Equity Release Holdings (No.5) Limited

Registered in England and Wales No. 5492179

Annual Report and Financial Statements 2025

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Directors and officer

Directors

D Wynne
I Kyriakopoulos
Wilmington Trust SP Services (London) Limited

Officer – Company Secretary

Wilmington Trust SP Services (London) Limited

Registered office

Wilmington Trust SP Services (London) Limited
Third Floor
1 King's Arms Yard
London
EC2R 7AF

Company number

Registered in England and Wales no. 5492179

Strategic report

The directors present their strategic report for the Equity Release Holdings (No.5) Limited (the Company) for the year ended 31 December 2025.

Review of the Company's business

Principal activities

The Company is an investment holding company, which invests in a company established for the purpose of acquiring lifetime mortgage loans funded by the issue of loan notes and in a trustee company whose principal activity is to hold on trust the benefit of the portfolio of lifetime mortgages.

The company is entitled to 0.01% of interest accruing on the mortgages held within its equity investments.

Significant events

There were no significant events in the year.

Financial position and performance

The financial position of the Company at 31 December 2025 is shown in the statement of financial position on page 10, with the trading results shown in the income statement on page 9 and the statement of cash flows on page 12.

Income for the year is £2,000 *(2024: £2,000)* and profit before tax is £2,000 *(2024: £2,000).*

Shareholders' equity has increased by £2,000 *(2024: increase of £2,000)*, reflecting the profit for the year.

Section 172(1) Statement

As an investment holding company the governance structure of the Company is such that the key policies have been predetermined at the time of issuance. The directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 as follows:

With reference to subsection (a) concerning the likely consequences of any decision in the long term: the Transaction Documents have been formulated to achieve the Company's purpose and business objectives, safeguard the assets and promote the success of the Company with a long term view and in accordance with relevant securitisation legislation.

The Company is only permitted to retain minimal profit.

The matters set out in subsections (b)–(f) have limited or no relevance to the Company and therefore they are not strategically important.

Future outlook

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

Principal risks and uncertainties

A description of the principal risks and uncertainties facing the Company and its risk management policies are set out in note 15 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:

- 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, such as interest rates, equity prices and property prices.
- 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, 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, people or systems, or from external events.

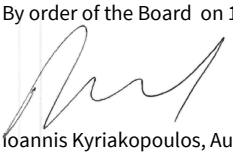
The Company uses a number of metrics to identify, measure, manage, monitor and report risks and a fuller explanation of these risks other than operational risk may be found in note 15 to the financial statements.

Key performance indicators

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

Measure	**2025**	2024
	£'000	£'000
Income for the year	**2**	2
Expense in the year	**—**	—
Profit after tax for the year	**2**	2

By order of the Board on 14 October 2026



Ioannis Kyriakopoulos, Authorised Signatory for and on behalf of
Wilmington Trust SP Services (London) Limited, Director

Directors' report

The directors submit their annual report and the financial statements for Equity Release Holdings (No.5) Limited (the Company) for the year ended 31 December 2025.

Company registration

The Company is registered in England and Wales, number 5492179.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements are shown on page 3.

Company Secretary

The Company Secretary is Wilmington Trust SP Services (London) Limited.

Dividends

The directors do not recommend the payment of a dividend for the year *(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 note on the Company's capital structure (note 14).

The directors believe that the Company is well placed to manage its business risks successfully.

After making an assessment, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 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.

Future outlook

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

Directors' indemnity provisions

At no time during the year did any director hold a material interest in any contract of significance with the Company other than a third-party indemnity provision between each director and the Company.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international standards ("IFRSs") in conformity with the requirements of the Companies Act 2006.

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 international accounting standards in conformity with the requirements of the Companies Act 2006 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 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 Company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Directors' confirmations

Each of the directors, whose names and functions are listed in the Directors and Officer report confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the company; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Directors' report (continued)

The financial statements on pages 7 to 18 were approved on behalf of the Board on 14 October 2026

Ioannis Kyriakopoulos, Authorised Signatory for and on behalf of
Wilmington Trust SP Services (London) Limited, Director

Accounting policies

The Company, a limited company, which is incorporated and domiciled in the United Kingdom (UK), is an investment holding company, which invests in a company established for the purpose of acquiring mortgage portfolios funded by the issue of loan notes and in a trustee company whose principal activity is to hold on trust the benefit of the portfolio of lifetime mortgages.

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, except for equity investments at fair value through profit and loss.

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

The financial statements are stated in sterling, which is the Company's functional and presentation 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 early stages 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 and the amendments to IFRS 19 are effective for annual reporting beginning on or after 1 January 2027 and have been 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.

(v) IFRS 20: Regulatory Assets and Regulatory Liabilities
Published by the IASB in May 2026. The standard is effective for annual reporting beginning on or after 1 January 2029 and has yet to be endorsed by the UK.

(vi) Amendments to IAS 28: Amendments to the Fair Value Option for Investments in Associates and Joint Ventures
Published by the IASB in June 2026. 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 the Company's financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses. The major area of estimation on policy application is the fair value of equity investments (set out in policy D and note 7).

Accounting policies (continued)

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.

(C) 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 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 not 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 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.

(D) Equity investments

The Company classifies equity investments at FVTPL using the business model assessment as described in accounting policy E. All equity investments held by the Company are classified as other than held for trading.

The fair value of investments is based on net asset value. Net asset value is estimated using applicable valuation models (set out in policy C and note 7). Changes in the fair value of investments are included in the income statement in the period in which they arise.

Purchases and sales of investments are recognised on the trade date, which is the date that the Company commits to purchase or sell the assets, at their fair values.

(E) Recognition and classification of equity investments

Equity investments are held at FVTPL based on a business model assessment and the extent to which the contractual cash flows associated with the financial assets are solely payments of principal and interest (SPPI). Financial assets are mandatorily held at FVTPL if they do not meet the SPPI criteria or if they are held within a business model where they are managed and evaluated on a fair value basis. The Company's financial assets are managed on a fair value basis as this aligns with their regulatory basis. Therefore, all the Company's financial assets are mandatorily held at FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its objectives for managing those financial assets, in which case all affected financial assets are reclassified on the first day of the next reporting period.

(F) Interest and similar income

Interest and similar income consists of interest receivable for the year. Interest income is recognised as it accrues.

(G) Statement of cash flows

Cash and cash equivalents

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

(H) Income taxes

Taxation comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or other comprehensive income.

(I) 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 asset.

(J) Receivables, payables and other financial liabilities

All other receivables and financial liabilities are initially recognised at cost, being fair value. Subsequent to initial measurement they are measured at amortised cost which, given the short term nature of these items, is considered a reasonable approximation to fair value.

Income statement

For the year ended 31 December 2025

	Notes	2025	2024
		£'000	£'000
Income			
Gains on equity investments	D & 1	**2**	2
		2	2
Profit before tax		**2**	2
Tax charge	H & 5	**—**	—
Profit for the year		**2**	2

The Company has no other comprehensive income.

The accounting policies (identified alphabetically) and notes (identified numerically) are an integral part of these financial statements.

Statement of financial position

As at 31 December 2025

	Notes	2025 £'000	2024 £'000
Assets			
Equity investments	D, 6 & 7	**54**	52
Receivables	J & 8	**3**	3
Cash at bank and in hand	G & 13	**1**	1
Total assets		**58**	56
Equity			
Ordinary share capital	I & 9	**—**	—
Retained earnings	10	**43**	41
Total equity		**43**	41
Liabilities			
Payables and other financial liabilities	J & 12	**15**	15
Total liabilities		**15**	15
Total equity and liabilities		**58**	56

Audit exemption statement

For the year ending 31 December 2025 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounting policies (identified alphabetically) and notes (identified numerically) are an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 14 October 2026 and signed on its behalf by:

Ioannis Kyriakopoulos, Authorised Signatory for and on behalf of
Wilmington Trust SP Services (London) Limited, Director

Statement of changes in equity

For the year ended 31 December 2025

			2025
	Ordinary share capital	**Retained earnings**	**Total equity**
	£'000	**£'000**	**£'000**
Balance at 1 January	**—**	**41**	**41**
Profit for the year	**—**	**2**	**2**
Balance at 31 December	**—**	**43**	**43**

			2024
	Ordinary share capital	Retained earnings	Total equity
	£'000	£'000	£'000
Balance at 1 January	—	39	39
Profit for the year	—	2	2
Balance at 31 December	—	41	41

The accounting policies (identified alphabetically) and notes (identified numerically) are an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December 2025

	Note	2025	2024
		£'000	£'000
Cash flows from operating activities			
Cash used in operating activities	13	**—**	—
Tax paid		**—**	—
Total net cash used in operating activities		**—**	—
Total net decrease in cash and cash equivalents		**—**	—
Cash and cash equivalents at 1 January		**1**	1
Cash and cash equivalents at 31 December	13	**1**	1

Cash flows for the Company are £nil for the year (2024: £nil).

The accounting policies (identified alphabetically) and notes (identified numerically) are an integral part of these financial statements.

Notes to the financial statements

1. Details of income

	2025 £'000	2024 £'000
Financial assets		
Gains on balances held at FVTPL	**2**	2
	2	2
Total income	**2**	2

2. Employee information

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

3. Directors' remuneration

Wilmington Trust SP Services (London) Limited receive fees from related party undertakings in respect of structuring and management services. No direct recharge has been made to the Company in respect of these fees as Wilmington Trust SP Services (London) Limited are not primarily remunerated for their services to the Company. Accordingly, no emoluments are disclosed in respect of these directors.

4. Auditors' remuneration

The total remuneration paid by the Company to its previous auditors in 2024, Ernst & Young LLP, was as follows:

	2025 £'000	2024 £'000
Fees payable for the statutory audit of the Company's financial statements	**—**	5
	—	5

No non-audit services were provided during 2024 by Ernst & Young LLP.

5. Tax

(a) Tax charged to the income statement

The total tax charge comprises:

	2025 £'000	2024 £'000
Current tax		
For this year	**—**	—
Total current tax	**—**	—
Total tax charged to the income statement	**—**	—

Notes to the financial statements (continued)

(b) Tax reconciliation

The tax on the Company's profit before tax is the same as the theoretical amount that would arise using the tax rate in the United Kingdom as follows:

	2025 £'000	2024 £'000
Total profit before tax	**2**	2
Tax calculated at standard UK corporation tax rate of 19% (2024: 19%)	**—**	—
Total tax charged to income statement	**—**	—

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.

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

6. Equity investments

	2025 £'000	2024 £'000
Opening balance at 1 January	**52**	50
Fair value gains	**2**	2
Balance at 31 December	**54**	52

7. Fair value methodology

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

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

Level 1

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

Level 2

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

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

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

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

Level 3

Inputs to Level 3 fair values are unobservable inputs for the asset or liability. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e. an exit price at the measurement date from the perspective of a market

Notes to the financial statements (continued)

participant that holds the asset or owes the liability. Unobservable inputs reflect the assumptions the Company considers that market participants would use in pricing the asset or liability.

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

The carrying amounts of financial assets and financial liabilities are set out in the following:

	2025		2024	
	Fair value	**Carrying amount**	Fair value	Carrying amount
	£'000	**£'000**	£'000	£'000
Financial assets				
Equity investments	**54**	**54**	52	52

Equity investments are classed as Level 3 within the fair value hierarchy.

Fair value of the following assets and liabilities approximate to their carrying amounts and are classified at amortised cost:

- Receivables

(c) Transfers between levels of the fair value hierarchy

There were no transfers during 2025 (2024: nil).

8. Receivables

	2025	2024
	£'000	£'000
Amounts due from related parties	**3**	3
Total at 31 December	**3**	**3**
Expected to be recovered in less than one year	**—**	—
Expected to be recovered in more than one year	**3**	3
	3	3

9. Ordinary share capital

Details of the Company's ordinary share capital at 31 December are as follows:

	2025	2024
	£	£
Allotted, called up and fully paid share capital of the Company		
2 (2024: 2) ordinary shares of £1 each	**2**	2
	2	2

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

10. Retained earnings

	2025	2024
	£'000	£'000
Balance at 1 January	**41**	39
Profit for the year	**2**	2
Balance at 31 December	**43**	41

Notes to the financial statements (continued)

11. Tax assets and liabilities

Current tax

Current tax assets and liabilities receivable and payable in more than one year are £nil (*2024: £nil*) and £nil (*2024: £nil*).

12. Payables and other financial liabilities

	2025 £'000	2024 £'000
Amounts due to related parties	**15**	15
Total at 31 December	**15**	15
Expected to be settled within one year	**—**	—
Expected to be settled in more than one year	**15**	15
	15	15

13. Statement of cash flows

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

	2025 £'000	2024 £'000
Profit before tax	**2**	2
Adjustments for:		
Fair value gains on:		
Equity investments	**(2)**	(2)
	(2)	(2)
Total cash used in operating activities	**—**	—

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

	2025 £'000	2024 £'000
Cash and cash equivalents	**1**	1

The movement in cash and cash equivalents is £nil *(2024: £nil)*.

14. Capital structure

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. retain financial flexibility by maintaining strong liquidity; and

The Company is not subject to any externally imposed capital requirements. The Company manages shareholders' equity of £43,000 *(2024: £41,000)* as capital.

Notes to the financial statements (continued)

15. Risk management

(a) Risk management framework

Aviva plc, and its subsidiaries, joint ventures and associates (collectively known as "the Aviva Group") operates a risk management framework (RMF) that forms an integral part of the management and Board processes and decision-making framework, aligned to the Aviva Group 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 Aviva Group uses to identify, measure, manage, monitor and report (“IMMMR”) risks. The Aviva Group risk management framework is applied to the Company through the Aviva Group's management of the Company.

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

To promote a consistent and rigorous approach to risk management across the business, the Aviva Group has a set of risk policies and business standards which set out the risk strategy, appetite, framework and minimum requirements for the Aviva Group’s operations.

Roles and responsibilities for risk management in the Aviva Group 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.

(b) Market risk

Market risk is the risk of loss or adverse change in the financial situation (including the value of assets, liabilities and income) resulting, directly or indirectly, from fluctuations in the level or the volatility of market variables, such as interest rates, foreign exchange rates, equity, property and commodity prices.

Income for the Company of gains on equity investments, represents the profit for the year in the Company's equity investments, calculated as 0.01% of interest accruing on the mortgages. As any excess or shortfall of income over expenditure in the equity investments is reported in the statement of financial position of those companies, the impact on the Company of changes in economic factors and assumptions is nil. Consequently, the Company has not provided any detailed sensitivity analysis as required by IFRS 7. Exposure to these risks is borne by noteholders and other creditors of the Aviva Group.

(c) Credit risk

Credit risk is the risk of adverse financial impact resulting from fluctuations in credit quality of third parties including default, rating transition and credit spread movements. The credit ratings of financial institutions to which the Aviva Group is exposed are monitored and if these fall below a certain threshold collateralisation or other risk mitigation techniques are implemented.

The carrying amount of assets included on the statement of financial position represents the maximum credit exposure of the Company at the statement of financial position date.

There are no financial assets which are either past due or impaired.

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments when they fall due. The liabilities of Company are borrowings owed to the parent entity, this is expected to be paid on eventual wind-up of the Company.

(e) Operational risk

Operational risk is the risk of direct or indirect loss, arising from inadequate or failed internal processes, people and systems, or external events including changes in the regulatory environment. The Company has limited appetite for operational risk and aims to reduce these risks as far as is commercially sensible.

Notes to the financial statements (continued)

16. Related party transactions

(a) Payable at year end

	2025	2024
	£'000	£'000
Equity Release Funding (No.5)	**15**	15

(b) Receivable at year end

	2025	2024
	£'000	£'000
ERF Trustee (No. 5) Limited	**3**	3

(c) Key management compensation

Wilmington Trust SP Services (London) Limited receive fees from related party undertakings in respect of structuring and management services. No direct recharge has been made to the Company in respect of these fees as Wilmington Trust SP Services (London) Limited are not primarily remunerated for their services to the Company. Accordingly, no emoluments are disclosed in respect of these directors.

There are no amounts receivable from or payments due to members of key management (*2024: £nil).*

(d) Parent entity

The Company's shares are held by Ocorian Trustees (Jersey) Limited, a company incorporated in Jersey, acting as a share trustee under a charitable trust established for the benefit of registered charities. The registered office of Ocorian Trustees (Jersey) Limited is 26 New Street, St. Helier, Jersey, JE2 3RA.

(e) Ultimate controlling entity

As Ocorian Trustees (Jersey) Limited, holds the shares in a fiduciary capacity only, it is considered to be the Company’s ultimate parent undertaking and ultimate controlling party for disclosure purposes.

The Company prepares only individual financial statements.