

PHOENIX GROUP CA SERVICES LIMITED
(formerly SLFC Services Company (UK) Limited)

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2024

PHOENIX GROUP CA SERVICES LIMITED

CONTENTS

	Page
Directors and Officers	1
Directors' Report	2
Strategic Report	4
Statement of Directors' Responsibilities	6
Independent Auditor's Report to the Member of Phoenix Group CA Services Limited	7
Income Statement	10
Statement of Changes in Equity	10
Balance Sheet	11
Cash Flow Statement	12
Accounting Policies	13
Notes to the Financial Statements	15

PHOENIX GROUP CA SERVICES LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

A Cairns	(appointed 1 October 2024) (resigned 13 November 2024)
K A Garner	(resigned 1 April 2024)
Y A Gray	(appointed 30 April 2025)
M F Hobbs	(resigned 1 April 2024)
K L Jones	(appointed 1 April 2024) (resigned 30 September 2024)
F C Maclachlan	(resigned 30 April 2025)
J D M Noakes	(appointed 11 April 2024) (resigned 13 November 2024)
J C Reynolds	(appointed 13 November 2024)
S E Thompson	(appointed 1 April 2024) (resigned 13 November 2024)

COMPANY SECRETARY

J Edlin	(resigned 1 April 2024)
Pearl Group Secretariat Services Limited	(appointed 1 April 2024)

REGISTERED OFFICE

1 Wythall Green Way
Wythall
Birmingham
B47 6WG

COMPANY REGISTRATION

Registered in England and Wales, number 06997417

COMPANY INFORMATION

A private company, limited by shares

GROUP INFORMATION

A member of the Phoenix Group Holdings plc group of companies (the Group / the Phoenix Group)

AUDITOR

KPMG LLP, London

PHOENIX GROUP CA SERVICES LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of Phoenix Group CA Services Limited, company number 06997417, for the year ended 31 December 2024.

Principal activity

The principal activity of the company was the provision of management and administrative services to the subsidiaries of Phoenix Life CA Holdings Limited (Phoenix Life CA Holdings Limited group of companies).

On 1 October 2024, as part of an initiative to consolidate the servicing activities of the Phoenix Group, the company transferred to Phoenix Group Management Services Limited (PGMS), a fellow group undertaking, all of its servicing activities for £1 consideration. This was preceded by the company reducing its share capital to create additional distributable reserves.

The company has ceased trading, and accordingly the directors believe that it is appropriate to adopt an 'other than going concern basis' in preparing the financial statements.

Directors

The directors of the company are shown on page 1.

Directors' indemnities

Phoenix Group Holdings plc, the company's ultimate parent undertaking, has made third-party indemnity provisions for the benefit of the directors of the company to the extent permitted under the Companies Act 2006. These were made during the year and remain in force at the date of this report.

Employees

Employees provided management and administration services for the day-to-day running of the Phoenix Life CA Holdings Limited group of companies and the implementation of strategic initiatives.

On 1 October 2024, in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006, the company's remaining employees became employees of PGMS, a fellow group undertaking.

Engagement with employees during 2024 is detailed in the Section 172(1) statement of Phoenix Life CA Limited, the principal operating subsidiary of the Phoenix Life CA Holdings Limited group of companies.

Financial instruments

The company was exposed to financial risk through its financial assets and financial liabilities. The primary risks and uncertainties are discussed further in the strategic report on page 4.

Disclosure of information to auditor

So far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware, and each of the directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006.

Auditor appointment

On 16 August 2024, Ernst & Young LLP resigned as auditors having reached the maximum period of service for an auditor of a Public Interest Entity under the mandatory auditor rotation requirements for a life company within the Group. In accordance with section 485 of the Companies Act 2006, KPMG LLP were appointed auditors to the company for the year ended 31 December 2024, following a Group-wide selection process carried out in accordance with section 485B of the Companies Act 2006. The appointment of KPMG LLP as auditor of the company was approved by the Board.

In accordance with section 487 of the Companies Act 2006, KPMG LLP will be deemed to have been re-appointed at the end of the period of 28 days following circulation of copies of these financial statements as no notice has been received from members pursuant to section 488 of the Companies Act 2006 prior to the end of the accounting reference period to which these financial statements relate.

PHOENIX GROUP CA SERVICES LIMITED

DIRECTORS' REPORT (Continued)

On behalf of the Board

Signed by:

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P Shakespeare
For and on behalf of Pearl Group Secretariat Services Limited
Company Secretary

19 September 2025

PHOENIX GROUP CA SERVICES LIMITED

STRATEGIC REPORT

Results and performance

The results of the company for the year, as set out on page 10, show a profit for the financial year of £9,000 (2023: £19,000). The total equity of the company at the year-end was £nil (2023: £2,126,000).

Prior to 1 October 2024, the company provided management and administrative services to the Phoenix Life CA Holdings Limited group of companies. The company did not charge a mark-up on the services that it provided and essentially sought to charge out all of the costs that it incurred.

Key performance indicators (KPIs)

The directors monitored the performance and liquidity position of the company by reference to the KPIs below.

Key performance indicator

	2024 £'000	2023 £'000
Turnover	19,320	26,910
Profit / (loss) on ordinary activities before taxation	9	(4)
Profit for the year	9	19
Cash and cash equivalents	-	1,311
Average number of employees	50	82

On 1 October 2024, the company transferred its servicing activities, assets and liabilities to PGMS, a fellow group undertaking. On the same date, in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006, the company's remaining employees became employees of PGMS.

Primary risks and uncertainties

The company was exposed to a range of financial risks through its financial assets and financial liabilities, but was primarily exposed to liquidity risk. Liquidity risk is the risk that the company does not have sufficient available cash to meet its obligations as they fall due.

The company maintained sufficient cash to meet its liabilities as they fell due. The cash position and future cash flows of the company were closely monitored, and amounts owed by group undertakings for the services provided were settled on a monthly basis.

Section 172(1) statement

The principal activity of the company was the provision of management and administrative services to the Phoenix Life CA Holdings Limited group of companies and in particular the principal operating subsidiary of the group, Phoenix Life CA Limited.

On 1 October 2024, as part of an initiative to consolidate the servicing activities of the Phoenix Group, the company transferred to Phoenix Group Management Services Limited (PGMS), a fellow group undertaking, all of its servicing activities for £1 consideration. On the same date, in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006, the company's remaining employees became employees of PGMS, a fellow group undertaking.

The company had a contractual relationship with all employees of the Phoenix Life CA Holdings Limited group and therefore it considered those employees to be key stakeholders. Other stakeholders include its intermediate parent companies, PGH CA Limited and Phoenix Life CA Holdings Limited, and the principal operating subsidiary of the group, Phoenix Life CA Limited. There were also certain suppliers of the company which were considered to be key stakeholders. A full description of why the employees and suppliers as stakeholders are important to the Phoenix Life CA Holdings Limited group can be found in the Section 172(1) statement of Phoenix Life CA Limited.

In 2024, the Board of the company made the following significant decisions:

- Approval of the company's financial statements
- Approval of the reduction in the issued share capital of the company ahead of the business transfer to PGMS.
- Authorised the execution of the Business Transfer and Accession agreements ahead of the business transfer to PGMS

PHOENIX GROUP CA SERVICES LIMITED

STRATEGIC REPORT (Continued)

Future outlook

As part of an initiative to consolidate the servicing activities of the Phoenix Group, the company transferred to PGMS, a fellow group undertaking, all of its servicing activities together with the associated assets and liabilities at their respective carrying values on 1 October 2024. The company has ceased trading, and accordingly the directors believe that it is appropriate to adopt an 'other than going concern basis' in preparing the financial statements.

The strategic report of Phoenix Group CA Services Limited (registered number 06997417) was approved by the Board, authorised for issue and signed on its behalf by:

Signed by:

Paul Shakespeare

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P Shakespeare
For and on behalf of Pearl Group Secretariat Services Limited
Company Secretary

19 September 2025

PHOENIX GROUP CA SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the strategic report, the directors' report and the financial statements (together "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 elected to prepare the financial statements in accordance with UK adopted International Accounting Standards (IAS) and applicable law.

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;
- Make judgements and accounting estimates that are reasonable, relevant and reliable;
- State whether they have been prepared in accordance with IAS;
- Assess the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

PHOENIX GROUP CA SERVICES LIMITED

Opinion

We have audited the financial statements of Phoenix Group CA Services Limited ("the company") for the year ended 31 December 2024 which comprise the Income statement, the Statement of changes in equity, the Balance sheet, the Cash flow statement, and the related notes, including the accounting policies in notes (a) to (i).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure made in note (a) to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Our risk assessment procedures included:

- Enquiring of directors; internal audit; and members of management, and inspection of policy documentation as to the company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the company's channel for whistleblowing, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board meeting minutes;
- Considering remuneration incentive schemes and performance targets for management and directors; and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the nature of revenue is non-complex and there are no significant incentives to manipulate revenue recognition.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included, but were not limited to, journals posted in seldom used accounts, journals posted with unusual account pairings, and journals containing words determined to be high risk.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PHOENIX GROUP CA SERVICES LIMITED (Continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the company's license to operate. We identified the following areas as the most likely to have such an effect: health and safety, data protection laws, anti-bribery, financial crime, environmental law and employment law, recognising the nature of the company's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. Our audit procedures are designed to detect material misstatements. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PHOENIX GROUP CA SERVICES LIMITED (Continued)

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

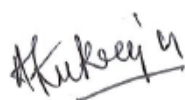
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Achin Kukreja (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

19 September 2025

PHOENIX GROUP CA SERVICES LIMITED

INCOME STATEMENT For the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Turnover	2	19,320	26,910
Interest receivable		9	19
Total revenue		19,329	26,929
Administrative expenses	3, 4	(19,320)	(26,933)
Profit / (loss) before tax		9	(4)
Tax credit	8	-	23
Profit for the year		9	19

The company has no other comprehensive income other than that included in the income statement above and, accordingly no statement of comprehensive income has been presented.

All results arise from discontinued operations and all profits are attributable to the equity shareholder of the company.

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2024

	Share capital £'000	Retained earnings £'000	Total £'000
At 1 January 2023	2,000	107	2,107
Profit for the financial year	-	19	19
At 31 December 2023	2,000	126	2,126
Profit for the financial year	-	9	9
Reduction in share capital	(2,000)	2,000	-
Business transfer	-	(2,135)	(2,135)
At 31 December 2024	-	-	-

On 16 September 2024, the share capital of the company was reduced to £1.00 by cancelling 1,999,999 allotted and fully paid shares to create additional distributable reserves for the business transfer to PGMS.

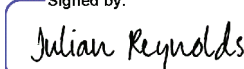
PHOENIX GROUP CA SERVICES LIMITED

BALANCE SHEET

At 31 December 2024

	Notes	2024 £'000	2023 £'000
ASSETS			
Property and equipment	9	-	57
Deferred tax assets	10	-	1,774
Receivables	11	-	8,034
Cash and cash equivalents		-	1,311
Total assets		-	11,176
Equity attributable to equity shareholder of the company			
Called up share capital	12	-	2,000
Retained earnings		-	126
Total equity		-	2,126
LIABILITIES			
Provisions for other risks and charges	13	-	317
Payables	14	-	8,733
Total liabilities		-	9,050
Total equity and liabilities		-	11,176

The financial statements of Phoenix Group CA Services Limited (registered number 06997417) on pages 10 to 21 were approved by the Board, authorised for issue and signed on its behalf by:

Signed by:

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J C Reynolds
Director

19 September 2025

PHOENIX GROUP CA SERVICES LIMITED

CASH FLOW STATEMENT For the year ended 31 December 2024

	2024 £'000	2023 £'000
OPERATING ACTIVITIES		
Cash received from group undertakings for services provided	25,187	22,930
Cash paid to service providers	(21,715)	(27,393)
Settlement of group relief balance	146	227
Net cash from / (used in) operating activities	3,618	(4,236)
INVESTING ACTIVITIES		
Cash on business transfer	(4,938)	-
Interest received	9	19
Net cash (used in) / from investing activities	(4,929)	19
Net decrease in cash and cash equivalents	(1,311)	(4,217)
Cash and cash equivalents at beginning of the year	1,311	5,528
Cash and cash equivalents at end of the year	-	1,311

PHOENIX GROUP CA SERVICES LIMITED

ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements for the year ended 31 December 2024, set out on pages 10 to 21 were authorised by the Board of directors for issue on 7 August 2025.

As part of an initiative to consolidate the servicing activities of the Phoenix Group, the company transferred to PGMS, a fellow group undertaking, all of its servicing activities together with the associated assets and liabilities at their respective carrying values on 1 October 2024. The company has ceased trading, and accordingly the directors believe that it is appropriate to adopt an 'other than going concern basis' in preparing the financial statements.

The financial statements have been prepared in accordance with UK adopted IAS and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The financial statements are presented in sterling (£) rounded to the nearest £thousand except where otherwise stated.

A summary of the material accounting policies is set out below and, unless otherwise stated, accounting policies have been applied consistently in the current period and preceding year.

(b) Changes in accounting policies

New, amended and revised International Financial Reporting Standards

The following new standard relevant to the company has been applied to these financial statements:

- IAS 1 'Presentation of Financial Statements' (amendment effective for reporting periods beginning on or after 1 January 2024). The amendments are to clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period. The company already classifies non-current liabilities on this basis so the adoption of the amendments have not had any impact on the financial statements.

There were no other changes to the company's accounting policies during 2024.

(c) Use of judgements, estimates and assumptions

The preparation of the financial statements requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date, as well as affecting the reported income and expenses for the year. Although the estimates are based on management's best knowledge and judgement of information and financial data as at the date the financial statements are approved, the actual outcome may differ from these estimates.

Critical accounting judgements

There are no critical accounting judgements. The most significant example of where judgement is used when applying accounting policies, without the use of estimates or assumptions, is the decision of whether or not to capitalise an asset. Such decisions are made on a case-by-case basis, and take into account factors such as the type of asset(s), the value of the asset(s), and consistency with prior treatment of similar assets.

Key sources of estimation uncertainty

Some judgement is made in the preparation of the financial statements requiring the use of estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, revenue and expenses. There are no significant sources of estimation uncertainty.

(d) Share-based payment schemes

The company participates in an equity-settled share-based payment scheme under the Phoenix Group's Long-Term Incentive Plan as described in note 7. The scheme relates to the shares of Phoenix Group Holdings plc., the ultimate parent company. The scheme is administered by PGMS, a fellow group undertaking, who recharge the cost of share awards to the company.

The fair value of share-based payments is measured at the grant date and expensed over the vesting period in the income statement.

PHOENIX GROUP CA SERVICES LIMITED

ACCOUNTING POLICIES (Continued)

(e) Taxation

Corporation tax in the income statement is based on income for the year determined in accordance with the relevant tax legislation, together with adjustments to provisions for prior periods. The liability for current tax is calculated using tax rates that have been substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. The tax rates used are those that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is calculated at the rates at which it is expected that the tax benefit / liability will arise. Deferred tax assets are recognised for deductible temporary differences to the extent that it is more likely than not that they will be recovered against future taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax is recognised in the income statement for the period, except to the extent that it is attributable to items that are recognised in the same or a different period outside the income statement, in which case the deferred tax will be recognised in other comprehensive income or equity.

Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis.

(f) Property and equipment

Furniture and equipment is carried at historic cost less accumulated depreciation and any provision for impairment.

Depreciation is calculated using the straight-line method to write down the cost of the assets to their residual value over their estimated useful life as follows:

Furniture	5 years
Computer equipment	3 years
Office equipment	4 years
Leasehold improvements	5 years

The assets' residual values, useful lives and method of depreciation are reviewed regularly and at least at each financial year-end, and adjusted if appropriate. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and other short-term investments with a maturity of three months or less from the date of acquisition. The carrying amount of these assets approximates to their fair value.

(h) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation. Where the effect is material, provisions are discounted using a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Foreign currencies

Foreign currency transactions are translated into the company's functional currency, pounds sterling, at the exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into pounds sterling at the foreign exchange rates ruling at the end of the financial year. Foreign exchange differences arising on translation are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the dates of the transactions.

PHOENIX GROUP CA SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFER OF BUSINESS

On 1 October 2024, the servicing activities, assets and liabilities of the company were transferred to PGMS for £1 consideration.

The carrying value of the assets and liabilities transferred are set out below:

	1 October 2024 £'000
Assets	
Property and equipment	31
Deferred tax assets	1,710
Current tax assets	135
Receivables	1,875
Cash and cash equivalents	4,938
	<u>8,689</u>
Equity and liabilities	
Retained earnings	2,135
Provisions for other risks and charges	109
Payables	6,445
	<u>8,689</u>

2. TURNOVER

Turnover of £19,320,000 (2023: £26,910,000) represents services charged to other members of the Phoenix Life CA Holdings Limited group of companies. Revenue is earned as the services are provided and the costs are incurred on behalf of the other members of the group.

3. ADMINISTRATIVE EXPENSES

Administrative expenses include:

	2024 £'000	2023 £'000
Auditor's remuneration – Fees payable for the audit of the company's annual financial statements	6	10
Depreciation (note 9)	26	112

4. EMPLOYEE NUMBERS AND COSTS

	2024 £'000	2023 £'000
Wages and salaries	4,352	9,945
Social security costs	810	1,501
Other pension costs	382	730
Death in service benefits	34	126
Redundancy / severance payments	1,926	310
	<u>7,504</u>	<u>12,612</u>

The Phoenix Life CA Holdings Limited group operates a largely outsourced business model. Fees incurred in respect of outsourcing contracts are borne directly by a fellow subsidiary undertaking, Phoenix Life CA Limited.

PHOENIX GROUP CA SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. EMPLOYEE NUMBERS AND COSTS (continued)

The average number of employees, including executive directors, employed by the company during the year was as follows:

	2024 No.	2023 No.
Administration	<u>50</u>	<u>82</u>

As noted in the directors' report, in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006, the company's remaining employees became employees of PGMS on 1 October 2024.

5. KEY MANAGEMENT REMUNERATION

The company considers that only directors of the company meet the definition of key management. The directors of the company are also directors of other group undertakings. For 2023, there was no apportionment of remuneration for their services as directors of the company and their services as directors of other group undertakings and therefore their total remuneration received is shown below. In 2024, an apportionment of the total remuneration paid to the directors of the company by the Phoenix Group has been based on an estimate of the services rendered to the company.

	2024 £'000	2023 £'000
Remuneration	138	1,811
Amounts receivable (excluding shares) under long-term incentive programmes	111	594
Contributions to money purchase pension plans	<u>4</u>	<u>28</u>
	<u>253</u>	<u>2,433</u>

The number of directors who:

	No.	No.
Accrue benefits under a money purchase pension scheme	2	3
Exercised share options during the year	3	-

Highest paid director:

	£'000	£'000
Emoluments	57	965
Amounts receivable (excluding shares) under long-term incentive programmes	66	331
Contributions to money purchase pension plans	3	9

During the year to 31 December 2024 key management personnel and their close family members contributed £111,000 to pensions and savings products sold by the Group. The total value of the investments in Group pensions and savings products at 31 December 2024 held by those classified as key management personnel at this date was £16,000.

6. PENSION CHARGES

Another group undertaking, Phoenix Life CA Limited, operates and is the principal employer of the staff pension schemes for the Phoenix Life CA Holdings Limited group of companies in the United Kingdom.

As noted in the directors' report, in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006, the company's remaining employees became employees of PGMS on 1 October 2024. Up to the point of transfer, the company paid pension charges in respect of the money purchase scheme of £382,000 for the year to 31 December 2024 (year to 31 December 2023: £730,000). There were no outstanding contributions payable to the scheme at the end of the year.

PHOENIX GROUP CA SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. SHARE-BASED PAYMENTS

The company previously participated in a cash-settled share-based payment scheme which related to the shares of Sun Life Financial Inc., the company's former parent. Following the acquisition by the Phoenix Group on 3 April 2023, the company pro-rated the value of the in-flight units previously awarded under the Sun Life Financial Inc. scheme and made a cash payment to employees in the scheme. The employees forfeited the remaining element and were granted buyout awards under the Phoenix Group's Long Term Incentive Plan (LTIP). The awards under this plan are in the form of nil-cost options to acquire an allocated number of ordinary shares.

The cost of share-based payments is recharged by the administrator of the Phoenix Group LTIP scheme, PGMS, a fellow group undertaking, to the company on a straight-line basis over the vesting period.

Settlement of the awards is subject to continued employment. Awards are forfeited if the employee leaves the company for reasons other than redundancy or retirement before the vesting date.

The expense recognised for employee services receivable during the year is as follows:

	2024 £'000	2023 £'000
Expenses arising from equity-settled share-based payment transactions	<u>486</u>	<u>89</u>

8. TAXATION

In June 2021, the government enacted an increase in the rate of corporation tax to 25% with effect from April 2023. Under UK adopted IAS, deferred tax is calculated using rates substantively enacted by the balance sheet date and as such, closing deferred tax balances have been accounted for at 25%.

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

	2024 £'000	2023 £'000
Current taxation:		
Current taxation	-	(38)
Adjustments in respect of prior period	<u>(64)</u>	<u>50</u>
	<u>(64)</u>	<u>12</u>
Deferred taxation:		
Origination and reversal of timing differences	3	34
Adjustments in respect of prior period	<u>61</u>	<u>(69)</u>
	<u>64</u>	<u>(35)</u>
Total tax credit	<u>-</u>	<u>(23)</u>

(b) Factors affecting the credit for the year

The total tax for the year can be reconciled to the accounting profit / (loss) as follows:

	2024 £'000	2023 £'000
Profit / (loss) before tax	<u>9</u>	<u>(4)</u>
Profit / (loss) before tax multiplied by the standard UK corporation tax rate of 25.00% (2023: 23.52%)	2	(1)
Effects of:		
Tax rate differential	-	(11)
Adjustments in respect of prior period	(3)	(19)
Non-deductible expenses	<u>1</u>	<u>8</u>
Total tax credit	<u>-</u>	<u>(23)</u>

PHOENIX GROUP CA SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. PROPERTY AND EQUIPMENT

	Computer equipment £'000	Office equipment £'000	Furniture £'000	Leasehold improvements £'000	Total £'000
Cost:					
At 1 January 2023	1,624	75	124	323	2,146
Additions	-	-	-	-	-
Disposals	(338)	-	-	-	(338)
At 31 December 2023	1,286	75	124	323	1,808
Additions	-	-	-	-	-
Disposals	(577)	(62)	-	-	(639)
Business transfer	(709)	(13)	(124)	(323)	(1,169)
At 31 December 2024	-	-	-	-	-
Depreciation:					
At 1 January 2023	1,461	75	118	323	1,977
Charge for the year	108	-	4	-	112
Disposals	(338)	-	-	-	(338)
At 31 December 2023	1,231	75	122	323	1,751
Charge for the year	24	-	2	-	26
Disposals	(577)	(62)	-	-	(639)
Business transfer	(678)	(13)	(124)	(323)	(1,138)
At 31 December 2024	-	-	-	-	-
Carrying amount:					
At 1 January 2023	163	-	6	-	169
At 31 December 2023	55	-	2	-	57
At 31 December 2024	-	-	-	-	-

10. DEFERRED TAX

The movement in deferred tax assets during the year is as follows:

	Capital allowances £'000	Other provisions £'000	Tax losses carried forward £'000	Total £'000
At 1 January 2023	1,366	297	76	1,739
(Charged) / credited to the income statement	(24)	59	-	35
At 31 December 2023	1,342	356	76	1,774
(Charged) / credited to the income statement	(53)	(212)	201	(64)
Business transfer	(1,289)	(144)	(277)	(1,710)
At 31 December 2024	-	-	-	-

PHOENIX GROUP CA SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. DEFERRED TAX (continued)

Deferred tax assets are recognised for future projected tax deductions for capital allowances, other provisions and accumulated trade losses. The assets have been valued based on management's estimate of future group profits available against which to surrender losses from this company and are valued in accordance with the enacted tax rates in force at the projected time of the surrender. Deferred tax assets have only been recognised to the extent that it is probable that future profits will be available against which to surrender group relief.

11. RECEIVABLES

	2024 £'000	2023 £'000
Amounts due from other group undertakings	-	4,438
Amounts due from parent undertakings	-	2,448
Amounts due from other group undertakings – group relief	-	217
Other debtors	-	931
	<u>-</u>	<u>8,034</u>

As stated in note 1, the assets of the company were transferred to PGMS on 1 October 2024.

All amounts are current and repayable on demand.

Receivables are held at amortised cost, with the carrying amount approximating to fair value.

12. CALLED UP SHARE CAPITAL

	2024 £'000	2023 £'000
Allotted and fully paid:		
1 ordinary share (2023: 2 million ordinary shares) of £1 each	<u>-</u>	<u>2,000</u>

On 16 September 2024, the share capital of the company was reduced to £1.00 by cancelling 1,999,999 allotted and fully paid shares to create additional distributable reserves for the business transfer to PGMS. The amount of the reduction was credited to the retained earnings of the company.

13. PROVISIONS FOR OTHER RISKS AND CHARGES

	Restructuring £'000	Other £'000	Total £'000
Balance at 1 January 2023	292	249	541
Provided / (released) in year	31	(4)	27
Utilised in year	<u>(200)</u>	<u>(51)</u>	<u>(251)</u>
Balance at 31 December 2023	123	194	317
Provided / (released) in year	1	-	1
Utilised in year	<u>(124)</u>	<u>(85)</u>	<u>(209)</u>
Business transfer	-	<u>(109)</u>	<u>(109)</u>
Balance at 31 December 2024	<u>-</u>	<u>-</u>	<u>-</u>

PHOENIX GROUP CA SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. PROVISIONS FOR OTHER RISKS AND CHARGES (continued)

Restructuring – the provision relates to an agreement to transition the financial reporting aspects of the in-house actuarial team to Towers Watson Limited. The transition completed in May 2021, with the remaining project resource leaving the business in 2024.

Other – the provision relates to the decision made by the UK group to cease selling new business and represents the amount estimated in respect of the activities specified in the closure plan.

14. PAYABLES

	2024 £'000	2023 £'000
Amounts owed to parent undertakings	-	708
Other creditors	-	734
Accruals and deferred income	-	7,291
	<u>-</u>	<u>8,733</u>

As stated in note 1, the liabilities of the company were transferred to PGMS on 1 October 2024.

All amounts are current and repayable on demand.

Payables are held at amortised cost, with the carrying amount approximating fair value.

15. RELATED PARTY TRANSACTIONS

The following transactions were entered into with related parties:

	2024 £'000	2023 £'000
Other group undertakings		
Recharge of management and administrative services	13,490	26,910
Recharge of transitional costs to fellow group undertakings	5,830	-
Purchase of management and administrative services from former parent undertaking	-	(204)
Purchase of management and administrative services from fellow group undertaking	(4,917)	(609)
Share-based payments	(486)	(89)

The company provides management and administrative services to other companies within the Phoenix Life CA Holdings Limited group of companies. The company does not charge a mark-up on the services that it provides and seeks to recover all costs incurred by way of a monthly service charge.

Following the acquisition of the company by the Phoenix Group, the company incurred various transitional costs that were subsequently recharged to other entities in the Phoenix Group.

The company's former Canadian parent recharged the company quarterly for various management, administrative and overhead costs. Some services continue to be provided under a transitional services agreement but after 3 April 2023, are no longer disclosed as related party transactions following the acquisition of the company by the Phoenix Group.

PGMS, a fellow group undertaking, recharged the company monthly for various administrative and overhead costs until the business transfer to PGMS on 1 October 2024.

As described in note 7, the cost of share-based payments were recharged to the company by PGMS, a fellow group undertaking.

PHOENIX GROUP CA SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. RELATED PARTY TRANSACTIONS (continued)

Key management remuneration

Details of key management remuneration are provided in note 5.

Amounts due from / to group undertakings

The company has receivable and payable balances with group undertakings as shown in notes 11 and 14.

16. PARENT COMPANIES

The company's immediate parent company is PGH CA Limited, a company incorporated in the United Kingdom.

The company's ultimate parent company and controlling party is Phoenix Group Holdings plc, a company incorporated in the United Kingdom. Copies of the Phoenix Group Holdings plc consolidated financial statements can be obtained from their company website at www.thephoenixgroup.com.