Aviva Pension Trustees UK Limited

Registered in England and Wales No. 2407799

Annual Report and Financial Statements 2025

Contents

Directors and officer

Directors

S J Ellis
M J Hogg
J I Slider
L M Whalley
C M Wood

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. 2407799

Other information

Aviva Pension Trustees UK Limited ("the Company") is covered by the Financial Ombudsman Service and is authorised and regulated by the Financial Conduct Authority ("FCA")

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

Strategic report

The directors present their strategic report for the Company for the year ended 31 December 2025.

Review of the Company's business

Principal activities

The Company is a limited company, incorporated under the laws of England and Wales. The principal activity of the Company is to act as a trustee and scheme administrator to Aviva Personal Pension Scheme (APPS) and Aviva Free Standing Additional Voluntary Contribution (AFSAVC) pension schemes, written by Aviva Life & Pensions UK Limited (UKLAP).

The Company offers Self Invested Personal Pension (SIPP) products distributed through three platforms, the Advisor Platform, which provides platform technology to Independent Financial Advisers (IFA's), the Aviva Online Investment Service, which is a direct to consumer platform and the My Money platform which provides platform technology to corporate businesses. The platform technology is provided by FNZ (UK) Limited (FNZ).

The Company is regulated by the Financial Conduct Authority (FCA) to carry on activities as an Investment Management Firm.

Significant events

On 13 March 2025, the Board approved the renewal of the loan facility from UKLAP. The facility increased to £35 million to allow for business growth.

On 17 March 2025, the Company allotted 10 million ordinary shares of £1 each to UKLAP, the parent entity, for a consideration of £10,000,000.

Financial position and performance

The financial position of the Company at 31 December 2025 is shown in the statement of financial position on page 17, with the results shown in the income statement on page 15 and the statement of cash flows on page 18.

Revenue for the year increased to £137.6 million *(2024: £116.1 million*) as a result of higher average assets under administration (AUA), which increased from £53,105 million for 2024 to £65,437 million for 2025. Total AUA increased from £58,520 million at 31 December 2024 to £72,354 million at 31 December 2025 due to business growth and favourable markets. Total equity has increased by £21.6 million *(2024: increase of £3.1 million*), reflecting the profit for the year of £11.6 million and a share capital injection of £10.0 million.

Operating expenses have increased from £112.7 million in 2024 to £121.9 million in 2025 as a result of investment in our Direct Wealth business, increased platform fees due to continued growth in assets under administration and inflation.

Profit after tax for the year is £11.6 million *(2024: profit of £3.1 million)*. The profit in year is driven by increased revenue from the AUA growth in 2025, which has been offset to a degree by the increase in operating expenses.

Section 172(1) statement and our stakeholders

We report here on how our Directors have performed their duties under Section 172(1) of the Companies Act 2006 ('s172').

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 2025

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 has established its awareness of the likely consequences of its long term decisions as part of its consideration of Aviva's Group strategy, and the strategy of Aviva's Insurance, Wealth & Retirement (IWR) business within which the company operates. As part of these strategic discussions, the Board considered the industry and market and the potential impact to stakeholders.

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 2025, 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 2025 can be found on the following pages.

Strategic report (continued)

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. • 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 Group's success as shareholders through membership of our global share plans. All Employees are eligible for our global share plans.	**Focus during the year** • The Group focused on culture, conduct, and capability themes identified through Group workforce reporting, including insight from colleague surveys, regulatory feedback and risk updates. **Outcomes and actions during the year** • The Aviva plc Board updated the Diversity, Equity and Inclusion Statement to reflect its commitment to diversity and inclusion initiatives. • The Voice of Aviva 2025 survey engagement was the highest it has ever been at 92%. • Our employee-shareholders were given the opportunity to meet the Aviva plc Board and submit questions at the Annual General Meeting (AGM) in Bristol.

Customers Understanding what's important to our customers is key to our long-term success.	
How we have engaged • The Board receives regular updates on customer outcomes and strategic customer initiatives, including reporting on customer journeys, service performance and customer insights. • The Board engages closely with management to monitor customer metrics, assess customer feedback, review complaint themes, and ensure that customer interests are appropriately represented in decision-making. • 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.	**Focus during the year** • The Board has overseen the implementation and ongoing compliance with the FCA's Consumer Duty, ensuring customer needs, fair value and good customer outcomes remain central to governance and product oversight. • The Board focussed on our digital customer journeys, making it easier and more convenient for customers to interact with us. **Outcomes and actions during the year.** • The Board monitored the implementation of the FCA's Consumer Duty, and how this impacted customer experience, through regular reports.

Shareholders Our retail and institutional shareholders are the owners of the Company.	
How we have engaged • 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. • The 2025 Aviva plc AGM took place in Bristol, which gave the Group Board an opportunity to meet local retail shareholders. • 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.	**Focus during the year** • The Board worked to ensure that shareholders understand our strategy and business model. **Outcomes and actions during the year** • As a result of positive feedback received from shareholders regarding hosting the Aviva plc AGM outside of London, the Group Board decided to hold the 2026 AGM in York providing another opportunity to meet local retail shareholders.

Regulators We are subject to financial services regulation and approvals in all the markets we operate in.	
How we have engaged • The Company maintains a constructive and open relationship with its regulator through regular engagement involving Board members, senior management, and relevant risk, audit or compliance functions. • Regulatory updates received by the Board included developments relating to Consumer Duty, prudential requirements, product governance, and relevant thematic reviews.	**Focus during the year** • The Board continued to focus on the implementation and oversight of Consumer Duty, including embedding fair value assessments, product governance expectations, and customer outcome monitoring. **Outcomes and actions during the year** • The Board received regular updates on regulatory developments, including Consumer Duty, product governance, regulatory feedback, and areas requiring further assurance or oversight. These updates enable the Board to consider regulatory expectations as part of its oversight of risk, strategy, and governance.

Strategic report (continued)

Communities We recognise the importance of contributing to our communities through volunteering, community investment, and long term partnerships.	
How we have engaged • The Company supports Aviva Group's community and sustainability initiatives, including the Aviva Community Fund and volunteering programme, which enables colleagues across the Group to participate in socially valuable projects. • The Aviva plc Board received updates on the Aviva Foundation and Aviva partnerships with third sector organisations, including Citizens Advice, and our community programmes, including the Aviva Community Fund, where we support community investment projects aligned to our values. • The Aviva plc Customer and Sustainability Committee received regular updates on the progress of Aviva's Sustainability Ambition throughout 2025 with the Committee Chair providing an update on matters discussed at each Aviva plc Board meeting.	**Outcomes and actions during the year** • Employees across the Aviva Group were offered the opportunity to volunteer their time to support charities and organisations. • Aviva has simplified its charitable activity by bringing together the Aviva Community Fund and it's previous grant-making programme, the Foundation, into a single integrated offering. • Aviva has committed over £11m to Citizen's Advice since 2022, including £4m pledged in 2025 to meet unprecedented demand. The Group has also committed over £4.5m to the Money Advice Trust since 2022, including a new pledge of £2.5m during the year.

Suppliers 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.	
How we have engaged • The Company relies on Group-wide procurement and supplier management processes, which include due diligence, performance monitoring, and oversight of key third-party providers. • The Board receives updates, where relevant, on material supplier matters, enabling the directors to consider supplier impacts when making decisions. • The Board delegates day-to-day engagement with suppliers to senior management. All supplier-related activity is conducted in line with the Aviva Group Procurement & Outsourcing Business Standard, ensuring supplier risk is managed appropriately in relation to customer outcomes, data security, corporate responsibility, and financial, operational, and contractual matters.	**Focus during the year** • Continued focus on supplier risk management, ensuring that oversight arrangements reflect alignment with the Group Procurement & Outsourcing Business Standard. **Outcomes and actions during the year** • The Board received assurance during the year that key third-party providers continued to deliver services effectively, with no material disruptions that affected the Company's operations. • The Board reviewed the Company's engagement with its broader supply chain as part of its annual review of the Modern Slavery Act Statement. • Aviva continued to hold its Net Zero supplier summit. • 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 2025 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.

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 choose.

Principal risks and uncertainties

A description of the risks and uncertainties facing the Company and its risk management policies are set out in note 18 to the financial statements, which includes a fuller explanation of the metrics used to identify, measure, manage, monitor and report risks.

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

- Market risk, 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.
- 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.
- Liquidity Risk is the risk that liabilities cannot be met in a timely and cost-effective manner as they fall due.
- Operational risk is the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events.
- The company operates in a complex regulatory and legislative environment and may be impacted by changes in to regulations and legislation.

Strategic report (continued)

Key performance indicators

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

Measure	**2025** **£'000**	2024 £'000
Revenue	**137,601**	116,149
Operating expenses	**121,851**	112,719
Profit after tax for the year	**11,648**	3,110
Average assets under administration	**£65,437 million**	£53,105 million

By order of the Board on 22 April 2026

Signed by:
Claire Phillips
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Claire Phillips
Aviva Company Secretarial Services Limited
Company Secretary

Directors' report

In accordance with Section 415 of the Companies Act 2006 ('the Act'), the directors submit their annual report and the audited financial statements for the Company for the year ended 31 December 2025.

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:

J M Phillips	Resigned 15 August 2025

Company secretary

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

Dividends

The directors do not recommend a final dividend on the Company's ordinary shares for the year ended 31 December 2025 *(2024: £nil)*.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report, which includes a section describing the principal risks and uncertainties. In addition, the financial statements include notes on the Company's capital structure (note 17) and management of its risks including market, credit and liquidity risk (note 18).

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 enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt, and to consider appropriate, the going concern basis in preparing the financial statements. At 31 December 2025, the Company has sufficient cash available to cover its current liabilities.

Important events since the financial year end

There have been no significant post balance sheet events subsequent to 31 December 2025.

Future outlook

Likely future developments in the business of the Company are discussed in the strategic report on pages 4-7.

Employees

The Company has no employees. The majority of employees engaged in the activities of the Company are employed by the subsidiary undertaking of Aviva plc, Aviva Employment Services Limited (AES), who make a management charge for the provision of services including provision of staff to the Company. It is not possible to ascertain separately the element of the management charge that relates to staff costs. Disclosures relating to employee remuneration and the average number of persons employed are made in the Financial Statements of AES.

Stakeholder engagement

Our statements summarising our employee engagement, and our engagement with suppliers, customers and our other stakeholders are included in our Strategic report on pages 4-7.

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 LLP, is unaware and each director has taken all steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that Ernst & Young LLP is aware of that information.

Independent auditors

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

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.

Directors' report (continued)

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with 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 22 April 2026

Signed by:
Claire Phillips
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Claire Phillips
Aviva Company Secretarial Services Limited
Company Secretary

Independent auditor's report to the members of Aviva Pension Trustees UK Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Aviva Pension Trustees UK Limited for the year ended 31 December 2025 which comprise the income statement, statement of changes in equity, statement of financial position, statement of cash flows and the related notes 1 to 20, 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 2025 and of its profit 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. 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 assessed management's consideration of how liquidity has been managed in response to the current economic environment;
- 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 and reviewed 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 of approval of the financial statements.

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 Pension Trustees UK Limited (continued)

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 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.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are relevant laws and regulations related to elements of company law and tax legislation, and the financial reporting framework. We have reviewed correspondence with regulators and HMRC and where applicable assessed the financial impact of these communications within the financial statements.
- We understood how Aviva Pension Trustees 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:
Ernst & Young LLP
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Satty Khangura (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom
22 April 2026

Accounting policies

The Company, a private limited company incorporated and domiciled in the United Kingdom (UK), acts as trustee and scheme administrator to Aviva Personal Pension Scheme (APPS) and Aviva Free Standing Additional Voluntary Contribution (AFSAVC) pension schemes written by Aviva. 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 8.

The financial statements are stated in 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).

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 Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability which became effective for the annual reporting period beginning on 1 January 2025. The amendments do not have a significant impact on the Company's financial statements.

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 been 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 process of implementation and no financial impacts are expected as a result of adoption.

(ii) IFRS 19: Subsidiaries without Public Accountability: Disclosures and Amendments to IFRS 19: Subsidiaries without Public Accountability: Disclosures
Published by the IASB in May 2024 and August 2025. IFRS 19 is effective for annual reporting periods beginning on or after 1 January 2027 and have 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 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.

(ii) 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.

(iii) Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity
Published by the IASB in December 2024. The amendments are effective for annual reporting beginning on or after 1 January 2026 and have been endorsed by the UK.

(iv) Amendments to IAS 21: Translation to a Hyperinflationary Presentation Currency
Published by the IASB in November 2025. The amendments are effective for annual reporting beginning on or after 1 January 2027 and have yet to be endorsed by the UK.

(B) Critical accounting policies and use of estimates

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

Critical accounting policies

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

Item	Accounting policy	Note
Deferred acquisition costs	E	8

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.

Accounting policies (continued)

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

Item	Accounting policy	Note
Expected credit losses	D	7
Provisions	G	13

(C) Revenue and interest receivable

Revenue primarily represents the annual management charges on all contributions into the investor accounts and is recognised when earned. It also includes fees receivable in respect of the Company's role as trustee and scheme administrator to Free Standing AVC pension schemes written by Aviva Life & Pensions UK Limited in the United Kingdom. Interest receivable is accounted for on an accruals basis.

(D) Receivables, 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 either amortised cost or fair value through other comprehensive income. 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.

(E) Deferred acquisition costs

For investment fund management contracts, incremental acquisition costs and sales enhancements that are directly attributable to securing an investment management service are deferred.

Deferred acquisition costs are amortised over the period in which the service is provided.

Deferred acquisition costs are reviewed by category of business at the end of each reporting period and are written-off where they are no longer considered to be recoverable.

(F) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and in hand.

(G) 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. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(H) Income taxes

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

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

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

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

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

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

Current and deferred tax relating to items recognised in other comprehensive income and directly in equity are similarly recognised in other comprehensive income and directly in equity respectively, except for the tax consequences of distributions from certain equity instruments, to be recognised in the income statement.

Deferred tax related to any fair value re-measurement of investments, held at fair value through other comprehensive income, owner-occupied properties, pensions and other post-retirement obligations and other amounts charged or credited directly to other comprehensive income is recognised in the statement of financial position as a deferred tax asset or liability.

Accounting policies (continued)

(I) Borrowings

Borrowings from group undertakings are recognised initially at their issue proceeds less transaction costs incurred. Subsequently, borrowings are stated at amortised cost, and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. All borrowing costs are expensed as they are incurred.

(J) 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.

Income statement

For the year ended 31 December 2025

	Note(s)	**2025**	2024
		£'000	£'000
Income			
Revenue	C	**137,601**	116,149
Interest receivable and similar income	C	**1,839**	2,315
		139,440	118,464
Expenses			
Operating expenses	1	**(121,851)**	(112,719)
Interest expense	2	**(1,691)**	(1,598)
		(123,542)	(114,317)
Profit before tax		**15,898**	4,147
Tax charge	H & 6	**(4,250)**	(1,037)
Profit for the year		**11,648**	3,110

The Company has no other comprehensive income *(2024: £nil)*.

The accounting policies (identified alphabetically) on pages 12 to 14 and notes (identified numerically) on pages 19 to 26 are an integral part of the financial statements.

Statement of changes in equity
For the year ended 31 December 2025

				2025
		Ordinary share capital	**Accumulated losses**	**Total equity**
	Note(s)	**£'000**	**£'000**	**£'000**
Balance at 1 January		**207,600**	**(73,158)**	**134,442**
Profit for the year	11	**—**	**11,648**	**11,648**
Issue of share capital	10	**10,000**	**—**	**10,000**
Balance at 31 December		**217,600**	**(61,510)**	**156,090**

				2024
		Ordinary share capital	Accumulated losses	Total equity
	Note(s)	£'000	£'000	£'000
Balance at 1 January		207,600	(76,268)	131,332
Profit for the year	11	—	3,110	3,110
Balance at 31 December		207,600	(73,158)	134,442

The accounting policies (identified alphabetically) on pages 12 to 14 and notes (identified numerically) on pages 19 to 26 are an integral part of the financial statements.

Statement of financial position

As at 31 December 2025

	Note(s)	**2025**	2024
		£'000	£'000
Assets			
Receivables	D & 7	**24,550**	14,395
Deferred acquisition costs	E & 8	**136,789**	120,062
Prepayments and accrued income	D & 9	**6,154**	5,277
Cash and cash equivalents	F & 16	**58,558**	56,004
Total assets		**226,051**	195,738
Equity			
Ordinary share capital	J & 10	**217,600**	207,600
Accumulated losses	11	**(61,510)**	(73,158)
Total equity		**156,090**	134,442
Liabilities			
Borrowings from group undertaking	I & 14	**30,000**	30,000
Tax liability	H & 12	**5,287**	1,413
Payables and other financial liabilities	D & 15	**31,623**	26,101
Provisions	G & 13	**3,051**	3,782
Total liabilities		**69,961**	61,296
Total equity and liabilities		**226,051**	195,738

The financial statements were approved by the Board of Directors on 22 April 2026 and signed on its behalf by

DocuSigned by:

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J I Slider

Director

The accounting policies (identified alphabetically) on pages 12 to 14 and notes (identified numerically) on pages 19 to 26 are an integral part of the financial statements.

Statement of cash flows

For the year ended 31 December 2025

	Note(s)	2025 £'000	2024 £'000
Cash flows used in operating activities			
Cash used in operating activities	16a	**(7,446)**	(5,040)
Total net cash used in operating activities		**(7,446)**	(5,040)
Cash flows generated from financing activities			
Proceeds from issue of ordinary shares	10	**10,000**	—
Total net cash generated from financing activities		**10,000**	—
Total net increase/(decrease) in cash and cash equivalents		**2,554**	(5,040)
Cash and cash equivalents at 1 January		**56,004**	61,044
Cash and cash equivalents at 31 December	16b	**58,558**	56,004

The accounting policies (identified alphabetically) on pages 12 to 14 and notes (identified numerically) on pages 19 to 26 are an integral part of the financial statements.

Notes to the financial statements

1. Operating expenses

Under a management agreement, Aviva Life Services UK Limited (UKLS) supplies and makes charges for the provision of operational assets and services to the Company. The agreement specifies the amounts payable to UKLS in respect of these expenses, which are included within operating expenses. The amount of this recharge for UKLS is £123,179,000 *(2024: £116,085,000).*

Under a management agreement, Aviva Investment Solutions UK Limited (AISL) supplies and makes charges for the collection services performed on behalf of the Company. The agreement, specifies the amount payable to AISL in respect of these services, which are included within operating expenses. The amount of this recharge is £4,880,000 (*2024: £4,154,000).*

The Company also receives a charge from UKLAP, in relation to the provision of operational assets. The amount of this recharge is £2,405,000 *(2024: £1,493,000).*

	2025	2024
	£'000	£'000
UKLS recharges (operating)	**123,179**	116,085
AISL recharges (operating)	**4,880**	4,154
UKLAP recharges (operating)	**2,405**	1,493
Other operating expenses	**8,114**	8,182
Deferral of acquisition costs	**(16,727)**	(17,195)
Total operating expenses	**121,851**	112,719

Deferral of acquisition costs are the net of amounts deferred in year and amortisation charged in year.

Recharged expenses have increased due to continued investment in the Direct Wealth business, higher platform growth and inflation.

2. Interest expense

	2025	2024
	£'000	£'000
Interest payable to group undertakings	**1,691**	1,598
Total interest expense	**1,691**	1,598

In both 2024 and 2025, interest paid relates to interest charged on the £30,000,000 long term loan at 476 basis points by the Company's parent UKLAP. The loan was in place for the whole of both current and prior year. Additionally, the Company's parent UKLAP provided £25,000,000 liquidity funding from 21 March 2025 to 27 May 2025. Interest paid was at a rate of 565 basis points *(2024: £25,000,000 liquidity funding from 27 March 2024 to 23 May 2024. Interest paid was at a rate of 425 basis points).*

3. Employee information

The Company has no employees *(2024: nil)*. All employees are employed by a fellow subsidiary undertaking of Aviva plc, Aviva Employment Services Limited (AES). Disclosures relating to employee remuneration and the average number of persons employed are made in the financial statements of AES. 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.

4. Directors' remuneration

All directors were remunerated during the period by Aviva Employment Services Limited, a fellow subsidiary of the Group.

C M Wood, M J Hogg, J I Slider, L M Whalley and S J Ellis are also directors of other subsidiaries within the Aviva Group. The directors do not believe that it is practicable to apportion their remuneration between their services as directors of the Company and their services as directors of the other subsidiary companies. The full amount of their remuneration has been disclosed in the Company's financial statements.

All directors' remuneration are also disclosed within the aggregate of the key management compensation in note 19.

The remuneration in respect of the directors is shown in the table below:

	2025	2024
	£'000	£'000
Aggregate emoluments	**2,458**	3,570
Company pension contributions to a money purchase scheme	**163**	214
	2,621	3,784

During the year one (2024: one) of the directors exercised share options and six (2024: seven) of the directors received shares under long term incentive schemes.

Notes to the financial statements (continued)

The details of the highest paid director are as follows:

	2025 £'000	2024 £'000
Aggregate emoluments	**528**	1,132
Company pension contributions to a money purchase scheme	**31**	51
	559	1,183

During the year, the highest paid director was granted and exercised share options under long-term incentive schemes 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 (EY) is as follows:

	2025 £'000	2024 £'000
Fees payable to EY for the statutory audit of the Company's financial statements	**23**	23

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 their 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.

6. Tax charge

(a) Tax charged to the income statement

The total tax charge comprises:

	2025 £'000	2024 £'000
Current tax		
For the period	**(4,247)**	(1,037)
Prior year adjustments	**(3)**	—
Total current tax	**(4,250)**	(1,037)
Total tax charged to the income statement	**(4,250)**	(1,037)

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 2024. No current tax charge is included in respect of these provisions.

(b) Tax reconciliation

The tax on the Company's profit before tax differs from *(2024: the same as)* the theoretical amount that would arise using the tax rate in the United Kingdom as follows:

	2025 £'000	2024 £'000
Profit before tax	**15,898**	4,147
Tax calculated at standard UK corporation tax rate of 25% (2024: 25%)	**(3,975)**	(1,037)
Adjustment to tax charge in respect of prior years	**(3)**	—
Disallowable expenses	**(272)**	—
Total tax charged to the income statement	**(4,250)**	(1,037)

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

Notes to the financial statements (continued)

7. Receivables

	2025 £'000	2024 £'000
Trade receivables	**9,737**	5,524
Tax receivables	**12,584**	9,415
Amounts owed by parent undertaking	**3,159**	—
Lifetime expected credit losses	**(930)**	(544)
Total as at 31 December	**24,550**	14,395
Expected to be recovered in less than one year	**24,550**	14,395
Expected to be recovered in more than one year	**—**	—
	24,550	14,395

All receivables held at the period end are measured at amortised cost. Further details relating to lifetime expected credit losses can be found in note 18b. The carrying amount in the financial statements is deemed to be a reasonable approximation of the fair value.

8. Deferred acquisition costs

Deferred acquisition cost – movement in the year:

	2025 £'000	2024 £'000
Carrying amount at 1 January	**120,062**	102,867
Acquisition costs deferred during the year	**28,471**	26,831
Amortisation	**(11,744)**	(9,636)
Total as at 31 December	**136,789**	120,062

9. Prepayments and accrued income

Prepayments and accrued income

The carrying amount comprises:

	2025 £'000	2024 £'000
Expected to be recovered in less than one year	**6,154**	5,277
Expected to be recovered in more than one year	**—**	—
	6,154	5,277

10. Ordinary share capital

	2025 £'000	2024 £'000
Allotted, called up and fully paid		
217,600,000 *(2024: 207,600,000)* ordinary shares of £1 each	**217,600**	207,600

On 17 March 2025, 10 million ordinary shares of £1 each were allotted and issued by the Company.

	2025 Number of shares	2025 Share capital £'000	2024 Number of shares	2024 Share capital £'000
At 1 January	**207,600,000**	**207,600**	207,600,000	207,600
New shares issued	**10,000,000**	**10,000**	—	—
At 31 December	**217,600,000**	**217,600**	207,600,000	207,600

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)

11. Accumulated losses

	2025 £'000	2024 £'000
Balance at 1 January	**(73,158)**	(76,268)
Profit for the year	**11,648**	3,110
Balance at 31 December	**(61,510)**	(73,158)

The Company is required to hold sufficient capital to meet acceptable solvency levels based on rules applicable to regulated companies imposed by the Financial Conduct Authority (FCA). Its ability to transfer retained earnings to its parent company is therefore restricted to the extent these earnings form part of local regulatory capital.

12. Tax liability

(a) Current Tax

Current tax liabilities payable in more than one year are £nil *(2024: £1.0 million).*

(b) Deferred Tax

The Company did not have any recognised or unrecognised deferred tax balances in either 2025 or 2024.

13. Provisions

	2025 £'000	2024 £'000
At 1 January	**3,782**	11,947
Provided in financial year	**3,051**	3,782
Utilised during the year	**(3,763)**	(10,240)
Amounts released during the year	**(19)**	(1,707)
At 31 December	**3,051**	3,782

The 2025 provision relates to a potential liability arising as a result of post retirement obligations in relation to pension tax relief. This includes the best estimate of HMRC redress following a full policy review.

Amounts provided for in 2024 were made up of £3,057,000 provided against potential unrecoverable debtors and £725,000 for remediation costs payable to customers for errors identified in product administration. With the exception of a £19,000 release of the remediation provision, all amounts were fully utilised during 2025.

14. Borrowings from group undertaking

	2025 £'000	2024 £'000
Loans from fellow group undertakings	**30,000**	30,000
Expected to be settled in less than one year	**—**	—
Expected to be settled in more than one year	**30,000**	30,000
	30,000	30,000

On 15 December 2023, the Company entered into a £30,000,000 long term loan agreement with Aviva Life & Pensions UK Limited, at a rate of 476 basis points.

Notes to the financial statements (continued)

15. Payables and other financial liabilities

	2025 £'000	2024 £'000
Trade payables	**8,945**	7,988
Amounts due to group undertakings	**8,935**	12,340
Other payables including tax and social security	**13,743**	5,773
Total as at 31 December	**31,623**	26,101
Expected to be settled within one year	**31,623**	26,101
Expected to be settled in more than one year	**—**	—
	31,623	26,101

16. Statement of cash flows

(a) The reconciliation of profit before tax to the net cash out flow from operating activities is:

	2025 £'000	2024 £'000
Profit before tax	**15,898**	4,147
Changes in working capital:		
(Increase)/decrease in receivables	**(10,155)**	11,613
Increase in deferred acquisition costs	**(16,727)**	(17,195)
Increase in prepayments and accrued income	**(877)**	(1,032)
Decrease in provisions	**(731)**	(8,165)
Corporation tax paid	**(376)**	(392)
Increase in payables and other financial liabilities	**5,522**	5,984
Total cash used in operating activities	**(7,446)**	(5,040)

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

	2025 £'000	2024 £'000
Cash at bank and in hand	**58,558**	56,004

The Company holds £2,652.3 million of client money *(2024: £2,352.5 million*). This cash does not belong to the Company and is therefore not included in the statement of financial position.

17. Capital structure

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 (Investment) Chapter 5 rulebook.

(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.

Notes to the financial statements (continued)

(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:

a. Accounting basis

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

b. 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 authorised and regulated by the Financial Conduct Authority (FCA) as an IPRU (Investment) Chapter 5 firm. 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).

	2025 £'000	2024 £'000
Total equity	**156,090**	134,442
Adjustments onto a regulatory basis:		
Deferred acquisition cost asset deduction	**(103,527)**	(90,631)
Illiquid assets	**(819)**	(1,030)
Total equity and available capital resources	**51,744**	42,781

18. 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, including the use of risk models and stress and scenario testing.

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, and operational risk. Risks falling within these types may affect a number of metrics including those relating to statement of financial position strength, liquidity and profit. They may also affect the performance of the products the Company delivers to its customers and the service to its customers and distributors, which can be categorised as risks to brand and reputation or as conduct risk.

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. The Company 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.

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

Roles and responsibilities for risk management in the Company 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) 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 Company's management of credit risk under the oversight of the UK IWR Asset Liability Committee (ALCO), includes the articulation of risk appetite, exposure limit frameworks and investment and lending criteria within credit risk policies and management agreements.

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

A financial asset is considered to be in default where contractual payments are past due, or there is objective evidence that the counterparty will be unable to subsequently meet their payment obligations. A financial asset is written off only when all other available measures have been taken to recover amounts due.

Where external credit ratings are available for financial assets, a significant increase in the credit risk of a financial asset is identified where there has been a significant deterioration in the respective credit rating. All financial assets at the reporting date are unrated.

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.

The following table sets out expected credit losses recognised in the year:

	Expected credit losses relating to trade receivables recognised in year
	£'000
Opening expected credit losses	544
Provided during the reporting period	901
Utilised during the reporting period	(19)
Released during the reporting period	(496)
Closing expected credit losses	930

(c) 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 market risks in terms of market value movements are borne by the customers. Market risk arises only indirectly as a result of the impact on the value of assets under administration (AUA), which will affect revenue received from fee income. The Company is not exposed to significant interest rate risk.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be in a position to meet its liabilities as they fall due. In relation to the Company, this largely relates to ensuring that there are sufficient liquid assets available to meet funding demands from customer transactions. Liquidity risk is managed daily, with oversight provided by UK IWR ALCO. A contingency funding plan is in place to provide the Company with short term liquidity should it be required.

(e) Operational risk

Increased 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.

19. Related party transactions

The members of the Board of Directors are listed on page 3 of these financial statements. There are no amounts receivable from or payments due to members of the Board of Directors.

(a) Income receivable from related parties

	2025		2024	
	Income earned in the year	**Receivable at year end**	Income earned in the year	Receivable at year end
	£'000	**£'000**	£'000	£'000
Parent undertaking	**179**	**3,159**	179	—
Total	**179**	**3,159**	**179**	**—**

The related party 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 *(2024: £nil)*.

Notes to the financial statements (continued)

(b) Services provided by related parties

Under a management agreement, UKLS supplies and makes charges for the provision of operational assets and services to the Company. The agreement specifies the amounts payable to UKLS in respect of these expenses, which were £123,179,000 *(2024: £116,085,000).*

Under a management agreement, AISL supplies and makes charges for the collection services performed on behalf of the Company. The agreement specifies the amount payable to AISL in respect of these services, which were £4,880,000 (*2024: £4,154,000).*

The Company also receives a charge from the Company's parent, UKLAP, in relation to the provision of operational assets. The amount of this recharge is £2,405,000 *(2024: £1,493,000).*

During the year the Company paid interest of £1,691,000 *(2024: £1,598,000)* to its parent, UKLAP.

Loans payable at year end are due to the following:

	2025	2024
	£'000	£'000
Parent undertaking	**30,000**	30,000

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

	2025	2024
	Payable at year end	Payable at year end
	£000	£000
Parent undertaking	**307**	853
Fellow group undertaking	**8,628**	11,487
Total	**8,935**	12,340

The related party payables are not secured and no guarantees were given in respect thereof.

(c) Key management compensation

The total compensation to those employees classified as key management, being those having authority and responsibility for planning, directing and controlling the activities of the Company, including the directors, is as follows:

	2025	2024
	£'000	£'000
Short-term employee benefits	**8,218**	9,019
Post-employment benefits	**122**	103
Other long-term benefits	**402**	453
Total	**8,742**	9,575

As a result of a process refinement, the amounts presented for 2025 exclude short-term employee benefits for directors where their time spent on duties of the Company is incidental to their broader role across the Group.

Details of directors' remuneration are given in note 4.

(d) Parent entity

The immediate parent undertaking is Aviva Life & Pensions UK Limited, registered in England.

(e) 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.

20. Subsequent events

There have been no events since 31 December 2025 which had materially impacted the financial position of the Company.