income earned in the year (refer note 1) relates to commissions and fees receivable from fellow Group companies Aviva Insurance Limited, Aviva Life Services UK Limited and Aviva Health UK Limited.

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

	Expenses incurred in the period	2024 Payable at period end	Expenses incurred in the period	2023 Payable at period end
	£m	£m	£m	£m
Parent	(135)	—	(104)	—
Fellow group undertakings	(18)	—	(17)	—
	(153)	—	(121)	—

Expenses incurred in the year (refer note 2) relate to recharges payable to Aviva Insurance Limited, Aviva Life Services UK Limited and Aviva Health UK Limited. These recharges relate to services provided by Aviva Central Services UK Limited, primarily for IT and marketing costs, and by Aviva Employment Services Limited for staff costs and other employee expenditure.

##### (iii) 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 5 are payable by Aviva Central Services UK Limited, a fellow Group company, and recharged as appropriate to the Company and fellow Group companies.



Notes to the financial statements (continued)

12. Related party transactions (continued)

(b) Key management compensation

Key management personnel, comprising the directors of the Company, do not receive direct remuneration for their services as directors of the Company. Their involvement in the Company is incidental to their broader roles within the Group. The exception is Mr. Clark, who resigned in March 2024. Mr. Clark received remuneration in respect of his directorship for the year ended 31 December 2023. However, he did not receive any remuneration for his role on the Board during the 2024 financial year.

The compensation paid to Mr. Clark in respect of his directorship duties up to the date of his resignation is as follows:

	2024	2023
	£	£
Aggregate emoluments	—	65,182

(c) Parent entity

The immediate parent entity is Aviva Insurance Limited, a private limited company incorporated and domiciled in the United Kingdom.

(d) Ultimate parent entity

The ultimate parent entity and controlling party is Aviva plc, a public limited company incorporated and domiciled in the United Kingdom, which is the parent undertaking of the smallest and largest Group to consolidate these financial statements. Copies of Aviva plc consolidated financial statements are available on application to the Group Company Secretary, Aviva plc, 80 Fenchurch Street, London, EC3M 4AE and on the Aviva plc website at [www.aviva.com](http://www.aviva.com).

13. Subsequent events

Management has evaluated subsequent events for the period from 31 December 2024 to the date of these financial statements and there have been no material subsequent events during that period.