Aviva Europe UK Societas

Registered in England and Wales No. SE000031

Annual Report and Financial Statements 2023

Contents

Members and officers

The members of the Company who were in office during the year and up to the date of signing the financial statements were:

Members

N Harrison
K Bye
M Verma

Officers – Company Secretary

Under UK company law there is no requirement to appoint a Company Secretary.

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Registered office

80 Fenchurch Street
London
EC3M 4AE

Company number

Registered in England and Wales no. SE000031

Other information

Aviva Europe UK Societas (the Company) is a member of the Aviva plc group of companies (the Group).

Strategic report

The members present their Strategic report for the Company for the year ended 31 December 2023.

Review of the Company's business

Principal activities

The Company is a wholly owned subsidiary of Aviva Group Holdings Limited ('AGH'). The principal activity of the Company is to act as a holding company.

Financial position and performance

The financial position of the Company at 31 December 2023 is shown in the Statement of Financial Position on page 17, with the results shown in the Statement of Comprehensive Income on page 15 and the Statement of Cash Flows on page 18.

The profit before tax for the year is €28 thousand (2022: €1,141 thousand) and driven by the write-back of payables and other financial liabilities of €24 thousand (2022: €1,038 thousand); further details are included in note 5.

The profit after tax for the year is €966 thousand (2022: €1,144 thousand). The profit after tax for the year is driven by a tax credit from Spanish authorities in respect of prior years.

Significant events

The Company declared and settled a in-specie dividend of €16,372 thousand to its parent AGH during 2023.

Future outlook

Strategies for the wider Aviva Group are determined by the Board of Aviva plc and these are shown in the Aviva plc Annual Report and Accounts 2023. The Company will work with the Group to support the implementation of these strategies.

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

Principal risks and uncertainties

A description of the principal risks and uncertainties facing the Company and the Company's risk management policies are set out in note 13 to the financial statements.

Section 172 Statement

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

S.172 sets out a series of matters which the members 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.

Strategic report continued

Section 172 statement (continued)

Stakeholder Engagement

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

(i) Our People

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.

(ii) Our customers

The Company has no direct customers.

(iii) Our suppliers

All Group supplier related activity is managed in line with the Group Procurement & Outsourcing Business Standard. This ensures that supply risk is managed appropriately including in relation to customer outcomes, data security, corporate responsibility, financial, operational, contractual, and brand damage caused by inadequate oversight or supplier failure.

An important part of the Group’s culture is the promotion of high legal, ethical, environmental and employee related standards within our business and among our suppliers. Before working with any new suppliers, we provide them with our Supplier Code of Behaviour, and our interaction with them is guided by our Business Code of Ethics.

The Board reviews the actions the Group has taken to prevent modern slavery and associated practices in any part of our supply chain and approves the Group's Modern Slavery Act statement each year.

(iv) Shareholders

Our shareholder is Aviva Group Holdings Limited (AGH) and there is ongoing communication and engagement with the AGH Board. Any matters requiring escalation are escalated by the Board through the Chairman to its parent. Additionally, members of the AGH board can attend board meetings by invitation.

Key performance indicators

Given the Company's risk profile, the members do not consider key performance indicators relevant to the Company.

On behalf of the Board

Neil Harrison

N Harrison 23/04/2024 13:58

Member

23 April 2024

Members’ report

The members present their annual report and audited financial statements for the Company for the year ended 31 December 2023.

Members

The names of the present members of the Company appear on page 3.

K Graham resigned as member of the Company on 31 December 2023.

K Bye was appointed as member of the Company on 31 December 2023.

A Dinwiddie resigned as member of the Company on 31 March 2024.

M Verma was appointed as member of the Company on 1 April 2024.

Company Secretary

Under UK company law there is no requirement to appoint a Company Secretary.

Dividends

The Company paid an in-specie dividend of €16,372 thousand to it's parent Aviva Group Holdings Limited during 2023 (2022: €nil)

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report, which includes a section describing the principal risks and uncertainties. In addition, the financial statements include notes on the Company's management of its major risks (see note 13).

The Company and its ultimate parent, Aviva plc, have considerable financial resources together with a diversified business model, with a spread of businesses and geographical reach. The members believe that the Company is well placed to manage its business risks successfully.

After making enquiries, the members 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.

Future outlook

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

Employees

The Company has no employees. All UK employees engaged in the activities of the Company are employed by subsidiary undertakings of Aviva plc.

Disclosure of information to the auditors

In accordance with section 418 of the Companies Act 2006, the members in office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company’s External Auditors, PricewaterhouseCoopers LLP, are unaware and each member has taken all steps that ought to have been taken as a member in order to make themselves aware of any relevant audit information and to establish that PricewaterhouseCoopers LLP are aware of that information.

Independent auditors

Under the Competition and Markets Authority Regulations, the Company's ultimate parent company, the Group, is required to tender for the provision of the external audit every 10 years. PricewaterhouseCoopers LLP was appointed for the first time for the 31 December 2012 financial year end and, therefore, a mandatory re-tender was required for the year ended 31 December 2022. The audit tender process was initiated during 2020 but COVID-19 restrictions caused delays and Aviva sought a two year extension from the Financial Reporting Council ('FRC') which was granted. Following a full and rigorous competitive tender process, which was overseen by the Group's Audit Committee, the selection of Ernst & Young LLP from the year ending 31 December 2024 was approved by the Group Board. PricewaterhouseCoopers LLP has continued in its role to undertake the audit for the financial year ending 31 December 2023.

Members’ report continued

Qualifying indemnity provisions

In 2004, Aviva plc, the Company’s ultimate parent, granted an indemnity to the members against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985, which continue to apply in relation to any provision made before 1 October 2007. This indemnity is a “qualifying third party indemnity” for the purposes of section 309A to section 309C of the Companies Act 1985. These qualifying third-party indemnity provisions remain in force as at the date of approving the members’ report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

Statement of members’ responsibilities in respect of the financial statements

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

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

Under company law, members 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 members 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 members 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 members 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.

Corporate Governance

The Company is a wholly-owned subsidiary of Aviva Group Holdings Limited (AGH), which in turn is a wholly-owned subsidiary of Aviva plc, a Company with a listing on the London Stock Exchange, and as such is subject to Aviva plc’s system of risk management, internal control, and financial reporting. Aviva plc is subject to the UK Corporate Governance Code. The Aviva plc Annual Report and Accounts set out details of how the Group has applied the principles and complied with the provisions of the UK Corporate Governance Code during 2023. Further information on the Code can be found on the Financial Reporting Council’s website, www.frc.org.uk.

On behalf of the Board on 23 April 2024

Neil Harrison

N Harrison 23/04/2024 13:59

Member

Independent auditors' report to the members of Aviva Europe UK Societas

Report on the audit of the financial statements

Opinion

In our opinion, Aviva Europe UK Societas's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit and cash flows 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.

We have audited the financial statements, included within the Annual Report and Financial Statements 2023 (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2023; the Statement of comprehensive income, the Statement of cash flows, and the Statement of changes in equity for the year then ended; the Accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 at least twelve months from when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Members' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Members' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Members' report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Members' report.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Statement of members' responsibilities in respect of the financial statements, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they 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 members 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 members either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the risk that management could post inappropriate or fictitious journal entries that have the potential to impact the financial performance or position of the company, exert management bias in the accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- enquiry of management to identify any instances of non-compliance with laws and regulations;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with laws and regulations;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of testing;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and testing accounting estimates (because of the risk of management bias); and
- evaluating the business rationale of significant transactions entered into outside of the company's normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Zahid Khan

Zahid Khan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 April 2024

Accounting policies

The Company is a United Kingdom Societas incorporated and domiciled in the United Kingdom (UK). 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 members in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

Having assessed the principal risks, the members 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, the Company continues to adopt the going concern basis in preparing the financial statements.

The Company is exempt from preparing group financial statements by virtue of section 400 of the Companies Act 2006, as it is a subsidiary of a UK parent and is included in consolidated financial statements for the Group, i.e., the ultimate parent company, Aviva plc, and its subsidiaries, joint ventures and associates, at the same date. These financial statements therefore present information about the Company as an individual entity.

The Company's financial statements are stated in euros, which is the Company's functional and presentational currency. The amounts shown in these financial statements are presented in thousands of euros (€'000s) for 2023.

New standards, interpretations and amendments to published standards that have been adopted by the Company

The Company has adopted the following amendments to standards which became effective for the annual reporting period beginning on 1 January 2023. The amendments have been issued and endorsed by the UK and do not have a significant impact on the financial statements.

(i) Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies

(ii) Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

(iii) Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

(iv) Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules

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

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

(i) Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current

Published by the IASB in January 2020. The amendments are effective for annual reporting beginning on or after 1 January 2024 and have yet to be endorsed by the UK.

(ii) Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants

Published by the IASB in October 2022. The amendments are effective for annual reporting beginning on or after 1 January 2024 and have yet to be endorsed by the UK.

(iii) Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

Published by the IASB in September 2022. The amendments are effective for annual reporting beginning on or after 1 January 2024 and have been endorsed by the UK.

(iv) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instrument Disclosures: Supplier Finance Arrangements

Published by the IASB in May 2023. The amendments are effective for annual reporting beginning on or after 1 January 2024 and have been endorsed by the UK.

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

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

(vi) IFRS 18 Presentation and Disclosure of Financial Statements

Published by the IASB in April 2024. The amendments are effective for annual reporting beginning on or after 1 January 2027 and have yet to be endorsed by the UK.

Accounting policies continued

(B) Critical accounting policies and the use of estimates

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

The Company does not have any critical accounting policies and does not rely on estimation or assumption in these financial statements.

(C) Subsidiaries

Subsidiaries are those entities in which the Company, directly or indirectly, has power to exercise control over financial and operating policies to gain economic benefits. The Company controls an investee if, and only if, the Company has all the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Company considers all relevant facts and circumstances in assessing whether it has power over an investee including: the purpose and design of an investee, relevant activities, substantive and protective rights, and voting rights and potential voting rights. The Company re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Investments in subsidiaries are recognised at cost less impairment. Investments are reviewed annually to test whether any indicators of impairment exist. Where there is objective evidence that such an asset is impaired, the investment is impaired to its recoverable value and any unrealised loss is recorded in the statement of comprehensive income.

(D) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rate prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income.

Translation differences on monetary financial assets measured at fair value are included in foreign exchange gains and losses in the statement of comprehensive income. Translation differences on non-monetary items, such as equities which are designated as Fair Value Through Profit Or Loss (FVTPL), are reported as part of the fair value gain or loss in the statement of comprehensive income.

(E) Fair value measurement

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

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

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e., the fair value of the consideration given or received. In certain circumstances, the fair value at initial recognition may differ from the transaction price. If the fair value is evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging), or is based on a valuation technique whose variables include only data from observable markets, then the difference between the fair value at initial recognition and the transaction price is recognised as a gain or loss in the statement of comprehensive income. When unobservable market data has a significant impact on the valuation of financial instruments, the difference between the fair value at initial recognition and the transaction price is not recognised immediately in the statement of comprehensive income, but deferred and recognised in the statement of comprehensive income on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out or otherwise matures.

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

(F) Net investment income

Investment income consists of dividends and interest receivable for the year. Dividends receivable are recorded when declared. Interest income is recognised as it accrues, considering the effective yield on the investment.

Accounting policies continued

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

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

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

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

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

(H) Receivables and other financial assets

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

Loans due from Group operations

Loans with fixed maturities are recognised when cash is advanced to borrowers. Loans where repayments consist solely of principal or interest are subsequently measured at amortised cost using the effective interest rate method. Loans with indefinite future lives are carried at unpaid principal balances. All other loans are held at FVTPL based on the outcome of a business model assessment, or where the contractual cash flows are not solely payment of principal and interest.

To the extent that a loan is considered to be uncollectable, it is written down as impaired through the statement of comprehensive income. Any subsequent recoveries are credited to the statement of comprehensive income.

(I) Payables and other financial liabilities

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

(J) Cash and cash equivalents

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

(K) Held for sale assets

Assets and liabilities held for disposal as part of operations which are held for sale are shown separately in the statement of financial position. Operations held for sale are recorded at the lower of their carrying amount and their fair value less the estimated selling costs.

Profit on disposal of subsidiaries is only realised on disposal or transfer, and is the difference between the proceeds received, net of transaction costs, and its carrying value, as appropriate.

(L) Income taxes

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

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

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

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

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

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

Current and deferred tax relating to items recognised in other comprehensive income and directly in equity are similarly recognised in other comprehensive income and directly in equity respectively, except for the tax consequences of distributions from certain equity instruments, to be recognised in the income statement. Deferred tax related to any fair value re-measurement of investments, held at fair value through other comprehensive income, owner-occupied properties, pensions and other post-retirement obligations and other amounts charged or credited directly to other comprehensive income is recognised in the statement of financial position as a deferred tax asset or liability.

Accounting policies continued

(M) Share capital

Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- the instrument is a non-derivative that contains no contractual obligation to deliver a variable number of shares or is a derivative that will be settled only by the Company exchanging a fixed amount of cash or other assets for a fixed number of the Company's own equity instruments.

Dividends

Interim dividends on ordinary shares are recognised in equity in the period in which they are paid. Final dividends on these shares are recognised when they have been approved by shareholders.

Statement of comprehensive income

For the year ended 31 December 2023

	Note	**2023** €'000	2022 €'000
Income			
Foreign exchange gains		**3**	128
Other income		**1**	—
		4	128
Expenses			
Other expenses	5	**24**	1,013
Profit for the year before tax		**28**	1,141
Tax credit	L & 6	**938**	3
Profit for the year after tax attributable to owners of the Company		**966**	1,144
Other comprehensive income, net of tax		—	—
Total comprehensive income		**966**	1,144

The accounting policies (identified alphabetically) on pages 11 to 14 and notes (identified numerically) on pages 19 to 24 are an integral part of the financial statements.

Statement of changes in equity

For the year ended 31 December 2023

	Note	Ordinary Share Capital €'000	Retained earnings €'000	Total equity €'000
Balance at 1 January 2022		120	15,364	15,484
Profit for the year		—	1,144	1,144
Total comprehensive income for the year		—	1,144	1,144
Balance at 31 December 2022		**120**	**16,508**	**16,628**
Profit for the year		—	**966**	**966**
Total comprehensive income for the year		—	**966**	**966**
Dividends paid		—	**(16,372)**	**(16,372)**
Balance at 31 December 2023	8 & 9	**120**	**1,102**	**1,222**

The accounting policies (identified alphabetically) on pages 11 to 14 and notes (identified numerically) on pages 19 to 24 are an integral part of the financial statements.

Statement of financial position

As at 31 December 2023

	Note	**2023 €'000**	2022 €'000
Assets			
Current assets			
Receivables and other financial assets	H & 7	**1,276**	16,459
Cash and cash equivalents	J & 12	**1**	256
Total assets		**1,277**	16,715
Equity			
Ordinary share capital	M & 8	**120**	120
Retained earnings	9	**1,102**	16,508
Total equity		**1,222**	16,628
Liabilities			
Current liabilities			
Payables and other financial liabilities	I & 11	**55**	87
Total liabilities		**55**	87
Total equity and liabilities		**1,277**	16,715

The financial statements on pages 15 to 24 were approved by the Board of Members on 23 April 2024 and signed on its behalf by

Neil Harrison

N Harrison 23/04/2024 13:59

Member

Registered in England and Wales No. SE000031

The accounting policies (identified alphabetically) on pages 11 to 14 and notes (identified numerically) on pages 19 to 24 are an integral part of the financial statements.

Statement of cash flows

For the year ended 31 December 2023

	Note	**2023** €'000	2022 €'000
Cash flows from operating activities			
Expense paid		**—**	(1)
Foreign exchange gain / (loss)		**3**	(5)
Net cash generated used in operating activities		**3**	(6)
Cash flows from investing activities			
Interest received		**1**	—
Net cash generated from investing activities		**1**	—
Cash flows from financing activities			
Funding provided (to) / from parent		**(259)**	126
Net cash generated (used in) / from financing activities		**(259)**	126
Net (decrease)/increase in cash and cash equivalents		**(255)**	120
Cash and cash equivalents at 1 January		**256**	136
Cash and cash equivalents at 31 December	J & 12	**1**	256

The accounting policies (identified alphabetically) on pages 11 to 14 and notes (identified numerically) on pages 19 to 24 are an integral part of the financial statements.

Notes to the financial statements

1. Exchange rates

Assets and liabilities denominated in sterling have been translated into euros at the following year end rates:

	2023	2022
GBP Sterling	**0.87**	0.89

2. Employee information

The Company has no employees (2022: nil). All UK employees engaged in the activities of the Company are employed by subsidiary undertakings of Aviva plc.

3. Members' remuneration

The members were all remunerated by Aviva Employment Services Limited, a fellow subsidiary of Aviva plc for their services to the Group as a whole. They were not remunerated for their services as members of the Company and the amount of time spent performing their duties is incidental to their roles across the Group. This is consistent with prior years.

4. Auditors' remuneration

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

	2023	2022
	€'000	€'000
Fees payable to PricewaterhouseCoopers LLP for the statutory audit of the Company's financial statements	**26**	24

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, PricewaterhouseCoopers LLP and its associates for services other than the statutory audit of the Company and other Group undertakings are disclosed in the consolidated financial statements of Aviva plc.

There were no non-audit fees paid to the Company's auditors during the year (2022: £nil). Audit fees are borne by the ultimate parent, Aviva plc.

5. Details of expenses

This note gives further detail on the items appearing in the expenses section of the statement of comprehensive income.

	2023	2022
	€'000	€'000
Write-back of payables and other financial liabilities	**(24)**	(1,038)
Other	**—**	25
Total Expenses	**(24)**	(1,013)

Certain VAT and inter-group payables were assessed and it was concluded that there was no longer any reasonable expectation of these liabilities becoming due for payment in future years. These payables amounting to €24 thousand (2022: €1,038 thousand) have been written back to the statement of comprehensive income.

6. Tax

(a) Tax credited to the income statement

(i) The total tax credit comprises:

	2023	2022
	€'000	€'000
Current tax:		
For the period	**—**	—
Adjustments in respect of prior years	**938**	3
Total current tax	**938**	3
Total tax credited to Income Statement	**938**	3

(ii) The tax credit above can be analysed as follows:

	2023	2022
	€'000	€'000
United Kingdom tax	—	3
Overseas tax	938	**—**
Total tax credited to the income statement	**938**	3

Notes to the financial statements continued

6. Tax (continued)

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

There was no tax credited or charged to other comprehensive income in either 2023 or 2022.

(c) Tax reconciliation

The tax on the Company's result before tax differs from the theoretical amount that would arise using the tax rate of the United Kingdom as follows:

	2023	2022
	€'000	€'000
Total profit for the year before tax	**28**	1,141
Tax calculated at standard UK corporation tax rate of 23.5% (2022: 19%)	**(6)**	(217)
Adjustment to tax credit/(charge) in respect of prior periods	**938**	3
Surrender of tax losses from Group undertakings for no charge	**6**	217
Total tax credit to income statement	**938**	3

The UK Government has enacted an increase in the UK corporation tax rate to 25% to take effect from 1 April 2023.

As the Company has no deferred tax assets or liabilities at the year end, there is no impact on the Company's net assets because of the amendments in the tax rates.

During 2023, legislation on The Organisation for Economic Co-operation and Development proposals to reform the international tax system and introduce a global minimum effective rate of corporation tax of 15% was enacted in the UK, to take effect from 31 December 2023. The Company (as part of the Aviva Group) has assessed its potential exposure, based on the available information, and does not anticipate any exposure to additional tax under these provisions.

7. Receivables and other financial assets

		2023	2022
	Note	**€'000**	€'000
Amounts due from parent	14(a)	**1,276**	16,459
Total as at 31 December		**1,276**	16,459
Expected to be recovered in less than one year		**1,276**	16,459
Expected to be recovered in more than one year		**—**	—
Total as at 31 December		**1,276**	16,459

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

8. Ordinary share capital

	2023	2022
	€'000	€'000
Allotted, called up and fully paid		
12 (2022: 12) ordinary shares of €10,000 each	**120**	120
	120	120

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.

9. Retained earnings

	2023	2022
	€'000	€'000
At 1 January	**16,508**	15,364
Profit for the year	**966**	1,144
Dividends paid - €1,364,333 per share (2022: €nil per share)	**(16,372)**	—
At 31 December	**1,102**	16,508

10. Tax assets and liabilities

(a) Current tax

Current tax assets recoverable and liabilities payable in more than one year are €nil and €nil (2022: €nil and €nil), respectively.

(b) Deferred taxes

The Company has unrecognised temporary differences of €nil (2022: €nil) to carry forward indefinitely against future taxable income.

Notes to the financial statements continued

11. Payables and other financial liabilities

	2023	2022
	€'000	€'000
Amounts due to parent	**55**	63
Accruals	**—**	24
Total as at 31 December	**55**	87
Expected to be settled in less than one year	**55**	87
Expected to be settled in more than one year	**—**	—
Total as at 31 December	**55**	87

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

12. Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows on 31 December comprise:

	2023	2022
	€'000	€'000
Cash at bank and in hand	**1**	256

13. Risk Management

(a) Risk management framework

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

The Company's risk management approach is aimed at actively identifying, measuring, managing, monitoring, and reporting significant existing and emerging risks. Risks are managed considering the significance of the risk to the business and its internal and external stakeholders.

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

For the purposes of risk identification and measurement, and aligned to the Company's risk policies, risks are usually grouped by risk type: credit, market, liquidity, and operational and capital management risk. Risks falling within these types may affect several metrics including those relating to statement of financial position strength, liquidity, and profit.

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

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

(b) Credit risk

Credit risk is the risk of financial loss as a result of the default or failure of third parties to meet their payment obligations to the Company, or variations in market values because of changes in expectation related to these risks.

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

The Company's management of credit risk includes implementation of credit risk management processes (including limits frameworks), the operation of specific risk management committees, and detailed reporting and monitoring of exposures against pre-established risk criteria.

(i) Financial exposures to Group companies

The Company's receivables and financial assets are amounts due from fellow Group companies. The credit risk arising from Group counterparties failing to meet all or part of their obligations is considered remote. Due to the nature of the intra-group receivables, and the fact that these are settled, and not traded, the Company is not exposed to the risk of changes to the market value caused by changing perceptions of the creditworthiness of such counterparties.

Notes to the financial statements continued

13. Risk Management continued

(ii) Calculation of expected credit losses

Expected credit losses in relation to amounts due from other group companies are calculated with reference to an assessment of the counterparty's ability to repay contractual amounts over the lifetime of the financial asset, and, where relevant, the credit rating of the ultimate parent company. All intercompany loans have been assessed on a 12 month expected credit losses basis.

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

The Company makes use of the simplified approach when calculating expected credit losses on trade receivables which do not include a significant financing component, and therefore calculates expected credit losses over the lifetime of the instrument in question. As at the reporting date, no lifetime expected credit losses have been recognised in relation to trade receivables.

The Company does not hold any financial assets which are deemed to be credit-impaired at the reporting date.

(iii) Modification of contractual cash flows that have not resulted in derecognition

There have been no significant modifications of contractual cash flows on any of the Company's financial assets during the period.

(c) Market risk

Market risk is the risk of adverse financial impact resulting directly or indirectly from fluctuations in interest rates, inflation, and foreign currency exchange rates. Market risk arises due to fluctuations in both the value of liabilities and the value of investments held.

The management of market risk is undertaken at business unit and at Group level. Businesses manage market risks locally using the Group market risk framework and within local regulatory constraints. Group Capital is responsible for monitoring and managing market risk at Group level and has established criteria for matching assets and liabilities to limit the impact of mismatches due to market movements.

The most material types of market risk that the Company is exposed to are described below.

(i) Interest rate risk

The Company is no longer exposed to interest rate risk, other than indirectly through its investments in subsidiaries, given that the Company's revolving credit facility with its parent, Aviva Group Holdings Limited, matured in April 2020.

(ii) Currency risk

Foreign currency exchange rate risk is limited to receivables and payables denominated in pounds sterling, including tax assets to be settled by way of group relief. As at 31 December 2023, there were no receivables or payables denominated in pound sterling.

(d) Liquidity risk

Liquidity risk is the risk of not being able to make payments as they become due because there are insufficient assets in cash form.

The Company seeks to ensure that it maintains sufficient financial resources to meet its obligations as they fall due.

In extreme circumstances, the Company would approach the Group for additional short-term borrowing whilst the Company liquidated other assets.

Maturity analysis

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

(i) Analysis of maturity of liabilities

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

					2023
		On demand or within 1 year	**1-5 years**	**5-10 years**	**Total**
	Note	**€'000**	**€'000**	**€'000**	**€'000**
Payables and other financial liabilities	11	**55**	**—**	**—**	**55**
		55	**—**	**—**	**55**

					2022
		On demand or within 1 year	1-5 years	5-10 years	Total
	Note	€'000	€'000	€'000	€'000
Payables and other financial liabilities	11	87	—	—	87
		87	—	—	87

Notes to the financial statements continued

13. Risk Management continued

(ii) Analysis of maturity of assets

The following tables show the Company's assets, which are available to fund the repayment of liabilities as they crystallise, analysed by duration.

					2023
		On demand or within 1 year	**1-5 years**	**5-10 years**	**Total**
	Note	**€'000**	**€'000**	**€'000**	**€'000**
Receivables and other financial assets	7	**1,276**	**—**	**—**	**1,276**
Cash and cash equivalents	12	**1**	**—**	**—**	**1**
		1,277	**—**	**—**	**1,277**

					2022
		On demand or within 1 year	1-5 years	5-10 years	Total
	Note	€'000	€'000	€'000	€'000
Receivables and other financial assets	7	16,459	—	—	16,459
Cash and cash equivalents	12	256	—	—	256
		16,715	—	—	16,715

(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.

Given its limited activities, the key operational risks to the Company are inadequate governance and lack of sufficiently robust financial controls. The risks are mitigated by the Board's adoption and implementation of the Group's risk management policies and framework and compliance with the Group's Financial Reporting and Controls Framework.

(f) Capital management

The Company's capital risk is determined with reference to the requirements of the Company's stakeholders. In managing capital, the Company seeks to maintain sufficient, but not excessive, financial strength to support the payment of interest due on loans and the requirements of other stakeholders. The sources of capital used by the Company are equity shareholders' funds. At 31 December 2023 the Company had €1.2 million (2022: €16.6 million) of total capital employed.

14. Related party transactions

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

(a) Other transactions

(i) Services provided to and income earned from related parties

			2023		2022
		Income earned in year	**Receivable at year end**	Income earned in the year	Receivable at year end
	Note	**€'000**	**€'000**	€'000	€'000
Parent	7	**—**	**1,276**	—	16,459
		—	**1,276**	—	16,459

The related parties' receivables are not secured, and no guarantees were received in respect thereof. The receivables will be received in accordance with normal credit terms.

Notes to the financial statements continued

14. Related party transactions continued

(ii) Services provided from and expenses related to related parties

		2023		2022	
		Expenses incurred in year	**Payable at year end**	Expenses incurred in year	Payable at year end
	Note	**€'000**	**€'000**	€'000	€'000
Parent	11	**—**	**55**	—	63
Fellow Group companies	5, 11	**(24)**	**—**	(1,038)	—
		(24)	**55**	(1,038)	63

Expenses incurred in the year relate to write-back of payables of €24 thousand (2022: €1,038 thousand).

The related parties' payables are not secured, and no guarantees were given in respect thereof. The payables will be settled in accordance with normal credit terms.

(iii) Audit fees

There were no non-audit fees paid to the Company's auditors during the year (2022: €nil). Audit fees as described in note 4 are borne by the Company's ultimate parent, Aviva plc.

(b) Key management compensation

Key management, which comprises the members of the Company, are not remunerated directly for their services as members of the Company and the amount of time spent performing their duties is incidental to their role across the Group. The majority of such costs are borne by Aviva plc and are not recharged to the Company. Refer to note 3 for details of members' remuneration.

(c) Parent entity

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

(d) Ultimate parent entity

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

15. Related undertakings

Related undertakings include direct and indirect subsidiaries, joint ventures, associates, and other significant holdings.

(a) The direct related undertakings of the Company as at 31 December 2023 are listed below:

Name of undertaking	Registered office	Share class	% held by Group companies
Aviva Group Services Ireland Limited	One Park Place, Hatch Street, Dublin 2, Ireland	Ordinary Shares	100

(b) The indirect related undertakings of the Company as at 31 December 2023 are listed below:

Name of undertaking	Registered office	Share class	% held by Group companies
Aviva DB Trustee Company Ireland Designated Activity Company	Building 12, Cherrywood Business Park, Loughlinstown, Co Dublin, D18 W2P5, Ireland	Ordinary Shares	100
Aviva DC Trustee Company Ireland Designated Activity Company	Building 12, Cherrywood Business Park, Loughlinstown, Co Dublin, D18 W2P5, Ireland	Ordinary Shares	100
Aviva Master Trust Ireland Designated Activity Company	Building 12, Cherrywood Business Park, Loughlinstown, Co Dublin, D18 W2P5, Ireland	Ordinary Shares	100
Aviva Retail Master Trust Ireland Designated Activity Company	Building 12, Cherrywood Business Park, Loughlinstown, Co Dublin, D18 W2P5, Ireland	Ordinary Shares	100

16. Subsequent Events

There are no subsequent events to report.