

General Accident plc

Registered in Scotland No. SC119505

Annual Report and Financial Statements 2018

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Directors and officers

Directors

K A Cooper
T D Stoddard
S Mohammed

Officer – Company Secretary

J C Baddeley

Independent auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Registered office

Pitheavlis
Perth
Scotland
PH2 0NH

Company number

Registered in Scotland No. SC119505

Other information

General Accident plc ("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 2018.

Review of the Company's business

Principal activities

The Company is a wholly-owned subsidiary of Aviva plc. Its principal activity is the provision of loans to its parent company. During 2018, the income of the Company continued to consist of interest received on a loan made to its parent company. The Company continues to have preference shares listed on the London Stock Exchange.

Financial position and performance

The financial position of the Company as at 31 December 2018 is shown in the statement of financial position on page 19, with the results shown in the income statement on page 16, and the statement of cash flows on page 20.

Significant events

On 8 March 2018, as part of its 2017 results, Aviva announced that it had the ability to cancel its existing preference shares at par. On 23 March 2018, it announced that it would take no action to cancel the preference shares. On 30 April 2018, Aviva announced that it would offer a discretionary goodwill payment to shareholders who sold preference shares in the period from 8 to 22 March 2018 (inclusive) at a share price that was lower than the price that the preference shares returned to following the announcement on 23 March 2018. The total cost of the goodwill payments to preference shareholders, including associated administration costs, was £10 million against the initial estimate of approximately £14 million. £2 million was recognised in the Company. No material provision remains outstanding as at 31 December 2018.

A dividend of £130 million (2017: £90 million) on the ordinary shares of the Company was declared and settled by way of an intercompany transaction with Company's parent, Aviva plc. The dividend was settled on 31 December 2018.

Preference dividends of £21 million (2017: £21 million) were paid on behalf of the Company by its parent, Aviva plc. Refer to note 6.

Future outlook

Strategies for the Group as a whole are determined by the Board of Aviva plc and these are shown in the Aviva plc Annual Report and Accounts 2018 and Preliminary Announcement for the year ended 31 December 2018. 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.

It is anticipated that the Company's significant financial assets will continue to comprise amounts due from its parent company, Aviva plc.

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 15 to the financial statements.

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

- **Credit risk:** The net asset value of the Company's financial resources is exposed to the potential default on the loan and short-term receivables due from its parent, Aviva plc. The external issuer credit rating (representing an issuer's ability to meet its overall financial commitments as they fall due) is A-, and as such the risk of counterparty default is considered remote.

In addition, the loan amounting to £9,770 million (2017: £9,900 million) is secured by a legal charge against the ordinary share capital of Aviva Group Holdings Limited mitigating the risk of loss in the event of Aviva plc defaulting. Due to the nature of the loan, and the fact that it is intended to be held until settled by Aviva plc (on maturity or earlier if redeemed before maturity) and not traded, the Company is not exposed to the risk of changes to the market value caused by changing perceptions of the credit worthiness of Aviva plc. There were no financial assets that were past due or impaired at either 31 December 2018 or 31 December 2017.

- **Interest rate risk:** The net asset value of the Company's financial resources is exposed to potential fluctuations in interest rates. The effect of a 100 basis point increase / decrease in interest rates would be an increase / decrease in net interest income of £98 million (2017: increase / decrease of £99 million). Interest rate risk is a risk the Company chooses to accept rather than reduce or mitigate, as although it may materially impact the results of the Company, it does not impact the Company as a going concern, as the Company has no operating expenses and a loan structure in place, which generates more than adequate income, even at zero LIBOR rates, to cover the annual cost of those dividends.

Strategic report (continued)

Principal risks and uncertainties (continued)

- *Brexit:* Although the directors do not believe that Brexit has a significant operational impact on the business, the influence that it will continue to have on the UK economy will require careful monitoring. During the year the Group Board reviewed the impact of potential exit scenarios and the operational response plans.

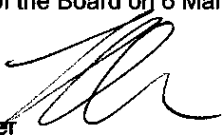
Key performance indicators

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

	2018	2017
Effective interest rate earned on loans	1.47%	1.38%

Effective interest represents the interest received in the year as a proportion of the weighted average loan principal. The rate has increased from 1.38% in 2017 to 1.47% in 2018 due to an increase in the average value of 3 month LIBOR rate from 0.34% to 0.69%.

By order of the Board on 6 March 2019


K A Cooper
Director

Directors' report

The directors present their annual report and audited financial statements for the Company for the year ended 31 December 2018. This directors' report also comprises of the management report required under the Disclosure and Transparency Rule 4.1.5R.

Directors

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

S Maillet resigned as a director of the Company on 13 December 2018.

S Mohammed was appointed as a director of the Company on 13 December 2018.

In accordance with the Company's articles of association, at the forthcoming Annual General Meeting, all directors will retire from office and, being eligible, will offer themselves for re-election.

Company Secretary

The name of the present Company Secretary appears on page 3.

Dividends

Interim ordinary dividends totalling £130 million on the Company's ordinary shares were declared and settled during 2018 (2017: £90 million). The directors do not recommend a final dividend on the Company's ordinary shares for the year ended 31 December 2018 (2017: £nil). The total cost of dividends paid during the year, including preference dividends of £21 million (2017: £21 million), amounted to £151 million (2017: £111 million).

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 15).

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.

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.

Financial instruments

The Company uses financial instruments to manage certain types of risks, including those relating to credit, market, liquidity and operational risks. Details of the objectives and management of these instruments are contained in note 15 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, Aviva Employment Services Limited and Sesame Services Limited. Disclosures relating to employees may be found in the annual report and financial statements of these companies.

Purchase of own shares

At the Annual General Meeting held on 24 May 2018, shareholders renewed the Company's authority to make market purchases of up to 140 million 8 ⁷/₈% cumulative irredeemable preference shares of £1 each and up to 110 million 7 ⁷/₈% cumulative irredeemable preference shares £1 each. At the 2019 Annual General Meeting, shareholders will be asked to renew these authorities for another year.

Directors' report (continued)

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 489 of the Companies Act 2006.

Qualifying indemnity provisions

Aviva plc, the Company's ultimate parent, granted in 2004 an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985, which continue to apply in relation to any provision made before 1 October 2007. This indemnity is a "qualifying third party indemnity" for the purposes of 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.

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 International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the EU 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.

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess a company's performance, business model and strategy.

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

Directors' report (continued)

Corporate governance

The Company is a wholly-owned subsidiary of Aviva plc, a company with a premium 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 Aviva Group has applied the principles and complied with the provisions of the UK Corporate Governance Code during 2018. 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 6 March 2019



K A Cooper
Director

Independent auditors' report to the members of General Accident plc

Report on the audit of the financial statements

Opinion

In our opinion, General Accident plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; 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 2018 (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2018; the Income Statement, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended; the accounting policies; and the notes to the financial statements.

Our opinion is consistent with our reporting to the Audit Committee.

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

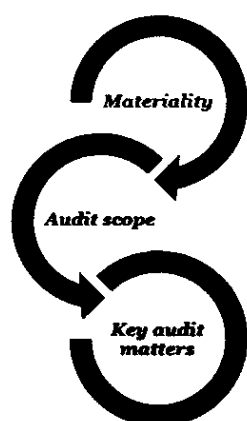
We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities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

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the company.

We have provided no non-audit services to the company in the period from 1 January 2018 to 31 December 2018.

Our audit approach

Overview



- Overall materiality: £139.4 million (2017: £139.7 million), based on 1% of total assets.
- We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.
- We have no key audit matters to report.

Independent auditors' report to the members of General Accident plc (continued)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of listing requirements over listed securities, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, listing rules and tax legislation. 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 misrepresentation of intercompany loan positions or overstatement of investment income relating to intercompany finance costs. Audit procedures performed by the engagement team included:

- Discussions with management and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulation;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Assessment of matters reported on the entity's whistleblowing helpline and the results of management's investigation of such matters; and
- Identifying and testing journal entries.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We determined that there were no key audit matters applicable to the company to communicate in our report.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£139.4 million (2017: £139.7 million).
How we determined it	1% of total assets.
Rationale for benchmark applied	In determining our materiality, we considered financial metrics which we believed to be relevant, and concluded, consistent with last year, that total assets is the most relevant benchmark given the users are principally concerned with the asset position of the Company to pay preference share dividends.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £7 million (2017: £7 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent auditors' report to the members of General Accident plc (continued)

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and, in common with other companies, it is difficult to evaluate all of the potential implications on the company's business, customers, suppliers and the wider economy.

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 the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2006 and ISAs (UK) require 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 2018 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.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

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.

Independent auditors' report to the members of General Accident plc (continued)

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.

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 received 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 and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of those charged with governance, we were appointed by the members on 3 May 2012 to audit the financial statements for the year ended 31 December 2012 and subsequent financial periods. The period of total uninterrupted engagement is 7 years, covering the years ended 31 December 2012 to 31 December 2018.



Philip Watson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
6 March 2019

Accounting policies

The Company is a public limited company incorporated and domiciled in the United Kingdom ("UK") and limited by shares. 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 International Financial Reporting Standards ("IFRSs") as endorsed by the European Union ("EU"), and those parts of the Companies Act 2006 applicable to those reporting under IFRS. 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.

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

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 amendments to standards which became effective for the annual reporting period beginning 1 January 2018.

(i) IFRS 9, Financial Instruments

In July 2014, the International Accounting Standards Board ("IASB") published IFRS 9, Financial Instruments, which has replaced IAS 39, Financial Instruments: Recognition and Measurement. The standard incorporates new classification and measurements requirements for financial assets, the introduction of an expected credit loss impairment model which will replace the incurred loss model of IAS 39, and new hedge accounting requirements. Under IFRS 9, all financial assets are measured at either amortised cost or fair value. The basis of classification depends on the business model and the contractual cash flow characteristics of the financial assets. The standard retains most of IAS 39's requirements for financial liabilities except for those designated at fair value through profit or loss whereby that part of the fair value changes attributable to own credit is recognised in other comprehensive income instead of the income statement. The hedge accounting requirements are more closely aligned with risk management practices and follow a more principle-based approach.

IFRS 9 is effective for the Company from 1 January 2018.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of the business model within which a financial asset is held.
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at fair value through profit or loss ("FVTPL").
- The designation of certain investments in equity instruments not held for trading as at fair value through other comprehensive income ("FVTOCI").
- If an investment in a debt security had low credit risk at the date of initial application of IFRS 9, then the Company assumed that the credit risk on the asset had not increased significantly since its initial recognition.

The adoption of IFRS 9 does not have a significant impact on the Company's primary statements.

(ii) Annual Improvements to IFRSs 2014-2016

These improvements consist of amendments to three IFRSs including: IFRS 1, First-time Adoption of International Financial Reporting Standards; IFRS 12, Disclosure of Interests in Other Entities; and IAS 28, Investments in Associates and Joint Ventures. The amendments to IFRS 1 and IAS 28 are effective for annual reporting periods beginning on or after 1 January 2018.

The adoption of this amendment does not have an impact on the Company's financial statements as the clarifications are consistent with existing interpretations.

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, amendments to existing standards and interpretations have been issued, are not yet effective and have not been adopted early by the Company:

(i) IFRIC 23, Uncertainty over Income Tax Treatments

In June 2017, the IASB published IFRIC 23 Uncertainty over Income Tax Treatments. The standard is effective for annual reporting beginning on or after 1 January 2019 and has been endorsed by the EU.

(ii) Amendments to IAS 19, Plan Amendment, Curtailment or Settlement

In February 2018, the IASB published Plan Amendment, Curtailment or Settlement (Amendments to IAS 19). The amendments are effective for annual reporting beginning on or after 1 January 2019 and have not yet been endorsed by the EU.

Accounting policies (continued)

(A) Basis of preparation (continued)

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

(iii) Amendments to IAS 28, Long-term Interests in Associates and Joint Ventures

In October 2017, the IASB published Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28). The amendments are effective for annual reporting beginning on or after 1 January 2019 and have been endorsed by the EU.

(iv) Annual Improvements to IFRS Standards 2015-2017 Cycle

These improvements consist of amendments to three IFRSs including IFRS 3, Business Combinations; IFRS 11, Joint Arrangements; IAS 12, Income taxes; and IAS 23, Borrowing Costs. The amendments are effective for annual reporting beginning on or after 1 January 2019 and have not yet been endorsed by the EU.

(v) Amendments to References to the Conceptual Framework in IFRS Standards

Published by the IASB in March 2018. The amendments are effective for annual reporting beginning on or after 1 January 2020 and have not yet been endorsed by the EU.

(vi) Amendment to IFRS 3 Business Combinations, IAS 1 and IAS 8: Definition of material

Published by the IASB in October 2018. The amendments are effective for annual reporting beginning on or after 1 January 2020 and have not yet been endorsed by the EU.

(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) Investment income

Investment income consists of interest receivable for the year. Interest receivable is recognised as it accrues, taking into account the effective yield on the investment.

(D) 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 legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(E) 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, which were assessed as being held to collect, 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.

Accounting policies (continued)

(F) 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.

(G) Provisions

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.

(H) Tax charge

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 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.

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.

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

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

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

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

Current and deferred tax relating to items recognised in other comprehensive income and directly in equity are similarly recognised in other comprehensive income and directly in equity respectively.

(I) Share capital

Equity instruments

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

- 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. Dividends on preference shares are recognised in the period in which they are declared and approved.

(J) Earnings per share

Basic earnings per share is calculated by dividing net income available to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. Details are given in note 7.

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares, such as convertible debt and share options granted to employees. Potential or contingent share issuances are treated as dilutive when their conversion to shares would decrease net earnings per share.

Income statement

For the year ended 31 December 2018

	Note	2018 £m	2017 £m
Income			
Investment income	C & 1	146	138
Expenses			
Preference share goodwill payment	14	(2)	-
Profit for the year before tax		144	138
Tax charge	H & 5	-	-
Profit for the year after tax		144	138
Earnings per share			
Basic (pence per share)	J & 7	0.64	0.61
Diluted (pence per share)	J & 7	0.64	0.61

The accounting policies (identified alphabetically) on pages 13 to 15 and notes (identified numerically) on pages 21 to 27 are an integral part of these financial statements.

Statement of comprehensive income

For the year ended 31 December 2018

	2018	2017
	£m	£m
Profit for the year	144	138
Total comprehensive income for the year	144	138

The accounting policies (identified alphabetically) on pages 13 to 15 and notes (identified numerically) on pages 21 to 27 are an integral part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2018

	Note	Ordinary share capital £m	Preference share capital £m	Share premium £m	Retained earnings £m	Total equity £m
Balance at 1 January 2017		4,781	250	8,859	24	13,914
Profit for the year		-	-	-	138	138
Total comprehensive income for the year		-	-	-	138	138
Dividends paid	I & 6	-	-	-	(111)	(111)
Balance at 31 December 2017		4,781	250	8,859	51	13,941
Profit for the year		-	-	-	144	144
Total comprehensive income for the year		-	-	-	144	144
Dividends paid	I & 6	-	-	-	(151)	(151)
Balance at 31 December 2018		4,781	250	8,859	44	13,934

The accounting policies (identified alphabetically) on pages 13 to 15 and notes (identified numerically) on pages 21 to 27 are an integral part of these financial statements.

Statement of financial position

As at 31 December 2018

	Note	2018 £m	2017 £m
Assets			
Non current assets			
Receivables and other financial assets	E & 8	13,913	13,920
Current assets			
Receivables and other financial assets	E & 8	21	53
Total assets		13,934	13,973
Equity			
Capital			
Ordinary share capital	I & 9	4,781	4,781
Preference share capital	I & 10	250	250
Share premium		8,859	8,859
Retained earnings	11	44	51
Total equity		13,934	13,941
Liabilities			
Current liabilities			
Payables and other financial liabilities	F & 13	-	32
Provisions	G & 14	-	-
Total liabilities		-	32
Total equity and liabilities		13,934	13,973

The financial statements were approved by the Board of Directors on 6 March 2019 and signed on its behalf by



K A Cooper
Director

Registered in Scotland No. SC119505

The accounting policies (identified alphabetically) on pages 13 to 15 and notes (identified numerically) on pages 21 to 27 are an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December 2018

	2018 £m	2017 £m
Cash flows from financing activities	-	-
Net cash from financing activities	-	-
Total net increase/(decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at 1 January	-	-
Cash and cash equivalents at 31 December¹	-	-

¹ The closing balance as at 31 December 2018 is £116 (2017: £nil). The majority of the Company's cash requirements are met by fellow Group companies (see note 16(a) for further disclosure of transactions on the Company's behalf by its related parties).

The accounting policies (identified alphabetically) on pages 13 to 15 and notes (identified numerically) on pages 21 to 27 are an integral part of these financial statements.

Notes to the financial statements

1. Details of income

	Note	2018 £m	2017 £m
Interest income			
From loans due from parent company held at amortised cost	16(a)	146	138
Total investment income		146	138

2. Employee information

The Company has no employees (2017: nil). All UK employees engaged in the activities of the Company are employed by subsidiary undertakings of Aviva plc, Aviva Employment Services Limited and Sesame Services Limited. Disclosures relating to employees may be found in the annual report and financial statements of these companies respectively.

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.

T D Stoddard was a director of Aviva plc during the year and his emoluments are disclosed in that company's report and accounts.

K A Cooper was a member of key management personnel of Aviva plc during the year and her emoluments are disclosed in that company's report and accounts.

S Maillet and S Mohammed are remunerated for their roles as employees across the Group.

4. Auditors' remuneration

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

	2018 £'000	2017 £'000
Fees payable to PwC LLP for the statutory audit of the Company's financial statements	35	10
	35	10

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

There were no non-audit fees paid to the Company's auditors during the year (2017: £nil). All fees have been borne by Aviva plc.

5. Tax

(a) Tax credited/(charged) to the income statement

- There was no tax credited or charged to the income statement in either 2018 or 2017.
- There were no unrecognised tax losses and no temporary differences of previous years used to reduce the current tax expense in either 2018 or 2017.

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

There was no tax credited or charged to other comprehensive income in either 2018 or 2017.

Notes to the financial statements (continued)

5. Tax (continued)

(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 is as follows:

	Note	2018 £m	2017 £m
Profit for the year before tax		144	138
Tax calculated at standard UK corporation tax rate of 19% (2017: 19.25%)		(27)	(27)
Disallowable expenses		(1)	-
Surrender of losses from group undertakings for no charge		28	27
Tax charge for the year	5(a)	-	-

Finance Act 2016, which received Royal Assent on 15 September 2016, will reduce the corporation tax rate to 17% from 1 April 2020. There is no current year impact on the Company's net assets from the future reduction in the tax rate, as the Company does not have material deferred tax balances.

6. Dividends

		2018 £m	2017 £m
Ordinary dividends declared and charged to equity in the year			
Interim dividend 2017 - 0.4706 pence per share, paid on 31 December 2017	16(b)(v)	-	90
Interim dividend 2018 - 0.6797 pence per share, paid on 31 December 2018	16(b)(v)	130	-
		130	90
Preference dividends declared and charged to equity in the year		21	21
Total dividends for the year		151	111

7. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2018	2017
Profit for the year after tax	144	138
Cumulative preference dividends for the year	(21)	(21)
Profit attributable to equity holders of the Company (£m)	123	117
Weighted average number of ordinary shares in issue (thousands)	19,125,601	19,125,601

(b) Diluted earnings per share

Diluted earnings per share is calculated the same ways as basic earnings per share (see note 7(a)) as there are no dilutive potential ordinary shares outstanding.

Notes to the financial statements (continued)

8. Receivables and other financial assets

	Note	2018 £m	2017 £m
Loans due from parent held at amortised cost	16(a)	9,770	9,900
Amounts due from parent held at amortised cost	16(b)(i)	4,164	4,073
Total at 31 December		13,934	13,973
Expected to be recovered in less than one year		21	53
Expected to be recovered in more than one year		13,913	13,920
		13,934	13,973

9. Ordinary share capital

	2018 £m	2017 £m
Allotted, called up and fully paid		
19,125,600,632 (2017: 19,125,600,632) ordinary shares of 25 pence each	4,781	4,781

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

10. Preference share capital

	2018 £m	2017 £m
Allotted, called up and fully paid		
140,000,000 (2017: 140,000,000) 8 1/4 % cumulative irredeemable of £1 each	140	140
110,000,000 (2017: 110,000,000) 7 1/4 % cumulative irredeemable of £1 each	110	110
	250	250

Whilst there is no longer any limitation on the number of shares that the Company may issue, the directors will still be limited as to the number of shares they can allot because authority to allot continues to be required under the Companies Act 2006.

The Company's cumulative irredeemable preference shares are listed on the London Stock Exchange under a Standard Listing. They are irredeemable but, subject to the provisions of the Companies Act 2006, the Company may at any time purchase any preference shares at either par or on the prevailing market price upon such terms as the Board shall determine.

The cumulative irredeemable preference shares rank, as to payment of a dividend and capital, ahead of the Company's ordinary share capital. The issued preference shares are non-voting except where their dividends are in arrears, on a winding up or where their rights are altered. On a winding up, they carry a preferential right of return of capital ahead of the ordinary shares. The Company does not have a contractual obligation to deliver cash or other financial assets to the preference shareholders, and therefore the directors may make dividend payments at their discretion.

On 8 March 2018, as part of its 2017 results, Aviva announced that it had the ability to cancel its existing preference shares at par. On 23 March 2018, it announced that it would take no action to cancel the preference shares. On 30 April 2018, Aviva announced that it would offer a discretionary goodwill payment to shareholders who sold preference shares in the period from 8 to 22 March 2018 (inclusive) at a share price that was lower than the price that the preference shares returned to following the announcement on 23 March 2018. The total cost of the goodwill payments to preference shareholders, including associated administration costs, was £10 million against the initial estimate of approximately £14 million. £2 million was recognised in the Company. No material provision remains outstanding as at 31 December 2018 (see note 14).

Notes to the financial statements (continued)

11. Retained earnings

	Note	2018 £m	2017 £m
At 1 January		51	24
Profit for the year		144	138
Dividends	6	(151)	(111)
At 31 December		44	51

All retained earnings are classified as distributable.

12. Tax assets and liabilities

(a) Current tax

Current tax liabilities payable in more than one year are £nil (2017: £nil). The tax liabilities of the Company will be settled by way of group relief with Group companies.

Liabilities for prior year's tax to be settled by group relief of £nil (2017: £32 million) are included within payables and other financial liabilities (see note 13) and within the related party transactions (see note 16(b)(ii)) and are payable in less than one year.

(b) Deferred taxes

There are no provided or unprovided deferred tax assets and liabilities at the year end (2017: £nil).

13. Payables and other financial liabilities

	Note	2018 £m	2017 £m
Amounts due to fellow group companies	16(b)(ii)	-	32
Total at 31 December		-	32

All payables and other financial liabilities are carried at cost, which approximates to fair value. The total is expected to be paid within one year after the statement of financial position date.

14. Provisions

(a) Carrying amounts

	Note	2018 £m	2017 £m
Preference share goodwill payments	10	-	-
Total at 31 December		-	-

(b) Movement in provisions

	Note	2018 £m	2017 £m
At 1 January		-	-
Additional provisions	10	4	-
Unused amounts reversed	10	(2)	-
Charge to income statement		2	-
Utilised during the year	10	(2)	-
Total at 31 December		-	-

Notes to the financial statements (continued)

15. Risk management

(a) Risk management framework

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

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

To promote a consistent and rigorous approach to risk management 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, 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 (g) 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 credit quality of receivables and other financial assets is monitored by the Company, and provisions are made for 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 12 months from the reporting date) do not generally attract an expected credit loss charge, unless there is objective evidence that losses are likely to arise.

The Company 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 receivables.

The Company has not purchased or originated any credit-impaired financial assets as at the reporting date.

The Company's financial assets primarily comprise loans and receivables due from its parent, Aviva plc, which has an external issuer credit rating of A- (issuer credit ratings represent an issuer's ability to meet its overall financial commitments as they fall due), and as such the credit risk arising from the counterparty failing to meet all or part of their obligations is considered remote. There are no material expected credit losses recognised in relation to loans due from Aviva plc.

In addition, the loan amounting to £9,770 million (2017: £9,900 million) is secured by a legal charge against the ordinary share capital of Aviva Group Holdings Limited. Due to the nature of the financial assets, and the fact that the loans are intended to be held until settled, by the issuer (on maturity or earlier if redeemed before maturity), and not traded, the Company is not exposed to the risk of changes to the market value caused by changing perceptions of the credit worthiness of Aviva plc. Financial assets that were past due or impaired at 31 December 2018 were £nil (2017: £nil).

(c) Market risk

Market risk is the risk of an adverse financial impact resulting directly or indirectly from fluctuations in interest rates, inflation, foreign currency exchange rates, equity prices and property values. At the statement of financial position date, the Company did not have any material exposure to currency exchange rates, equity prices or property values.

Interest rate risk arises from the inter-company loans receivable (see note 8). The effect of a 100 basis point increase / decrease in interest rates would be an increase / decrease in interest income (before tax) of £98 million (2017: increase / decrease of £99 million). The fair value or net asset value of the Company's financial resources is not materially affected by fluctuations in interest rates.

(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 does not hold any assets in cash form. Cash settlements of its dividend obligations to holders of preference shares, which are discretionary and subject to director resolution, pass through an intercompany account. Group relief is also settled through an intercompany account.

Notes to the financial statements (continued)

15. Risk management (continued)

(e) Operational risk

Operational risk is the risk of a 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 Company's implementation of the Group's risk management policies and framework and compliance with the Group's Financial Reporting Control 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 preference dividends and the requirements of other stakeholders. The sources of capital used by the Company are equity shareholders' funds and preference shares. At 31 December 2018 the Company had £13,934 million (2017: £13,941 million) of total capital employed.

(g) Brexit

Although the directors do not believe that Brexit has a significant operational impact on the business, the influence that it will continue to have on the UK economy will require careful monitoring. During the year the Group Board reviewed the impact of potential exit scenarios and the operational response plans.

16. 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 due from parent company

On 14 December 2017, the Company provided a loan to Aviva plc, its parent company, of £9,990 million with a maturity date of 31 December 2022. The loan accrued interest at 65 basis points above 3 month LIBOR (and in the event that the LIBOR rate is less than zero, the rate shall be deemed to be zero) with settlement to be paid at maturity. As at the statement of financial position date, the loan balance outstanding was £9,770 million (2017: £9,900 million). This facility has been secured against the ordinary share capital of Aviva Group Holdings Limited. The loan agreement also includes a penalty interest charge of 1% above the interest rate if any amounts payable under the loan agreement remain outstanding.

The maturity analysis of the related party loan is as follows:

	2018 £m	2017 £m
1-5 years	9,770	9,900
	9,770	9,900
Effective interest rate	1.47%	1.38%

The interest received on this loan shown in the income statement is £146 million (2017: £138 million). Refer to note 1.

(b) Other transactions

(i) Services provided to related parties

	2018 Receivable at year end £m	2017 Receivable at year end £m
Immediate parent	4,164	4,073
	4,164	4,073

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.

Notes to the financial statements (continued)

16. Related party transactions (continued)

(b) Other transactions (continued)

(ii) Services provided by related parties

	2018		2017	
	Expenses incurred in the year £'000	Payable at year end £m	Expenses incurred in the year £'000	Payable at year end £m
Immediate parent	35	-	10	-
Other Aviva Group companies	-	-	-	32
	35	-	10	32

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

(iii) Audit fees

Expenses incurred in the year represents audit fees. There were no non-audit fees paid to the Company's auditors during the year (2017: £nil). Audit fees as described in note 4 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 12.

(v) Dividends paid

Dividends paid relate to an intercompany transaction of £130 million (2017: £90 million) with the Company's parent, Aviva plc. Preference dividends of £21 million (2017: £21 million) were paid on behalf of the Company by its parent, Aviva plc. Refer to note 6.

(c) Key management compensation

Key management, which comprises the directors of the Company, are not remunerated directly for their services as directors for the Company and the amount of time spent performing their duties is incidental to their role across the Aviva 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) Ultimate parent entity

The immediate and ultimate parent entity and controlling party is Aviva plc, a public limited company 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.

17. Subsequent events

There are no subsequent events to report.