

Aviva Group Holdings Limited

Registered in England and Wales No. 1555746

Annual Report and Financial Statements 2021



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Annual Report and Financial Statements 2021

Directors and officer

Directors

M Muir
N Amin
A Blanc

Officer – Company Secretary

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

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Registered office

St Helen's
1 Undershaft
London
EC3P 3DQ

Company number

Registered in England and Wales no. 1555746

Other information

Aviva Group Holdings Limited (the Company) is a member of the Aviva plc group of companies (the Group).

Strategic report

The directors present their strategic report for the Company for the year ended 31 December 2021.

Review of the Company's business

Principal activities

The Company, a private limited company incorporated and domiciled in the United Kingdom (UK), is a holding company for subsidiaries transacting life assurance and long-term savings business, fund management and most classes of general and health insurance business in the UK, Ireland and Canada.

Financial position and performance

The financial position of the Company at 31 December 2021 is shown in the statement of financial position on page 20, with the trading results shown in the income statement on page 17 and the statement of cash flows on page 21.

Significant events

Disposals

On 30 September 2021, the Company completed the sale of its French business to Aéma Groupe for £2.8 billion (€3.2 billion) in cash consideration, which was announced on 23 February 2021. There was a loss on disposal of £53 million on this transaction.

On 30 November 2021, the Company completed the sale of its entire 51% shareholding in its subsidiaries in Poland, Aviva Towarzystwo Ubezpieczeń Ogólnych S.A. and Aviva Towarzystwo Ubezpieczeń Na Życie S.A., as part of the sale of Aviva Poland to Allianz for a cash consideration of £2.5 billion, which was announced on 26 March 2021. There was a profit on disposal of £1,088 million on this transaction.

Loans

The sale of three indirect trading subsidiaries in Italy was completed in the year, with the final disposal completing in December 2021, by Aviva Italia Holdings S.p.A., a direct subsidiary of the Company. £1,088m of disposal proceeds were remitted by Aviva Italia Holdings S.p.A. to the Company by way of formal loans.

On 13 December 2021, Friends Life Holdings plc ("FLH") transferred its Step-up Tier 1 Capital Security (STICS) of £500 million in fellow Group company, Aviva Life and Pensions UK Limited ("UKLAP") to the Company. This transfer was completed at the fair value of the instrument of £529 million.

Future outlook

Strategies for the wider Aviva Group as a whole are determined by the Board of Aviva plc and these are shown in the Aviva plc 2021 Annual Report and Accounts. The Company will work with the Group to support the implementation of these strategies.

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

On 24 February 2022, on-going tensions between Russia and Ukraine developed into full-scale armed conflict between the two countries. The Company is monitoring and responding to this dynamic situation. Note 26 reflects how the Russia-Ukraine conflict has impacted the Company.

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 26 to the financial statements.

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

- *Interest rate risk*, as the Company's earnings and financial resources are exposed to potential fluctuations in SONIA, CDOR and EURIBOR benchmark interest rates. The effect of a 100 basis point increase/decrease in these benchmark rates would be an increase/decrease in net interest expense of £31 million (2020: £8 million).
- *Foreign currency risk*, arising from the Company's investment in overseas subsidiaries and planned future dividends from overseas subsidiaries. Foreign exchange derivatives and foreign currency denominated loans are used to reduce the Company's net exposure to currency risk.
- *Risks arising from funding guarantees* to the Aviva Staff Pension Scheme (ASPS), RAC (2003) Pension Scheme (RAC PS), Friends Provident Pension Scheme (FPPS), Aviva Ireland Staff Pension Scheme (AISPS) and Unfunded Unapproved Retirement Benefit Scheme (UURBS).
- *Other risk factors* that could materially impact the carrying value of the Company's investment in subsidiaries, resulting in a charge against shareholder's equity and profits. In particular, where indicators of impairment exist, such as poor performance, the carrying value of investment in subsidiaries is deemed impaired.

Section 172 Statement

We report here on how our directors have performed their duty under Section 172 of the Companies Act 2006.

S.172 sets out a series of matters to 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.

Our Board considers 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 our obligations to our shareholders, customers and other stakeholders are met and Management drives the embedding of the desired culture throughout the organisation. The Board monitors adherence to our policies and compliance with local corporate governance requirements and is committed to acting where our businesses fall short of the standards met.

The Board is also focussed on the wider social context within which our businesses operate, including those issues relating to climate change, which are of fundamental importance to the planet's well-being.

Strategic report continued**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.

Stakeholder Engagement**(i) Employees**

The Company has no employees. All UK employees engaged in the activities of the Company are employed by subsidiary undertakings of Aviva plc. Disclosures relating to employees may be found in the annual report and financial statements of these companies.

(ii) Customers

The Company has no direct customers.

(iii) Suppliers

All Group 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.

An important part of the Group's culture is the promotion of high legal, ethical, environmental and employee related standards within our business and also 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

The Company's ultimate shareholder is Aviva plc and there is ongoing communication and engagement with the Aviva plc Board. Any matters requiring escalation are escalated by the Board through the Chair to its ultimate parent.

Key performance indicators

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

	2021	2020
Measure		
Dividend income received (£m)	2,590	1,098
Net effective interest rate on loans (%)	1.97	2.44

Dividends received are higher in 2021 compared to 2020 largely due to the decision in 2020 to retain cash in subsidiary entities to maintain balance sheet strength given the unprecedented economic and market uncertainty related to COVID-19.

Net effective interest rate on loans has reduced to 1.97% in 2021 (2020: 2.44%) largely due to a continued decline in interest rates in 2021, impacting the fixed rate setting when the Company transitioned from LIBOR.

By order of the Board on 20 June 2022

Klona Sim

For and on behalf of Aviva Company Secretarial Services Limited
Company Secretary

Directors' report

The directors submit their annual report and the audited financial statements for the Company for the year ended 31 December 2021.

Directors

The names of the current directors of the Company are shown on page 3.

Details of Board appointments and resignations during the year and since the year end are shown below:

J Windsor

Resigned 20 May 2022

Company secretary

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

Dividends

Interim ordinary dividends totalling £7,750 million on the Company's ordinary shares were declared and settled during 2021 (2020: £nil). The directors do not recommend a final dividend on the Company's ordinary shares for the year ended 31 December 2021 (2020: £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 26) and derivative financial instruments (see note 27).

The Company and its immediate parent, Aviva plc, have considerable financial resources together with a diversified business model, with a spread of businesses and geographical reach. The directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain macro-economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt, and to consider appropriate, the going concern basis in preparing the financial statements.

Post balance sheet events

On 17 January 2022, the Company acquired Wealthify Group Limited from its subsidiary, Aviva Life Holdings UK Limited ("ALHUK"), for £4.3 million cash consideration, along with its inter-group debt receivable for £1.8 million cash consideration. Following the acquisition, the Company made a capital injection of £11.9 million.

On 21 April 2022, the Company made a capital injection by way of cash of £500 million into its subsidiary company, ALHUK. In return, ALHUK issued £500 million of ordinary shares to the Company.

Future outlook

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

Statement of corporate governance arrangements

For the year ended 31 December 2021, the Company has applied the Wates Corporate Governance Principles for Large Private Companies (the Principles). Application of the Principles by the Company during 2021 is set out below:

Principle 1 - Purpose and leadership

The Company is part of the Aviva Group. Following the appointment of Amanda Blanc as Group CEO of Aviva plc in July 2020, the Group embarked on a strategic review aimed at optimising its organisational structure. The Group's Purpose is to be 'with you today, for a better tomorrow.' We have been looking after customers for more than 320 years, and as a business we are deeply invested in our people, our communities and the planet. We're here to be with our customers today as well as working for a better tomorrow. Our strategy is centred on putting the customer first, having a strong social purpose, focusing on where we can win, execution discipline, and ultimately creating value for our shareholders.

The Group has three strategic priorities:

Focus the portfolio - our focus is on our Core markets in the UK, Ireland and Canada. These are our strongest businesses where we have market leading positions.

Transform performance - in our Core markets we aim to transform performance to deliver greater customer trust, engagement and retention, and profitable growth for our shareholders.

Financial strength - resilience and sustainability underpin our strategy, and our focus is on maintaining strong solvency and liquidity and reducing debt leverage.

The Board has made a number of strategic decisions through the year which align the Company to these priorities. The Board is responsible for monitoring the performance of the Company and management against its strategic aims, setting the Company's risk appetite and monitoring the operation of prudent and effective controls, and monitoring compliance with these corporate governance principles.

Principle 2 - Board composition

The Board is comprised of the Aviva plc Group Chief Executive Officer (Chair of the AGH Board), Group Chief Financial Officer, Group Chief Operating Officer and Group Chief Capital Officer. The Chair assesses the board composition annually to ensure that an appropriate balance of responsibilities, accountabilities and decision making across the Company is effectively maintained. The directors have equal voting rights when making decisions; however where a majority decision cannot be reached, the Chair has a casting vote.

Directors' report continued

Principle 3 - Directors' responsibilities

The Company operates in accordance with the Aviva Governance Framework, as approved by Aviva plc. The Aviva Governance Framework articulates the interrelation between Aviva's purpose, culture, values; its reporting and escalation structures; and their alignment with legal and regulatory duties and its risk management framework. The core elements are the legal and regulatory flow of accountability and decision making and the Group's frameworks, policies and standards and the checks and balances through the operation of the Company's 2nd and 3rd lines of defence, which ensure effective Board oversight. The Company adheres to the Group Subsidiary Governance Principles which are a set of internal governance principles.

The Board held five scheduled meetings during the year, plus three ad hoc meeting to discuss specific items. The Board's key area of focus in 2021 was aligning its operations to the new Aviva Group strategy through the consolidation of the Aviva portfolio. The Board also focused on the oversight of Group Centre operations for Aviva plc and its subsidiaries, including non-operating UK-based holding companies and shared service companies.

Principle 4 - Opportunity and risk

The role of the Board is to promote the long-term sustainable success of the Company, generating value for its shareholder within a framework of prudent and effective controls, which enable risks to be assessed and managed.

The Company operates in accordance with the Group Risk Management Framework. This forms an integral part of the management and Board processes, and the decision-making framework. The key elements of the Risk Management Framework comprise risk appetite; risk governance, including risk policies and business standards, and the processes the Company uses to identify, measure, manage, monitor and report risks.

Principle 5 - Remuneration

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.

Under the Aviva Group Reward Governance Framework, the Global Remuneration Policy is approved by the Aviva plc Remuneration Committee and applies to all employees in entities within the Aviva Group. Details of Directors' Remuneration is included in note 7.

The Aviva Group reports on the pay ratio of the Group CEO to UK employees, and details of this can be found in the Directors' Remuneration Report in the FY21 Aviva plc Annual Report and Accounts which is available at www.aviva.com/investors/reports/. Aviva plc also reports on its gender pay gap, and the steps it is taking in relation to this which can be found at www.aviva.com/about-us/diversity-and-inclusion.

Principle 6 - Stakeholder relationships and engagement

Details about stakeholders can be found in the S.172 statement in the strategic report on page 5.

Financial instruments

The Company uses financial instruments to manage certain types of risks, including to those relating to credit, foreign currency exchange, cash flow, liquidity, interest rates, operational and staff pension scheme risks. Details of the objectives and management of these instruments are contained in note 26 on risk management.

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 directors in office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's External Auditors, PricewaterhouseCoopers LLP, is unaware and each director has taken all steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that PricewaterhouseCoopers LLP is 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 ending 31 December 2022. 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 will continue in its role and, subject to reappointment by the Company's shareholders at the 2022 and 2023 Annual General Meetings, will undertake the audit for the financial years ending 31 December 2022 and 2023.

Qualifying indemnity provisions

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

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

Annual Report and Financial Statements 2021

Directors' report continued

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulation.

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

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Corporate Governance

The Company 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 2021. Further information on the Code can be found on the Financial Reporting Council's website, www.frc.org.uk.

By order of the Board on 20 June 2022

Rhona Sim

For and on behalf of Aviva Company Secretarial Services Limited
Company Secretary

Independent auditors' report to the members of Aviva Group Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Aviva Group Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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 2021; the Income statement, Statement of comprehensive income, Statement of cash flows and 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 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.

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 2021 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.

Independent auditors' report to the members of Aviva Group Holdings Limited continued

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to non-compliance in the reporting requirements of 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 risk of fraud through management override of control and management bias in the valuation of the subsidiaries, associates and joint ventures. Audit procedures performed by the engagement team included:

- Testing journal entries and other adjustments for appropriateness and testing accounting estimates (because of the risk of management bias)
- Reviewing relevant meeting minutes
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing of areas identified as having an increased risk
- Testing 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 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.



Philip Watson (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

20 June 2022

Accounting policies

The Company, a private limited company incorporated and domiciled in the United Kingdom (UK), is a holding company for subsidiaries transacting life assurance and long-term savings business, fund management and most classes of general and health insurance business in the UK, Ireland and Canada.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(A) Basis of preparation

The financial statements of the Company have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards and the legal requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

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. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement, or disclosure in the period as reported as a result of the change in framework.

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

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

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

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

The Company has adopted the following amendment to standards which became effective for the annual reporting period beginning on 1 January 2021. The amendment has been issued and endorsed by the UK and do not have a significant impact on the Company's financial statements.

(i) *Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (published by the IASB in August 2020)*

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 and are not expected to have a significant impact on the Company's financial statements:

(ii) *Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework*

Published by the IASB in May 2020. The amendments are effective for annual reporting beginning on or after 1 January 2022 and have yet to be endorsed by the UK.

(iii) *Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Costs of Fulfilling a Contract*

Published by the IASB in May 2020. The amendments are effective for annual reporting beginning on or after 1 January 2022 and have yet to be endorsed by the UK.

(iv) *Annual Improvements to IFRSs 2018-2020 Cycle*

Published by the IASB in May 2020, these improvements consist of amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture. These amendments are effective for annual reporting beginning on or after 1 January 2022 and have yet to be endorsed by the UK.

(v) *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 yet to be endorsed by the UK.

(vi) *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 yet to be endorsed by the UK.

(vii) *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 yet to be endorsed by the UK.

(viii) *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.

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.

Critical accounting policies

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

Item	Critical accounting judgement	Accounting policy
Subsidiaries	Investments in subsidiaries are recognised at cost less impairment. Investments are reviewed at least 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 income statement.	C
Financial investments	Classification and measurement of financial investments including the mandatory application of measurement at fair value through profit or loss (FVTPL).	I

Use of estimates

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

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

Item	Critical accounting estimates	Accounting policy	Note
Investment in subsidiaries	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 income statement.	C	11
Fair value of financial instruments and derivatives	The valuation techniques involve judgement with regard to the valuation models used and the inputs to these models can lead to a range of plausible valuations for financial investments.	F, I & M	14, 15 & 27
Impairment of financial investments	Factors considered when assessing the size of expected credit losses include payments terms, counterparty credit quality and whether there has been a significant or prolonged decline in fair value.	I	11 & 13
Provisions and contingent liabilities	When evaluating whether a provision or a contingent liability should be recognised the Company assesses the likelihood of a constructive or legal obligation to settle a past event and whether the amount can be reliably estimated. The amount of provision is determined based on the Company's estimation of the expenditure required to settle the obligation at the statement of financial position date.	Q	24

(C) Subsidiaries

Subsidiaries are those entities over which the Company has control, either directly or indirectly. The Company controls an investee if, and only if, the Company has all of 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 and potential voting rights. The Company re-assesses whether or not 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 at least 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 income statement.

(D) Joint Ventures

Joint ventures are arrangements whereby the Company and other parties have joint control of the arrangement and rights to the net assets. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Such jointly-controlled entities are referred to as joint ventures in these financial statements.

Investments in joint ventures 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 income statement.

Accounting policies continued

(E) 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 income statement.

Translation differences on debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses in the income statement. Translation differences on non-monetary items, such as equities which are designated as FVTPL, are reported as part of the fair value gain or loss in the income statement.

(F) Fair value measurement

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

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

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. In certain circumstances, the fair value at initial recognition may differ from the transaction price. If the fair value is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging), or is based on a valuation technique whose variables include only data from observable markets, then the difference between the fair value at initial recognition and the transaction price is recognised as a gain or loss in the income statement. When unobservable market data 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 income statement, but deferred and recognised in the income statement on an appropriate basis over the life of the instrument but no later than when the valuation is supported wholly by observable market data or the transaction is closed out or otherwise 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.

(G) Net investment income

Investment income consists of dividends and interest for the year, movements in amortised cost on debt securities, realised gains and losses, and unrealised gains and losses on FVTPL investments and loans due from Group operations (as defined in accounting policy I and J respectively). Dividends on equity securities are recorded as revenue on the ex-dividend date. Dividends from investments in subsidiaries are recorded as revenue on the date the dividends are declared. Interest income is recognised as it accrues, taking into account the effective yield on the investment. It includes the interest rate differential on forward foreign exchange contracts.

A gain or loss on a financial investment is only realised on disposal or transfer, and is the difference between the proceeds received, net of transaction costs, and its original cost or amortised cost, as appropriate.

Unrealised gains and losses, arising on investments which have not been derecognised as a result of disposal or transfer, represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognised unrealised gains and losses in respect of disposals made during the year.

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

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

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

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

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

(I) Financial investments

The Company classifies its investments as financial assets at FVTPL based on a business model assessment and the extent to which the contractual cash flows associated with financial assets are solely payments of principle and interest. Purchases and sales of investments are recognised on the trade date, which is the date that the Company commits to purchase or sell the assets, at their fair values.

In general, the Company's investment or risk management strategy is to manage its financial investments on a fair value basis.

Debt and equity securities, which the Company manage and evaluate performance on a fair value basis, are classified as mandatorily held at FVTPL as are non-hedge derivatives (see accounting policy M).

Investments carried at fair value are measured using the methodology outlined in note 14, with values based on the quoted price within the bid-ask spread that is most representative of fair value or based on cash flow models using market observable inputs or unobservable inputs.

Accounting policies continued

(J) Receivables and other financial assets

Receivables and other financial assets are recognised initially at their fair value. Subsequent to initial measurement receivables, excluding those loans due from Group operations held at fair value as described below, 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 Income Statement. Any subsequent recoveries are credited to the income statement.

(K) Payables and other financial liabilities

Payables and other financial liabilities, excluding derivatives, are recognised initially at their fair value and are subsequently measured at amortised cost using the effective interest rate method. Derivative liabilities are carried at fair value (see accounting policy M).

(L) Financial guarantees

Financial guarantees are recognised initially at their fair value and are subsequently amortised over the duration of the contract. A liability is recognised for amounts payable under the guarantee if it is more likely than not that the guarantee will be called upon.

(M) Derivative financial instruments

Derivative financial instruments include foreign exchange contracts, interest rate futures, currency and interest rate swaps, interest rate and currency options (both written and purchased) and other financial instruments that derive their value mainly from underlying interest rates, foreign exchange rates, credit or equity indices, commodity values or equity instruments.

All derivatives are initially recognised in the statement of financial position at their fair value, which usually represents their cost. They are subsequently remeasured at their fair value, with the method of recognising movements in this value depending on whether they are designated as hedging instruments and, if so, the nature of the item being hedged. The Company has not designated any derivatives as hedging instruments and they are therefore treated as derivatives mandatorily held at FVTPL. Their fair value gains and losses are recognised immediately in net investment income. Fair values are obtained from quoted market prices or, if these are not available, by using valuation techniques such as discounted cash flow models or option pricing models. All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative. Premiums paid for derivatives are recorded as an asset on the statement of financial position at the date of purchase, representing their fair value at that date.

Derivative contracts may be traded on an exchange or over-the-counter (OTC). Exchange-traded derivatives are standardised and include certain futures and option contracts and foreign exchange contracts. OTC derivative contracts are individually negotiated between contracting parties and include forwards, swaps, caps and floors. Derivatives are subject to various risks including market, liquidity and credit risk, similar to those related to the underlying financial instruments.

Many OTC transactions are contracted and documented under International Swaps and Derivatives Association (ISDA) master agreements or their equivalent, which are designed to provide legally enforceable set-off in the event of default, reducing the Company's exposure to credit risk.

The notional or contractual amounts associated with derivative financial instruments are not recorded as assets or liabilities on the statement of financial position as they do not represent the fair value of these transactions. These amounts are disclosed in note 27.

The Company has collateral agreements in place with relevant counterparties. Accounting policy O below covers collateral, both received and pledged, in respect of these derivatives.

Foreign exchange contracts

Foreign exchange contracts, which include spot and forward contracts, represent agreements to exchange the currency of one country for the currency of another country at an agreed price and settlement date. Foreign exchange option contracts are similar to interest rate option contracts, except that they are based on currencies, rather than interest rates. Exposure to gain or loss on these contracts will increase or decrease over their respective lives as currency exchange and interest rates fluctuate.

(N) Hedging

Financial instruments for hedging

Most of the Company's investments in foreign subsidiaries expose it to foreign exchange risk arising from movements in the underlying currency of the investment. In order to protect the value of these investments, the Company utilises financial instruments in the form of foreign currency loans from its parent, Aviva plc.

The Company's Euro currency loans from Aviva plc have been designated as fair value hedging instruments against certain overseas investments which are in Euros.

Hedge accounting is used for the loans designated in this way, provided certain criteria are met. At the inception of the transaction, the Company documents the relationship between the hedging instrument and the hedged item, as well as the risk management objective and the strategy for undertaking the hedge transaction. The Company also documents its assessment of whether the hedge is expected to be, and has been, highly effective in offsetting the risk in the hedged item, both at inception and on an ongoing basis.

Accounting policies continued

(N) Hedging continued

Changes in the carrying value of the designated loans which arise from movements in exchange rates are recognised in the income statement. The gain or loss on the hedged item that is attributable to the hedged risk is recognised in the income statement. This applies even if the hedged item is measured at amortised cost. If a hedging relationship no longer meets the criteria for hedge accounting, the cumulative adjustment made to the carrying amount of the hedged item is amortised to the income statement, based on a recalculated effective interest rate over the residual period to maturity. In cases where the hedged item has been derecognised, the cumulative adjustment is released to the income statement immediately. If the hedged instrument is subsequently determined to be held-for-sale under IFRS 5, the associated proportion of the hedge is de-recognised.

(O) Collateral

The Company receives and pledges collateral in the form of cash or non-cash assets in respect of stock lending transactions and certain derivative contracts, in order to reduce the credit risk of these transactions. Collateral is also pledged as security for bank letters of credit. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

Collateral received in the form of cash, which is not legally segregated from the Company, is recognised as an asset in the statement of financial position with a corresponding liability for the repayment in financial liabilities. However, where the Company has a currently enforceable legal right of set-off and the ability and intent to net settle, the collateral liability and associated derivative balances are shown net. Non-cash collateral received is not recognised in the statement of financial position unless the transfer of the collateral meets the de-recognition criteria from the perspective of the transferor. Such collateral is typically recognised when the Company either (a) sells or re-pledges these assets in the absence of a default, at which point the obligation to return this collateral is recognised as a liability; or (b) the counterparty to the arrangement defaults, at which point the collateral is seized and recognised as an asset.

Collateral pledged in the form of cash, which is legally segregated from the Company, is derecognised from the statement of financial position with a corresponding receivable recognised for its return. Non-cash collateral pledged is not derecognised from the statement of financial position unless the Company defaults on its obligations under the relevant agreement, and therefore continues to be recognised in the statement of financial position within the appropriate asset classification.

(P) Statement of cash flows

Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand, deposits held at call with banks, 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 in payables and other financial liabilities on the statement of financial position.

(Q) 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.

(R) 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, 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.

Accounting policies continued

(R) Income taxes continued

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, 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.

(S) Share capital

Equity instruments

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

- (i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- (ii) the instrument 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.

(T) Pensions

The Company has no employees. However, it is one of a number of companies in the Group being charged for staff participating in pension schemes in the UK and Ireland, and its contributions are affected by the financial position of these schemes. In the absence of any contractual arrangements to allocate the net defined benefit cost for these schemes, measured in accordance with IAS 19, to individual businesses, it is the Group policy to allocate this cost fully to the main trading companies.

The Company provides a significant proportion of the funding of the UK pension schemes and, where possible, recharges this funding to individual Group operating businesses. The funding paid for the Aviva Staff Pension Scheme, RAC (2003) Pension Scheme, Friends Provident Pension Scheme and Aviva Ireland Staff Pension Scheme is recognised as an expense in the income statement. The recharge to the operating businesses is recognised as income in the income statement. Full disclosure of the Group's pension schemes is given in the Annual Report and Accounts of Aviva plc.

(U) Held for sale assets

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

Annual Report and Financial Statements 2021

Income statement

For the year ended 31 December 2021

	Note	2021 £m	2020 £m
Income	2		
Net investment income	G	2,706	1,292
Profit on disposal of subsidiaries	U & 3	1,035	842
Other income		171	6
		3,912	2,140
Expenses	4		
Other expenses		(121)	(86)
Finance costs		(111)	(153)
Impairment of investment in subsidiaries	11(b)(iii) & 13	(35)	(51)
		(267)	(290)
Profit before tax		3,645	1,850
Tax (charge)/credit	R & 9	(7)	1
Profit for the year		3,638	1,851

The accounting policies (identified alphabetically) on pages 11 to 16 and notes (identified numerically) on pages 22 to 56 are an integral part of the financial statements.

Annual Report and Financial Statements 2021

Statement of comprehensive income

For the year ended 31 December 2021

	2021	2020
	£m	£m
Profit for the year	3,638	1,851
Total comprehensive income for the year	3,638	1,851

The accounting policies (identified alphabetically) on pages 11 to 16 and notes (identified numerically) on pages 22 to 56 are an integral part of the financial statements.

Annual Report and Financial Statements 2021

Statement of changes in equity

For the year ended 31 December 2021

						2021
		Ordinary Share Capital	Share premium	Special reserve	Retained earnings	Total equity
	Note	£m	£m	£m	£m	£m
Balance at 1 January 2021		13,003	1,623	111	6,747	21,484
Profit for the year		—	—	—	3,638	3,638
Total comprehensive income for the year		—	—	—	3,638	3,638
Dividends paid	S & 10	—	—	—	(7,750)	(7,750)
Balance at 31 December 2021		13,003	1,623	111	2,635	17,372

						2020
		Ordinary Share Capital	Share premium	Special reserve	Retained earnings	Total equity
	Note	£m	£m	£m	£m	£m
Balance at 1 January 2020		13,003	1,623	111	4,896	19,633
Profit for the year		—	—	—	1,851	1,851
Total comprehensive income for the year		—	—	—	1,851	1,851
Dividends paid	S & 10	—	—	—	—	—
Balance at 31 December 2020		13,003	1,623	111	6,747	21,484

The accounting policies (identified alphabetically) on pages 11 to 16 and notes (identified numerically) on pages 22 to 56 are an integral part of the financial statements.

Annual Report and Financial Statements 2021

Statement of financial position

As at 31 December 2021

	Note	2021 £m	2020 £m
Assets			
Non-current assets			
Investments in subsidiaries	C & 11	16,201	18,740
Investments in joint ventures	D & 12	313	313
Financial investments	I & 15	1,389	1,522
Receivables and other financial assets	J & 16	818	3,924
Current tax assets	R & 20(a)	10	11
Current assets			
Financial investments	I & 15	2,057	1,036
Receivables and other financial assets	J & 16	20	8
Cash and cash equivalents	P & 25	4,387	2,880
Total assets		25,195	28,434
Equity			
Ordinary share capital	S & 17	13,003	13,003
Share premium		1,623	1,623
Special reserve	18	111	111
Retained earnings	19	2,635	6,747
Total equity		17,372	21,484
Liabilities			
Non-current liabilities			
Payables and other financial liabilities	H,K,O,M & 22	5,536	5,689
Deferred tax liabilities	R & 20(b)	20	3
Current liabilities			
Payables and other financial liabilities	H,K,O,M & 22	2,157	1,219
Other liabilities	23	110	39
Total liabilities		7,823	6,950
Total equity and liabilities		25,195	28,434

The financial statements on pages 17 to 56 were approved by the Board of Directors on 20 June 2022 and signed on its behalf by



A Blanc

Director

Registered in England and Wales No. 1555746

The accounting policies (identified alphabetically) on pages 11 to 16 and notes (identified numerically) on pages 22 to 56 are an integral part of the financial statements.

Annual Report and Financial Statements 2021

Statement of cash flows

For the year ended 31 December 2021

	Note	2021 €m	2020 €m
Cash flows used in operating activities			
Net pension expense		(50)	(55)
Other operating expenses		(12)	—
Total net cash used in operating activities		(62)	(55)
Cash flows from investing activities			
Dividend income		2,148	1,098
Interest received		65	163
Net purchase of financial investments		(807)	(359)
Capital contributions to subsidiaries	11(b)(i)	(27)	(3)
Disposal of subsidiaries		3,592	1,138
Proceeds from disposals received on behalf of subsidiary		270	—
Loans provided to subsidiaries		(162)	(2)
Repayment of loans provided to subsidiaries		952	25
Total net cash from investing activities		6,031	2,060
Cash flows used in financing activities			
Interest paid		(15)	(64)
Dividends paid		(650)	—
Funding provided by subsidiaries		41	325
Repayment of loans provided by parent		(4,078)	(872)
Increase/(repayment) of loans provided by subsidiaries		259	(59)
Funding received on behalf of parent		—	8
Total net cash used in financing activities		(4,443)	(662)
Total net increase in cash and cash equivalents		1,526	1,343
Cash and cash equivalents at 1 January		2,880	1,526
Effect of exchange rate changes on cash and cash equivalents		(19)	11
Cash and cash equivalents at 31 December	P & 25	4,387	2,880

The accounting policies (identified alphabetically) on pages 11 to 16 and notes (identified numerically) on pages 22 to 56 are an integral part of the financial statements.

Notes to the financial statements

1. Exchange rates

Assets and liabilities have been translated at the following year end rates:

	2021	2020
Euro	1.1912	1.1172
US Dollar	1.3490	1.3669
Canadian Dollar	1.7241	1.7415
Singapore Dollar	1.8244	1.8066
Polish Zloty	5.4730	5.0932

2. Details of income

	Note	2021 £m	2020 £m
Income from subsidiaries			
Dividend income	29(c)(i)	2,590	1,098
Interest income due from loans mandatorily held at FVTPL	29(a)(i)	61	62
Interest income due from loans held at amortised cost	29(a)(i)	1	7
		2,652	1,167
Income from parent			
Interest income due from loans held at amortised cost	29(a)(i)	26	37
		26	37
Interest and other similar income			
From financial instruments mandatorily held at FVTPL		35	53
		35	53
Net gains and losses			
From financial instruments mandatorily held at FVTPL		(1)	42
From other financial assets and liabilities mandatorily held at FVTPL		—	(5)
		(1)	37
Other investment expenses		(6)	(2)
Net investment income		2,706	1,292
Profit on disposal of subsidiaries	3	1,035	842
Other income			
Net foreign exchange gains	5	171	—
Other income		—	6
		171	6
Total income		3,912	2,140

3. Profit/(loss) on disposal of subsidiaries

	Note	2021 £m	2020 £m
Aviva France	11(b)(ii)	(53)	—
Aviva Towarzystwo Ubezpieczen Na Zycie S.A.	11(b)(ii)	929	—
Aviva Towarzystwo Ubezpieczen Ogolnych S.A.	11(b)(ii)	159	—
Aviva Ltd & Aviva Asia Pte Ltd (Aviva Singapore subsidiaries)	11(b)(ii)	—	842
Profit on disposal of subsidiaries		1,035	842

Notes to the financial statements continued**4. Details of expenses**

	Note	2021 £m	2020 £m
Other expenses			
Pension deficit funding expense	21	51	57
Other expenses		70	23
Net foreign exchange losses	5	—	6
		121	86
Finance costs			
Interest on loans due to parent	29(a)(ii)	63	86
Interest on loans due to subsidiaries	29(a)(ii)	48	67
		111	153
Impairment of investment in subsidiaries	11(b)(iii)	35	51
Total expenses		267	290

5. Net foreign exchange gains/(losses)

	Note	2021 £m	2020 £m
Foreign exchange gains/(losses) on loans designated as hedges	27(b)	6	(130)
Foreign exchange (losses)/gains on investments in subsidiaries hedged by loans	27(b)	(6)	130
Foreign exchange gains/(losses) on other assets and liabilities		171	(6)
		171	(6)

6. Employee information

The Company has no employees (2020: nil). All UK employees are employed by fellow subsidiary undertakings of Aviva plc.

7. Directors' remuneration

The directors 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 directors 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.

J Windsor and A Blanc were directors of Aviva plc during the year and their emoluments are disclosed in that company's annual report and financial statements.

N Amin's remuneration is disclosed within the aggregate of key management compensation in the annual report and financial statements of Aviva plc.

M Muir was remunerated for his role as an employee across the Group.

8. Auditors' remuneration

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

	2021 £000	2020 £000
Fees payable to PricewaterhouseCoopers LLP for the statutory audit of the Company's financial statements	72	63
	72	63

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 and audit related assurance services of the Company and other Group undertakings are disclosed in the consolidated annual report and financial statements of Aviva plc.

There were no non-audit fees paid to the Company's auditors during the year (2020: £nil). All fees have been borne by Aviva plc.

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Notes to the financial statements continued

9. Tax (charge)/credit

(a) Tax (charge)/credit to the income statement

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

	2021 £m	2020 £m
Current tax		
For this year	10	11
Total current tax	10	11
Deferred tax		
Origination and reversal of temporary differences	(13)	(10)
Changes in tax rates or tax laws	(4)	—
Total deferred tax	(17)	(10)
Total tax (charged)/credited to the income statement	(7)	1

(ii) Deferred tax charged to the income statement represents movements on the following items:

	2021 £m	2020 £m
Revaluation of loans due to and from group undertakings	(12)	(10)
Unrealised gains on investments	(5)	—
Total deferred tax charged to the income statement	(17)	(10)

(b) Tax credited to other comprehensive income

There was no tax credited or charged to other comprehensive income in either 2021 or 2020.

(c) Tax reconciliation

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

	Note	2021 £m	2020 £m
Total profit before tax		3,645	1,850
Tax calculated at standard UK corporation tax rate of 19% (2020: 19%)		(693)	(352)
Non-assessable income		519	209
Impairment of investment in subsidiaries		(7)	(10)
Disallowable expenses		(14)	(6)
Non-taxable profit on sale of subsidiaries		197	159
Movement in unprovided deferred tax		(5)	1
Impact of change in rate of tax		(4)	—
Total tax (charge)/credit to the income statement	9(a)	(7)	1

During 2021, the UK Government enacted an increase in the UK corporation tax rate to 25% from 1 April 2023. This revised rate has been used in the calculation of the Company's deferred tax liabilities as at 31 December 2021 and increased the Company's deferred tax liabilities by £4 million.

During 2020, the reduction in the corporation tax rate that was due to take effect was cancelled and as a result, the rate remained at 19%. This rate was used in the calculation of the Company's deferred tax liabilities as at 31 December 2020 and increased the Company's deferred tax liabilities by £nil.

10. Dividends

	Note	2021 £m	2020 £m
Ordinary dividends declared and charged to equity in the year:			
Interim dividend - £5,960.16 per share for year ended 31 December 2021	19 & 29(c)(v)	7,750	—
Interim dividend - £nil for year ended 31 December 2020	19 & 29(c)(v)	—	—
		7,750	—

The interim dividend in 2021 was settled through a combination of loan facilities with the Company's parent, Aviva plc, and cash of £650 million.

Notes to the financial statements continued**11. Investments in subsidiaries****(a) Movements in the Company's investments in its subsidiaries**

	Note	2021 £m	2020 £m
At 1 January		18,740	19,297
Additions	11(b)(i)	27	3
Disposals	11(b)(ii)	(2,525)	(666)
Transfers to subsidiaries		—	(3)
Impairments	4 & 11(b)(iii)	(35)	(21)
Foreign exchange (losses)/gains on investments in subsidiaries hedged by loans	5	(6)	130
At 31 December		16,201	18,740

(b) Material movements**(i) Additions**

On 30 April 2021, the Company completed a capital injection of £4 million in Aviva Asia Digital Pte. Limited ("AADPL").

On 30 June 2021, the Company completed a capital injection of £23 million in Aviva Central Services UK Limited ("ACS").

(ii) Disposals

On 30 September 2021, the Company completed the sale of its French business to Aéma Groupe for £2.8 billion (€3.2 billion) in cash consideration. The subsidiary had a carrying value of £1,815 million. There was a loss on disposal on this transaction of £53 million.

On 30 November 2021, the Company completed the sale of its entire shareholding in its subsidiaries in Poland, Aviva Towarzystwo Ubezpieczeń Ogólnych S.A. and Aviva Towarzystwo Ubezpieczeń Na Życie S.A., as part of the sale of Aviva Poland to Allianz for a cash consideration of £2.5 billion. The subsidiaries had carrying values of £704 million and £6 million respectively. There was a profit on disposal of £1,088 million.

(iii) Impairments

Investments in subsidiaries are tested for impairment of their carrying value when there is an indicator of impairment. They are tested for impairment by comparing the carrying value of the investment to the recoverable value of that investment. Recoverable value is the higher of value in use and fair value. Value in use is calculated as the discounted value of expected future profits of each investment. Fair value is determined based on IFRS net assets, Solvency II net assets or IFRS tangible net asset value multiples underpinned by the quoted market valuation of comparable listed entities.

In 2021 the Company determined that its investments in subsidiaries were impaired following management's annual impairment review, resulting in a total impairment of £35 million (2020: £21 million) within the income statement. Impairments were driven by a reduction in the net asset value of the subsidiaries. The investments in subsidiaries which were deemed impaired were AADPL by £3 million, Aviva France by £25 million and Aviva Re by £7 million.

(c) Related undertakings

See note 31 for details of all related undertakings.

12. Investment in joint venture

Movements in the Company's investment in joint venture is as follows:

	2021 £m	2020 £m
At 1 January	313	—
Additions	—	313
At 31 December	313	313

On 30 November 2020, the Company acquired a 25.95% shareholding in Aviva Singlife, a new joint venture created following the sale of Aviva LTD and AAPL. The fair value at 31 December 2021 was deemed to be £313 million.

Notes to the financial statements continued

13. Investments in subsidiaries classified as held for sale

Movements in the Company's investments in its subsidiaries held for sale are as follows:

	Note	2021 £m	2020 £m
Fair value at 1 January		—	334
Disposals		—	(204)
Transfer to financial investments	15	—	(100)
Impairments	4	—	(30)
Fair value at 31 December		—	—

Investments in subsidiaries classified as held for sale in 2020 comprised of the Company's investment in FPIL of £334 million. On 16 July 2020 the Company completed the sale of its majority shareholding in FPIL to RL360 Holding Company Limited (RL360) for a consideration of £209 million. As part of the transaction the Hong Kong book, which has a fair value of £100 million, was retained by the Company and has been transferred to financial investments. Prior to disposal there was an impairment of £30 million of the investment in FPIL.

14. Fair value methodology

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

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

Level 1

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

Level 2

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

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

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

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

Level 3

Inputs to Level 3 fair values are unobservable inputs for the asset or liability. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Unobservable inputs reflect the assumptions the Company considers that market participants would use in pricing the asset or liability. Examples are investment properties, certain private equity investments and private placements.

The majority of the Company's assets and liabilities measured at fair value are based on quoted market information or observable market data. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. Third-party valuations using significant unobservable inputs validated against Level 2 internally modelled valuations are classified as Level 3, where there is a significant difference between the third-party price and the internally modelled value. Where the difference is insignificant, the instrument would be classified as Level 2.

Notes to the financial statements continued**14. Fair value methodology continued****(b) Changes to valuation techniques**

There were no changes in the valuation techniques during the year compared to those described in the 2020 annual report and financial statements.

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

Fair value of the following assets and liabilities approximate to their carrying amounts:

- Receivables and other financial assets
- Cash and cash equivalents
- Payables and other financial liabilities

(d) Fair value hierarchy

An analysis of assets and liabilities measured at fair value categorised by fair value hierarchy is given below:

		Level 1	Level 2	Level 3	2021 Total
Recurring fair value measurements		£m	£m	£m	£m
Financial investments					
Debt securities	15	1,961	—	—	1,961
Equity security investments	15	—	—	108	108
Other investments	15	—	—	1,377	1,377
Total		1,961	—	1,485	3,446
Receivables					
Loans due from subsidiaries	16	—	—	278	278
Total		—	—	278	278
Financial liabilities					
Derivative liabilities	27	—	(7)	—	(7)
Total		—	(7)	—	(7)
		Level 1	Level 2	Level 3	2020 Total
Recurring fair value measurements		£m	£m	£m	£m
Financial investments					
Debt securities	15	888	—	—	888
Equity security investments	15	—	—	54	54
Other investments	15	182	1	1,433	1,616
Total		1,070	1	1,487	2,558
Receivables					
Loans due from subsidiaries	16	—	—	634	634
Total		—	—	634	634
Financial liabilities					
Derivative liabilities	27	(12)	—	—	(12)
Total		(12)	—	—	(12)

(e) Transfers between levels of the fair value hierarchy

For financial instruments that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels of the fair value hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of the reporting year.

No material transfers occurred between Level 1 and Level 2, Level 1 and Level 3 and Level 2 and Level 3.

Notes to the financial statements continued

14. Fair value methodology continued

(f) Further information on Level 3 financial instruments

The table below shows movements in the Level 3 assets measured at fair value:

	Equity securities	Other investments	Assets Loans from fellow group companies
	£m	£m	£m
Opening balance at 1 January 2021	54	1,433	634
Total net gains recognised in the income statement	48	15	2
Purchases	6	552	—
Disposals	—	(623)	(358)
Balance at 31 December 2021	108	1,377	278

	Equity securities	Other investments	Assets Loans from fellow group companies
	£m	£m	£m
Opening balance at 1 January 2020	58	790	980
Total net gains recognised in the income statement	10	96	10
Purchases	5	619	—
Disposals	(19)	(72)	(356)
Balance at 31 December 2020	54	1,433	634

Sensitivities

Where possible, the Company tests the sensitivity of the fair values of Level 3 liabilities to changes in unobservable inputs to reasonable alternatives. Valuations for Level 3 investments are sourced from independent third parties when available and, where appropriate, validated against internally-modelled valuations, third-party models or broker quotes. Where third-party pricing sources are unwilling to provide a sensitivity analysis for their valuations, the Company undertakes, where feasible, sensitivity analysis on the following basis:

- For third-party valuations validated against internally-modelled valuations using significant unobservable inputs, the sensitivity of the internally modelled valuation to changes in unobservable inputs to a reasonable alternative is determined.
- For third-party valuations either not validated or validated against a third-party model or broker quote, the third-party valuation in its entirety is considered an unobservable input. Sensitivities are determined by flexing inputs of internal models to a reasonable alternative, including the yield, NAV multiple or other suitable valuation multiples of the financial instrument implied by the third-party valuation. For example, for a fixed income security the implied yield would be the rate of return which discounts the security's contractual cash flows to equal the third-party valuation.

On the basis of the methodology outlined above, the Company is able to perform sensitivity analysis on the multiple valuations for £545 million (2020: £529 million) of the Company's Level 3 assets. For these Level 3 assets, changing unobservable valuation inputs to a reasonable alternative would result in a change in fair value by +£93 million / -£142 million (2020: +£89 million / -£134 million). Of the £1,226 million (2020: £1,592 million) Level 3 assets for which sensitivity analysis is not provided, it is estimated that a 5% change in valuation downwards of these assets would result in a change in fair value of approximately £61 million (2020: £80 million).

Notes to the financial statements continued**15. Financial investments****(a) Carrying amount**

Financial investments comprise:

	2021 £m	2020 £m
Financial assets mandatorily held at FVTPL		
(i) Fixed maturity securities		
Debt securities		
UK government	1,961	888
	1,961	888
(ii) Equity securities		
Ordinary shares		
Other	108	54
	108	54
(iii) Other investments		
Unit trusts	79	169
Derivative financial instruments	—	48
Tier 1 subordinated loan notes	1,202	1,299
Other investments - long term	96	100
	1,377	1,616
Total financial investments	3,446	2,558
Expected to be recovered in less than one year	2,057	1,036
Expected to be recovered in more than one year	1,389	1,522
Total financial investments	3,446	2,558

(b) Cost, unrealised gains and fair value

The following is a summary of the cost/amortised cost, gross unrealised gains and losses and fair value of financial investments:

	2021				2020			
	Cost/ amortised cost £m	Unrealised gains £m	Unrealised losses and impairments £m	Fair value £m	Cost/ amortised cost £m	Unrealised gains £m	Unrealised losses and impairments £m	Fair value £m
Debt securities	1,961	—	—	1,961	888	—	—	888
Equity securities	58	59	(9)	108	52	11	(9)	54
Other investments								
Unit trusts	51	29	(1)	79	170	8	(9)	169
Derivative financial instruments	—	—	—	—	93	1	(46)	48
Tier 1 subordinated loan notes	1,145	65	(8)	1,202	1,242	59	(2)	1,299
Other investments	96	—	—	96	100	—	—	100
	3,311	153	(18)	3,446	2,545	79	(66)	2,558

All unrealised gains and losses and impairments on financial investments classified as FVTPL have been recognised in the income statement.

Unrealised gains and losses on financial investments and derivative liabilities reported within payables note 22, classified as FVTPL and recognised in the income statement in the year, were a net gain of £nil (2020: net gain of £14 million), which comprises unrealised gains of £nil (2020: gains of £14 million) and unrealised losses of £nil (2020: losses of £nil).

The movement in the unrealised gain/loss position reported in the statement of financial position during the year, shown in the table above, includes transfers due to the realisation of gains and losses on disposal and the recognition of impairment losses.

Notes to the financial statements continued**16. Receivables and other financial assets**

	Note	2021 £m	2020 £m
External loan receivable		152	140
Loans due from parent	29(a)(i)	147	2,900
Loans due from subsidiaries	29(a)(i)	519	884
Amounts due from subsidiaries	29(c)(i)	4	7
Accrued interest		4	—
Amounts receivable for collateral pledged		8	—
Other receivables		4	1
Total as at 31 December		838	3,932
Expected to be recovered in less than one year		20	8
Expected to be recovered in more than one year		818	3,924
		838	3,932

Loans due from subsidiaries include £278 million of loans mandatorily held at FVTPL (2020: £634 million). All other receivables are held at amortised cost.

17. Ordinary share capital

	2021 £m	2020 £m
Allotted, called up and fully paid		
1,300,300 (2020: 1,300,300) ordinary shares of £10,000 each	13,003	13,003

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. The company has no additional authorised but unallotted shares.

18. Special Reserve

As part of a Group restructuring process, the Company transferred its entire shareholding in Aviva Insurance Limited at its fair value of £1,348 million to its subsidiary Aviva International Insurance Limited (All) on 31 December 2007. The consideration was satisfied by the issue of new shares in All with the nominal value of £1,237 million, and the establishment of a special reserve of £111 million under the group reconstruction relief provisions of section 611 of the Companies Act 2006, which will become distributable upon the assets being disposed of or transferred, realising the value of the assets.

There has been no movement in the special reserve since inception.

19. Retained earnings

	Note	2021 £m	2020 £m
Balance at 1 January		6,747	4,896
Profit for the year		3,638	1,851
Dividends paid	10 & 29(c)(v)	(7,750)	—
Balance at 31 December		2,635	6,747

20. Tax assets / (liabilities)**(a) Current tax**

	2021 £m	2020 £m
Expected to be recoverable in more than one year	10	11
Tax asset recognised in statement of financial position	10	11

Assets for prior years tax to be settled by group relief of £11 million (2020: £15 million) are recoverable in less than one year.

Current tax liabilities payable in more than one year of £128 million (2020: £128 million) relate to potential group liabilities in respect of EU dividends are included within group relief.

The net group relief payable of £117 million (2020: £113 million) is included within payables and other financial liabilities (see note 22) and within the related party transactions (see note 29).

Notes to the financial statements continued**20. Tax assets / (liabilities) continued****(b) Deferred tax**

(i) The balance at 31 December comprises:

	2021	2020
	£m	£m
Deferred tax (liability) / asset	(20)	(3)
Deferred tax (liability) / asset	(20)	(3)

(ii) The net deferred tax balance arises on the following items:

	2021	2020
	£m	£m
Revaluation of loans due to and from group undertakings	(15)	(3)
Unrealised gains on investments	(5)	—
Net deferred tax (liability) / asset	(20)	(3)

(iii) The movement in the net deferred tax (liability)/asset was as follows:

	2021	2020
	£m	£m
Net deferred tax asset at 1 January	(3)	7
Amounts (charged) to income statement	(17)	(10)
Net deferred tax liability at 31 December	(20)	(3)

The Company has unrecognised temporary differences of £62 million (2020: £57 million) to carry forward indefinitely against future taxable income. This comprises £62 million of capital losses (2020: £57 million).

Notes to the financial statements continued**21. Pension obligations****(a) Introduction**

In the UK and Ireland, the Group operates a number of defined benefit and defined contribution pension schemes. The material defined benefit schemes are the Aviva Staff Pension Scheme (ASPS), the RAC (2003) Pension Scheme which was retained after the sale of RAC Limited in September 2011, the Friends Provident Pension Scheme (FPPS), which was acquired as part of the Friends Life acquisition in 2015, and the Aviva Ireland Staff Pension Scheme (AISPS).

Formal actuarial valuations normally take place every three years and, where there is a deficit, the Company and the Trustee would agree a deficit recovery plan. The assumptions adopted for triennial actuarial valuations are determined by the Trustee and agreed with the Company and are normally more prudent than the assumptions adopted for IAS19 purposes, which are best estimate.

For ASPS, following the actuarial valuation as at 31 March 2015, a schedule of contributions was agreed, even though the ASPS was fully funded on its technical provisions basis consistent with the requirements of the UK pension regulations. This funding arrangement was reaffirmed following the triennial actuarial valuation as at 31 March 2018. As at 31 December 2021, the ASPS was fully funded.

In 2010 AGH entered into a Deed Poll in favour of senior managers with Unfunded Unapproved Retirement Benefit Scheme (UURBS) entitlements, to give them similar protection to the members of the ASPS. Pursuant to the Deed Poll, AGH would replace all previous Aviva group guarantors of the UURBS and become the sole Group guarantor in relation to all contracts of employment granted to Eligible Employees.

Full details of the Group's pension arrangements are given in note 49 of the Aviva plc Annual report and accounts 2021.

(b) Charges to the income statement

The Company provides a proportion of the deficit funding to the ASPS pension scheme and, where possible, recharges this funding to individual Group operating businesses. The Company provides the full proportion of the deficit funding to the RAC Pension Scheme and AISPS.

The total costs of funding of the UK pension schemes borne by the Company were:

		2021	2020
	Note	£m	£m
Total pension costs	4	51	57
Costs retained in the Company		51	57

There were no significant contributions outstanding or prepaid as at either 31 December 2021 or 2020.

(c) Guarantees in respect of UK and Ireland pension schemes

The Company has provided a guarantee in respect of the three UK schemes noted in section (a) above, and the AISPS covering the employing companies' performance obligations up to the full cost of buying out the entire scheme liabilities with a third party insurance company should this be necessary. It has also provided a guarantee for the UURBS entitlements noted in section (a).

Notes to the financial statements continued**22. Payables and other financial liabilities**

	Note	2021 £m	2020 £m
Loans due to parent	29(a)(ii)	4,499	4,389
Loans due to subsidiaries	29(a)(ii)	2,532	1,905
Amounts due to parent	29(c)(ii)	30	27
Amounts due to subsidiaries	29(c)(ii)	506	453
Group relief payable	20	117	113
Derivative liabilities	27	7	12
Other payables		2	9
Total as at 31 December		7,693	6,908
Expected to be settled within one year		2,157	1,219
Expected to be settled in more than one year		5,536	5,689
Total as at 31 December		7,693	6,908

23. Other liabilities

	2021 £m	2020 £m
Accruals	34	39
Restructuring provision	39	—
Other provisions	37	—
Total as at 31 December	110	39
Expected to be settled within one year	73	39
Expected to be settled in more than one year	37	—
Total as at 31 December	110	39

24. Contingent liabilities and other risk factors

The Company has guaranteed and indemnified the obligations of certain other Group companies. In the opinion of the directors, no material loss will arise in respect of these guarantees.

The Company has also provided guarantees for the ASPS, RAC PS, FPPS and AISPS. See note 21 for further details.

In addition, in line with standard business practice, the Company has given guarantees, indemnities and warranties in connection with disposals in recent years of subsidiaries outside the group. In the opinion of the directors, no material loss will arise in respect of these guarantees, indemnities and warranties.

25. Cash and cash equivalents

	2021 £m	2020 £m
Cash at bank and in hand	7	79
Cash equivalents	4,380	2,801
Total at 31 December	4,387	2,880

26. Risk management**(a) Risk management framework**

The Group operates a risk management framework that forms an integral part of the management and Board processes and decision-making framework across the Group, including the Company and its subsidiaries. The key elements of the risk management framework comprise risk appetite; risk governance, including risk policies and business standards, risk oversight committees and roles and responsibilities; and the processes the Group uses to identify, measure, manage, monitor and report (IMMMR) risks, including the use of risk models and stress and scenario testing.

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

To promote a consistent and rigorous approach to risk management across all businesses, the Group has a set of risk policies and business standards which set out the risk strategy, appetite, framework and minimum requirements for the Group's worldwide operations. The business chief executive officers make an annual declaration supported by an opinion from the business chief risk officers that the system of governance and internal controls was effective and fit for purpose for their business throughout the year.

A regular top-down key risk identification and assessment process is carried out by the risk function. This includes the consideration of emerging risks and is supported by deeper thematic reviews. The risk assessment processes are used to generate risk reports which are shared with the relevant risk committees.

Notes to the financial statements continued

26. Risk management continued

(a) Risk management framework continued

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

Roles and responsibilities for risk management in the Group, including the Company, are based around the 'three lines of defence model' where ownership for risk is taken at all levels in the Group. Line management in the business is accountable for risk management, including the implementation of the risk management framework and embedding of the risk culture. The risk function is accountable for quantitative and qualitative oversight and challenge of the risk identification, measurement, monitoring, management and reporting processes and for developing the risk management framework. Internal Audit provides an independent assessment of the risk management framework and internal control processes.

Board oversight of risk and risk management across the Group is maintained on a regular basis through the Aviva plc Risk Committee and Customer, Conduct and Reputation Committee. The Aviva plc Board has overall responsibility for determining risk appetite, which is an expression of the risk the business is willing to take. Risk appetites are set relative to capital and liquidity at Group and in the business units.

Further information on the types and management of specific risk types is given in sections (b) to (h) below. The risks to the Company's subsidiaries are managed through the risk management framework described above. Sections (b) to (h) below are limited to the specific risks of the Company.

(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 as a result of changes in expectations related to these risks. Credit risk is taken so that the Company can provide the returns required to satisfy policyholder liabilities and to generate returns to the Company's shareholders.

The Company's approach to managing credit risk recognises that there is a risk of adverse financial impact resulting from fluctuations in credit quality of third parties including default, rating transition and credit spread movements. The Company's credit risks arise principally through exposures to debt securities, structured asset investments, bank deposits, derivative and securities financing counterparties, and Group counterparties to bank deposits, inter-company loans and receivables, and indirectly by guaranteeing the obligations of certain other Group companies.

The Group manages its credit risk at business unit and Group level. All business units' 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 has significant financial exposure to 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 loans, the level of collateral provided and the fact that these loans are not traded, the Company does not provide for fluctuations in market value caused by changing perceptions of the credit worthiness of such counterparties. As at the reporting date, there are no material expected credit losses recognised in relation to loans due from subsidiaries held at amortised cost.

(ii) Financial exposures by credit ratings

Financial assets, other than equities, are graded according to current external credit ratings issued. AAA is the highest possible rating. Investment grade financial assets are classified within the range of AAA to BBB ratings. Financial assets which fall outside this range are classified as sub-investment grade. The following table provides information regarding the aggregated credit risk exposure of the Company for financial assets with external credit ratings excluding assets "held for sale". "Not rated" assets capture assets not rated by external ratings agencies. The majority of non-rated debt securities are allocated an internal rating using a methodology consistent with that adopted by an external rating agency and are considered to be of investment grade credit quality. The credit quality of receivables and other financial assets is monitored by the Company, and provisions for impairment are made for irrecoverable amounts. In assessing whether assets are impaired, due consideration is given to the factors outlined in accounting policy J.

							Carrying value
31 December 2021	AAA	AA	A	BBB	Below BBB	Not-rated	£m
Debt securities	—	100 %	—	—	—	—	1,961
Derivative financial assets	—	—	—	—	—	—	—
							Carrying value
31 December 2020	AAA	AA	A	BBB	Below BBB	Not-rated	£m
Debt securities	—	100 %	—	—	—	—	888
Derivative financial assets	—	—	—	—	—	100 %	48

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.

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 cashflows associated with any of the Company's financial assets have been modified or renegotiated (2020: none).

Notes to the financial statements continued

26. Risk management continued

(b) Credit risk continued

(iii) Other investments

Other investments include unit trusts and other investment vehicles; derivative assets, representing positions to mitigate the impact of adverse market movements; and other financial assets includes deposits with credit institutions.

The credit quality of the underlying debt securities within investment vehicles is managed by the safeguards built into the investment mandates for these funds which determine the funds' risk profiles. The asset quality of unit trusts and other investment vehicles is monitored against set limits.

A proportion of the assets underlying these investments are represented by equities and so credit ratings are not generally applicable. Equity exposures are managed against agreed benchmarks that are set with reference to overall appetite for market risk.

(iv) Calculation of expected credit losses

Expected credit losses on material receivables and other assets 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 twelve 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 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 don't 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.

Receivables, other financial assets and financial investments of £4,284 million (2020: £6,490 million) are neither past due nor impaired and are comprised of loans and amounts due from other Group companies and financial investments.

(v) 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 year.

(vi) Derivative credit exposures

The Group is exposed to counterparty credit risk through derivative trades. This risk is generally mitigated through holding collateral for most trades. Residual exposures are captured within the Group's credit management framework.

(vii) Impairment of financial assets

In assessing the extent to which expected credit losses should be recognised, due consideration is given to the factors outlined in accounting policy J. The following table provides information regarding the carrying value of financial assets subject to impairment testing that have been impaired and the ageing of those assets that are past due but not impaired.

Financial assets that are past due but not impaired							2021
Neither past due nor impaired	0-3 months	3-6 months	6 months-1 year	Greater than 1 year	Financial assets that have been impaired	Carrying value	
£m	£m	£m	£m	£m	£m	£m	£m
Receivables and other financial assets	838	—	—	—	—	—	838

Financial assets that are past due but not impaired							2020
Neither past due nor impaired	0-3 months	3-6 months	6 months-1 year	Greater than 1 year	Financial assets that have been impaired	Carrying value	
£m	£m	£m	£m	£m	£m	£m	£m
Receivables and other financial assets	3,932	—	—	—	—	—	3,932

Receivables and other financial assets carried at amortised cost include loans due from parent of £147 million (2020: £2,900 million) and amounts due from other Group companies of £241 million (2020: £250 million).

The Company's maximum exposure to credit risk of financial assets, without taking collateral into account, is represented by the carrying amount of assets included in the statement of financial position plus financial guarantees given to other Group companies (see note 24), and funding guarantees provided to the ASPS, RAC PS, FPPS, AISPS and UURBS (see note 21).

(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 Company seeks some market risks as part of its investment. However, it has limited appetite for interest rate risk because it does not believe interest rate risk is adequately rewarded.

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.

Notes to the financial statements continued**26. Risk management continued****(c) Market risk continued****(i) Equity price risk**

The Company is subject to direct equity price risk arising from changes in the market values of its equity securities portfolio.

The Company continues to limit its direct equity exposure in line with its risk preferences. The Company's investment limits and investment regulations require that it holds diversified portfolios of assets thereby reducing exposure to individual equities. The Company does not have material holdings of unquoted equity securities.

Equity risk is also managed using a variety of derivative instruments, including futures and options.

Sensitivity to changes in equity prices is given in section (f) 'risk and capital management' below.

(ii) Interest rate risk

Interest rate risk arises primarily from the Company's loans with fellow Group companies. The interest received and paid on the loans is linked to SONIA, CORRA or EURIBOR benchmark rates and so a change in any of those rates would impact the level of interest income earned and interest expense paid by the Company.

Sensitivity of profit before tax and shareholder funds to changes in these benchmark interest rates is given in section (f) 'risk and capital management' below.

(iii) Currency risk

The Company has exposure to currency risk primarily through Euro, Canadian Dollar and Singapore Dollar denominated loans due to and from its parent and subsidiaries, foreign exchange derivatives and its investment in overseas subsidiaries principally denominated in Euro. The Company has a low appetite for currency risk and actively manages the position using derivatives where appropriate.

The Company's total equity deployment by currency (after impact of hedging) is set out below. Some of the Company's Euro denominated loans have been designated as a fair value hedge of its investment in overseas subsidiaries (see note 11). In addition, the Company uses foreign currency forwards to manage planned Euro dividend distributions from its subsidiaries (albeit no forward contracts were in-force at 31 December 2021) and Euro denominated equity options, which are sensitive to changes in foreign currency exchange rates.

	GBP	EUR	CAD	USD	SGD	Total
31 December 2021	£m	£m	£m	£m	£m	£m
Total equity	19,187	(2,473)	14	39	605	17,372

	GBP	EUR	CAD	USD	SGD	Total
31 December 2020	£m	£m	£m	£m	£m	£m
Total equity	20,659	124	23	30	648	21,484

(iv) Derivatives risk

Derivatives are used for efficient investment management, and risk hedging purposes. Derivatives are used within policy guidelines agreed by the Board of Directors and activity is overseen by the Group Capital and Group Risk teams, which monitor exposure levels and approve large or complex transactions.

The Company applies strict requirements to the administration and valuation processes it uses, and has a control framework that is consistent with market and industry practice for the activity that is undertaken.

(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.

The Company has set its investment strategy to ensure it has sufficient liquid funds to meet its expected obligations as they fall due. In extreme circumstances, the Company would approach the Company's parent, Aviva plc, for additional short-term borrowing whilst the Company liquidated other assets.

Aviva plc maintains significant undrawn committed borrowing facilities of £1,700 million (2020: £1,700 million) from a range of highly-rated banks to mitigate this risk further.

The Company's liquidity position and financing of its longer-term loan commitments is dependent on the payment of dividends by subsidiaries, which may be subject to regulatory approval.

Notes to the financial statements continued**26. Risk management continued****(d) Liquidity risk continued****Maturity analyses**

The following tables show the maturities of the Company's liabilities, and of the financial assets held to meet them. A maturity analysis of the contractual amounts payable for payables, other financial liabilities and derivatives is given in notes 22, 23 and 27, respectively.

(i) Analysis of maturity of liabilities

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

2021				
	Total	On demand or within 1 year	1-5 years	5-15 years
	£m	£m	£m	£m
Payables and other financial liabilities	7,693	2,157	4,243	1,293
Other liabilities	110	73	37	—
	7,803	2,230	4,280	1,293
2020				
	Total	On demand or within 1 year	1-5 years	5-15 years
	£m	£m	£m	£m
Payables and other financial liabilities	6,908	1,219	3,911	1,778
Other liabilities	39	39	—	—
	6,947	1,258	3,911	1,778

(ii) Analysis of maturity of financial assets

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. This table excludes assets held for sale.

2021						
		Total	On demand or within 1 year	1-5 years	Over 5 years	No fixed term (perpetual)
	Note	£m	£m	£m	£m	£m
Debt securities	15	1,961	1,961	—	—	—
Equity securities	15	108	—	—	—	108
Other investments	15	1,377	96	—	—	1,281
Receivables and other financial assets	16	838	20	388	430	—
Cash and cash equivalents	25	4,387	4,387	—	—	—
		8,671	6,464	388	430	1,389
2020						
		Total	On demand or within 1 year	1-5 years	Over 5 years	No fixed term (perpetual)
	Note	£m	£m	£m	£m	£m
Debt securities	15	888	888	—	—	—
Equity securities	15	54	—	—	—	54
Other investments	15	1,616	148	—	—	1,468
Receivables and other financial assets	16	3,932	8	3,150	416	358
Cash and cash equivalents	25	2,880	2,880	—	—	—
		9,370	3,924	3,150	416	1,880

The assets above are analysed in accordance with the earliest possible redemption date of the instrument at the initiation of the Company. Where an instrument is transferable back to the issuer on demand, such as a unit trust or similar type of investment vehicle, it is included in the 'On demand or within 1 year' column. Debt securities with no fixed contractual maturity date are generally callable at the option of the issuer at the date the coupon rate is reset under the contractual terms of the instrument. The terms for resetting the coupon are such that the Company expects the securities to be redeemed at this date, as it would be uneconomic for the issuer not to do so, and for liquidity management purposes the Company manages these securities on this basis. The first re-pricing and call date is normally ten years or more after the date of issuance. Most of the Company's investments in equity securities and debt securities are market traded and therefore, if required, can be liquidated for cash at short notice in unstressed circumstances.

Notes to the financial statements continued

26. Risk management continued

(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.

Our business units are primarily responsible for identifying and managing operational risks within their businesses, within the Group-wide operational risk framework including the risk and control self-assessment process. Businesses must be satisfied that all material risks falling outside our risk tolerances are being mitigated, monitored and reported to an appropriate level. Any risks with a high potential impact are monitored centrally on a regular basis.

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.

(f) Risk and capital management

The Company uses a number of sensitivity test-based risk management tools to understand the volatility of earnings, the volatility of capital requirements and to manage its capital more efficiently. Risk based capital models are used to support the quantification of risk under the Solvency II framework. Management undertakes a quarterly review of risk, the output from which is a key input into the risk-based capital assessments. Primarily, a risk-based capital model and scenario tests are used. Sensitivities to economic and operating experience are regularly produced on financial performance measurements to inform the Group's decision making and planning processes, and as part of the framework for identifying and quantifying the risks to which the Company is exposed.

(i) Sensitivity results

Some results of sensitivity testing for the Company's business are set out below. For each sensitivity the impact of a change in a single factor is shown, with other assumptions left unchanged.

Sensitivity factor	Description of sensitivity factor applied			
Interest rate and investment return	The impact of a change in market interest rates by $\pm 1\%$			
Equity market values	The impact of a change in equity/property market values by $\pm 10\%$			
Credit spreads	The impact of a 0.5% increase in credit spreads over risk free interest rates on corporate bonds and other non-sovereign credit assets.			
Foreign exchange rates	The impact of a change in the GBP: Foreign currency exchange rate of $\pm 10\%$, with a positive change representing a strengthening of pound sterling.			

The above sensitivity factors are applied using statistical models. The impacts are shown in tables below:

	Interest rates 1%	Interest rates -1%	Equity 10%	2021 Equity -10%
	£m	£m	£m	£m
Impact on profit before tax	(30)	30	—	—
Impact on shareholders' equity	(30)	30	—	—

	Interest rates 1%	Interest rates -1%	Equity 10%	2020 Equity -10%
	£m	£m	£m	£m
Impact on profit before tax	8	(8)	(8)	18
Impact on shareholders' equity	8	(8)	(7)	15

	Euro 10%	Euro -10%	CAD 10%	CAD -10%	SGD 10%	2021 SGD -10%
	£m	£m	£m	£m	£m	£m
Impact on profit before tax	332	(406)	(2)	3	(17)	21
Impact on shareholders' equity	269	(329)	(2)	2	(14)	17

	Euro 10%	Euro -10%	CAD 10%	CAD -10%	SGD 10%	2020 SGD -10%
	£m	£m	£m	£m	£m	£m
Impact on profit before tax	(4)	5	(2)	3	(16)	19
Impact on shareholders' equity	(3)	4	(2)	2	(13)	16

Notes to the financial statements continued

26. Risk management continued

(f) Risk and capital management continued

Limitations of sensitivity analysis

The sensitivity analyses do not take into account that the assets and liabilities are actively managed and may vary at the time that any actual market movement occurs. For example, the Company's financial risk management strategy aims to manage the exposure to market fluctuations. As investment markets move past various trigger levels, management actions could include selling investments, changing investment portfolio allocation and taking other protective action.

Other limitations in the above sensitivity analyses include the use of hypothetical market movements to demonstrate potential risks that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty, and the assumption that all interest rates move in an identical fashion.

Assets are held at fair value in accordance with the relevant accounting policy. Other than investments in subsidiaries, the majority of such assets are valued based on quoted market information or observable market data and the remaining assets recorded at fair value are based on estimates. Where estimates are used, these are based on a combination of independent third party evidence and internally developed models calibrated to market observable data where possible.

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.

(g) Risks relating to staff pension schemes

In addition to credit risk, the funding guarantees provided to the ASPS, FPPS, RAC PS, UURBS and AISPS expose the Company indirectly to risks affecting the value of the assets and liabilities of these schemes, which can be summarised as follows:

- Market risks affecting the valuation of pension scheme assets, being interest rates, equity prices, property prices and foreign exchange rates.
- Credit and market risks affecting the average rate yield on AA-rated corporate bonds used to discount pension scheme liabilities.
- Risks affecting assumptions used to calculate pension scheme liabilities, such as retail / consumer price inflation and mortality assumptions. Mortality assumptions are subject to longevity risk.

See note 21 for further information on ASPS, FPPS, RAC PS and AISPS and the funding guarantees provided by the Company to them.

(h) Russia-Ukraine conflict

On 24 February 2022, on-going tensions between Russia and Ukraine developed into full scale armed conflict between the two countries. Many countries have responded with severe economic sanctions on Russia and Belarus and connected companies and individuals. There is considerable uncertainty over how the conflict might develop, including the possibility of the conflict spreading to neighbouring countries, some of which are members of the North Atlantic Treaty Organisation ("NATO").

The conflict has resulted in a significant increase in volatility in equity, credit, currency and commodity markets. In particular, the prices of oil, gas, wheat and other commodities have increased significantly since the conflict began and have heightened inflation expectations, which is likely to adversely impact disposable incomes and economic growth. There remains considerable uncertainty over the monetary policy response of central banks to the crisis, with the possible tightening of monetary policy to counteract inflation tempered by concerns over economic growth.

27. Derivative financial instruments and hedging

The Company uses a variety of derivative financial instruments, in line with our overall risk management strategy. The objectives include managing exposure to price, foreign currency and/or interest rate risk on existing assets or liabilities, as well as planned or anticipated investment purchases.

In the narrative and tables below, figures are given for both the notional amounts and fair values of these instruments. The notional amounts reflect the aggregate of individual derivative positions on a gross basis and so give an indication of the overall scale of the derivative transaction. They do not reflect current market values of the open positions. The fair values represent the gross carrying values at the year end for each class of derivative contract held (or issued) by the Company.

The fair values do not provide an indication of credit risk, as many over-the-counter transactions are contracted and documented under International Swaps and Derivatives Association (ISDA) master agreements or their equivalent. Such agreements are designed to provide a legally enforceable set-off in the event of default, which reduces credit exposure. In addition, the Company has collateral agreements in place with the relevant counterparties. See note 28 for further information on collateral and net credit risk of derivative instruments.

Notes to the financial statements continued

27. Derivative financial instruments and hedging continued

(a) Instruments not qualifying for hedge accounting

Certain derivatives either do not qualify for hedge accounting or the option to designate them as hedge instruments has not been taken. These are referred to below as non-hedge derivatives.

(i) The Company's non-hedge derivatives at 31 December 2021 and 2020 were as follows

	2021			2020		
	Contract/ notional amount	Fair value asset	Fair value liability	Contract/ notional amount	Fair value asset	Fair value liability
	£m	£m	£m	£m	£m	£m
Equity/Index contracts						
OTC						
Options	—	—	—	460	47	(12)
	—	—	—	460	47	(12)
Foreign exchange contracts						
Exchange traded						
Forward contracts	630	—	(7)	111	1	—
	630	—	(7)	111	1	—
Total as at 31 December	630	—	(7)	571	48	(12)

(ii) The contractual undiscounted cash flows in relation to non-hedge derivative liabilities have the following maturities

	2021	2020
	£m	£m
Within 1 year	(7)	(12)
	(7)	(12)

(b) Instruments qualifying for hedge accounting

The Company has formally assessed and documented the effectiveness of its instruments qualifying for hedge accounting.

The Company's hedge activity at 31 December 2021 was as follows:

Fair value hedges

The Company had EUR denominated investments in overseas subsidiaries which exposed the Company to foreign currency risk. To reduce its exposure to foreign currency risk, the Company designated its foreign currency denominated loans as a fair value hedge of the foreign exchange exposure in relation to these subsidiaries. The matching currency denomination of the investments in subsidiaries and the loan liabilities led to an economic relationship, where a change in the value of the asset, as a result of changes in the foreign exchange rate, was offset directly by an opposite change in the value of the liability.

The value of the EUR denominated hedged items were designated in a hedge relationship in such a way that the value hedged matches exactly the nominal amounts of the hedging instrument being used. The hedge ratio was therefore 1:1 and the hedge was fully effective. Foreign exchange gains of £6 million (2020: losses of £130 million) on translation of the debt to sterling at the statement of financial position date have been offset by a release of foreign exchange losses of £6 million (2020: gains of £130 million) on investments in subsidiaries.

Notes to the financial statements continued

27. Derivative financial instruments and hedging continued

(b) Instruments qualifying for hedge accounting continued

At inception, the nature of the economic relationship is such that the fair value hedge is expected to be highly effective, however, ineffectiveness or discontinuation of the hedging relationship may arise should a hedged item be sold during the period or where a hedging instrument matures without the availability of a replacement instrument (see note 5).

Other risks associated with the Company's investments in overseas subsidiaries are not covered by this hedging arrangement.

The following hedging instruments were placed in a fair value hedge as at the year end:

Hedging instrument	Currency	Maturity date	Note	Nominal amount €m	Carrying amount €m	2021	Carrying amount €m	2020
						Change as a result of FX movement €m		Change as a result of FX movement €m
Loan due to parent	EUR	5 July 2023	29	650	253	30	582	31
Loan due to parent	EUR	3 July 2024	29	700	588	39	626	33
Loan due to parent	EUR	4 December 2025	29	900	756	50	806	43
Loan due to parent	EUR	27 October 2023	29	500	264	24	448	24
				2,750	1,861	143	2,462	131

The following hedged items were placed in a fair value hedge as at the year end:

Hedged item	Currency	Carrying amount €m	Cumulative FX movements €m	2021	Carrying amount €m	Cumulative FX movements €m	2020
				Change as a result of FX movement €m			Change as a result of FX movement €m
Investment in Aviva Italia S.p.A	EUR	—	12	(6)	650	18	13
Investment in Aviva France	EUR	—	73	—	1,839	73	117
		—	85	(6)	2,489	91	130

On 23 February 2021 the Group announced it had approved the sale of Aviva France to Aéma Groupe. The net investment hedge for Aviva France was deemed to be prospectively ineffective and was discontinued at this date.

On 3 March 2021, the Group entered into agreements to sell its remaining Italian Life and General Insurance businesses (Aviva Italy). The net investment hedge for Aviva Italia S.p.A was deemed to be prospectively ineffective and was discontinued at this date.

(c) Collateral

Certain derivative contracts, primarily interest rate and currency swaps, involve the receipt or pledging of cash and non-cash collateral. The amounts of cash collateral payable are included in note 22.

28. Financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements

(a) Offsetting financial assets and liabilities and related net exposures

Financial assets and liabilities are offset in the statement of financial position when the Company has a currently enforceable legal right to offset and has the intention to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously.

The Company mitigates credit risk in derivative contracts by entering into collateral agreements, where practical, and in International Swaps and Derivatives Association (ISDA) master netting agreements to facilitate the Company's right to offset credit risk exposure. The credit support agreement will normally dictate the threshold over which collateral needs to be pledged by the Company or its counterparty.

Derivative transactions requiring the Company or its counterparty to post collateral are typically the result of over-the-counter derivative trades, comprised mostly of interest rate swaps, currency swaps and credit swaps. These transactions are conducted under terms that are usual and customary to standard long-term borrowing, derivative, securities lending and securities borrowing activities.

In other arrangements, securities are exchanged for other securities. The collateral received must be in a readily realisable form such as listed securities and is held in segregated accounts. Transfer of title always occurs for the collateral received. In many instances, however, no market risk or economic benefit is exchanged and these transactions are not recognised on the statement of financial position in accordance with our accounting policies, and accordingly not included in the tables below. If risks and benefits are exchanged then the transactions are recognised on the statement of financial position and reflected in the tables below.

Notes to the financial statements continued**28. Financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements continued****(a) Offsetting financial assets and liabilities and related net exposures continued**

						2021
						Related amounts not set off in the statement of financial position
	Gross amounts	Gross amounts offset	Net amounts presented in the statement of financial position	Cash collateral	Net amount	
	£m	£m	£m	£m	£m	£m
Financial assets						
Derivative financial assets	—	—	—	8	8	
Total financial assets	—	—	—	8	8	
Financial liabilities						
Derivative financial liabilities	(7)	—	(7)	(2)	(9)	
Total financial liabilities	(7)	—	(7)	(2)	(9)	

						2020
						Related amounts not set off in the statement of financial position
	Gross amounts	Gross amounts offset	Net amounts presented in the statement of financial position	Cash collateral	Net amount	
	£m	£m	£m	£m	£m	£m
Financial assets						
Derivative financial assets	48	—	48	—	48	
Total financial assets	48	—	48	—	48	
Financial liabilities						
Derivative financial liabilities	(12)	—	(12)	—	(12)	
Total financial liabilities	(12)	—	(12)	—	(12)	

Derivative assets are recognised as 'Derivative financial instruments' in note 15, while derivative liabilities are recognised as such in note 22.

(b) Collateral

In the tables above, the amounts of assets or liabilities presented in the statement of financial position are offset first by financial instruments that have the right of offset under master netting or similar arrangements with any remaining amount reduced by the amount of cash and securities collateral. The actual amount of collateral may be greater than amounts presented in the tables above in the case of over collateralisation.

Of the collateral received by the Company, none can be sold or re-pledged in the absence of default in 2021 or 2020.

The level of collateral held is monitored regularly, with further collateral obtained where this is considered necessary to manage the Company's risk exposure.

29. Related party transactions

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

Loans to and from all group companies are made on normal arm's-length commercial terms. From January 2021, as a result of LIBOR being abolished, loans previously accruing interest at specific basis points above LIBOR will now accrue interest at either specific basis points above the 5 year UK Government Gilt rate or specific basis points above the 12 month SONIA swap rate.

(a) The Company had the following related party transactions**(i) Loans receivable***Loans due from parent*

On 3 September 2013 a loan facility was put in place with the Company's parent which is an unsecured loan accruing interest at a fixed rate of 0.895% (previously 75 basis points above 6 month LIBOR) and with maturity date of 3 September 2018, which was subsequently extended to 31 December 2023. As at the Statement of Financial Position date, the loan balance outstanding was £147 million (2020: £2,900 million).

Loans due from subsidiaries

On 18 December 2015, the Company provided an unsecured loan of £250 million to its subsidiary, Aviva Life Holdings UK Limited. The loan accrues interest at a fixed rate of 0.67% per annum with settlement expected to be received on the revised maturity date of 18 December 2025. As at the statement of financial position date, the total amount drawn down at 2021 was £250 million (2020: £250 million), and has a fair value of £241 million.

Notes to the financial statements continued

29. Related party transactions continued

(a) The Company had the following related party transactions continued

(i) Loans receivable continued

The Company provided the following loans to its subsidiary, Aviva Participations SA:

- On 8 December 2015, the Company provided an unsecured, perpetual loan of €250 million, accruing interest at 453 basis points above 6 month EURIBOR. This loan was paid off in full as part of the France disposal and therefore at the financial position date, the total loan balance outstanding was £nil (2020: £224 million).
- On 8 December 2015, the Company provided an unsecured, perpetual loan of €700 million, accruing interest at 646 basis points above 6 month EURIBOR. This loan was paid off in full as part of the France disposal and therefore at the financial position date, the total loan balance outstanding was £nil (2020: £626 million).
- On 16 August 2019, the Company provided an unsecured, perpetual loan of €150 million, accruing interest at 405 basis points above 6 months EURIBOR. This loan was paid off in full as part of the France disposal and therefore at the financial position date, the total loan balance outstanding was £nil (2020: £134 million).

On 27 June 2016, the Company provided an unsecured loan of CAD 480 million to its subsidiary, Aviva Insurance Limited. The loan accrues interest of 49 basis points above 6 month CORRA OIS plus 3.48% (previously 474 basis points above 6 month CDOR) with settlement expected to be received at maturity on 26 June 2046. As at the statement of financial position date, the total amount drawn down was £278 million (2020: £276 million).

The maturity analysis of the related party loans receivable is as follows:

	2021	2020
	£m	£m
Within 1 year	—	—
1-5 years	388	3,150
Over 5 years	278	276
No fixed term	—	358
	666	3,784
Effective interest rate	1.89%	2.97%

The interest received on these loans shown in the income statement is £88 million (2020: £106 million), which comprises interest income due from subsidiaries of £62 million (2020: £69 million) and interest income due from parent of £26 million (2020: £37 million). See note 2.

(ii) Loans payable

Loans due to parent

On 1 January 2013, Aviva International Holdings Limited, a subsidiary, transferred an unsecured loan of €250 million (fair value €329 million) with the Company's parent Aviva plc by way of an in specie dividend to the Company. This loan accrues interest at a fixed rate of 5.5% with settlement to be paid at maturity in May 2033. As at the statement of financial position date, the total amount drawn down on the facility was £227 million (2020: £267 million).

On 23 December 2014, the Company's parent, Aviva plc, provided an unsecured revolving credit facility of £2,000 million to the Company with an initial maturity date of 3 September 2018, which was subsequently extended to 31 December 2023. The facility accrues interest at a fixed rate of 0.895% (previously 75 basis points above 6 month LIBOR). As at the statement of financial position date, the total amount drawn down on the facility was £1,935 million (2020: £849 million).

On 27 June 2016, the Company's parent, Aviva plc, provided an unsecured loan of CAD 446 million to the Company with a maturity date of 27 June 2046. The loan accrues interest at 49 basis points above 6 month CORRA OIS plus 3.48% (previously 348 basis points above 6 month CDOR). As at the statement of financial position date, the total amount drawn down was £259 million (2020: £256 million).

On 30 September 2016, the Company's parent, Aviva plc, provided the following unsecured loans:

- €850 million to the Company with a maturity date of 30 September 2026. The loan accrues interest at 115 basis points above 12 month EURIBOR with settlement to be paid at maturity. As at the statement of financial position date, the total amount drawn down on the facility was £196 million (2020: £555 million).
- €650 million to the Company with a maturity date of 5 July 2023. The loan accrues interest at a fixed rate of 1.54% with settlement to be paid at maturity. As at the statement of financial position date, the total amount drawn down on the facility was £253 million (2020: £582 million).
- €700 million to the Company with a maturity date of 3 July 2024. The loan accrues interest at a fixed rate of 1.64% with settlement to be paid at maturity. As at the statement of financial position date, the total amount drawn down on the facility was £588 million (2020: £627 million).
- €900 million to the Company with a maturity date of 4 December 2025. The loan accrues interest at a fixed rate of 1.74% with settlement to be paid at maturity. As at the statement of financial position date, the total amount drawn down on the facility was £756 million (2020: £806 million).

On 21 November 2016, the Company's parent, Aviva plc, provided an unsecured loan €500 million to the Company with a maturity date of 27 October 2023. The loan accrues interest at a fixed rate of 1.75% with settlement to be paid at maturity. As at the statement of financial position date, the total amount drawn was £264 million (2020: £448 million).

Notes to the financial statements continued

29. Related party transactions continued

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

Loans due to subsidiaries

On 22 December 2008, Aviva Annuity UK Limited, the Company's indirect subsidiary, provided an unsecured loan of £87 million to the Company. This loan was transferred to UKLAP via a Part VII Transfer on 1 January 2017 prior to the dissolution of Aviva Annuity UK Limited. The loan accrues interest at a fixed rate of 8.2% with settlement to be paid at maturity in December 2028. As at the statement of financial position date, the total loan balance outstanding was £87 million (2020: £87 million).

On 1 January 2013, the Company entered into a loan of £5,870 million from Aviva Insurance Limited, a subsidiary. The loan is secured on the UK Life business and certain non-UK operations of the Group, and has a final maturity date of December 2042. Interest accrues at a floating rate of 2.4% above 12 month SONIA swap plus 46bps (previously 308 basis points above 12 month LIBOR until 31 December 2017, after which interest accrued at 240 basis points above 12 month LIBOR). As at the statement of financial position date, the total loan balance outstanding is £500 million at 31 December 2021 (2020: £1,218 million).

On 1 January 2013, Aviva International Insurance Limited, a subsidiary, provided a secured loan facility to the Company of £15,942 million. The loan has a settlement date of December 2042. The credit margin is reset every 5 years, and was reset on 31 December 2017. This follows a fair value of assessment of the credit risk of the Company and the terms and conditions of the loan agreement. The next reset of the credit margin is due on 31 December 2022. From 1 January 2022, the loan will accrue interest at 12 month ICE SONIA swap plus 46.44bps. As at the statement of financial position date, the loan balance outstanding was £200 million (2020: £200 million). This facility has been secured by a legal charge against the ordinary share capital of Aviva Insurance Limited.

Aviva Life & Pensions UK Limited, the Company's indirect subsidiary, provided the following loans to the Company:

- On 18 December 2015, an unsecured loan of £250 million accruing interest at a fixed rate of 0.47% (previously 144 basis points above 6 month LIBOR) with settlement to be paid at maturity in December 2025 after an extension of the loan agreement in 2020. As at the statement of financial position date, the total loan balance outstanding is £250 million (2020: £250 million).
- On 9 January 2017, an unsecured loan of £150 million accruing interest at a fixed rate of 3.22% (previously 3.26%) with settlement to be paid at maturity, initially in January 2019 and subsequently extended to January 2025. As at the statement of financial position date, the total loan balance outstanding is £150 million (2020: £150 million).

Aviva Italia Holdings S.p.A., a direct subsidiary of the Company, provided the following loans to the Company as means to pay up disposal proceeds of the Italian business:

- On 6 May 2021, an unsecured loan of €230 million accruing interest at a fixed rate of 0.55% with a maturity date of 5 May 2022. As at the statement of financial position date, the total loan balance outstanding is £193 million. Subsequent to the statement of financial position date, this loan has been redeemed in full.
- On 1 Oct 2021, an unsecured loan of €310 million accruing interest at a fixed rate of 0.55% with a maturity date of 30 September 2022. As at the statement of financial position date, the total loan balance outstanding is £260 million. Subsequent to the statement of financial position date, this loan has been redeemed in full.
- On 2 December 2021, an unsecured loan of €548 million accruing interest at a fixed rate of 0.55% with a maturity date of 1 December 2022. As at the statement of financial position date, the total loan balance outstanding is £460 million. Subsequent to the statement of financial position date, £56 million of this loan has been settled.

On 13 December 2021, the Company entered into a loan of £367 million with Friends Life Holdings plc, a direct subsidiary, as part of the transfer of the STICS instrument. The loan accrues interest at a fixed rate of 0.895% with a maturity date of 31 December 2022. As at the statement of financial position date, the total loan balance outstanding is £367 million.

On 14 December 2021, the Company entered into a loan of £64 million with Aviva Investors Holdings Limited, a direct subsidiary, as means to pay up disposal proceeds from the sale of the Polish business. The loan accrues interest at a fixed rate of 0.8% and matures on 13 December 2022. As at the statement of financial position date, the total loan balance outstanding is £64 million.

The maturity analysis of the related party loans payable is as follows:

	2021	2020
	£m	£m
Within 1 year	1,346	605
1-5 years	4,392	3,911
Over 5 years	1,293	1,778
	7,031	6,294
Effective interest rate	2.04%	1.92%

The interest paid on these loans shown in the Income Statement is £111 million (2020: £153 million), see note 4.

(b) Financial investments

On 31 May 2018, the Company transferred its entire shareholding in Friends First Life Assurance Company Limited to its indirect subsidiary, UKLAP for a consideration of £114 million Tier 1 subordinated loan notes issued by UKLAP to the Company. The interest received from these loan notes shown in the income statement is £nil (2020: £6 million), which includes £nil (2020: £nil) outstanding at the financial position date included within accrued interest. These loan notes had a fair value of £130 million (2020: £126 million) at the financial position date.

On 9 November 2020, Aviva Life & Pensions UK Limited issued £356 million Tier 1 subordinated loan notes to the Company. As at the financial position date, the total loan balance outstanding was £356 million. The interest received from these loan notes shown in the income statement is £nil million. These loan notes had a fair value of £415 million (2020: £403 million) at the financial position date.

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Notes to the financial statements continued**29. Related party transactions continued****(b) Financial investments continued**

On 30 November 2020, Aviva Singlife, a joint venture of the Company issued SGD260 million perpetual Tier 1 notes to the Company. As at the financial position date, the total balance outstanding was £146 million. The interest received from these loan notes shown in the income statement is £nil million. These loan notes had a fair value of £136 million (2020: £144 million) at the financial position date.

On 13 December 2021, Friends Life Holdings plc transferred its £500 million Internal STICS issued by UKLAP to the Company. The interest received from these loan notes shown in the income statement is £nil million (2020: £nil). These loan notes had a fair value of £529 million (2020: £nil) at the financial position date.

(c) Other transactions**(i) Services provided to related parties**

	2021		2020	
	Income earned in the year	Receivable at year end	Income earned in the year	Receivable at year end
	£m	£m	£m	£m
Subsidiaries	2,590	4	1,098	7
	2,590	4	1,098	7

Income earned relates to dividends received of £2,590 million (2020: £1,098 million).

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

(ii) Services provided by related parties

	2021		2020	
	Expenses incurred in the year	Payable at year end	Expenses incurred in the year	Payable at year end
	£m	£m	£m	£m
Parent	—	30	—	27
Subsidiaries	121	506	80	453
	121	536	80	480

Expenses incurred in the year relates to pension funding expense of £51 million (2020: £57 million) and £70 million other expenses (2020: £23 million).

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 (2020: £nil). Audit fees as described in note 8 are borne by the Company's ultimate parent, Aviva plc.

(iv) Group relief

Transactions with Group companies for settlement of corporation tax assets and liabilities by way of group relief are described in note 20.

(v) Dividends paid

Dividends paid relate to an intercompany transaction of £7,750 million (2020: £nil) with the Company's parent, Aviva plc.

(d) Key management compensation

Key management, which comprises the directors of the Company, are not remunerated directly for their services as directors of the Company and the amount of time spent performing their duties is incidental to their role across the Group. All such costs are borne by Aviva plc and are not recharged to the Company. See note 7 for details of directors' remuneration.

(e) Ultimate parent entity

The ultimate parent entity and controlling party, is Aviva plc, a public limited Group incorporated and domiciled in the United Kingdom. This 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, St Helen's, 1 Undershaft, London EC3P 3DQ, and on the Aviva plc website at www.aviva.com.

30. Subsequent events

On 17 January 2022, the Company acquired Wealthify Group Limited from its subsidiary, Aviva Life Holdings UK Limited, for £4.3 million cash consideration, along with its sub-debt for £1.8 million cash consideration. Following the acquisition, the Company made a capital injection of £11.9 million.

On 21 April 2022, the Company made a capital injection by way of cash of £500 million into its subsidiary company, ALHUK. In return, ALHUK issued £500 million of ordinary shares to the Company.

Notes to the financial statements continued**31. Related undertakings**

The Company's Act 2006 requires disclosure of certain information about the Company's related undertakings which is set out in this note. Related undertakings comprise direct and indirect subsidiaries, joint ventures, associates and other significant holdings.

The Company's related undertakings along with the country of incorporation, the registered address, the class of shares held and the effective percentage of equity owned at 31 December 2021 are listed below.

(a) The direct related undertakings of the Company as at 31 December 2021 are listed below:

Name of undertaking	Registered address	Country of incorporation	Share class	% held
Aviva Asia Management Pte. Ltd.	6 Temasek Boulevard, 29th Floor, Suntec Tower 4, Singapore, 038986, Singapore	Singapore	Ordinary shares	100
Aviva Central Services UK Limited	8 Surrey Street, Norwich, Norfolk, NR1 3NG, United Kingdom	United Kingdom	Ordinary shares	100
Aviva Europe UK Societas	St Helen's, 1 Undershaft, London, EC3P 3DQ, United Kingdom	United Kingdom	Ordinary shares	100
Aviva Insurance Limited	Aviva, Pitheavlis, Perth, Perthshire, PH2 0NH, United Kingdom	United Kingdom	Ordinary shares	100
Aviva International Holdings Limited	St Helen's, 1 Undershaft, London, EC3P 3DQ, United Kingdom	United Kingdom	Parent Interest	100
Aviva International Insurance Limited	St Helen's, 1 Undershaft, London, EC3P 3DQ, United Kingdom	United Kingdom	Ordinary shares	100
Aviva Investors Holdings Limited	St Helen's, 1 Undershaft, London, EC3P 3DQ, United Kingdom	United Kingdom	Ordinary shares	100
Aviva Italia Holding S.p.A	Via Scarsellini 14, 20161, Milan, Italy	Italy	Ordinary shares	100
Aviva Life Holdings UK Limited	Aviva, Wellington Row, York, YO90 1WR, United Kingdom	United Kingdom	Ordinary shares	100
Aviva Singlife Holdings Pte. Ltd.	83 Clemenceau Avenue, #11-01 UE Square, 239920, Singapore	Singapore	Ordinary shares	26
CGU International Holdings BV	St Helen's, 1 Undershaft, London, EC3P 3DQ, United Kingdom	Netherlands	Ordinary shares	100
Friends Life Holdings plc	Aviva, Wellington Row, York, YO90 1WR, United Kingdom	United Kingdom	Ordinary shares	100

Notes to the financial statements continued**31. Related undertakings continued****(b) The indirect related undertakings of the Company as at 31 December 2021 are listed below:**

Company name	Share Class	% held
Australia		
c/o TMF Corporate Services (Aust) Pty Limited, L16, 201 Elizabeth Street, Sydney 2000, Australia		
Aviva Investors Pacific Pty Limited	Ordinary	100
Barbados		
c/o USA Risk Group (Barbados) Limited., 6th Floor, CGI Tower, Warrens, St. Michael, BB22026, Barbados		
Victoria Reinsurance Company Limited.	Common Shares	100
Canada		
10 Aviva Way, Markham ON L6G0G1, Canada		
2161605 Ontario Inc	Common Shares	100
9543864 Canada Inc.	Common Shares	100
Aviva Canada Inc.	Common Shares	100
Aviva General Insurance Company	Common Shares	100
Aviva Insurance Company of Canada	Common Shares	100
Aviva Warranty Services Inc.	Common Shares	100
Bay-Mill Specialty Insurance Adjusters Inc.	Common Shares	100
Elite Insurance Company	Common Shares	100
Insurance Agent Service Inc.	Common Shares	100
Nautimax Limited	Ordinary Shares	100
OIS Ontario Insurance Service Limited	Common Shares	100
Pilot Insurance Company	Common Shares	100
S&Y Insurance Company	Common Shares	100
Scottish & York Insurance Co. Limited	Common Shares	100
Traders General Insurance Company	Common Shares	100
100 King Street West, Floor 49, Toronto ON M5X 2A2, Canada		
Aviva Investors Canada Inc.	Common Shares	100
150 King Street West, Suite #2401, P.O. Box 16, Toronto ON M5H 1J9, Canada		
Prolink Insurance Inc.	Common Shares	34
555 Chabanel Ouest, Bureau 900, Montreal, QC H2N 2H8, Canada		
Aviva Agency Services Inc.	Common Shares	100
Suite 1600, 925 W Georgia St, Vancouver BC V6C 3L2, Canada		
Westmount West Services Inc	Ordinary Shares	100
Czech Republic		
5/482, Ve Svahu, Prague 4, 147 00, Czech Republic		
AIEREF Renewable Energy s.r.o.	Ordinary	100
Denmark		
Gammel Køge Landevej 57,3. DK-2500 Valby, Denmark		
Galleri K Retail ApS	Unit Trust	100
France		
20 PL Vendôme, Paris 75001, France		
AXA LBO Fund IV Feeder	Private Equity Fund	38
47 Rue du Faubourg Saint-Honoré ,75008, France		
CGU Equilibre	FCP	99

Company name	Share Class	% held
Tour Société Générale 17, Cours Valmy, F- 92987 Paris-La Défense, France		
Lyxor Net Zero 2050 S&P World Climate PAB	UCITS	71
Germany		
Ferdinandstraße 75 · 20095 Hamburg, Germany		
Warburg Global Fixed Income Fund	OEIC	21
Thurn-und-Taxis-Platz 6, 60313, Frankfurt am Main, Germany		
Reschop Carré Hattingen GmbH	Ordinary	95
Reschop Carré Marketing GmbH	Ordinary	100
Guernsey		
PO Box 155 Mill Court, La Charroterie, St Peter Port, GY1 4ET, Guernsey		
Paragon Insurance Company Guernsey Limited	Ordinary	47
PO Box 255, Trafalgar Court, Les Banques, St Peter Port, GY1 3QL, Guernsey		
BMO Commercial Property Trust Limited	Ordinary	20
India		
2nd floor, Prakash Deep Building, 7 Tolstoy Marg, New Delhi, 110001, India		
Aviva Life Insurance Company India Limited	Ordinary	49
A-47 (L.G.F), Hauz Khas, New Delhi, Delhi, India		
Sesame Group India Private Limited	Ordinary	100
Pune Office Addresses 103/P3, Pentagon, Magarpatta City, Hadapsar, Pune - 411013, India		
A.G.S. Customer Services (India) Private Limited	Ordinary	100
Ireland		
33/34 Sir John Rogerson's Quay, Dublin 2, D02 HD32, Ireland		
Legal & General ICAV - L&G World Equity Index Fund	OEIC	61
78 Sir John Rogerson's Quay Dublin 2, D02 HD32, Ireland		
Russell Investment Company plc - Acadian Multi-Asset Absolute Return UCITS	UCITS	44
SPDR FTSE EPRA Europe ex UK Real Estate UCITS ETF	UCITS	21
SS&A GRU Euro Index Equity Fund	Unit Trust	36
State Street IUT Balanced Fund S30	IUT	24
Charlotte House, Charlemont Street, Dublin 2, Ireland		
Mercer Diversified Retirement Fund	OEIC	28
Mercer Multi Asset Defensive Fund	OEIC	21
Mercer Multi Asset Growth Fund	OEIC	34
MGI UK Equity	OEIC	21
Friends First House, Cherrywood Science & Technology Park, Loughlinstown, Dublin, Co. Dublin, Ireland		
Ashtown Management Company Limited	Ordinary	50
Georges Court, 54-62 Townsend Street, Dublin, Ireland		
FPPE Fund Public Limited Company	Ordinary	100
FPPE Private Equity Fund	Private Equity Fund	100
IFSC House, International Financial Services Centre, Dublin, Ireland		
Aviva Investors Euro Liquidity Fund	Liquidity Fund	75
Aviva Investors Sterling Government Liquidity Fund	Liquidity Fund	98
Aviva Investors Sterling Liquidity Fund	Liquidity Fund	82

Notes to the financial statements continued

31. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2021 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
Aviva Investors Sterling Liquidity Plus Fund	Liquidity Fund	82	CCPF No.4 Unit Trust	Fund	100
Aviva Investors US Dollar Liquidity Fund	Liquidity Fund	100	Hams Hall Unit Trust	Fund	100
International House, 3 Harbourmaster Place, D01 K8F1, Dublin 1, Ireland			Irongate House Unit Trust	Unit Trust	50
Merrion Managed Fund	Unit Trust	59	Lime Mayfair Unit Trust	Unit Trust	100
Merrion Multi-Asset 30 Fund	Unit Trust	94	Longcross Jersey Unit Trust	Fund	100
Merrion Multi-Asset 50 Fund	Unit Trust	94	New Broad Street House Unit Trust	Fund	50
One Park Place, Hatch Street, Dublin 2, Ireland			Pegasus House and Nuffield House Unit Trust	Fund	50
Aviva DB Trustee Company Ireland Designated Activity Company	Ordinary	100	Southgate Property Unit Trust	Fund	50
Aviva DC Trustee Company Ireland Designated Activity Company	Ordinary	100	The Designer Retail Outlet Centres (Mansfield) Unit Trust	Fund	100
Aviva Direct Ireland Limited	Ordinary	100	The Designer Retail Outlet Centres Unit Trust	Fund	100
Aviva Driving School Ireland Limited	Ordinary	100	The Designer Retail Outlet Centres (York) Unit Trust	Fund	100
Aviva Europe Services	EEIG	100	International Financial Centre 5, St Helier, JF1 1ST, Jersey		
Aviva Group Services Ireland Limited	Ordinary	100	Cannock Designer Outlet Unit Trust	Unit Trust	37
Aviva Insurance Ireland Designated Activity Company	Ordinary	100	Luxembourg		
Aviva Life & Pensions Ireland Designated Activity Company	Ordinary	100	1c, Rue Gabriel Lippmann, L5365, Luxembourg		
Peak Re Designated Activity Company	Ordinary	100	Patriarch Classic B&W Global Freestyle	FCP	38
Italy			2 Rue du Fort Bourbon, L1249, Luxembourg		
Via Scarsellini 14, 20161, Milan, Italy			Aviva Investors Alternative Income Solutions SCSF	Fund	100
Aviva Italia Holding S.p.A	Ordinary	100	Aviva Investors Alternative Income Solutions Investments S.A.	Ordinary	100
Jersey			Aviva Investors Asian Equity Income Fund	SICAV	97
3rd Floor, One The Esplanade, St Helier, JE2 3QA, Jersey			Aviva Investors Climate Transition EUR Infrastructure Fund	SICAV	100
Crieff Road Limited	Ordinary	100	Aviva Investors Climate Transition EUR Real Estate Fund	SICAV	100
FF UK Select Limited	Ordinary	100	Aviva Investors Climate Transition GBP Infrastructure Fund	SICAV	100
22 Grenville Street, St. Helier, JE4 8PX, Jersey			Aviva Investors Climate Transition GBP Real Estate Fund	SICAV	100
Axa Sun Life Private Equity	Unit Trust	100	Aviva Investors Climate Transition Global Credit Fund	SICAV	69
Slas Axa Private Equity	Private Equity Fund	100	Aviva Investors Climate Transition Global Equity Fund	SICAV	31
Gaspé House, 66-72 Esplanade, St Helier, JE1 3PB, Jersey			Aviva Investors Climate Transition Global Equity Fund	OEIC	75
1 Fitzroy Place Jersey Unit Trust	Fund	50	Aviva Investors E-RELI Danone Sarl	Ordinary	100
2 Fitzroy Place Jersey Unit Trust	Fund	50	Aviva Investors E-RELI Duisburg Sarl	Ordinary	100
10 Station Road Unit Trust	Fund	50	Aviva Investors E-RELI Holding Sarl	Ordinary	100
11-12 Hanover Square Unit Trust	Fund	50	Aviva Investors E-RELI SCSF	Ordinary	100
20 Gracechurch Unit Trust	Fund	25	Aviva Investors E-RELI Stern Sarl	Ordinary	100
20 Station Road Unit Trust	Fund	50	Aviva Investors Emerging Markets Bond Fund	SICAV	61
30 Station Road Unit Trust	Fund	50	Aviva Investors Emerging Markets Corporate Bond Fund	SICAV	48
30-31 Golden Square Unit Trust	Fund	50	Aviva Investors Emerging Markets Equity Income Fund	SICAV	99
50-60 Station Road Unit Trust	Fund	50	Aviva Investors Emerging Markets Equity Small Cap Fund	SICAV	75
Aviva Investors Jersey Unit Trusts Management Limited	Ordinary	100	Aviva Investors Emerging Markets Local Currency Bond Fund	SICAV	92
Barratt House Unit Trust	Fund	50			
Bermondsey Yards Unit Trust	Fund	100			

Notes to the financial statements continued

31. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2021 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
Aviva Investors European Corporate Bond Fund	SICAV	31	Sapphire Ile de France 2 S.à r.l.	Ordinary	100
Aviva Investors European Equity Income Fund	SICAV	96	Victor Hugo 1 S.à r.l.	Ordinary	100
Aviva Investors Global EUR ReturnPlus Fund	SICAV	62	24-26, Avenue de la Liberté, L1930 Luxembourg		
Aviva Investors Global GBP ReturnPlus Fund	SICAV	93	Greenman Open Fund	SICAV	64
Aviva Investors Global Convertibles Absolute Return Fund	SICAV	77	28 Boulevard D'Avranches, L1160, Luxembourg		
Aviva Investors Global Emerging Markets Equity Unconstrained Fund	SICAV	31	Goodman European Business Park Fund (Lux) S.à r.l.	Ordinary	50
Aviva Investors Global Emerging Markets Index Fund	SICAV	78	46a Avenue John F Kennedy, L1855, Luxembourg		
Aviva Investors Global Equity Endurance Fund	SICAV	29	Aviva Investors Polish Retail S.à r.l.	Ordinary	100
Aviva Investors Global Equity Unconstrained Fund	SICAV	31	Centaurus CER (Aviva Investors) Sarl	Ordinary	100
Aviva Investors Global High Yield Bond Fund	SICAV	58	Allspring Asset Management Luxembourg S.A., 19, rue de Bittbourg L-1273, Luxembourg		
Aviva Investors Global Investment Grade Corporate Bond Fund	SICAV	82	Allspring (Lux) Worldwide Fund - Global Small Cap Equity Fund	SICAV	66
Aviva Investors Luxembourg	Ordinary	100	Schenkkade 65, 2595 AS, Den Haag, Luxembourg		
Aviva Investors Multi-Strategy Target Return Fund	SICAV	49	NN (L) Alternative Beta	SICAV	21
Aviva Investors Perpetual Capital SCSP SICAV RAIF	Fund	100	Netherlands		
Aviva Investors Real Assets Climate Transition Fund	SICAV	100	Archimedeslaan 10, 3584 BA Utrecht, Netherlands		
Aviva Investors Renewable Energy S.A	SICAV	100	ASR Separate Account Mortgage Fund Open Ended	OEIC	98
Galleri K (GP) Sarl	Unit Trust	100	Norway		
UK Listed Equity High Alpha Fund	SICAV	94	1383 Asker, C/O TMF Norway AS Hagaløkkveien 26, Norway		
2, Boulevard Konrad Adenauer, L1115 Luxembourg			Aviva Investors E-RELI Norway Holding AS	Ordinary	100
Xtrackers II Eurozone Government Bond 15-30 UCITS ETF	SICAV	38	Kongsgard Alle 20 AS	Ordinary	100
AIDE-Aviva Infrastructure Debt Europe I S.A.	Fund	100	Poland		
AIESIC - Aviva Investors European Secondary Infrastructure Credit SV S.A	Fund	67	Al Jana Pawla II 25, 00-854, Warsaw, Poland		
3 rue des Labours, L-1912 Luxembourg			Wroclaw BC sp. z o.o	Ordinary	100
HASPA TRENDKONZEPT-V (HASTRDV)	Ordinary	53	Inflancka 4b, 00-189, Warsaw, Poland		
4, Rue Albert Borschette, L-1246, Luxembourg			Aviva Services Spółka z ograniczoną odpowiedzialnością	Ordinary	100
MFS Meridian Funds - Continental European Equity Fund	SICAV	32	Plac Piłsudskiego 1 Warszawa, MAZOWIECKIE, 00-078 Poland		
5, Rue Heienhaff, L1736 Senningerberg, Luxembourg			Focus Mall Zielona Gora Sp zoo	Unit Trust	100
Robeco QI Global Multi-Factor Bonds	SICAV	69	Focus Park Piotrkow Trybunalski Sp zoo	Unit Trust	100
16 Avenue de la Gare, L1610, Luxembourg			PBC Lodz SP zoo	Unit Trust	100
AFRP Sarl	Ordinary	100	PBC Wroclaw Sp zoo	Unit Trust	100
AIEREF Holding 1	Ordinary	100	Singapore		
AIEREF Holding 2	Ordinary	100	1 Raffles Quay, #27-13, South Tower, 048583, Singapore		
Aviva Investors Alternative Income Solutions General Partner S.à r.l.	Ordinary	100	Aviva Investors Asia Pte. Limited	Ordinary	100
Aviva Investors EBC S.à r.l.	Ordinary	100	4 Shenton Way, 01 SGX Centre 2, 068807, Singapore		
Aviva Investors E-RELI (GP) SARL	Ordinary	100	Aviva Limited	Ordinary	26
Aviva Investors European Renewable Energy S.A.	Ordinary	100	Aviva SingLife Pte. Limited	Ordinary	26
Aviva Investors Luxembourg Services S.à r.l.	Ordinary	100	6 Temasek Boulevard, #29-00 Suntec Tower Four, 038986, Singapore		
Aviva Investors Perpetual Capital (GP) SARL	Ordinary	100	Aviva Asia Management Pte. Limited	Ordinary	100
Hexagone S.à r.l.	Ordinary	100			
Sapphire Ile de France 1 S.à r.l.	Ordinary	100			

Notes to the financial statements continued

31. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2021 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
Aviva Global Services (Management Services) Private Limited	Ordinary	100	12 Throgmorton Avenue, London EC2N 2DL, United Kingdom		
Spain			BlackRock Market Advantage Fund	Unit Trust	55
1D, 13 Edificio América Av. de Bruselas, 28108, Alcobendas, Madrid, Spain			BlackRock Sterling Short Duration Credit Fund	Unit Trust	100
Eólica Almatret S.L.	Ordinary	50	ACS WLD ESG INSIGHTS EQ-X1GA	OEIC	89
Switzerland			22 Bishopsgate, London, EC3A 6HX, United Kingdom		
Leutschenbachstrasse 45, 8050 Zurich, Switzerland			AXA Ethical Distribution Fund	OEIC	33
Aviva Investors Schweiz GmbH	Ordinary	100	AXA Rosenberg American Fund	OEIC	97
United Kingdom			AXA Rosenberg Asia Pacific ex Japan Fund	OEIC	95
1 Filament Walk, Suite 203, London, SW18 4GQ, United Kingdom			AXA Rosenberg Global Fund	OEIC	93
Freetricity South East Limited	Ordinary	100	AXA Rosenberg Japan Fund	OEIC	95
1 London Wall Place, London EC2Y 5AU			2nd Floor, 36 Broadway, London, SW1H 0BH, United Kingdom		
Schroder QEP US Core Fund	Unit Trust	45	Fred. Olsen CBH Limited	Ordinary	49
5 Lister Hill, Horsforth, Leeds, LS18 5AZ			50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ1, United Kingdom		
Aspire Financial Management Limited	Ordinary	47	Asl Infrastructure Equity Npv	Private Equity Fund	100
Living in Retirement Limited	Ordinary	47	50 Stratton Street, London W1J , United Kingdom		
Tenet & You Limited	Ordinary	47	Lazard Multicap UK Income Fund	OEIC	49
Tenet Business Solutions Limited	Ordinary	47	57-59 St James's Street, London SW1A 1LD, United Kingdom		
Tenet Client Services Limited	Ordinary	47	Artemis UK Special Situations Fund	Unit Trust	25
Tenet Compliance Services Limited	Ordinary	47	15th Floor, 140 London Wall, EC2Y 5DN, United Kingdom		
Tenet Financial Services Limited	Ordinary/Reedeemable	37	Houghton Regis Management Company Limited	Ordinary	33
Tenet Group Limited	Ordinary	47	180 Great Portland Street, London, W1W 5QZ, United Kingdom		
Tenet Limited	Ordinary	47	Quantum Property Partnership (General Partner) Limited	Ordinary	50
Tenet Mortgage Solutions	Ordinary	47	Quantum Property Partnership (Nominee) Limited	Ordinary	50
TenetConnect Limited	Ordinary	47	BMO Fund Management Limited, PO Box 9040, Chelmsford, Essex, CM99 2XH, United Kingdom		
TenetLime Limited	Ordinary	47	BMO Emerging Markets Equity Fund	OEIC	45
TenetConnect Services Limited	Ordinary	47	BMO Global Total Return Bond (GBP Hdg) Fund	OEIC	31
4th Floor, New London House, 6 London Street, London, EC3R 7LP, United Kingdom			c/o Harper MacLeod LLP, The Cadoro, 45 Gordon Street, Glasgow, G1 3PE, United Kingdom		
Polaris U.K. Limited	Ordinary	39	Brockloch Rig Windfarm Limited	Ordinary	49
6th Floor Quartermile 4, 7a Nightingale Way, Edinburgh, EH3 9EG, United Kingdom			Crystal Rig III Limited	Ordinary	49
F C European Capital Partners	Fund	29	c/o James Fletcher, Mainstay, Whittington Hall, Whittington Road, Worcester, England, WR5 2ZX, United Kingdom		
7 Lochside View, Edinburgh, EH12 9DH, United Kingdom			Aviva Investors GR SPV 1 Limited	Ordinary	100
Criterion Tec Holdings Limited	Ordinary	23	Aviva Investors GR SPV 2 Limited	Ordinary	100
Criterion Tec Limited	Ordinary	23	Aviva Investors GR SPV 3 Limited	Ordinary	100
Origo Services Limited	Ordinary	22	Aviva Investors GR SPV 4 Limited	Ordinary	100
8 Surrey Street, Norwich, Norfolk, NR1 3NG, United Kingdom			Aviva Investors GR SPV 5 Limited	Ordinary	100
Aviva Health UK Limited	Ordinary	100	Aviva Investors GR SPV 6 Limited	Ordinary	100
Aviva Insurance UK Limited	Ordinary	100	Aviva Investors GR SPV 7 Limited	Ordinary	100
Aviva UKGI Investments Limited	Ordinary	100	Aviva Investors GR SPV 8 Limited	Ordinary	100
Gresham Insurance Company Limited	Ordinary	100	Aviva Investors GR SPV 9 Limited	Ordinary	100
Healthcare Purchasing Alliance Limited	Ordinary	50	Aviva Investors GR SPV 10 Limited	Ordinary	100
London and Edinburgh Insurance Company Limited	Ordinary	100	Aviva Investors GR SPV 11 Limited	Ordinary	100
RAC Pension Trustees Limited	Ordinary	100	Aviva Investors GR SPV 12 Limited	Ordinary	100
Solus (London) Limited	Ordinary	100	Aviva Investors GR SPV 13 Limited	Ordinary	100
Synergy Sunrise (Broadlands) Limited	Ordinary	100	Aviva Investors GR SPV 14 Limited	Ordinary	100

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Notes to the financial statements continued

31. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2021 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
Aviva Investors GR SPV 15 Limited	Ordinary	100	Pitheavlis, Perth, Perthshire, PH2 0NH, United Kingdom		
Aviva Investors GR SPV 16 Limited	Ordinary	100	AICT Real Estate (Curtain House) General Partner Limited	Ordinary	100
Aviva Investors GR SPV 17 Limited	Ordinary	100	AICT Real Estate (Curtain House) Limited Partnership	Fund	100
Calton Square, 1 Greenside Row, Edinburgh EH1 3AN, United Kingdom			Aviva (Peak No.1) UK Limited	Ordinary	100
Baillie Gifford UK Equity Core Fund	OEIC	22	Aviva Investors (FP) Limited	Ordinary	100
Baillie Gifford International Fund	OEIC	22	Aviva Investors (GP) Scotland Limited	Ordinary	100
Centrium 1, Griffiths Way, St Albans, Hertfordshire, AL1 2RD, United Kingdom			Aviva Investors Climate Transition GBP Real Estate General Partner Limited	Ordinary	100
Opal (UK) Holdings Limited	Ordinary	29	Aviva Investors Climate Transition GBP Real Estate Limited Partnership	Fund	100
Opal Information Systems Limited	Ordinary	29	Medium Scale Wind No.2 Limited	Ordinary	100
Outsourced Professional Administration Limited	Ordinary	29	Samuel House, 6 St. Albans Street, 4th floor, London, SW1Y 4SQ, United Kingdom		
Synergy Financial Products Limited	Ordinary	29	Acre Platforms Limited	Ordinary	40
East Farmhouse, Cams Hall Estate, Fareham, PO16 8UT, United Kingdom			Shakespeare House, 42 Newmarket Road, Cambridge, CB5 8EP, United Kingdom		
IQUO Limited	Ordinary	50	Hillswood Management Limited	Ordinary	24
Exchange House, Primrose Street, London EC2A 2NY, United Kingdom			St Helen's, 1 Undershaft, London, EC3P 3DQ, United Kingdom		
BMO Diversified Growth Fund	SICAV	94	1 Fitzroy Place Limited Partnership	Fund	50
BMO European Growth & Income Fund	SICAV	99	1 Liverpool Street GP Limited	Ordinary	100
BMO Global Total Return Bond Fund	SICAV	74	1 Liverpool Street Nominee 1 Limited	Ordinary	100
BMO Multi-Strategy Global Equity Fund	OEIC	96	1 Liverpool Street Nominee 2 Limited	Ordinary	100
BMO North American Equity Fund	OEIC	29	2 Fitzroy Place Limited Partnership	Fund	50
Legal & General (Unit Trust Managers) Limited PO Box 6080 Wolverhampton WV1 9RB, United Kingdom			2-10 Mortimer Street (GP No 1) Limited	Ordinary	50
L&G MULTI-INDEX EUR III-NEA	OEIC	100	2-10 Mortimer Street GP Limited	Ordinary	50
L&G MULTI-INDEX EUR IV-NEA	OEIC	100	2-10 Mortimer Street Limited Partnership	Fund	50
L&G MULTI-INDEX EUR V-NEA	OEIC	100	10 Station Road LP	Fund	50
Liontrust Fund Partners LLP, 2 Savoy Court, London WC2R 0EZ, United Kingdom			10 Station Road Nominee 1 Limited	Ordinary	100
Liontrust Sustainable Future Corporate Bond Fund	OEIC	27	10 Station Road Nominee 2 Limited	Ordinary	100
Liontrust Sustainable Future European Growth Fund	OEIC	30	10-11 GNS Limited	Ordinary	100
Liontrust Sustainable Future Global Growth Fund	OEIC	20	11-12 Hanover Square LP	Fund	50
Liontrust Sustainable Future Managed Fund	OEIC	40	11-12 Hanover Square Nominee 1 Limited	Ordinary	50
Liontrust Sustainable Future Managed Growth Fund	OEIC	27	11-12 Hanover Square Nominee 2 Limited	Ordinary	50
Liontrust Sustainable Future UK Growth Fund	OEIC	24	20 Gracechurch (General Partner) Limited	Ordinary	50
Liontrust UK Ethical Fund	OEIC	48	20 Gracechurch Limited Partnership	Fund	50
Nations House 3rd Floor, 103 Wigmore Street, London W1U 1QS, United Kingdom			20 Station Road LP	Fund	50
Cannock Consortium LLP	Fund	43	20 Station Road Nominee 1 Limited	Ordinary	100
Cannock Designer Outlet (GP Holdings) Limited	Ordinary	43	20 Station Road Nominee 2 Limited	Ordinary	100
Cannock Designer Outlet (GP) Limited	Ordinary	43	30 Station Road LP	Fund	50
Cannock Designer Outlet LP	Fund	37	30 Station Road Nominee 1 Limited	Ordinary	100
Cannock Designer Outlet (Nominee 1) Limited	Ordinary	43	30 Station Road Nominee 2 Limited	Ordinary	100
Cannock Designer Outlet (Nominee 2) Limited	Ordinary	43	30-31 Golden Square Limited Partnership	Fund	50
Old Bouchiers Hall New Road, Aldham, Colchester, Essex, C06 3QU United Kingdom			30-31 Golden Square Nominee 1 Limited	Ordinary	50
County Broadband Holdings Limited	Ordinary	29	30-31 Golden Square Nominee 2 Limited	Ordinary	50

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Notes to the financial statements continued**31. Related undertakings continued****(b) The indirect related undertakings of the Company as at 31 December 2021 are listed below:**

Company name	Share Class	% held	Company name	Share Class	% held
41-42 Lowndes Square Management Company Limited	Ordinary	75	Aviva Investors Energy Centres No.1 Limited Partnership	Fund	100
50-60 Station Road LP	Fund	50	Aviva Investors Funds ACS AI ASIA PACIFIC EX JAPAN FUND	OEIC	100
50-60 Station Road Nominee 1 Limited	Ordinary	100	Aviva Investors Funds ACS AI BALANCED LIFE FUND	OEIC	100
50-60 Station Road Nominee 2 Limited	Ordinary	100	Aviva Investors Funds ACS AI BALANCED PENSION FUND	OEIC	100
130 Fenchurch Street General Partner Limited	Ordinary	100	Aviva Investors Funds ACS AI CAUTIOUS PENSION FUND	OEIC	100
130 Fenchurch Street LP	Fund	100	Aviva Investors Funds ACS AI Continental European Equity Alpha Fund	OEIC	100
130 Fenchurch Street Nominee 1 Limited	Ordinary	100	Aviva Investors Funds ACS AI DISTRIBUTION LIFE FUND	OEIC	100
130 Fenchurch Street Nominee 2 Limited	Ordinary	100	Aviva Investors Funds ACS AI EUROPE EQUITY EX UK FUND	OEIC	100
101 Moorgate GP Limited	Ordinary	100	Aviva Investors Funds ACS AI GLOBAL EQUITY ALPHA FUND	OEIC	100
101 Moorgate Nominee 1 Limited	Ordinary	100	Aviva Investors Funds ACS AI GLOBAL EQUITY FUND	OEIC	100
101 Moorgate Nominee 2 Limited	Ordinary	100	Aviva Investors Funds ACS AI Index Linked Gilt Fund	OEIC	100
2015 Sunbeam Limited	Ordinary	100	Aviva Investors Funds ACS AI Japan Equity Alpha Fund	OEIC	100
AICT GBP Real Estate (Telford) Limited	Ordinary	100	Aviva Investors Funds ACS AI JAPAN EQUITY FUND	OEIC	89
Ascot Real Estate Investments GP LLP	Fund	50	Aviva Investors Funds ACS AI MONEY MARKET VNAV FUND	OEIC	99
Ascot Real Estate Investments LP	Fund	50	Aviva Investors Funds ACS AI NORTH AMERICAN EQUITY FUND	OEIC	100
Atlas Park Management Company Limited	Company Limited by Guarantee	100	Aviva Investors Funds ACS AI Pre-Annuity Fixed Interest Fund	OEIC	100
Aviva Brands Limited	Ordinary	100	Aviva Investors Funds ACS AI STERLING CORPORATE BOND FUND	OEIC	100
Aviva Commercial Finance Limited	Ordinary	100	Aviva Investors Funds ACS AI STERLING GILT FUND	OEIC	100
Aviva Company Secretarial Services Limited	Ordinary	100	Aviva Investors Funds ACS AI STEWARDSHIP FIXED INTEREST FUND	OEIC	99
Aviva Credit Services UK Limited	Ordinary	100	Aviva Investors Funds ACS AI STEWARDSHIP INTERNATIONAL EQUITY FUND	OEIC	99
Aviva Employment Services Limited	Ordinary	100	Aviva Investors Funds ACS AI STEWARDSHIP UK EQUITY FUND	OEIC	99
Aviva Insurance Services UK Limited	Ordinary	100	Aviva Investors Funds ACS AI STEWARDSHIP UK EQUITY INCOME FUND	OEIC	96
Aviva Investors 30 70 Global Eq Ccy Hedged Ind Fund	OEIC	100	Aviva Investors Funds ACS AI STRATEGIC GLOBAL EQUITY FUND	OEIC	100
Aviva Investors 40 Spring Gardens (General Partner) Limited	Ordinary	100	Aviva Investors Funds ACS AI UK Equity Alpha Fund	OEIC	92
Aviva Investors Climate Transition Global Equity Fund	OEIC	76	Aviva Investors Funds ACS AI UK Equity Dividend Fund	OEIC	100
Aviva Investors Climate Transition Real Assets Fund	OEIC	100	Aviva Investors Funds ACS AI UK EQUITY FUND	OEIC	100
Aviva Investors Commercial Assets GP Limited	Ordinary	100	Aviva Investors Funds ACS AI UK EQUITY INCOME FUND	OEIC	100
Aviva Investors Commercial Assets Nominee Limited	Ordinary	100	Aviva Investors Funds ACS AI US LARGE CAP EQUITY FUND	OEIC	100
Aviva Investors Continental Euro Equity Index Fund	OEIC	100	Aviva Investors Global Emerging Markets Equity Unconstrained Fund	OEIC	79
Aviva Investors Developed World Ex UK Equity Index Fund	OEIC	100	Aviva Investors Global Equity Endurance Fund	OEIC	98
Aviva Investors EBC GP Limited	Ordinary	100	Aviva Investors Global Equity Unconstrained Fund	OEIC	93
Aviva Investors Energy Centres No.1 GP Limited	Ordinary	100			

Notes to the financial statements continued**31. Related undertakings continued****(b) The indirect related undertakings of the Company as at 31 December 2021 are listed below:**

Company name	Share Class	% held	Company name	Share Class	% held
Aviva Investors Global Services Limited	Ordinary	100	Aviva Investors Multi-Strategy Target Return Fund	OEIC	56
Aviva Investors Ground Rent GP Limited	Ordinary	100	Aviva Investors Non-Gilt Bond Up to 5 Yrs Index Fund	OEIC	100
Aviva Investors Ground Rent Holdco Limited	Ordinary	100	Aviva Investors North American Equity Index Fund	OEIC	94
Aviva Investors High Yield Bond Fund	OEIC	54	Aviva Investors Pacific Ex Japan Equity Index Fund	OEIC	100
Aviva Investors Infrastructure GP Limited	Ordinary	100	Aviva Investors Passive Funds ACS AI 40 60 GLOBAL EQUITY INDEX FUND	OEIC	100
Aviva Investors Infrastructure Income B Limited	Ordinary	100	Aviva Investors Passive Funds ACS AI 50 50 GLOBAL EQUITY INDEX FUND	OEIC	100
Aviva Investors Infrastructure Income No.1 Limited	Ordinary	100	Aviva Investors Passive Funds ACS AI 60 40 GLOBAL EQUITY INDEX FUND	OEIC	100
Aviva Investors Infrastructure Income No.2 Limited	Ordinary	100	Aviva Investors Passive Funds ACS AI DEVELOPED ASIA PACIFIC EX JAPAN EQUITY INDEX FUND	OEIC	100
Aviva Investors Infrastructure Income No.2B Limited	Ordinary	100	Aviva Investors Passive Funds ACS AI DEVELOPED EUROPEAN EX UK EQUITY INDEX FUND	OEIC	100
Aviva Investors Infrastructure Income No.3 Limited	Ordinary	100	Aviva Investors Passive Funds ACS AI DEVELOPED OVERSEAS GOVERNMENT BOND (EX UK) INDEX FUND	OEIC	100
Aviva Investors Infrastructure Income No.4A Limited	Ordinary	100	Aviva Investors Passive Funds ACS AI INDEX-LINKED GILTS OVER 5 YEARS INDEX FUND	OEIC	100
Aviva Investors Infrastructure Income No.4B Limited	Ordinary	100	Aviva Investors Passive Funds ACS AI JAPANESE EQUITY INDEX FUND	OEIC	95
Aviva Investors Infrastructure Income No.5 Limited	Ordinary	100	Aviva Investors Passive Funds ACS AI MULTI-ASSET (40-85% SHARES) INDEX FUND	OEIC	100
Aviva Investors Infrastructure Income No.6 Limited	Ordinary	59	Aviva Investors Passive Funds ACS AI NON-GILT BOND ALL STOCKS INDEX FUND	OEIC	100
Aviva Investors Infrastructure Income No.6a1 Limited	Ordinary	100	Aviva Investors Passive Funds ACS AI NON-GILT BOND OVER 15 YEARS INDEX FUND	OEIC	100
Aviva Investors Infrastructure Income No.6B Limited	Ordinary	32	Aviva Investors Passive Funds ACS AI UK GILTS ALL STOCKS INDEX FUND	OEIC	100
Aviva Investors Infrastructure Income No.6c Limited	Ordinary	100	Aviva Investors Passive Funds ACS AI UK GILTS OVER 15 YEARS INDEX FUND	OEIC	100
Aviva Investors Infrastructure Income No.6c1 Limited	Ordinary	59	Aviva Investors Pensions Limited	Ordinary	100
Aviva Investors Infrastructure Income No.7 Limited	Ordinary	64	AVIVA INVESTORS PIP SOLAR PV (GENERAL PARTNER) LIMITED	Ordinary	100
Aviva Investors Infrastructure Income No.8 Limited	Ordinary	100	Aviva Investors PIP Solar PV Limited Partnership	Fund	100
Aviva Investors Investment Funds ICVC Aviva Investors Corporate Bond Fund	OEIC	96	AVIVA INVESTORS PIP SOLAR PV NO.1 LIMITED	Ordinary	100
Aviva Investors Investment Funds ICVC Aviva Investors Global Equity Income Fund	OEIC	70	AVIVA INVESTORS POLISH RETAIL GP LIMITED	Ordinary	100
Aviva Investors Investment Funds ICVC Aviva Investors International Index Tracking Fund	OEIC	76	Aviva Investors Polish EBC LP	Fund	100
Aviva Investors Investment Funds ICVC Aviva Investors Managed High Income Fund	OEIC	64	Aviva Investors Polish Retail LP	Fund	100
Aviva Investors Investment Funds ICVC Aviva Investors Strategic Bond Fund	OEIC	41	Aviva Investors Portfolio Funds ICVC Aviva Investors Multi-asset Fund III	OEIC	48
Aviva Investors Investment Funds ICVC Aviva Investors UK Equity Income Fund	OEIC	50	Aviva Investors Portfolio Funds ICVC Aviva Investors Multi-asset Fund IV	OEIC	33
Aviva Investors Investment Funds ICVC Aviva Investors UK Index Tracking Fund	OEIC	69	Aviva Investors Portfolio Funds ICVC Aviva Investors Multi-Manager 20-60% Shares Fund	OEIC	81
Aviva Investors Manager of Manager ICVC (ICVC2) Aviva Investors Japan Equity MoM 1 Fund	OEIC	100	Aviva Investors Portfolio Funds ICVC Aviva Investors Multi-Manager 40-85% Shares Fund	OEIC	79
Aviva Investors Multi-asset Plus II Fund	OEIC	31	Aviva Investors Portfolio Funds ICVC Aviva Investors Multi-Manager Flexible Fund	OEIC	80
Aviva Investors Multi-asset Plus V Fund	OEIC	34	Aviva Investors Property Funds ICVC Aviva Investors European Property Fund	OEIC	73

Notes to the financial statements continued**31. Related undertakings continued****(b) The indirect related undertakings of the Company as at 31 December 2021 are listed below:**

Company name	Share Class	% held	Company name	Share Class	% held
Aviva Investors Property Fund Management Limited	Ordinary	100	Boston Wood Recovery Limited	Ordinary	100
Aviva Investors Real Estate Limited	Ordinary	100	Building a Future (Newham Schools) Limited	Ordinary	100
Aviva Investors Secure Income REIT Limited	Ordinary	100	Cara Renewables Limited	Ordinary	100
Aviva Investors Social Housing GP Limited	Ordinary	100	CCPF No.4 LP	Fund	100
Aviva Investors Social Housing Limited	Ordinary	100	Chesterford Park (General Partner) Limited	Ordinary	100
Aviva Investors Stewardship FixedInt Feeder Fund	OEIC	95	Chesterford Park (Nominee) Limited	Ordinary	100
Aviva Investors Stewardship Int'l Eq Feeder Fund	OEIC	99	Chesterford Park Limited Partnership	Fund	50
Aviva Investors Stewardship UK Eq Feeder Fund	OEIC	99	Commercial Union Corporate Member Limited	Ordinary	100
Aviva Investors Stewardship UK EqInc Feeder Fund	OEIC	99	Commercial Union Life Assurance Company Limited	Ordinary	100
Aviva Investors Sustainable Income & Growth Fund	OEIC	84	Den Brook Energy Limited	Ordinary	100
Aviva Investors UK CRES GP Limited	Ordinary	100	Digital Garage Nominee 1 Limited	Ordinary	100
Aviva Investors UK Eq Ex Aviva Inv Trusts Index Fund	OEIC	100	Digital Garage Nominee 2 Limited	Ordinary	100
Aviva Investors UK Fund Services Limited	Ordinary	100	EES Operations 1 Limited	Ordinary	100
Aviva Investors UK Gilts Up to 5 Years Index Fund	OEIC	100	Electric Avenue Limited	Ordinary	100
Aviva Investors UK Listed Equity Ex Tobacco Fund	OEIC	100	Fitzroy Place GP 2 Limited	Ordinary	50
Aviva Investors UK Listed Equity Fund	OEIC	100	Fitzroy Place Management Co Limited	Ordinary	50
Aviva Investors UK Listed Equity Income Fund	OEIC	51	Fitzroy Place Residential Limited	Ordinary	50
Aviva Investors UK Listed High Alpha Fund	OEIC	87	Free Solar (Stage 2) Limited	Ordinary	100
Aviva Overseas Holdings Limited	Ordinary	100	GES Solar2 Limited	Ordinary	100
Aviva Public Private Finance Limited	Ordinary	100	GES Solar3 Limited	Ordinary	100
Aviva Special PFI GP Limited	Ordinary	100	Gobafoss General Partner Limited	Ordinary	100
Aviva Special PFI Limited Partnership	Fund	100	Gobafoss Partnership Nominee No 1 Limited	Ordinary	100
Aviva Staff Pension Trustee Limited	Ordinary	100	Heath Farm Energy Limited	Ordinary	64
Aviva UK Digital Limited	Ordinary	100	Hooton Bio Power Limited	Ordinary	56
Aviva UKLAP De-risking Limited	Ordinary	100	Houlton Commercial Management Company Limited	Ordinary	50
Access 10 Management Company Limited	Company Limited by Guarantee	100	Igloo Regeneration (General Partner) Limited	Ordinary	50
Barratt House LP	Fund	50	Igloo Regeneration (Nominee) Limited	Ordinary	50
Barratt House Nominee 1 Limited	Ordinary	50	Igloo Regeneration Developments (General Partner) Limited	Ordinary	50
Barratt House Nominee 2 Limited	Ordinary	50	Igloo Regeneration Developments LP	Fund	20
Barwell Business Park Nominee Limited	Ordinary	100	Igloo Regeneration LP	Fund	20
Bermondsey Yards General Partner Limited	Ordinary	100	Igloo Regeneration Property Unit Trust	Unit Trust	50
Bermondsey Yards Limited Partnership	Fund	100	Irongate House LP	Fund	50
Bermondsey Yards Nominee 1 Limited	Ordinary	100	Irongate House Nominee 1 Limited	Ordinary	50
Bermondsey Yards Nominee 2 Limited	Ordinary	100	Irongate House Nominee 2 Limited	Ordinary	50
Bersey Warehouse Nominee 1 Limited	Ordinary	100	Jacks Lane Energy Limited	Ordinary	100
Bersey Warehouse Nominee 2 Limited	Ordinary	100	Lime Property Fund (General Partner) Limited	Fund	100
Biomass UK No. 3 Limited	Ordinary Deferred	100	Lime Property Fund (Nominee) Limited	Ordinary	100
Biomass UK No.1 LLP	Member Capital	75	Lombard (London) 1 Limited	Ordinary	100
Biomass UK No.2 Limited	Ordinary Deferred	100	Lombard (London) 2 Limited	Ordinary	100
Biomass UK No.4 Limited	Ordinary	100	Longcross General Partner Limited	Ordinary	100
Boston Biomass Limited	Ordinary	100	Longcross Limited Partnership	Fund	100

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Notes to the financial statements continued

31. Related undertakings continued

(b) The indirect related undertakings of the Company as at 31 December 2021 are listed below:

Company name	Share Class	% held	Company name	Share Class	% held
Longcross Nominee 1 Limited	Ordinary	100	Renewable Clean Energy 3 Limited	Ordinary	100
Longcross Nominee 2 Limited	Ordinary	100	RENEWABLE CLEAN ENERGY LIMITED	Ordinary	100
Mamhilad Solar Limited	Ordinary	100	Riley Factory Nominee 1 Limited	Ordinary	100
Medium Scale Wind No.1 Limited	Ordinary	100	Riley Factory Nominee 2 Limited	Ordinary	100
Minnygap Energy Limited	Ordinary	100	Rugby Radio Station (General Partner) Limited	Ordinary	50
Mortimer Street Associated Co 1 Limited	Ordinary	50	Rugby Radio Station Limited Partnership	Fund	50
Mortimer Street Associated Co 2 Limited	Ordinary	50	Rugby Radio Station (Nominee) Limited	Ordinary	50
Mortimer Street Nominee 1 Limited	Ordinary	50	Solar Clean Energy Limited	Ordinary	100
Mortimer Street Nominee 2 Limited	Ordinary	50	Southgate General Partner Limited	Ordinary	50
Mortimer Street Nominee 3 Limited	Ordinary	50	Southgate LP (Nominee 1) Limited	Ordinary	50
NCH Solar1 Limited	Ordinary	100	Southgate LP (Nominee 2) Limited	Ordinary	50
New Broad Street House LP	Fund	50	Spire Energy Limited	Ordinary	100
New Broad Street House Nominee 1 Limited	Ordinary	50	Station Road Cambridge LP	Fund	55
New Broad Street House Nominee 2 Limited	Ordinary	50	Station Road General Partner LLP	LLP	100
NIRO Renewables Limited	Ordinary	100	Stonebridge Cross Management Limited	Company Limited by Guarantee	100
Norwich Union Public Private Partnership Fund	Fund	100	SUE Developments Limited Partnership	Fund	50
Norwich Union (Shareholder GP) Limited	Ordinary	100	SUE GP LLP	LLP	50
NU 3PS Limited	Ordinary	100	SUE GP Nominee Limited	Ordinary	50
NU Developments (Brighton) Limited	Ordinary	100	Swan Valley Management Limited	Ordinary	100
NU Library For Brighton Limited	Ordinary	100	The Designer Retail Outlet Centres (Mansfield) General Partner Limited	Ordinary	100
NU Local Care Centres (Bradford) Limited	Ordinary	100	The Designer Retail Outlet Centres (Mansfield) Limited Partnership	Fund	97
NU Local Care Centres (Chichester No.1) Limited	Ordinary	100	The Designer Retail Outlet Centres (York) General Partner Limited	Ordinary	100
NU Local Care Centres (Chichester No.2) Limited	Ordinary	100	The Designer Retail Outlet Centres (York) Limited Partnership	Fund	97
NU Local Care Centres (Chichester No.3) Limited	Ordinary	100	The Ocean Marine Insurance Company Limited	Ordinary	100
NU Local Care Centres (Chichester No.4) Limited	Ordinary	100	The Rutherford Nominee 1 Limited	Ordinary	100
NU Local Care Centres (Chichester No.5) Limited	Ordinary	100	The Rutherford Nominee 2 Limited	Ordinary	100
NU Local Care Centres (Chichester No.6) Limited	Ordinary	100	The Southgate Property Limited Partnership	Fund	50
NU Local Care Centres (Farnham) Limited	Ordinary	100	The Square Brighton Limited	Ordinary	100
NU Offices for Redcar Limited	Ordinary	100	Turncole Wind Farm Limited	Ordinary	100
NU Schools for Redbridge Limited	Ordinary	100	Tyne Assets (No 2) Limited	Ordinary	100
NU Technology and Learning Centres (Hackney) Limited	Ordinary	100	Tyne Assets Limited	Ordinary	100
NUPPP (Care Technology and Learning Centres) Limited	Ordinary	100	Welsh Insurance Corporation Limited/The	Ordinary	100
NUPPP (GP) Limited	Ordinary	100	Westcountry Solar Solutions Limited	Ordinary	100
NUPPP Nominees Limited	Ordinary	100	Woolley Hill Electrical Energy Limited	Ordinary	100
Opus Park Management Limited	Company Limited by Guarantee	100	WR 11 Solar Limited	Ordinary	100
Pegasus House and Nuffield House LP	Fund	50	Yorkshire Insurance Company Limited /The	Ordinary	100
Pegasus House and Nuffield House Nominee 1 Limited	Ordinary	50	Swan Court Waterman's Business Park, Kingsbury Crescent, Staines, Surrey, TW18 3BA, United Kingdom		
Pegasus House and Nuffield House Nominee 2 Limited	Ordinary	50	Healthcode Limited	Ordinary	20
Porth Teigr Management Company Limited	Ordinary	50	Tec Marina Terra Nova Way, Penarth, Cardiff, Wales, CF64 1SA, United Kingdom		
Quarryvale One Limited	Ordinary	100	Wealthify Group Limited	Ordinary	100
RDF Energy No.1 Limited	Ordinary	57	Wealthify Limited	Ordinary	100

Notes to the financial statements continued**31. Related undertakings continued****(b) The indirect related undertakings of the Company as at 31 December 2021 are listed below:**

Company name	Share Class	% held	Company name	Share Class	% held
The Green, Easter Park, Benyon Road, Reading, RG7 2P, United Kingdom			Friends' Provident Managed Pension Funds Limited	Ordinary	100
ANESCO Mid Devon Limited	Ordinary	100	Friends SL Nominees Limited	Ordinary	100
ANESCO South West Limited	Ordinary	100	Friends SLUA Limited	Ordinary	100
Free Solar (Stage 1) Limited	Ordinary	100	Gateway Specialist Advice Services Limited	Ordinary	100
Homesun 2 Limited	Ordinary	100	Lancashire and Yorkshire Reversionary Interest Company Limited /The	Ordinary	100
Homesun 3 Limited	Ordinary	100	London and Manchester Group Limited	Ordinary	100
Homesun 4 Limited	Ordinary	100	Premier Mortgage Service Limited	Ordinary	100
Homesun 5 Limited	Ordinary	100	Sesame Bankhall Group Limited	Ordinary	100
Homesun Limited	Ordinary	100	Sesame Bankhall Valuation Services Limited	Ordinary	75
New Energy Residential Solar Limited	Ordinary	100	Sesame General Insurance Services Limited	Ordinary	100
Norton Energy SLS Limited	Ordinary	100	Sesame Limited	Ordinary	100
TGHC Limited	Ordinary	100	Sesame Regulatory Services Limited	Ordinary	100
Wellington Row, York, YO90 1WR, United Kingdom			Sesame Services Limited	Ordinary	100
Aviva (Peak No.2) UK Limited	Ordinary	100	Suntrust Limited	Ordinary	100
Aviva Administration Limited	Ordinary	100	Undershaft (NULLA) Limited	Ordinary	100
Aviva Client Nominees UK Limited	Ordinary	100	Undershaft FAL Limited	Ordinary	100
Aviva Equity Release UK Limited	Ordinary	100	Undershaft FPLA Limited	Ordinary	100
Aviva ERFA 15 UK Limited	Ordinary	100	Undershaft SLPM Limited	Ordinary	100
Aviva Investment Solutions UK Limited	Ordinary	100	Voyager Park South Management Company Limited	Ordinary	52
Aviva Life & Pensions UK Limited	Ordinary	100	Wealth Limited	Ordinary	100
Aviva Life Investments International (General Partner) Limited	Ordinary	100	United States		
Aviva Life Investments International (Recovery) Limited	Ordinary	100	1209 Orange Street, Wilmington DE 19801, United States		
Aviva Life Services UK Limited	Ordinary	100	Aviva Investors Americas LLC	Sole Member	100
Aviva Management Services UK Limited	Ordinary	100	2222 Grand Avenue, Des Moines IA 50312, United States		
Aviva Pension Trustees UK Limited	Ordinary	100	Aviva Investors North America Holdings, Inc	Common	100
Aviva Savings Limited	Ordinary	100	251 Little Falls Drive, Wilmington DE 19808, United States		
Aviva Trustees UK Limited	Ordinary	100	AI-RECAP Carry I, LP	Ordinary	82
Aviva Wrap UK Limited	Ordinary	100	AI-RECAP GP I, LLC	Sole Member	100
Bankhall Support Services Limited	Ordinary	100	2711 Centreville Road, Suite 400, Wilmington, New Castle, Delaware, 19808, United States		
CGNU Life Assurance Limited	Ordinary	100	UKP Holdings Inc.	Ordinary	100
Friends AELRIS Limited	Ordinary	100	Cogency Global Inc., 850 New Burton Road, Suite 201, Dover Delaware Kent County 19904		
Friends AEL Trustees Limited	Ordinary	100	Exeter Properties Inc.	Common Stock	95
Friends AELLAS Limited	Ordinary	100	Winslade Investments Inc.	Common Stock	100
Friends Provident Pension Scheme Trustees Limited	Ordinary	100			
Friends Life and Pensions Limited	Ordinary	100			
Friends Life Assurance Society Limited	Ordinary	100			
Friends Life Company Limited	Ordinary	100			
Friends Life FPG Limited	Ordinary	100			
Friends Life FPL Limited	Ordinary	100			
Friends Life FPLMA Limited	Ordinary	100			
Friends Life WL Limited	Ordinary	100			
Friends Provident Investment Holdings Limited	Ordinary	100			
Friends Provident Life Assurance Limited	Ordinary	100			