AVIVA CREDIT SERVICES UK LIMITED

Registered in England and Wales: No. 00184857

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

Aviva Credit Services UK Limited

Registered in England and Wales: No. 00184857

Contents

Aviva Credit Services UK Limited

Registered in England and Wales: No. 00184857

Directors and officer

Directors

D Bennett
S L Dinley (formerly S L Kelleher)
T L Gration

Officer - Company Secretary

Aviva Company Secretarial Services Limited
St Helen's
1 Undershaft
London, United Kingdom
EC3P 3DQ

Independent auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London, United Kingdom
SE1 2RT

Registered office

St Helen's
1 Undershaft
London, United Kingdom
EC3P 3DQ

Company number

Registered in England and Wales: No. 00184857

Other information

Aviva Credit Services UK Limited ("the Company") is authorised by the Financial Conduct Authority. Its activities are covered by the Financial Ombudsman Service. The Company is a member of the Aviva plc group of companies ("the Group").

Aviva Credit Services UK Limited

Registered in England and Wales: No. 00184857

Strategic report

For the year ended 31 December 2022

The directors present their Strategic report for the Company for the year ended 31 December 2022.

Review of the Company's business

The Company is a subsidiary of Aviva Insurance Limited ("AIL"). The Company provides instalment credit and instalment payments administration services in respect of insurance premiums arising on policies written by AIL. Income for the provision of these services is based on a percentage of the relevant gross written premiums.

Significant events

During 2022 global financial markets experience significant volality and inflationary headwinds, but despite this, trading momentum has remained strong and the Company's service has remained market-leading, supported by its ongoing investment in digital journeys and an effective continued hybrid-working model.

Financial position and performance

The financial position of the Company as at 31 December 2022 is shown in the statement of financial position on page 17, with the results shown in the income statement on page 15 and the statement of cash flows on page 18.

Net assets are £5,283,000 (2021: £4,072,000). The increase is due the profit for the year after tax of £1,211,000 (2021: £1,315,000).

Profit before tax is £1,211,000 (2021: £1,315,000). Fee income for the year ended 31 December 2022 has stayed consistent at £1,360,000 with the prior year (31 December 2021: £1,337,000). All fee income continues to relate to FastTrade. Profit has decreased in the year due to an increase in the provision charge made for the incorrect calculation of interest charged when customers amend their policy partway through the year.

The ultimate credit risk on instalment payments is borne by AIL, the Company's balance sheet remains unaffected, and the Company expects to continue to remain a going concern.

Section s.172(1) Statement

The directors report here on how they have discharged their duties under section 172 ("S172") of the Companies Act 2006. S.172 (1) sets out a series of matters which the directors must have regard to in performing their duty to promote the success of the Company for the benefit of its shareholders, which includes having regard to other stakeholders. Where this statement draws upon information contained in other sections of the Strategic report, this is signposted accordingly.

The Board consider it crucial that the Company maintains a reputation for high standards of business conduct. The Board is responsible for monitoring and upholding the culture, values, standards, ethics and reputation of the Company to ensure that the directors' obligations to its shareholder, customers and other stakeholders are met. The Board monitors adherence to the Aviva Group business standards and compliance with local corporate governance requirements and is committed to acting if our businesses should fall short of the standards expected.

The Board will sometimes engage directly with certain stakeholders on certain issues, however due to the size and distribution of our stakeholders and of the Company, stakeholder engagement often takes place at an operational level. The Board considers and discusses information from the Company's management team to help it understand the stakeholder interests and to ensure they are carefully considered as part of the Board's decision-making process. Through review of reports relating to strategy, financial and operational performance, key risk and legal and regulatory compliance, the Board is able to maintain an overview of engagement with stakeholders and other relevant factors which enables the Directors to comply with their legal duty under S172.

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Strategic report (continued)

For the year ended 31 December 2022

Section s.172(1) Statement (continued)

The Company's culture

The Company's culture is shaped, in conjunction with its parent company, AIL and its ultimate shareholder, Aviva plc, by a clearly defined purpose - with you today for a better tomorrow. As the provider of financial services to millions of customers, Aviva seeks to earn their trust by acting with integrity and a sense of responsibility at all times. The Company looks to build relationships with all its stakeholders based on openness and transparency, and by valuing diversity and inclusivity in the workplace and beyond.

Key strategic decisions in 2022

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

In 2022, there were no key strategic decisions made.

Stakeholder Engagement

The table below sets out the Board's approach to stakeholder engagement during 2022:

Stakeholders	Why are they important to Aviva?	What is our approach to engaging with them?
Employees	Our people's well-being and commitment to serving our customers is essential for our long-term success.	– The Company has no employees. The majority of staff engaged in the activities of the Company are employed by fellow subsidiary undertakings of Aviva plc. As part of the Aviva Group, these staff enjoy the benefit of the Aviva Group policies and benefits made available to them. – The Company's engagement mechanisms align with those of the Aviva Group, such as employee forums, internal communication channels, and informal meetings with the Directors and employee engagement surveys. – The Group carries out a comprehensive global employee engagement survey each year, and the results are considered by the Board in the context of the Company's culture, values and behaviours. The actions to continually improve the results are discussed and agreed. – The Company's people share in the businesses' success as shareholders through membership of the Group's global share plans.

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Strategic report (continued)
For the year ended 31 December 2022

Stakeholders	Why are they important to Aviva?	What is our approach to engaging with them?
Customers	Understanding what is important to our customers is key to our long-term success.	– The Board receives regular reporting on customer outcomes and key strategic initiatives throughout the year. – The Board closely monitors customer metrics and engages with the leadership team to understand the issues if performance does not meet customers' expectations. The Company's parent entity is supported by a Conduct Committee to enable it to monitor customer metrics, and subsequently engage with the senior Management to address any issues that may arise from customer complaints, customer feedback and our approach to Customer Best Interest. The Company can escalate any matters it feels necessary to the Conduct Committee for further scrutiny. – The Board continues to monitor and review developments concerning changes to our IT platforms which will allow us to simplify and support service delivery to our customers.
Suppliers	The Aviva Group operates in conjunction with a wide range of suppliers to deliver services to our customers. It is vital that we build strong working relationships with our intermediaries.	– All supplier related activity is managed in line with the Group's 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.
Communities	We recognise the importance of contributing to our communities through volunteering, community investment, and long-term partnerships. As a major insurance company, we are fully engaged in building resilience against the global impact of climate change.	– Recognising climate change presents risk and opportunities for customers, communities and business, Aviva is signed up to the United Nations Net-Zero Asset Owner Alliance commitment. As part of the Aviva Group, the Company is committed to Aviva's long-term strategy to reach net zero by 2040, and to support achieving this target the Aviva Group has defined climate risk preferences and operating risk limits. The Board continued to adopt the new climate risk preferences during the year, along with its 2023-2025 Plan which take the new climate risk preferences into consideration.
Shareholders	Our retail and institutional shareholders are the owners of the Company.	– The Company's shareholder is Aviva Insurance Limited. Any matters requiring escalation are escalated by the Board through the Chair to its parent.
Regulators	We are subject to financial services regulations and approvals in all the markets we operate in.	– The Board engages with the Regulators as appropriate. – The Company responds to requests for information when required, maintaining constructive and open relationships with the UK regulator.

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Strategic report (continued)
For the year ended 31 December 2022

Future outlook
The directors consider that the Company's principal activity will continue unchanged into 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 12 to the financial statements.

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

	2022	2021
	£000	£000
Profit before tax	1,211	1,315
Net assets	5,283	4,072

Profit before tax has decreased as explained in the Financial Position and Performance section above.

Net assets have increased as explained in the Financial Position and Performance section above.

By order of the Board on 27 September 2023

For and on behalf of Aviva Company Secretarial Services Limited
Company Secretary
27 September 2023

Aviva Credit Services UK Limited

Registered in England and Wales: No. 00184857

Directors' report

For the year ended 31 December 2022

The directors present their annual report and the audited financial statements for the Company for the year ended 31 December 2022.

Directors

The names of the present directors of the Company appear on page 1. The changes in directors in office since the start of the accounting year are as follows:

T L Gration was appointed as director of the Company on 26 July 2022
D P Carey resigned as director of the Company on 17 October 2022
P Senior resigned as director of the Company on 07 December 2022
D Bennett was appointed as director of the Company on 18 May 2023

Company Secretary

The name of the company secretary of the Company is shown on page 1.

Dividend

No dividends were paid out to AIL in 2022 (2021: £nil). The directors do not recommend a final dividend on the Company's ordinary shares for the year ended 31 December 2022 (2021: £nil).

Future outlook

Likely future developments in the business of the Company are discussed in the Strategic report on page 5.

Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Financial instruments and financial risk management

The business of the Company includes the use of financial instruments. Details of the Company's risk management objectives and policies and exposures to the risk relating to financial instruments are set out in note 12 to the financial statements.

Employees

The Company has no employees. All staff are employed by a fellow subsidiary undertaking of Aviva plc, Aviva Employment Services Limited. Disclosures relating to employees may be found in the annual report and financial statements of Aviva Employment Services Limited.

Disclosure of information to the auditors

Each person who was a director of the Company on the date that this report was approved confirms that:

(a) so far as the director is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware; and
(b) each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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Directors' report (continued)

For the year ended 31 December 2022

Independent auditors

Under the Competition and Markets Authority Regulations, the Company 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 ending 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 FRC which was granted. Following a full and rigorous competitive tender process, which was overseen by the Aviva plc Audit Committee, the selection of Ernst & Young LLP from the year ending 31 December 2024 was approved by the Aviva plc Board. PricewaterhouseCoopers LLP will continue in its role and, subject to reappointment by the Aviva plc shareholders at the 2023 Annual General Meetings, will undertake the audit for the financial year ending 31 December 2023.

Qualifying indemnity provisions

Aviva plc, the Company's ultimate parent, granted in 2004 an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985 (which continue to apply in relation to any provision made before 1 October 2007). This indemnity is a "qualifying third party indemnity" for the purposes of s309A to s309C of the Companies Act 1985. These qualifying third party indemnity provisions were in force during the financial year, and at the date of approving the Directors' report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

The directors also have the benefit of the indemnity provision contained in the Company's articles of association, subject to the conditions set out in the Companies Act 2006. This is a "qualifying third party indemnity" provision as defined by s234 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and Financial Statements 2022 in accordance with applicable law and regulation.

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Board on 27 September 2023

For and on behalf of Aviva Company Secretarial Services Limited
Company Secretary
27 September 2023

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

Report on the audit of the financial statements

Opinion

In our opinion, Aviva Credit Services UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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 (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2022; the Income statement, the Statement of changes in equity and the Statement of cash flows 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 directors' 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 directors with respect to going concern are described in the relevant sections of this report.

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

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 directors 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 Directors' 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 Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 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 Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors 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 directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to 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 posting of inappropriate journals. Audit procedures performed by the engagement team included:

- Review of relevant meeting minutes and discussions with the Board;
- Making inquiries of the Aviva Group Investigations team who are responsible for independently reviewing fraudulent activity across the Aviva group, including fraud and consideration of known or suspected instances of non-compliance with laws and regulation;
- Identifying and performing procedures over journal entries, in particular journals that appear to be posted outside the normal patterns of business; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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 directors' 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.

Adam B

Adam Beasant (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27-09-2023

Aviva Credit Services UK Limited

Registered in England and Wales: No. 00184857

Accounting policies

The Company is a limited liability company incorporated and domiciled in the United Kingdom (UK). Its principal activity is the provision of instalment credit and instalment payments administration services in respect of insurance premiums in the 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 directors in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006.

On 31 December 2020, IFRS as adopted by the EU at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted International Accounting Standards on 1 January 2021.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

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

The financial statements are stated in pounds sterling, which is the Company's functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in thousands of pounds sterling ("£000").

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

The following amendments to existing standards and IFRIC interpretations have been issued, are effective from 1 January 2022 or earlier, and do not have a significant impact on the Company's financial statements.

(i) Annual improvements to IFRS Standards 2018-2020 Cycle: Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (published by the IASB in May 2020)

(ii) Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract (published by the IASB in May 2020).

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

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

(i) Amendments to IAS 1 Presentation of Financial Statements: Disclosure of Accounting Policies
Published by the IASB in January 2020. The amendments are effective for annual reporting beginning on or after 1 January 2023 and have been endorsed by the UK.

(ii) Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
Published by the IASB in February 2021. The amendments are effective for annual reporting beginning on or after 1 January 2023 and have been endorsed by the UK.

(iii) Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Published by the IASB in May 2021. The amendments are effective for annual reporting beginning on or after 1 January 2023 and have been endorsed by the UK.

(iv) Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
Published by the IASB in February 2021. The amendments are effective for annual reporting beginning on or after 1 January 2024 and have yet to be endorsed by the UK.

(v) 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 periods beginning on or after 1 January 2024 and have yet to be endorsed by the UK.

(vi) 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 periods beginning on or after 1 January 2024 and have yet to be endorsed by the UK.

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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 income statement, statement of financial position, other primary statements and notes to the financial statements.

Although these estimates are based on management's best knowledge of current facts and circumstances, assumptions based on that knowledge and their predictions of future events and actions, actual results ultimately may differ from those estimates, possibly significantly.

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

(C) Revenue recognition

Revenue comprises the finance charge earned, including fees charged net of value added tax, rebates and discounts, from the provision of instalment credit to customers based on the contractual terms. Revenue is recognised over the period of provision of instalment credit and, where such provision relates to future accounting periods, the related amount is deferred as at the balance sheet date.

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

The Company has applied the practical expedient so it need not adjust the promised amount of consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

(D) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit losses. The Company makes use of the simplified approach when calculating expected credit losses on trade and other receivables and therefore calculates expected credit losses over the lifetime of the instrument in question. Expected credit losses on third party trade receivables and accrued income are calculated with reference to the Company's historical experience of losses, along with an analysis of payment terms. Short term financial assets (where all amounts are receivable within 12 months from the reporting date) do not generally attract an expected credit loss charge, unless there is objective evidence that losses are likely to arise. The Company does not expect any material credit losses on trade receivables with related parties. The amount of the provision is recognised in the income statement.

(E) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks 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. For the purposes of the statement of cash flows, cash and cash equivalents also include bank overdrafts, which are included within payables and other financial liabilities in the statement of financial position.

Accounting policies (continued)

(F) 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:
(i) the rights to receive cash flows from the asset have expired;
(ii) 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
(iii) the Company has transferred its rights to receive cash flows from the asset and either:
  (a) has transferred substantially all the risks and rewards of the asset; or
  (b) 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.

(G) 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.

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

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.

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.

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Accounting policies (continued)

(H) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(I) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more probable than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recorded as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the effect of the time value of money is material, the provision is the present value of the expected expenditure.

Provisions are not recognised for future operating losses.

Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

The Company recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Contingent liabilities are disclosed if there is a possible future obligation as a result of a past event, or if there is a present obligation as a result of a past event but either a payment is not probable, or the amount cannot be reasonably estimated.

(J) Equity and dividends

Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of 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 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.

Aviva Credit Services UK Limited

Registered in England and Wales: No. 00184857

Income statement

For the year ended 31 December 2022

	Note	2022 £000	2021 £000
Revenue		1,211	1,315
Profit for the year before tax		1,211	1,315
Tax	4	-	-
Profit for the year after tax		1,211	1,315

The Company has no recognised income and expenses other than those included in the results above and therefore a separate statement of comprehensive income has not been presented.

The accounting policies on pages 11 to 14 and notes on pages 19 to 28 form an integral part of these financial statements.

Aviva Credit Services UK Limited

Registered in England and Wales: No. 00184857

Statement of changes in equity

For the year ended 31 December 2022

	Note	Ordinary share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2021		25	2,732	2,757
Profit and total comprehensive income for the year		-	1,315	1,315
Dividends paid	5	-	-	-
Total movement in the year		-	1,315	1,315
Balance at 31 December 2021		25	4,047	4,072
Profit and total comprehensive income for the year		-	1,211	1,211
Dividends paid	5	-	-	-
Total movement in the year		-	1,211	1,211
Balance at 31 December 2022		25	5,258	5,283

The accounting policies on pages 11 to 14 and notes on pages 19 to 28 form an integral part of these financial statements.

Aviva Credit Services UK Limited

Registered in England and Wales: No. 00184857

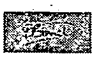
Statement of financial position

As at 31 December 2022

	Note	2022 £000	2021 £000
ASSETS			
Current assets			
Receivables	6	26,681	27,716
Cash and cash equivalents	11(b)	6,503	2,132
		33,184	29,848
Current liabilities			
Trade and other payables	7	(27,892)	(25,660)
Provision	8	(9)	(116)
		(27,901)	(25,776)
Net current assets		5,283	4,072
Net assets		5,283	4,072
EQUITY			
Ordinary share capital	10	25	25
Retained earnings		5,258	4,047
Total equity		5,283	4,072

The accounting policies on pages 11 to 14 and notes on pages 19 to 28 form an integral part of these financial statements.

The financial statements on pages 11 to 28 were approved by the Board of Directors on 27 September 2023 and signed on its behalf by:



D Bennett
Director

27 September 2023

Aviva Credit Services UK Limited

Registered in England and Wales: No. 00184857

Statement of cash flows

For the year ended 31 December 2022

	Note	2022	2021
		£000	£000
Cash flows from operating activities			
Net cash generated from/(used in) operating activities	11(a)	4,371	(1,316)
Net cash generated from/(used in) operating activities		4,371	(1,316)
Cash flows from financing activities			
Ordinary dividends paid	5	-	-
Net cash used in financing activities		-	-
Total net increase/(decrease) in cash and cash equivalents		4,371	(1,316)
Cash and cash equivalents at 1 January		2,132	3,448
Cash and cash equivalents at 31 December	11(b)	6,503	2,132

The accounting policies on pages 11 to 14 and notes on pages 19 to 28 form an integral part of these financial statements.

Aviva Credit Services UK Limited

Registered in England and Wales: No. 00184857

Notes to the financial statements

1. Employee information

All staff are employed by a fellow subsidiary undertaking of Aviva plc, Aviva Employment Services Limited. Disclosures relating to employees may be found in the Annual Report and Financial Statements of Aviva Employment Services Limited.

2. Directors' remuneration

The directors are remunerated for their roles as employees across the Group. They are not remunerated directly for their services as directors of this Company and the amount of time spent performing their duties is incidental to their roles across the Group. No cost is borne by the Company for these services (2021: £nil).

During the year, one of the directors exercised share options (2021: none) and four of the directors were granted shares under long term incentive schemes (2021: five) in relation to shares of the Company's ultimate parent company, Aviva plc.

3. Auditors' remuneration

The total remuneration payable, excluding VAT, to its auditors, PricewaterhouseCoopers LLP in respect of the audit of these financial statements is shown below.

	2022	2021
	£000	£000
Fees payable for the audit of the Company's financial statements	12	11

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 accounts of Aviva plc.

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

Aviva Credit Services UK Limited

Registered in England and Wales: No. 00184857

Notes to the financial statements (continued)

4. Tax

(a) There was no tax charged or credited to the income statement in either 2022 or 2021.

(b) Tax reconciliation

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

	2022 £000	2021 £000
Profit before tax	1,211	1,315
Tax calculated at standard UK corporation tax rate of 19% (2021: 19%)	230	250
Surrender of tax losses from Group undertakings for no charge	(230)	(250)
Total tax for the year	-	-

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, there is no impact of the Company's net assets as a consequence of the amendments to the tax rates.

5. Dividends

	2022 £000	2021 £000
Ordinary dividends declared and charged to equity in the year		
Interim dividend - 2022: £nil (2021: £nil)	-	-

An interim dividend of £nil (2021:£nil) per share was approved and paid.

Notes to the financial statements (continued)

6. Receivables

	2022 £000	2021 £000
Trade receivables	26,681	27,716
Total as at 31 December	26,681	27,716
Expected to be recovered within one year	26,681	27,716

Financial assets within Receivables are held to collect on the contractual cash flows due to the Company, and are deemed to be solely payments of principal and interest. As a result of this business model and the assessment of the contractual cash flows, these instruments have been measured at amortised cost, which approximates to fair value.

7. Trade and other payables

	2022 £000	2021 £000
Amounts due to related parties (note 14(a)(i))	27,073	24,893
Other financial liabilities	819	767
Total as at 31 December	27,892	25,660
Expected to be settled within one year	27,892	25,660

Trade and other payables are carried at amortised cost, which approximates to fair value.

8. Provisions

(a) Carrying amounts

	2022 £000	2021 £000
Provision for mid term adjustment interest calculation	9	116
Total as at 31 December	9	116

(b) Movement in provisions

	2022 £000	2021 £000
As at 1 January	116	94
Charge for the year	149	22
Paid during the year	(256)	-
As at 31 December	9	116

The provision relates to the Company identifying that the calculation of interest, charged when customers amend their policy partway through the year, has not been fully operating in line with the applicable credit agreements. The parent company, AIL, has agreed to reimburse the Company for all losses incurred in full.

Aviva Credit Services UK Limited

Registered in England and Wales: No. 00184857

Notes to the financial statements (continued)

9. Tax assets and liabilities

(a) Current tax

Current tax assets recoverable and liabilities payable in more than one year are £nil (2021: £nil).

(b) Deferred taxes

The Company did not have any recognised or unrecognised deferred tax balances in either 2022 or 2021.

10. Ordinary share capital

Details of the Company's ordinary share capital are as follows:	2022 £000	2021 £000
Allotted, called up and fully paid.		
25,000 (2021: 25,000) ordinary shares of £1 each	25	25

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.

11. Statement of cash flows

(a) Reconciliation of profit before tax to the net cash flow from operating activities:

	2022 £000	2021 £000
Profit before tax	1,211	1,315
Changes in working capital:		
Decrease in receivables	1,035	14,414
Increase in trade and other payables	2,232	(17,067)
Decrease in provision	(107)	22
Net cash (used in)/generated from operating activities	4,371	(1,316)

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

	2022 £000	2021 £000
Cash and cash equivalents	6,503	2,132

12. Risk management

The Company operates a Risk Management Framework (RMF) that forms an integral part of the management and Board processes and decision-making framework and is aligned to both its immediate parent, Aviva Insurance Limited (AIL) and ultimate parent, Aviva plc. The RMF comprises the systems of governance, including Risk Policies and Business Standards risk management processes risk oversight by the Board and clearly defined roles and responsibilities along with the processes used to Identify, Measure, Manage, Monitor and Report (IMMMR) risks.

Notes to the financial statements (continued)

12. Risk management (continued)

For the purposes of risk identification and measurement, the risks that the Company is exposed to are grouped by risk type e.g.: credit, liquidity and operational risk. Risks falling within these types may affect a number of metrics including those relating to strength within the statement of financial position, liquidity and profit.

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

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

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

(a) Financial risk management

(i) Credit risk

Credit risk is the risk of adverse outcomes due to a third-party default event or to a change to a third-party credit standing.

At 31 December 2022, receivables are £26,681,000 (2021: £27,716,000). Of this amount, £nil (2021: £nil) is due from related parties.

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

Where external credit ratings are available for financial assets, a significant increase in the credit risk of a financial asset is identified where there has been a significant deterioration in the respective credit rating. There is also deemed to be a rebuttable presumption of increased credit risk where contractual payments are more than 30 days past due, unless the Company has supporting evidence to the contrary, such as a strong credit rating for the financial asset.

A financial asset is considered to be in default where contractual payments are past due, and there is objective evidence that the counterparty will be unable to subsequently meet their payment obligations. A financial asset is written-off only when all other available measures have been taken to recover amounts due. During the year, none of the cash flows associated with any of the Company's financial assets have been modified or renegotiated.

Aviva Credit Services UK Limited

Registered in England and Wales: No. 00184857

Notes to the financial statements (continued)

12. Risk management (continued)

(a) Financial risk management (continued)

(i) Credit risk (continued)

The Company makes use of the simplified approach when calculating expected credit losses on trade and other receivables and therefore calculates expected credit losses over the lifetime of the instrument in question. Expected credit losses on third party trade receivables are calculated with reference to the Company's historical experience of losses, along with an analysis of payment terms. Short-term financial assets (where all amounts are receivable within 12 months from the reporting date) do not generally attract an expected credit loss charge, unless there is objective evidence that losses are likely to arise. The Company does not expect any material credit losses on receivables with related parties.

No financial assets are impaired as at 31 December 2022 (2021: £nil). The table below provides information regarding the ageing of financial assets that are past due but not impaired:

		Financial assets that are past due but not impaired			
31 December 2022	**Neither past due nor impaired**	**0 – 3 months**	**3 – 6 months**	**6 months – 1 year**	**Carrying value**
	£000	**£000**	**£000**	**£000**	**£000**
Receivables	26,472	156	37	16	26,681

		Financial assets that are past due but not impaired			
31 December 2021	**Neither past due nor impaired**	**0 – 3 months**	**3 – 6 months**	**6 months – 1 year**	**Carrying value**
	£000	**£000**	**£000**	**£000**	**£000**
Receivables	27,456	142	88	30	27,716

Concentrations of credit risk with respect to receivables are limited as receivables comprise insurance premiums payable by instalments. The Company has not purchased or originated any credit-impaired financial assets as at the reporting date.

The Company's maximum exposure to credit risk for each category of financial asset held at amortised cost for which lifetime expected credit losses have been calculated using the simplified method is as follows:

	Financial exposures by credit rating						
31 December 2022	**AAA**	**AA**	**A**	**BBB**	**Speculative grade**	**Non-rated**	**Carrying value**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Trade receivables	-	-	-	-	-	26,681	26,681
Cash and cash equivalents	-	-	6,503	-	-	-	6,503

	Financial exposures by credit rating						
31 December 2021	**AAA**	**AA**	**A**	**BBB**	**Speculative grade**	**Non-rated**	**Carrying value**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Trade receivables	-	-	-	-	-	27,716	27,716
Cash and cash equivalents	-	-	2,132	-	-	-	2,132

Notes to the financial statements (continued)

12. Risk management (continued)

(a) Financial risk management (continued)

(i) Credit risk (continued)

The Company's cash and cash equivalents of £6,503,000 (2021: £2,132,000) are placed with two counterparties (2021: two).

The management of credit risk is overseen by the Board.

(ii) Liquidity risk

Liquidity risk is the risk of not being able to make payments as they become due because there are insufficient assets in cash-form either in normal and/or stressed conditions.

The Company seeks to ensure that it maintains sufficient financial resources to meet its obligations as they fall due through the application of a Financial Risk policy and a Liquidity Business standard.

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

31 December 2022	Within 1 year	1 to 5 years	5 to 15 years	Over 15 years	Total
	£000	£000	£000	£000	£000
Trade and other payables	27,892	-	-	-	27,892

31 December 2021	Within 1 year	1 to 5 years	5 to 15 years	Over 15 years	Total
	£000	£000	£000	£000	£000
Trade and other payables	25,660	-	-	-	25,660

The following table provides an analysis, by maturity date of the principal, of the carrying value of financial assets which are available to fund the repayment of liabilities as they crystallise:

31 December 2022	Within 1 year	1 to 5 years	5 to 15 years	Over 15 years	Total
	£000	£000	£000	£000	£000
Receivables	26,681	-	-	-	26,681
Cash and cash equivalents	6,503	-	-	-	6,503
	33,184	-	-	-	33,184

31 December 2021	Within 1 year	1 to 5 years	5 to 15 years	Over 15 years	Total
	£000	£000	£000	£000	£000
Receivables	27,716	-	-	-	27,716
Cash and cash equivalents	2,132	-	-	-	2,132
	29,848	-	-	-	29,848

The management of liquidity risk is overseen by the Board.

Aviva Credit Services UK Limited

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Notes to the financial statements (continued)

12. Risk management (continued)

(b) Operational risk management

Operational risk is the risk of direct or indirect loss arising from inadequate or failed internal processes, people and systems, or external events including changes in the regulatory environment. The Company has a very low appetite for operational risks which could result in material losses (direct or indirect), a financial misstatement or have a material negative impact on reputation, customers, employees or other stakeholders.

The Company's Operational Risk and Control Management Framework (ORCM) integrates the results of the risk identification and assurance activities carried out across the Company's three lines of defence. Operational risks are initially identified and assessed against implemented controls. Residual risk outside tolerance is given prioritised management action to reduce it within tolerance.

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

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

(c) Climate Change

The Company considers climate change to be a significant risk to our strategy and business model and its impacts are already being felt. Global average temperatures over the last five years have been the hottest on record. Despite the United Nations Framework Convention on Climate Change Paris Agreement, the current trend of increasing CO2 emissions is expected to continue, in the absence of radical action by governments, with global temperatures likely to exceed pre-industrial levels by at least 20C and weather events (floods, droughts and windstorms) increasing in frequency and severity. Disclosure of potential impacts against various climate scenarios and time horizons will become increasingly common for all companies. The Aviva plc Climate-related Financial Disclosure sets out how Aviva incorporates climate-related risks and opportunities into governance, strategy, risk management, metrics (e.g. Climate Value-at-Risk) and targets. The Company is committed to aligning its business to the 1.5°C Paris Agreement target and plans to be a Net Zero company by 2040.

The Aviva Group is acting now through its Sustainability Ambition to mitigate and manage its impacts both today and in the future. Through these actions, we continue to build resilience to climate-related transition, physical and liability risks. Our Risk Policies (including the Company's RMF) explicitly cover climate and other sustainability risks and integrate these risks in our risk and control management activities. The Aviva Group uses a variety of metrics to identify, measure, monitor and report alignment with global or national targets on climate change mitigation and the potential financial impact on our business.

The Company has a very low appetite for climate-related risks which could have a material negative impact upon balance sheet and business model as well as customers and wider society.

For further details see the Aviva plc Climate-related Financial Disclosure 2022 report.

Aviva Credit Services UK Limited

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Notes to the financial statements (continued)

13. Capital structure

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

(a) General

IFRS underpins the Company's capital structure and, accordingly, the capital structure is analysed on this basis.

(b) Capital management

In managing its capital, the Company seeks to:

(i) maintain financial strength;
(ii) retain financial flexibility by maintaining strong liquidity; and
(iii) allocate capital efficiently to support growth and repatriate excess capital where appropriate.

The Company considers not only the traditional sources of capital funding, but alternative sources of capital as appropriate, when assessing its deployment and usage of capital.

(c) Capital structure

	IFRS net assets 2022 £000	IFRS net assets 2021 £000
Provision of instalment credit in respect of insurance premiums	5,283	4,072
Total capital employed	5,283	4,072
Financed by		
Total equity	5,283	4,072

Aviva Credit Services UK Limited

Registered in England and Wales: No. 00184857

Notes to the financial statements (continued)

14. Related party transactions

(a) Related party transactions

Related party transactions in 2022 and 2021 are in respect of instalment credit provided by the company on insurance premiums underwritten by Aviva Insurance Limited, the parent company.

(i) Services provided by related parties

	2022		2021	
	Expense incurred in year	Payable at year end	Expense incurred in year	Payable at year end
	£000	£000	£000	£000
Parent	-	27,073	-	24,893

Payables relate to the premiums underwritten by Aviva Insurance Limited and transferred to, and managed by the company on its behalf.

The Company's immediate parent company, Aviva Insurance Limited, provides broader business and administrative services to the Company for which it does not seek recharges, including management services, the services of the directors, compensation for receivables not collected, and administration services including property, people and IT costs.

(ii) Key management compensation

The key management of the Company are considered to be the statutory directors of the Company. Note 2, Directors' remuneration, gives information of their compensation as directors of the Company.

(b) Immediate parent company

The Company's immediate parent company is Aviva Insurance Limited, registered in Scotland.

(c) Ultimate controlling entity

The ultimate controlling entity, and parent of the largest and smallest groups which consolidate the results of the Company, is Aviva plc. Its Group Financial Statements are available on application to the Group Company Secretary, Aviva plc, St Helen's, 1 Undershaft, London EC3P 3DQ, and on the Aviva Plc website at www.aviva.com.