

Phoenix Life & Pensions Limited

Annual FSA Insurance Returns for the year ended
31 December 2006



Appendices 9.1, 9.3, 9.4, 9.4A and 9.6

PHOENIX LIFE & PENSIONS LIMITED

Year Ended 31st December 2006

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Statement of solvency - long-term insurance businessName of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**

Solo solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	Units	
	R2	1565099	GL	31	12	2006	£000
				As at end of this financial year		As at end of the previous year	
				1		2	

Capital resources

Capital resources arising within the long-term insurance fund	11				1303369
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12			3000	61520
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13			3000	1364889

Guarantee fund

Guarantee fund requirement	21			2139	105921
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22			861	1258968

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31				317764
Resilience capital requirement	32				
Base capital resources requirement	33			2139	2030
Individual minimum capital requirement	34			2139	317764
Capital requirements of regulated related undertakings	35				
Minimum capital requirement (34+35)	36			2139	317764
Excess (deficiency) of available capital resources to cover 50% of MCR	37			1931	1170330
Excess (deficiency) of available capital resources to cover 75% of MCR	38			1396	1126566

Enhanced capital requirement

With-profits insurance capital component	39				947932
Enhanced capital requirement	40				1265696

Capital resources requirement (CRR)

Capital resources requirement (greater of 36 and 40)	41			2139	1265696
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42			861	99193

Contingent liabilities

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51				
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Covering Sheet to Form 2

Form 2

Name of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**

R CRAINE **Director**

R E K GREENFIELD **Director**

I G MAIDENS **Director**

Date: 28th March 2007

Components of capital resourcesName of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**

	Company registration number	GL/ UK/ CM	day	month	year	Units
R3	1565099	GL	31	12	2006	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		1	2	3	4	

Core tier one capital

Permanent share capital	11				5000
Profit and loss account and other reserves	12		3000	3000	53357
Share premium account	13				4880
Positive valuation differences	14				1091266
Fund for future appropriations	15				174709
Core tier one capital in related undertakings	16				
Core tier one capital (sum of 11 to 16)	19		3000	3000	1329212

Tier one waivers

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	21				
Implicit Items	22				
Tier one waivers in related undertakings	23				
Total tier one waivers as restricted (21+22+23)	24				

Other tier one capital

Perpetual non-cumulative preference shares as restricted	25				
Perpetual non-cumulative preference shares in related undertakings	26				
Innovative tier one capital as restricted	27				
Innovative tier one capital in related undertakings	28				

Total tier one capital before deductions (19+24+25+26+27+28)	31		3000	3000	1329212
Investments in own shares	32				
Intangible assets	33				
Amounts deducted from technical provisions for discounting	34				
Other negative valuation differences	35				
Deductions in related undertakings	36				
Deductions from tier one (32 to 36)	37				
Total tier one capital after deductions (31-37)	39		3000	3000	1329212

Components of capital resourcesName of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**

	Company registration number	GL/ UK/ CM	day month year			Units
R3	1565099	GL	31	12	2006	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		1	2	3	4	

Tier two capital

Implicit items, (tier two waivers and amounts excluded from line 22)	41				
Perpetual non-cumulative preference shares excluded from line 25	42				
Innovative tier one capital excluded from line 27	43				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	44				
Perpetual cumulative preference shares	45				
Perpetual subordinated debt and securities	46				35955
Upper tier two capital in related undertakings	47				
Upper tier two capital (44 to 47)	49				35955

Fixed term preference shares	51				
Other tier two instruments	52				
Lower tier two capital in related undertakings	53				
Lower tier two capital (51+52+53)	59				

Total tier two capital before restrictions (49+59)	61				35955
Excess tier two capital	62				
Further excess lower tier two capital	63				
Total tier two capital after restrictions, before deductions (61-62-63)	69				35955

Components of capital resourcesName of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**

	Company registration number	GL/ UK/ CM	day month year			Units
R3	1565099	GL	31	12	2006	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year		Total as at the end of the previous year
		1	2	3		4

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72		3000	3000	1365167
Inadmissible assets other than intangibles and own shares	73				278
Assets in excess of market risk and counterparty limits	74				
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Deductions of ineligible surplus capital	77				
Total capital resources after deductions (72-73-74-75-76-77)	79		3000	3000	1364889

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81		3000	3000	1364889
Available capital resources for 50% MCR requirement	82		3000	3000	1329212
Available capital resources for 75% MCR requirement	83		3000	3000	1364889

Financial engineering adjustments

Implicit items	91				
Financial reinsurance - ceded	92				
Financial reinsurance - accepted	93				
Outstanding contingent loans	94				
Any other charges on future profits	95				
Sum of financial engineering adjustments (91+92-93+94+95)	96				

Calculation of general insurance capital requirement - premiums amount and brought forward amount

 Name of insurer **Phoenix Life & Pensions Limited**

Global business

 Financial year ended **31 December 2006**

Long term insurance business

		Company registration number	GL/UK/CM	day	month	year	Units	
		R11	1565099	GL	31	12	2006	£000
				This financial year			Previous year	
				1			2	
Gross premiums written			11				1789	
Premiums taxes and levies (included in line 11)			12					
Premiums written net of taxes and levies (11-12)			13				1789	
Premiums for classes 11, 12 or 13 (included in line 13)			14					
Premiums for "actuarial health insurance" (included in line 13)			15					
Sub-total A (13 + 1/2 14 - 2/3 15)			16				1789	
Gross premiums earned			21				1789	
Premium taxes and levies (included in line 21)			22					
Premiums earned net of taxes and levies (21-22)			23				1789	
Premiums for classes 11, 12 or 13 (included in line 23)			24					
Premiums for "actuarial health insurance" (included in line 23)			25					
Sub-total H (23 + 1/2 24 - 2/3 25)			26				1789	
Sub-total I (higher of sub-total A and sub-total H)			30				1789	
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure			31					
Division of gross adjusted premiums amount sub-total I (or adjusted sub-total I if appropriate)	x 0.18		32				322	
	Excess (if any) over 53.1M EURO x 0.02		33					
Sub-total J (32-33)			34				322	
Claims paid in period of 3 financial years			41				3076	
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis		42				1295	
	For insurance business accounted for on an accident year basis		43					
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis		44				1160	
	For insurance business accounted for on an accident year basis		45					
Sub-total C (41+42+43-44-45)			46				3211	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C			47				103	
Sub-total D (46-47)			48				3108	
Reinsurance Ratio (Sub-total D /sub-total C or, if more, 0.5 or, if less, 1.00)			49				0.97	
Premiums amount (Sub-total J x reinsurance ratio)			50				312	
Provision for claims outstanding (before discounting and net of reinsurance)			51				1295	
Brought forward amount (12.43.2 x 51.1 / 51.2 or, if less, 12.43.2)			52				466	
Greater of lines 50 and 52			53				466	

Calculation of general insurance capital requirement - claims amount and resultName of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**

Long term insurance business

		Company registration number	GL/ UK/ CM	day month year			Units	
		R12	1565099	GL	31	12	2006	£000
				This financial year 1			Previous year 2	
Reference period (No. of months) See INSPRU 1.1.63R				11				36
Claims paid in reference period				21				3076
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis			22				1295
	For insurance business accounted for on an accident year basis			23				
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis			24				1160
	For insurance business accounted for on an accident year basis			25				
Claims incurred in reference period (21+22+23-24-25)				26				3211
Claims incurred for classes 11, 12 or 13 (included in 26)				27				
Claims incurred for "actuarial health insurance" (included in 26)				28				
Sub-total E (26 +1/2 27 - 2/3 28)				29				3211
Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)				31				1070
Division of sub-total F (gross adjusted claims amount)	x 0.26			32				278
	Excess (if any) over 37.2M EURO x 0.03			33				
Sub-total G (32-33)				39				278
Claims amount Sub-total G x reinsurance ratio (11.49)				41				269
Higher of premiums amount and brought forward amount (11.53)				42				466
General insurance capital requirement (higher of lines 41 and 42)				43				466

Analysis of admissible assetsName of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	1565099	GL	31	12	2006	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	
Land and buildings			11				

Investments in group undertakings and participating interests

UK insurance dependants	Shares	21		
	Debts and loans	22		
Other insurance dependants	Shares	23		
	Debts and loans	24		
Non-insurance dependants	Shares	25		
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares	41		
Other shares and other variable yield participations	42		
Holdings in collective investment schemes	43	3000	3858
Rights under derivative contracts	44		
Fixed interest securities	Approved	45	
	Other	46	47000
Variable interest securities	Approved	47	
	Other	48	
Participation in investment pools	49		
Loans secured by mortgages	50		
Loans to public or local authorities and nationalised industries or undertakings	51		
Loans secured by policies of insurance issued by the company	52		
Other loans	53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	
	More than one month withdrawal	55	
Other financial investments	56		
Deposits with ceding undertakings	57		
Assets held to match linked liabilities	Index linked	58	
	Property linked	59	

Analysis of admissible assetsName of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	1565099	GL	31	12	2006	£000	1
					As at end of this financial year	As at end of the previous year	
					1	2	

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78		3
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81		12922
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		491
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of market risk and counterparty limits (11 to 86 less 87)	89	3000	64274
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Analysis of admissible assetsName of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets
R13	1565099	GL	31	12	2006	£000	1
						As at end of this financial year	As at end of the previous year
						1	2

Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting

Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)	91	3000	64274
Assets in excess of market and counterparty limits	92		
Capital resources requirement deduction of regulated related undertakings	93		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	94		
Inadmissible assets of regulated related insurance undertakings	95		
Book value of related ancillary services undertakings	96		
Other differences in the valuation of assets (other than for assets not valued above)	97		
Deferred acquisition costs excluded from line 89	98		
Reinsurers' share of technical provisions excluded from line 89	99		
Other asset adjustments (may be negative)	100		37672
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 100)	101	3000	101946
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	102		3

Analysis of admissible assetsName of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Total long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets	
R13	1565099	GL	31	12	2006	£000	10
					As at end of this financial year	As at end of the previous year	
					1	2	
Land and buildings			11			815140	

Investments in group undertakings and participating interests

UK insurance dependants	Shares	21		
	Debts and loans	22		
Other insurance dependants	Shares	23		
	Debts and loans	24		
Non-insurance dependants	Shares	25		
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares	41		1150554
Other shares and other variable yield participations	42		
Holdings in collective investment schemes	43		70187
Rights under derivative contracts	44		91929
Fixed interest securities	Approved	45	3408648
	Other	46	2116756
Variable interest securities	Approved	47	154888
	Other	48	57846
Participation in investment pools	49		
Loans secured by mortgages	50		7517
Loans to public or local authorities and nationalised industries or undertakings	51		
Loans secured by policies of insurance issued by the company	52		1783
Other loans	53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	
	More than one month withdrawal	55	
Other financial investments	56		
Deposits with ceding undertakings	57		
Assets held to match linked liabilities	Index linked	58	206160
	Property linked	59	5270

Analysis of admissible assetsName of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Total long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
R13	1565099	GL	31	12	2006	£000
					As at end of this financial year	As at end of the previous year
					1	2

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	
	Intermediaries	72	
Salvage and subrogation recoveries		73	
Reinsurance	Accepted	74	10762
	Ceded	75	
Dependants	due in 12 months or less	76	
	due in more than 12 months	77	
Other	due in 12 months or less	78	28270
	due in more than 12 months	79	

Other assets

Tangible assets	80	
Deposits not subject to time restriction on withdrawal with approved institutions	81	15631
Cash in hand	82	
Other assets (particulars to be specified by way of supplementary note)	83	
Accrued interest and rent	84	80965
Deferred acquisition costs (general business only)	85	
Other prepayments and accrued income	86	2596

Deductions from the aggregate value of assets	87	
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Grand total of admissible assets after deduction of market risk and counterparty limits (11 to 86 less 87)	89	8224902
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Analysis of admissible assetsName of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Total long term insurance business assets**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
R13	1565099	GL	31	12	2006	£000	10
						As at end of this financial year	As at end of the previous year
						1	2

Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting

Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)	91		8224902
Assets in excess of market and counterparty limits	92		
Capital resources requirement deduction of regulated related undertakings	93		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	94		
Inadmissible assets of regulated related insurance undertakings	95		
Book value of related ancillary services undertakings	96		
Other differences in the valuation of assets (other than for assets not valued above)	97		
Deferred acquisition costs excluded from line 89	98		
Reinsurers' share of technical provisions excluded from line 89	99		3110836
Other asset adjustments (may be negative)	100		(116158)
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 100)	101		11219580
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	102		7153

Long term insurance business liabilities and marginsName of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**Total business/Sub fund **10 Ordinary Long Term**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
---------------------------------------------	-------------------------------------------

Mathematical reserves, after distribution of surplus		11		6637958
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12		
Balance of surplus/(valuation deficit)		13		500
Long term insurance business fund carried forward (11 to 13)		14		6638458
Claims outstanding	Gross	15		47044
	Reinsurers' share	16		195
	Net (15-16)	17		46849
Provisions	Taxation	21		28744
	Other risks and charges	22		3817
Deposits received from reinsurers		23		
Creditors	Direct insurance business	31		1193
	Reinsurance accepted	32		9444
	Reinsurance ceded	33		4329
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions		36		
Creditors	Taxation	37		34173
	Other	38		142267
Accruals and deferred income		39		12759
Provision for "reasonably foreseeable adverse variations"		41		
Total other insurance and non-insurance liabilities (17 to 41)		49		283575
Excess of the value of net admissible assets		51		1302869
Total liabilities and margins		59		8224902

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61		
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62		5815

Total liabilities (11+12+49)		71		6921533
Increase to liabilities - DAC related		72		
Reinsurers' share of technical provisions		73		3110836
Other adjustments to liabilities (may be negative)		74		1012502
Capital and reserves and fund for future appropriations		75		174709
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose its external financial reporting (71 to 75)		76		11219580

Liabilities (other than long term insurance business)Name of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**

R15	Company registration number	GL/UK/CM	day month year			Units
	1565099	GL	31	12	2006	£000
			As at end of this financial year 1			As at end of the previous year 2

Technical provisions (gross amount)

Provisions for unearned premiums	11		
Claims outstanding	12		
Provision for unexpired risks	13		
Equalisation provisions	Credit business	14	
	Other than credit business	15	
Other technical provisions	16		
Total gross technical provisions (11 to 16)	19		

Provisions and creditors

Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers		31		
Creditors	Direct insurance business	41		
	Reinsurance accepted	42		
	Reinsurance ceded	43		
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions		46		
Creditors	Taxation	47		758
	Declared dividend	48		
	Other	49		1996
Accruals and deferred income		51		
Total (19 to 51)		59		2754
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63		35955
Total (59 to 63)		69		38709

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		37951
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Reinsurers' share of DAC	81		
Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83		
Capital and reserves	84	3000	63237
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69+81-82+83+84)	85	3000	101946

Profit and loss account (non-technical account)Name of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**

		Company registration number	GL/ UK/ CM	day	month	year	Units	
		R16	1565099	GL	31	12	2006	£000
				This financial year			Previous year	
				1			2	
Transfer (to)/from the general insurance business technical account	From Form 20		11					
	Equalisation provisions		12					
Transfer from the long term insurance business revenue account			13			14014	12916	
Investment income	Income		14			3908	4524	
	Value re-adjustments on investments		15					
	Gains on the realisation of investments		16					
Investment charges	Investment management charges, including interest		17			1761	1995	
	Value re-adjustments on investments		18					
	Loss on the realisation of investments		19					
Allocated investment return transferred to the general insurance business technical account			20					
Other income and charges (particulars to be specified by way of supplementary note)			21			(75752)		
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)			29			(59591)	15445	
Tax on profit or loss on ordinary activities			31			645	758	
Profit or loss on ordinary activities after tax (29-31)			39			(60236)	14687	
Extraordinary profit or loss (particulars to be specified by way of supplementary note)			41					
Tax on extraordinary profit or loss			42					
Other taxes not shown under the preceding items			43					
Profit or loss for the financial year (39+41-(42+43))			49			(60236)	14687	
Dividends (paid or declared)			51					
Profit or loss retained for the financial year (49-51)			59			(60236)	14687	

Analysis of derivative contractsName of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**Category of assets **Total long term insurance business assets**

		Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets	
		R17	1565099	GL	31	12	2006	£000	10
		As at the end of this financial year				As at the end of the previous year			
		Assets		Liabilities		Assets		Liabilities	
		1		2		3		4	
Derivative contracts									
Futures contracts	Fixed-interest securities	11							
	Equity shares	12							
	Land	13							
	Currencies	14							
	Other	15							
Options	Fixed-interest securities	21							
	Equity shares	22					2		
	Land	23							
	Currencies	24							
	Other	25					39550		
Contracts for differences	Fixed-interest securities	31							
	Equity shares	32							
	Land	33							
	Currencies	34							
	Other	35					90129	116845	
Adjustment for variation margin		41					(37752)		
Total (11 to 41)		49					91929	116845	

With-profits insurance capital component for the fund

Name of insurer **Phoenix Life & Pensions Limited**
 With-profits fund **10 Ordinary Long Term**
 Financial year ended **31 December 2006**
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
------------------------------------------	----------------------------------------

Regulatory excess capital

Regulatory value of assets	Long-term admissible assets of the fund	11		8224902
	Implicit items allocated to the fund	12		
	Mathematical reserves in respect of the fund's non-profit insurance contracts	13		1210584
	Long-term admissible assets of the fund covering the LTICR of the fund's non-profit insurance contracts	14		64252
	Long-term admissible assets of the fund covering the RCR of the fund's non-profit insurance contracts	15		
	Total (11+12-(13+14+15))	19		6950066
Regulatory value of liabilities	Mathematical reserves (after distribution of surplus) in respect of the fund's with-profits insurance contracts	21		5427374
	Regulatory current liabilities of the fund	22		321248
	Total (21+22)	29		5748622
Long-term insurance capital requirement in respect of the fund's with-profits insurance contracts		31		253512
Resilience capital requirement in respect of the fund's with-profits insurance contracts		32		
Sum of regulatory value of liabilities, LTICR and RCR (29+31+32)		39		6002134
Regulatory excess capital (19-39)		49		947932

Realistic excess capital

Realistic excess capital	51		
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Excess assets allocated to with-profits insurance business

Excess (deficiency) of assets allocated to with-profits insurance business in fund (49-51)	61		947932
Face amount of capital instruments attributed to the fund and included in capital resources (unstressed)	62		37672
Realistic amount of capital instruments attributed to the fund and included in capital resources (stressed)	63		37672
Present value of future shareholder transfers arising from distribution of surplus	64		
Present value of other future internal transfers not already taken into account	65		
With-profits insurance capital component for fund (if 62 exceeds 63, greater of 61+62-63-64-65 and zero, else greater of 61-64-65 and zero)	66		947932

Realistic balance sheet

Name of insurer **Phoenix Life & Pensions Limited**
 With-profits fund **10 Ordinary Long Term**
 Financial year ended **31 December 2006**
 Units **£000**

As at end of this financial year 1	As at end of the previous year 2
------------------------------------------	----------------------------------------

Realistic value of assets available to the fund

Regulatory value of assets	11		6950066
Implicit items allocated to the fund	12		
Value of shares in subsidiaries held in fund (regulatory)	13		
Excess admissible assets	21		
Present value of future profits (or losses) on non-profit insurance contracts written in the fund	22		104502
Value of derivatives and quasi-derivatives not already reflected in lines 11 to 22	23		
Value of shares in subsidiaries held in fund (realistic)	24		
Prepayments made from the fund	25		
Realistic value of assets of fund (11+21+22+23+24+25-(12+13))	26		7054568
Support arrangement assets	27		
Assets available to the fund (26+27)	29		7054568

Realistic value of liabilities of fund

With-profits benefit reserve	31		6132447
Future policy related liabilities	Part miscellaneous surplus attributed to with-profits benefits reserve	32	
	Part miscellaneous deficit attributed to with-profits benefits reserve	33	11017
	Planned enhancements to with-profits benefits reserve	34	129522
	Planned deductions for the costs of guarantees, options and smoothing from with-profits benefits reserve	35	46647
	Planned deductions for other costs deemed chargeable to with-profits benefits reserve	36	
	Future costs of contractual guarantees (other than financial options)	41	85870
	Future costs of non-contractual commitments	42	
	Future costs of financial options	43	260325
	Future costs of smoothing (possibly negative)	44	1413
	Financing costs	45	(396)
	Any other liabilities related to regulatory duty to treat customers fairly	46	
	Other long-term insurance liabilities	47	161388
Total (32+34+41+42+43+44+45+46+47-(33+35+36))	49		580458
Realistic current liabilities of the fund	51		341663
Realistic value of liabilities of fund (31+49+51)	59		7054568

Realistic balance sheet

Name of insurer **Phoenix Life & Pensions Limited**
 With-profits fund **10 Ordinary Long Term**
 Financial year ended **31 December 2006**
 Units **£000**

As at end of this financial year	As at end of the previous year
1	2

Realistic excess capital and additional capital available

Value of relevant assets before applying the most adverse scenario other than the present value of future profits arising from business outside with-profits funds	62		7054568
Amount of present value of future profits (or losses) on long-term insurance contracts written outside the fund included in the value of relevant assets before applying most adverse scenario	63		
Value of relevant assets before applying the most adverse scenario (62+63)	64		7054568
Risk capital margin for fund (62-59)	65		
Realistic excess capital for fund (26-(59+65))	66		
Realistic excess available capital for fund (29-(59+65))	67		
Working capital for fund (29-59)	68		
Working capital ratio for fund (68/29)	69		

Other assets potentially available if required to cover the fund's risk capital margin

Additional amount potentially available for inclusion in line 62	81		99192
Additional amount potentially available for inclusion in line 63	82		

Long-term insurance business : Revenue account

Name of insurer **Phoenix Life & Pensions Limited**
 Total business / subfund **10 Ordinary Long Term**
 Financial year ended **31 December 2006**
 Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	209238	(1282114)
Investment income receivable before deduction of tax	12	363241	436224
Increase (decrease) in the value of non-linked assets brought into the account	13	(162685)	371144
Increase (decrease) in the value of linked assets	14	(966)	403
Other income	15		580
Total income	19	408828	(473763)

Expenditure

Claims incurred	21	1011859	945844
Expenses payable	22	46718	41290
Interest payable before the deduction of tax	23	2546	5172
Taxation	24	23898	38801
Other expenditure	25		
Transfer to (from) non technical account	26	14014	12916
Total expenditure	29	1099035	1044023

Business transfers - in	31		
Business transfers - out	32	5948251	
Increase (decrease) in fund in financial year (19-29+31-32)	39	(6638458)	(1517786)
Fund brought forward	49	6638458	8156244
Fund carried forward (39+49)	59		6638458

Long-term insurance business : Analysis of premiums

Name of insurer **Phoenix Life & Pensions Limited**
 Total business / subfund **10 Ordinary Long Term**
 Financial year ended **31 December 2006**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Regular premiums	11	143979	38416	1583	183978	212313
Single premiums	12	(833)	100111	1997	101275	74310

Reinsurance - external

Regular premiums	13	29750			29750	32950
Single premiums	14		7194		7194	1494282

Reinsurance - intra-group

Regular premiums	15	5	26212		26217	32598
Single premiums	16	9	12845		12854	8907

Net of reinsurance

Regular premiums	17	114224	12204	1583	128011	146765
Single premiums	18	(842)	80072	1997	81227	(1428879)

Total

Gross	19	143146	138527	3580	285253	286623
Reinsurance	20	29764	46251		76015	1568737
Net	21	113382	92276	3580	209238	(1282114)

Long-term insurance business : Analysis of claims

Name of insurer **Phoenix Life & Pensions Limited**
 Total business / subfund **10 Ordinary Long Term**
 Financial year ended **31 December 2006**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Death or disability lump sums	11	72466	8195	970	81631	71014
Disability periodic payments	12					
Surrender or partial surrender	13	490684	157440	7261	655385	593358
Annuity payments	14	8037	86405	3614	98056	129450
Lump sums on maturity	15	228735	159864	9772	398371	303964
Total	16	799922	411904	21617	1233443	1097786

Reinsurance - external

Death or disability lump sums	21					
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24		74468		74468	35352
Lump sums on maturity	25					
Total	26		74468		74468	35352

Reinsurance - intra-group

Death or disability lump sums	31	17734	2387		20121	20142
Disability periodic payments	32					
Surrender or partial surrender	33	10445	92364		102809	81825
Annuity payments	34					
Lump sums on maturity	35		24186		24186	14623
Total	36	28179	118937		147116	116590

Net of reinsurance

Death or disability lump sums	41	54732	5808	970	61510	50872
Disability periodic payments	42					
Surrender or partial surrender	43	480239	65076	7261	552576	511533
Annuity payments	44	8037	11937	3614	23588	94098
Lump sums on maturity	45	228735	135678	9772	374185	289341
Total	46	771743	218499	21617	1011859	945844

Long-term insurance business : Analysis of expenses

Name of insurer **Phoenix Life & Pensions Limited**
 Total business / subfund **10 Ordinary Long Term**
 Financial year ended **31 December 2006**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Commission - acquisition	11	(421)	396	3	(22)	(1259)
Commission - other	12	3767	504	82	4353	5289
Management - acquisition	13	8110	300		8410	5376
Management - maintenance	14	19550	9369	609	29528	27769
Management - other	15	3113	2004		5117	4964
Total	16	34119	12573	694	47386	42139

Reinsurance - external

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26					

Reinsurance - intra-group

Commission - acquisition	31		300		300	381
Commission - other	32	78	290		368	468
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36	78	590		668	849

Net of reinsurance

Commission - acquisition	41	(421)	96	3	(322)	(1640)
Commission - other	42	3689	214	82	3985	4821
Management - acquisition	43	8110	300		8410	5376
Management - maintenance	44	19550	9369	609	29528	27769
Management - other	45	3113	2004		5117	4964
Total	46	34041	11983	694	46718	41290

Long-term insurance business : Linked funds balance sheet

Name of insurer **Phoenix Life & Pensions Limited**
 Total business
 Financial year ended **31 December 2006**
 Units **£000**

Financial year	Previous year
1	2

Internal linked funds (excluding cross investment)

Directly held assets (excluding collective investment schemes)	11		
Directly held assets in collective investment schemes of connected companies	12		
Directly held assets in other collective investment schemes	13		
Total assets (excluding cross investment) (11+12+ 13)	14		
Provision for tax on unrealised capital gains	15		
Secured and unsecured loans	16		
Other liabilities	17		
Total net assets (14-15-16-17)	18		

Directly held linked assets

Value of directly held linked assets	21		5270
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Total

Value of directly held linked assets and units held (18+21)	31		5270
Surplus units	32		
Deficit units	33		
Net unit liability (31-32+33)	34		5270

Long-term insurance business : Summary of new business

Name of insurer **Phoenix Life & Pensions Limited**
 Total business
 Financial year ended **31 December 2006**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Number of new policyholders/
scheme members for direct
insurance business**

Regular premium business	11	162	185		347	442
Single premium business	12	8	3248	77	3333	2964
Total	13	170	3433	77	3680	3406

**Amount of new regular
premiums**

Direct insurance business	21	197	1002	8	1206	422
External reinsurance	22					
Intra-group reinsurance	23	60	362		422	410
Total	24	257	1364	8	1628	832

**Amount of new single
premiums**

Direct insurance business	25	287	92680	2278	95245	65331
External reinsurance	26					
Intra-group reinsurance	27		3746		3746	68
Total	28	287	96425	2278	98990	65399

Long-term insurance business : Analysis of new business

Name of insurer

Phoenix Life & Pensions Limited

Total business

Financial year ended

31 December 2006

Units

£000

UK Life / Direct Insurance Business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
100	Conventional whole life with-profits OB		1		
120	Conventional endowment with-profits OB savings		2		
125	Conventional endowment with-profits OB target cash	1	58		
300	Regular premium non-profit WL/EA OB		79		
325	Level term assurance	160	54		
350	Stand-alone critical illness (guaranteed premiums)	1	2		
395	Annuity non-profit (PLA)			8	287

Long-term insurance business : Analysis of new business

Name of insurer

Phoenix Life & Pensions Limited

Total business

Financial year ended

31 December 2006

Units

£000

UK Pension / Direct Insurance Business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
165	Conventional deferred annuity with-profits		5		
175	Group conventional deferred annuity with-profits		160		
325	Level term assurance		3		
390	Deferred annuity non-profit		1	16	89
400	Annuity non-profit (CPA)			3146	82933
525	Individual pensions UWP		36		2191
725	Individual pensions Property-linked	87	428	29	6482
735	Group money purchase pensions Property-linked	98	369	49	769
905	Index linked annuity			8	217

Long-term insurance business : Analysis of new business

Name of insurer

Phoenix Life & Pensions Limited

Total business

Financial year ended

31 December 2006

Units

£000

UK Life / Reinsurance accepted intra-group

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
300	Regular premium non-profit WL/EA OB		6		
325	Level term assurance		34		
345	Accelerated critical illness (reviewable premiums)		14		
355	Stand-alone critical illness (reviewable premiums)		5		

Long-term insurance business : Analysis of new business

Name of insurer

Phoenix Life & Pensions Limited

Total business

Financial year ended

31 December 2006

Units

£000

UK Pension / Reinsurance accepted intra-group

Product code number 1	Product description 2	Regular premium business		Single premium business	
		Number of policyholders / scheme members 3	Amount of premiums 4	Number of policyholders / scheme members 5	Amount of premiums 6
525	Individual pensions UWP		50	6	679
535	Group money purchase pensions UWP			4	4
725	Individual pensions Property-linked	120	307	12	3060
735	Group money purchase pensions Property-linked	7	5	4	2

Long-term insurance business : Analysis of new business

Name of insurer

Phoenix Life & Pensions Limited

Total business

Financial year ended

31 December 2006

Units

£000

Overseas / Direct Insurance Business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
125	Conventional endowment with-profits OB target cash		1		
165	Conventional deferred annuity with-profits		1		
300	Regular premium non-profit WL/EA OB		2		
325	Level term assurance		3		
390	Deferred annuity non-profit			1	16
395	Annuity non-profit (PLA)			68	1985
400	Annuity non-profit (CPA)			8	278

Long-term insurance business : Summary of mathematical reserves

Name of insurer **Phoenix Life & Pensions Limited**
 Total business / subfund **10 Ordinary Long Term**
 Financial year ended **31 December 2006**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Form 51 - with-profits	11				3125864
Form 51 - non-profit	12				2569206
Form 52	13				2278304
Form 53 - linked	14				1471477
Form 53 - non-linked	15				45452
Form 54 - linked	16				245217
Form 54 - non-linked	17				
Total	18				9735520

Reinsurance - external

Form 51 - with-profits	21				766
Form 51 - non-profit	22				1570596
Form 52	23				
Form 53 - linked	24				
Form 53 - non-linked	25				
Form 54 - linked	26				39057
Form 54 - non-linked	27				
Total	28				1610419

Reinsurance - intra-group

Form 51 - with-profits	31				
Form 51 - non-profit	32				
Form 52	33				
Form 53 - linked	34				1466207
Form 53 - non-linked	35				44907
Form 54 - linked	36				
Form 54 - non-linked	37				
Total	38				1511114

Net of reinsurance

Form 51 - with-profits	41				3125098
Form 51 - non-profit	42				998610
Form 52	43				2278304
Form 53 - linked	44				5270
Form 53 - non-linked	45				545
Form 54 - linked	46				206160
Form 54 - non-linked	47				
Total	48				6613987

Long-term insurance business : Distribution of surplus

Name of insurer **Phoenix Life & Pensions Limited**
 Total business / subfund **10 Ordinary Long Term**
 Financial year ended **31 December 2006**
 Units **£000**

Financial year 1	Previous year 2
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Valuation result

Fund carried forward	11		6638458
Bonus payments in anticipation of a surplus	12	135604	107099
Transfer to non-technical account	13	14014	12916
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	149617	6758473
Mathematical reserves	21		6613987
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29	149617	144486

Composition of surplus

Balance brought forward	31	500	500
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33	(2028)	
Surplus arising since the last valuation	34	151145	143986
Total	39	149617	144486

Distribution of surplus

Bonus paid in anticipation of a surplus	41	135604	107099
Cash bonuses	42		
Reversionary bonuses	43		23971
Other bonuses	44		
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46	135604	131070
Net transfer out of fund / part of fund	47	14014	12916
Total distributed surplus (46+47)	48	149617	143986
Surplus carried forward	49		500
Total (48+49)	59	149617	144486

Percentage of distributed surplus allocated to policyholders

Current year	61	91.02	91.03
Current year - 1	62	91.03	91.10
Current year - 2	63	91.10	91.60
Current year - 3	64	91.60	92.10

Long-term insurance capital requirementName of insurer **Phoenix Life & Pensions Limited**

Global business

Financial year ended **31 December 2006**Units **£000**

LTICR factor	Gross reserves / capital at risk	Net reserves / capital at risk	Reinsurance factor	LTICR Financial year	LTICR Previous year
1	2	3	4	5	6

Insurance death risk capital component

Life protection reinsurance	11	0.0%				
Classes I (other), II and IX	12	0.1%				
Classes I (other), II and IX	13	0.15%				
Classes I (other), II and IX	14	0.3%				36894
Classes III, VII and VIII	15	0.3%				
Total	16					36894

Insurance health risk and life protection reinsurance capital component

Class IV supplementary classes 1 and 2 and life protection reinsurance	21					466
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Insurance expense risk capital component

Life protection and permanent health reinsurance	31	0%				
Classes I (other), II and IX	32	1%				70004
Classes III, VII and VIII (investment risk)	33	1%				8
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%				100
Classes III, VII and VIII (other)	35	25%				
Class IV (other)	36	1%				64
Class V	37	1%				
Class VI	38	1%				
Total	39					70176

Insurance market risk capital component

Life protection and permanent health reinsurance	41	0%				
Classes I (other), II and IX	42	3%				210012
Classes III, VII and VIII (investment risk)	43	3%				23
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%				
Classes III, VII and VIII (other)	45	0%				
Class IV (other)	46	3%				193
Class V	47	0%				
Class VI	48	3%				
Total	49					210228

Long term insurance capital requirement	51					317764
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Supplementary Notes

Phoenix Life & Pensions Limited

Global business

Financial year ended 31st December 2006

NOTES TO APPENDIX 9.1

***0301* Reconciliation of net admissible assets to total capital resources after deductions**

The reconciliation of the net admissible assets to total capital resources after deductions is as follows:

	2006 £000's	2005 £000's
Form 13 line 89 Total other than long term business assets	3,000	64,274
Form 13 line 89 Total long term business assets	-	8,224,902
Less the sum of lines 11, 12 and 49 of Form 14	-	(6,921,533)
Less Form 15 line 69	-	(38,709)
	<hr/>	<hr/>
	3,000	1,328,934
Form 15 line 63 Subordinated loan capital	-	35,955
	<hr/>	<hr/>
Total capital resources after deductions (Form 3 line 79)	3,000	1,364,889

***1304* OLTB: Set off**

***1310* LTB: Set off**

In accordance with Appendix 9.1, paragraph 8 of the Interim Prudential Sourcebook for Insurers, amounts shown in Forms 13, 14 and 15 have been calculated by netting amounts due to any one person against amounts due from that person.

***1305* OLTB: Counterparty limits**

***1319* LTB: Counterparty limits**

The maximum permitted limit to an approved and other than approved counterparty is the limit consistent with the requirement on admissibility of assets unless the Company agrees otherwise.

***1306* Counterparty exposure at the end of the financial year**

***1312* Counterparty exposure at the end of the financial year**

At 31 December 2006 the Company had no counterparty exposure exceeding 5% of the sum of its base capital resources requirement and its long term insurance liabilities, excluding property linked liabilities and net of reinsurance ceded.

***1401* Provision for reasonably foreseeable adverse variations**

***1501* Provision for reasonably foreseeable adverse variations**

No provision for reasonably foreseeable adverse variations has been made, as liabilities are matched to assets.

***1402* Details of charges over assets, contingent liabilities etc.**

***1502* Details of charges over assets, contingent liabilities etc.**

At 31 December 2006 there were no charges over assets and no other contingent liabilities, guarantees, indemnities or contractual commitments effected by the Company other than in the ordinary course of its insurance business in respect of the current or future liabilities of related companies.

Returns under the Accounts and Statement Rules

Supplementary Notes

Phoenix Life & Pensions Limited

Global business

Financial year ended 31st December 2006

***1601* Basis of conversion of foreign currency**

Long-term business amounts of income and expenditure in foreign currencies are translated to sterling at the prevailing rates at the date of the transactions.

***1603* Other Income and Charges**

On 31 December 2006 the long term business fund, together with the majority of the shareholders funds of the Company were transferred to Phoenix Life Limited for a £Nil consideration in accordance with the terms of a scheme under Part VII of the Financial Services and Markets Act 2000, approved by the High Court on 8 December 2006. The value of such was £85,632k.

On 8 December 2006, following Court approval the Company reduced it's share capital by the cancellation and extinction of ordinary shares and share premium. This reduction was effected by cancelling the capital paid up on 4,999,999 ordinary shares and the value of such was £9,880k.

***1700* Omission of forms**

Form 17 for other than long term has not been prepared as all entries, including comparatives, would be nil.

Supplementary Notes

Phoenix Life & Pensions Limited

Global business

Financial year ended 31st December 2006

NOTES TO APPENDIX 9.3

***4002* Other income and expenditure**

Other income in 2005 of £580k shown in Form 40, line 15 relates to costs arising from the decision to close to new business in 2002, together with the out turn of provisions established prior to 2003 in respect of previous business improvement programmes. These costs arise from fundamental reorganisations of the business.

***4004* Business Transfer Out**

On 31 December 2006, the long term business funds were transferred to Phoenix Life Limited for nil consideration in accordance with the terms of a scheme under Part VII of the Financial Services and Markets Act 2000 approved by the High Court on 8 December 2006. Funds carried forward were part of this balance to produce nil balance.

***4008* Provision of management services to or by the company**

Arrangements were in force during the financial year for the provision of management services to the Company by Resolution Management Services Limited, Phoenix Life Insurance Services Limited, Unisys Limited, Resolution Asset Management Limited and F&C Asset Management plc.

***4009* Material connected-party transactions**

A number of reinsurance contracts were in place between the Company and other group companies. All these contracts were entered into on "arms length" basis.

***4010* Unit linked investment income**

Form 40, line 12 includes unit linked investment income of £366k.

***4011* Expenses payable**

Policy administration is outsourced to Resolution Management Services Limited (RMS), which in turn has an agreement to sub-contract administration to Unisys Insurance Services Limited. Under the agreement with RMS, the majority of costs are levied on a per policy basis thereby mitigating the Company's expense risk.

***4101* Annuity Transfer**

On 1 September 2005 the Company sold, subject to Court approval, a substantial part of its pension annuity business that was in force at 1 January 2005 to Prudential Pensions Limited (Prudential).

However, prior to Court approval this business continued to be underwritten by the Company and 100% reassured to Prudential. To this effect from 1 September 2005 the Company entered into a reinsurance agreement with Prudential under which the annuity business sold was 100% reassured to Prudential. On 1 September 2005 a reinsurance premium of £1,494,282k was paid to Prudential. This is shown in Form 41, line 14 column 5.

Court approval was effective from 30 June 2006 and all funds related to this business were transferred to Prudential. From this date this business was written directly by Prudential.

***4102* Negative premiums**

The amount shown on Form 41 line 12 column 1 has a negative value mainly due to the refund of unearned premium on certain single premium Group Creditor contracts written prior to 2005 that covered policy loans typically lasting 5 to 10 years.

Supplementary Notes

Phoenix Life & Pensions Limited

Global business

Financial year ended 31st December 2006

***4401* Basis of valuation of assets**

Investments and assets held to cover linked liabilities are shown at market value, for which purpose unlisted investments, mortgages and loans are included at directors' valuation and properties at professional valuation. For listed securities the stock exchange values are used. Properties are valued annually at open market value.

***4500* Omission of forms**

Form 45 has not been prepared as all entries, including comparatives, would be blank.

***4800* Omission of forms**

Form 48 has not been prepared as all entries would be blank.

***4900* Omission of forms**

Form 49 has not been prepared as all entries would be blank.

***5100* Omission of forms**

Form 51 has not been prepared as all entries would be blank.

***5200* Omission of forms**

Form 52 has not been prepared as all entries would be blank.

***5300* Omission of forms**

Form 53 has not been prepared as all entries would be blank.

***5400* Omission of forms**

Form 54 has not been prepared as all entries would be blank.

***5500* Omission of forms**

Form 55 has not been prepared as all entries would be blank.

***5600* Omission of forms**

Form 56 has not been prepared as all entries would be blank.

***5700* Omission of forms**

Form 57 has not been prepared as all entries would be blank.

***5802* Transfers between funds**

For the Ordinary Long Term Fund Line 33 represents the amount of surplus transferred to Phoenix Life Limited as a result of the funds merger which would otherwise have been carried forward in Phoenix Life & Pensions Limited. £2.028m is transferred to the Phoenix With Profits Fund. An equivalent entry appears in Line 33 of the Phoenix Life Limited return.

***59A00* Omission of forms**

Form 59A has not been prepared as all entries would be blank.

Returns under the Accounts and Statement Rules

Supplementary Notes

Phoenix Life & Pensions Limited

Global business

Financial year ended 31st December 2006

***59B00* Omission of forms**

Form 59B has not been prepared as all entries would be blank.

Statement of Additional Information on Derivative Contracts required by rule 9.29

Phoenix Life & Pensions Limited

Financial year ended 31st December 2006

Statement pursuant to rule 9.29

- a) The Company has investment guidelines which indicate that derivative contracts are used primarily for the purpose of efficient portfolio management or reduction of investment risks which specify the types of derivative contracts which may be used and indicate the processes to be used in selecting and managing derivative contracts. The guidelines also require regular monitoring and reporting of open positions.
- b) The guidelines operated by the Company for the use of derivative contracts do not include any provisions for the use of contracts under which the Company has a right or obligation to acquire or dispose of assets which was not, at the time the contract was entered into, reasonably likely to be exercised.
- c) The Company was not a party to any such contracts of the kind described in b) at any time during the financial year.
- d) The derivative assets held are valued at market value. There would be no material change in value of any assets on Form 13 if these contracts were closed as at 31 December 2006
- e) The position under d) would not be different if such options were exercised in such a way as to change the amounts referred to in d) to the maximum extent.
- f) The position under d) would not have been materially different at any other time during the relevant financial year.
- g) The maximum loss which would be incurred by the Company in the event of failure by any one other person to fulfil its obligations under these contracts at the end of the financial year under existing and other foreseeable market conditions was £Nil
The maximum loss any other time during the relevant financial year was £894,249.
- h) The Company did not, at any time during the financial year, hold a derivative contract which required a significant provision to be made for it under INSPRU 3.2.17R or (where appropriate) did not fall within the definition of a permitted derivative contract.
- i) The Company received £Nil during the year in return for granting rights under derivative contracts.

Returns under the Accounts and Statements Rules

Statement of additional information on controllers required by rule 9.30

Phoenix Life & Pensions Limited

Global business

Financial year ended 31st December 2006

Statement Pursuant to rule 9.30

1. The following persons have, to the knowledge of Phoenix Life & Pensions Limited (the Company), been controllers of the Company during the year ended 31st December 2006 in descending order of parentage:

Resolution plc
Resolution Life Group Limited
Resolution Life Limited
RLG With Profit Holdings Limited

On 13 December 2006 the Company's then immediate parent, RLG With Profit Holdings Limited, transferred its interest in the Company to its immediate parent, Resolution Life Limited.

2. As at 31st December 2006, the controllers held 100% of the ordinary shares of its immediate subsidiary company together with the whole of the voting power at any general meeting.

APPENDIX 9.4

PHOENIX LIFE & PENSIONS LIMITED

Abstract of Valuation Report

1.1 The date of the valuation was 31st December 2006.

1.2 The previous valuation related to 31st December 2005.

On the 31st December 2006, the whole of the business within the long term fund was transferred under Part VII of the Financial Services and Markets Act 2000 to Phoenix Life Limited.

There is no long term business within the fund.

1.3 There were no interim valuations.

APPENDIX 9.4A

PHOENIX LIFE & PENSIONS LIMITED

Abstract of Valuation Report for Realistic Valuation

1.1 The date of the valuation was 31st December 2006.

1.2 The previous valuation related to 31st December 2005.

On the 31st December 2006, the whole of the business within the long term fund was transferred under Part VII of the Financial Services and Markets Act 2000 to Phoenix Life Limited.

There is no long term business within the fund.

1.3 There were no interim valuations.

Certificate required by rule 9.34(1)

Phoenix Life & Pensions Limited

Global business

Financial year ended 31st December 2006

We certify that:

- (1) (a) the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU.
- (b) the directors are satisfied that:
 - (i) throughout the financial year, the insurer has complied in all material respects with the requirements in SYSC and PRIN as well as the provisions of IPRU(INS) and either PRU or GENPRU and INSPRU, as applicable; and
 - (ii) it is reasonable to believe that the insurer has continued so to comply subsequently, and will continue so to comply in future.
- (2) (a) in the directors' opinion, premiums for contracts of long-term insurance business entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the insurer that are available for the purpose, to enable the insurer to meet its obligations in respect of those contracts and, in particular to establish adequate mathematical reserves;
- (b) there are no mathematical reserves as at the end of the financial year, as these were transferred to Phoenix Life Limited on 31 December 2006;
- (d) the directors have taken and paid due regard to:
 - (i) advice in preparing the return from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R; and
 - (ii) advice from every actuary appointed by the insurer to perform the with-profits actuary function in accordance with SUP 4.3.16AR.

R CRAINE
Director

R E K GREENFIELD
Director

I G MAIDENS
Director

28 March 2007

Returns under the Accounts and Statements Rules

Certificate required by rule 9.34

Phoenix Life & Pensions Limited

Global business

Financial year ended 31st December 2006

- (3) Paragraph (2)(c) which relates to the management of the with profits fund in accordance with the Principles and Practices of Financial Management (PPFM) has been omitted from the return due to certain minor instances where the management of the fund differed from the published PPFM but these have not resulted in the unfair treatment of policyholders.

Independent auditors' report to the directors pursuant to rule 9.35 of the Accounts and Statements Rules

Phoenix Life & Pensions Limited

Global business

Financial year ended 31st December 2006

We have examined the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Chapter 9 of the Interim Prudential Sourcebook for Insurers, the General Prudential Sourcebook and the Prudential Sourcebook for Insurers ("the Rules") made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 2, 3, 11 to 19, 40 to 44, 58 and 60 (including the supplementary notes) ("the Forms");
- the statement required by rule 9.29 ("the statement");
- the reports required by rule 9.31 ("the valuation reports");

We are not required to examine and do not express an opinion on:

- Forms 46, 47 and 50 (including the supplementary notes);
- the statements required by rules 9.30 and 9.36; and
- the certificate signed in accordance with rule 9.34(1).

This report is made solely to the insurer's directors, in accordance with rule 9.35 of the Accounts and Statements Rules. Our examination has been undertaken so that we might state to the insurer's directors those matters we are required by the Rules to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the insurer for our examination, for this report, or for the opinion we have formed.

Respective responsibilities of the insurer and its auditors

The insurer is responsible for the preparation of an annual return (including the Forms, the statement and the valuation reports) under the provisions of the Rules. Under rule 9.11 the Forms and the statement are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules.

It is our responsibility to form an independent opinion as to whether the Forms and the statement meet these requirements, and to report our opinion to you. We also report to you if, in our opinion, the insurer has not kept proper accounting records or if we have not received all the information we require for our examination.

Basis of opinion

We conducted our work in accordance with Practice Note 20, 'The audit of insurers in the United Kingdom (revised)' issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms, the statements and the valuation reports. The evidence included that previously obtained by us relating to the audit of the financial statements of the insurer for the financial year on which we reported on 29 March 2007. It also included an assessment of the significant estimates and judgements made by the insurer in the preparation of the Forms, the statements and the valuation reports.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms, the statements and the valuation reports are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with rule 9.11.

Opinion

In our opinion the Forms, the statements and the valuation reports fairly state the information provided on the basis required by the Rules and have been properly prepared in accordance with the provisions of those Rules.

Ernst & Young LLP

Registered Auditor

London

30 March 2007

Statement of Information on the Actuary appointed to perform the With-Profits Actuary function required by rule 9.36

Phoenix Life & Pensions Limited

Financial year ended 31st December 2006

In accordance with rule 9.36 of the Interim Prudential Sourcebook for Insurers, the Actuary appointed to perform the With-Profits Actuary function of Phoenix Life & Pensions Ltd has been requested to furnish the particulars required in paragraph 1 of the rule and has accordingly furnished the following statement. The Company has reviewed the requirements of rule 9.36 and is not aware of any further information to that provided by the Actuary.

Particulars of Shareholdings

At 31st December 2006 the With-Profits Actuary to the Company held:

- (a) 1,100 ordinary shares in Resolution Plc, the ultimate holding company; and
- (b) options to subscribe for 8,862 ordinary shares in Resolution Plc granted under the Company's Long Term Incentive Plan and the Savings Related Share Option Scheme.

Particulars of Pecuniary Interests

There was one contract of insurance in existence between the With-Profits Actuary and companies in the Resolution group, being a term assurance policy effected on normal terms with Scottish Provident Institution prior to it being part of the Resolution Group.

Particulars of Remuneration, Benefits, Directors Emoluments, Pensions or Compensation

The aggregate amount receivable by way of remuneration and the value of other benefits under a contract of employment with Resolution was £200,159 during 2006.

The With-Profits Actuary was a member of the Resolution Group Pension Scheme. The figure shown above excludes the relevant contributions.

Note:

The above information relates to Mr A E Burke the With-Profits Actuary from 1st January 2006.