

Aviva Europe UK Societas

Registered in England and Wales No. SE000031

Annual Report and Financial Statements 2021



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Directors and officers

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

Directors

J Baddeley
N Harrison
R Tiwari
A Dinwiddie

Officer – Company Secretary

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

Independent auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Registered office

St Helen's
1 Undershaft
London
EC3P 3DQ

Company number

Registered in England and Wales no. SE000031

Other information

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

Strategic report

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

Financial position and performance

The financial position of the Company as at 31 December 2021 is shown in the statement of financial position on page 18, with the results shown in the income statement on page 15 and the statement of cash flows on page 19.

Significant events

On 6 January 2021 the Board approved the liquidation of the Company's subsidiary undertaking, Ahorro Andaluz SA, which was subsequently liquidated and dissolved with effect from 12 April 2021.

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 Group 2021 Annual Report and Accounts. The Company will work with the Group to support the implementation of these strategies.

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

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 12(g) 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 12 to the financial statements.

Section 172 statement

We report here on how our Directors have performed their duty under Section 172 (1) (s.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 and 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 we expect.

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

Our culture

Our culture is shaped, in conjunction with the wider Aviva Group, by our clearly defined purpose – with you today for a better tomorrow. As the provider of financial services to millions of customers, Aviva seeks to earn their trust by acting with integrity and a sense of responsibility at all times. We look to build relationships with all our stakeholders based on openness and transparency and we value diversity and inclusivity in our workforce and beyond.

Stakeholder Engagement

(i) Engagement with 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.

Strategic report continued

Section 172 statement (continued)

(ii) *Our customers*

The Company has no direct customers.

(iii) *Our suppliers*

- All Group supplier related activity is managed in line with the Group Procurement & Outsourcing Business Standard. This ensures that supply risk is managed appropriately including in relation to customer outcomes, data security, corporate responsibility, financial, operational, contractual, and brand damage caused by inadequate oversight or supplier failure.
- An important part of the Group's culture is the promotion of high legal, ethical, environmental and employee related standards within our business and 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 we have taken to prevent modern slavery and associated practices in any part of our supply chain and approves our Modern Slavery Act statement each year.

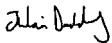
(iv) *Shareholders*

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

Key performance indicators

Given the significant events and risk profile, the directors do not consider key performance indicators relevant to the Company.

On behalf of the Board



J Baddeley
Director
9 June 2022

Directors' report

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

Directors

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

C Singh resigned as a director of the Company on 1 May 2021.

A Dinwiddie was appointed as a director of the Company on 10 June 2021.

R Tiwari was appointed as a director of the Company on 13 August 2021.

D Elliot resigned as a director of the Company on 13 August 2021.

A Montague resigned as a director of the Company on 12 November 2021.

Company Secretary

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

Dividends

No interim ordinary dividends were declared 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 management of its risks including market, credit and liquidity risk (note 12).

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

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

Future outlook

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

Employees

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

Disclosure of information to the auditors

In accordance with section 418 of the Companies Act 2006, the 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, are 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 are aware of that information.

Independent auditors

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

Qualifying indemnity provisions

In 2004, Aviva plc, the Company's ultimate 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.

Directors' report continued

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards. Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

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

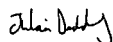
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies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

The directors are 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.

Corporate governance

The Company is a wholly-owned subsidiary of Aviva Group Holdings Limited (AGH), which in turn is a wholly-owned subsidiary of Aviva plc, a Company with a listing on the London Stock Exchange, and as such is subject to Aviva plc's system of risk management, internal control and financial reporting. Aviva plc is subject to the UK Corporate Governance Code. The Aviva plc Annual Report and Accounts set out details of how the Group has applied the principles and complied with the provisions of the UK Corporate Governance Code during 2021. Further information on the Code can be found on the Financial Reporting Council's website, www.frc.org.uk.

On behalf of the Board on 09 June 2022



J Baddeley
Director

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its result 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, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

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

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.

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

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.

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. 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.

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

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.

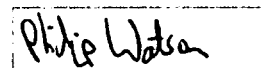
Other required reporting

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
10 June 2022

Accounting policies

The Company is a limited company incorporated and domiciled in the United Kingdom (UK). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(A) Basis of preparation

The Company financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards and the legal requirements of the Companies Act 2006. The financial statements have been prepared under the historic cost convention.

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 Company 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 reporting period as a result of the change in framework.

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 consolidated financial statements for the Group, i.e. the ultimate parent company, Aviva plc, and its subsidiaries, joint ventures and associates, at the same date. These financial statements therefore present information about the Company as an individual entity.

The Company's financial statements are stated in euros, which is the Company's functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in millions of euros (€m).

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

The Company has adopted the following amendments to standards which became effective for the annual reporting period beginning on 1 January 2021. The amendments have been issued and endorsed by the UK and do not have a significant impact on the Company's consolidated 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 new standards and amendments to existing standards have been issued, are not effective for the current reporting period and are not expected to have a significant impact on the Company's consolidated financial statements:

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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.

(vii) 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.

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

(C) Subsidiaries

Subsidiaries are those entities in which the Company, directly or indirectly, has power to exercise control over financial and operating policies in order to gain economic benefits. 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 rights 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 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) 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 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.

(E) Fair value measurement

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

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

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e. the fair value of the consideration given or received. In certain circumstances, the fair value at initial recognition may differ from the transaction price. If the fair value is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging), or is based on a valuation technique whose variables include only data from observable markets, then the difference between the fair value at initial recognition and the transaction price is recognised as a gain or loss in the 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.

(F) Net investment income

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

Accounting policies continued

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

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

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

A financial liability is derecognised when the obligation under the liability is discharged 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.

(H) Receivables and other financial assets

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

Loans due from Group companies

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.

(I) Payables and other financial liabilities

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

(J) Statement of cash flows

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.

(K) Held for sale assets

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

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

(L) Income taxes

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

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

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

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

Accounting policies continued

(M) Income taxes (continued)

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

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

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

(N) Share capital

Equity instruments

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

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

Dividends

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

Income statement

For the year ended 31 December 2021

	Note	2021 €m	2020 €m
Income		-	-
Expenses		-	-
Result for the year before tax		-	-
Tax credit	L & 5	-	-
Result for the year after tax		-	-

The accounting policies (identified alphabetically) on pages 11 to 14 and notes (identified numerically) on pages 20 to 25 are an integral part of these financial statements.

Statement of comprehensive income

For the year ended 31 December 2021

	2021 €m	2020 €m
Result for the year after tax	-	-
Total comprehensive income for the year	-	-

The accounting policies (identified alphabetically) on pages 11 to 14 and notes (identified numerically) on pages 20 to 25 are an integral part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2021

	Note	Ordinary share capital €m	Retained earnings €m	Total equity €m
Balance at 1 January 2020		-	15	15
Result for the year after tax		-	-	-
Total comprehensive income for the year		-	-	-
Balance at 31 December 2020		-	15	15
Result for the year after tax		-	-	-
Total comprehensive income for the year		-	-	-
Balance at 31 December 2021	8	-	15	15

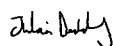
The accounting policies (identified alphabetically) on pages 11 to 14 and notes (identified numerically) on pages 20 to 25 are an integral part of these financial statements.

Statement of financial position

As at 31 December 2021

	Notes	2021 €m	2020 €m
Assets			
Current assets			
Receivables and other financial assets	H & 6	16	5
Tax assets	L & 9	-	-
Cash and cash equivalents	J & 11	-	12
Total assets		16	17
Equity			
Ordinary share capital	M & 7	-	-
Retained earnings	8	15	15
Total equity		15	15
Liabilities			
Current liabilities			
Payables and other financial liabilities	I & 10	1	2
Total liabilities		1	2
Total equity and liabilities		16	17

The financial statements on pages 15 to 25 were approved by the Board of Directors on 9 June 2022 and signed on its behalf by



J Baddeley
Director

Registered in England and Wales No. SE000031

The accounting policies (identified alphabetically) on pages 11 to 14 and notes (identified numerically) on pages 20 to 25 are an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December 2021

	Notes	2021 €m	2020 €m
Cash flows from operating activities			
Net cash used in operating activities		-	-
Cash flows from investing activities			
Net cash generated from investing activities		-	-
Cash flows from financing activities			
Repayment of debtor to parent company		-	(3)
Transfer of surplus funds to parent company		(15)	-
Intercompany settlements from fellow Group companies		3	15
Cash (used in)/generated from financing activities		(12)	12
Net (decrease)/increase in cash and cash equivalents		(12)	12
Cash and cash equivalents at 1 January	11	12	-
Cash and cash equivalents at 31 December	11	-	12

The accounting policies (identified alphabetically) on pages 11 to 14 and notes (identified numerically) on pages 20 to 25 are an integral part of these financial statements.

Notes to the financial statements

1. Exchange rates

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

	2021	2020
GBP Sterling	0.8395	0.8951

2. Employee information

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

3. 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.

4. 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	23	22

The Company is exempt under SI 2008/489 from the obligation to disclose fees in respect of "Other services" as the Company is a subsidiary of Aviva plc, which prepares consolidated financial statements. Fees paid to the Company's auditors, PricewaterhouseCoopers LLP and its associates for services other than the statutory audit of the Company and other Group undertakings are disclosed in the consolidated financial statements of Aviva plc.

There were no non-audit fees paid to the Company's auditors in the year (2020: €nil). Audit fees are borne by the ultimate parent, Aviva plc.

5. Tax Credit

(a) Tax credited to the income statement

There was no tax credited or charged to the income statement in either 2021 or 2020.

(b) Tax credited / (charged) 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 result before tax is the same as the theoretical amount that would arise using the tax rate in the United Kingdom as follows:

	2021 €m	2020 €m
Result for the year before tax	-	-
Tax calculated at standard UK corporation tax rate of 19% (2020: 19%)	-	-
Tax credit for the year	-	-

During 2021 the UK Government enacted an increase in the UK corporation tax rate to 25%, from 1 April 2023.

During 2020 the reduction in the UK corporation tax rate that was due to take effect was cancelled, and as a result, the rate remained at 19%.

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

Notes to the financial statements continued

6. Receivables and other financial assets

	Notes	2021 €m	2020 €m
Amounts due from parent	13(b)	16	2
Amounts due from fellow Group companies	13(b)	-	3
Total at 31 December		16	5
Expected to be recovered in less than one year		16	5
Expected to be recovered in more than one year		-	-
Total at 31 December		16	5

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

7. Ordinary share capital

	2021 €k	2020 €k
Allotted, called up and fully paid		
12 (2020: 12) ordinary shares of €10,000 each	120	120

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

8. Retained earnings

	2021 €m	2020 €m
At 1 January	15	15
Result for the year	-	-
At 31 December	15	15

9. Tax assets and liabilities

(a) Current tax

The Company has no tax assets or liabilities recoverable or payable at the year end (2020 : €nil).

(b) Deferred taxes

The Company has no temporary differences to carry forward indefinitely against future taxable income (2020: €nil).

10. Payables and other financial liabilities

	2021 €m	2020 €m
VAT payable	-	1
Amounts due to fellow Group companies	1	1
Total at 31 December	1	2
Expected to be settled in less than one year	1	2
Expected to be settled in more than one year	-	-
Total at 31 December	1	2

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

11. Cash and cash equivalents

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

	2021 €m	2020 €m
Cash at bank and in hand	-	12

Notes to the financial statements continued

12. Risk management

(a) Risk management framework

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

The Company's risk management approach is proportionate to its activities as a non-trading intermediate holding company for some of the Group's European subsidiaries. At least annually the Company's management review the key risks specific to the Company.

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

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

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

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

(b) Credit risk

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

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

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

(i) Financial exposures to Group companies

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

(ii) Calculation of expected credit losses

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

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

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

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

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

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

(c) Market risk

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

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

Notes to the financial statements continued

12. Risk management (continued)

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

(i) Interest rate risk

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

(ii) Currency risk

Foreign currency exchange rate risk is limited to receivables and payables denominated in pounds sterling, including tax assets to be settled by way of group relief (see note 9).

(d) Liquidity risk

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

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

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

Maturity analysis

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

(i) Analysis of maturity of liabilities

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

					2021
	Note	On demand or within 1 year €m	Greater than 1 year €m	No fixed term (perpetual) €m	Total €m
Payables and other financial liabilities	10	1	-	-	1
		1	-	-	1
					2020
	Note	On demand or within 1 year €m	Greater than 1 year €m	No fixed term (perpetual) €m	Total €m
Payables and other financial liabilities	10	2	-	-	2
		2	-	-	2

(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:

					2021
	Note	On demand or within 1 year €m	Greater than 1 year €m	No fixed term (perpetual) €m	Total €m
Receivables and other financial assets	6	16	-	-	16
		16	-	-	16
					2020
	Note	On demand or within 1 year €m	Greater than 1 year €m	No fixed term (perpetual) €m	Total €m
Receivables and other financial assets	6	5	-	-	5
		5	-	-	5

The assets above are analysed in accordance with the earliest possible redemption date of the instrument at the initiation of the Company.

Notes to the financial statements continued

12. 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.

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

(f) Capital management

The Company's capital risk is determined with reference to the requirements of the Company's stakeholders. In managing capital, the Company seeks to maintain sufficient, but not excessive, financial strength to support the payment of interest due on loans and the requirements of other stakeholders. The sources of capital used by the Company are equity shareholders' funds. At 31 December 2021 the Company had €15 million (2020: €15 million) of total capital employed.

(g) Conflict in Ukraine

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 Group continues to monitor and respond to any adverse impact the crisis may have on its risk profile and associated customer outcomes.

13. Related party transactions

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

(a) Loans receivable

Loans due from parent

On 25 March 2015, the Company provided an unsecured revolving credit facility of £300 million to its parent, Aviva Group Holdings Limited. This facility accrued interest at 65 basis points above 12 month LIBOR. As at 1 January 2020, the total drawn down on the facility was €nil, and subsequently the credit facility matured in April 2020.

The interest received on these loans shown in the income statement is €nil million (2020: €nil million).

(b) Other transactions

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

	Note	Income earned in the year €m	2021 Receivable at year end €m	Income earned in the year €m	2020 Receivable at year end €m
Parent	6	-	16	-	2
Fellow Group companies	6	-	-	-	3
		-	16	-	5

The income from related parties in the year comprised dividend income of €nil (2020: €nil).

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

(ii) *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 4 are borne by the Company's ultimate parent, Aviva plc.

(c) 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. The majority of such costs are borne by Aviva plc and are not recharged to the Company. Refer to note 3 for details of directors' remuneration.

(d) Parent entity

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

(e) Ultimate parent entity

The ultimate parent entity and controlling party is Aviva plc, a public limited company incorporated and domiciled in the United Kingdom, which is the parent undertaking of the smallest and largest Group to consolidate these financial statements. Copies of Aviva plc consolidated financial statements are available on application to the Group Company Secretary, Aviva plc, St Helen's, 1 Undershaft, London EC3P 3DQ, and on the Aviva plc website at www.aviva.com

Notes to the financial statements continued

14. Related undertakings

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

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

Name of Undertaking	Registered Office	Share Class	% held by Group companies
Aviva Group Services Ireland Limited	One Park Place, Hatch Street, Dublin 2, Ireland	Ordinary shares	100

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

Name of Undertaking	Registered Office	Share Class	% held by Group companies
Aviva DB Trustee Company Ireland Designated Activity Company	One Park Place, Hatch Street, Dublin 2, Ireland	Ordinary shares	100
Aviva DC Trustee Company Ireland Designated Activity Company	Building 12, Cherrywood Business Park, Loughlinstown, Co Dublin, D18 W2P5, Ireland	Ordinary shares	100

15. Subsequent events

There are no subsequent events to report.