PHOENIX UNIT TRUST MANAGERS LIMITED

Company Registration Number: 03588031

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2024

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Strategic report

The Directors present the Strategic report, their Report and the financial statements of Phoenix Unit Trust Managers Limited ("the Company") for the year ended 31 December 2024.

The financial statements of the Company have been prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

Business review

Principal activities
The principal activity of the Company is that of managing Authorised Contractual Schemes ("ACS") and unit trusts ("UTs"). This will continue to be the principal activity for the foreseeable future. The Company is authorised and regulated by the Financial Conduct Authority ("FCA").

Strategy
The Company is a member of the Phoenix Group ("the Group"), which is the UK's largest long-term savings and retirement business. With around £290 billion of assets under administration in total, the Group offers c.12 million customers a range of products through our trusted pensions, savings and life insurance brands. Our purpose is to help people secure a life of possibilities; from our customers, colleagues and investors to wider society, and our mission is to help everyone achieve the retirement they want and stay with them for the whole journey. The Group's vision is to grow a strong and sustainable business to help more people on their journey to and through retirement, enabling improved outcomes for customers and to deliver value for shareholders. The Company supports this overall strategy by managing the Group's ACS and UTs in a sustainable and efficient manner, consolidating them under a single Authorised Fund Manager.

Corporate activity
The Company launched two Funds during 2024, following the launch of a new multi manager fund in 2023.

No dividends were paid during the year (2023: £nil).

Future developments
The Company has plans to launch new funds in 2025 to diversify and improve its asset management offering, as well as further increasing Assets Under Management ("AUM") through the transfer and collectivisation of funds from elsewhere within Phoenix Group.

Climate change: activity in the year and future developments
Climate change remains one of the greatest global challenges faced today. As a member of a purpose-led Group we want to continue to play our part in delivering a net zero economy and our actions are either directly or indirectly aligned with this goal. The primary drivers for our actions are to reduce the Group's overall exposure to climate-related risk and take advantage of the opportunities presented by the net zero transition.

We also recognise that nature loss and degradation is a material financial risk to our customers and we are taking action to understand and address our dependencies and impacts on nature across our business.

We are scaling up our actions to drive wider system change and we strive to use our position of influence to bring about positive change in our investee companies. That's why we remain invested in high emitting sectors including oil and gas. We call this our "engagement first" approach. In parallel we are on a journey to decarbonise our own operations and supplier base.

As a Group, we have identified and assessed the impact of climate-related risks and opportunities on the business, strategy, and financial planning over short-, medium-, and long-term horizons. We have committed to being net zero by 2050 across our investment portfolio, operations and supplier base and have set near-term targets to help us to navigate our progress to meet our net zero ambition.

In 2024, the Company achieved regulatory approval to adopt the FCA "Sustainability Improvers" label for eight funds under the Sustainability Disclosure Requirements ("SDR") product labelling regime, which helps to future-proof our investment solutions and supports customers understanding of the sustainability credentials of their investments. SDR aims to mitigate greenwashing risks posed by the increase in sustainable funds available in the market and this helps us to better manage financial ESG risks and opportunities, and aligning our investments with the regulations also helps our customers to understand the sustainability features of our investment products.

Securing this label recognises that we have a formal objective to align with the transition to net zero by 2050 and in early 2025 we will adopt the label for these eight funds, aligning c.£32 billion of Assets Under Administration across our investment solutions including our Group's Sustainable Multi Asset default workplace solution.

As a Group, we have identified and assessed the impact of climate-related risks and opportunities on the business, strategy, and financial planning over short-, medium-, and long-term horizons. We have committed to being net zero by 2050 across our investment portfolio, operations and supplier base and have set near-term targets to help us to navigate our progress to meet our net zero ambition.

In 2023 the Group published its Net Zero Transition Plan which sets out our strategy in detail and the actions that the Group will take across three core pillars: Invest, Engage and Lead to deliver our net zero targets. The application of the Net Zero Transition Plan is set by Group but considers its subsidiary companies, including the Company, in their plan. The Company continues to support the Group strategy on climate and build on the publicly disclosed climate metrics reported in its Task Force on Climate-related Financial Disclosures ("TCFD") entity climate report under the FCA Environmental, Social and Governance ("ESG") Sourcebook for the year ended 31 December 2023, released in June 2024. The regulatory deadline for publication of the Company's TCFD entity climate report for the year ended 31 December 2024 is June 2025.

The Company seeks to follow and apply the strategy, risk management, and climate governance framework set by the Group to ensure it can contribute and help support the Group to meet its Climate and Sustainability Targets. The Group's understanding of climate and wider sustainability risks continues to evolve as new risks emerge, with nature increasing in its importance. As Group looks to take steps to address nature risk, the Group framework in place for climate is expected to extend to consider climate and nature risks together.

More information on the Group's TCFD-aligned disclosures and integrated nature disclosures and sustainability strategy can be found in the Group's Annual Report and Accounts and standalone Sustainability Report respectively.

Key Performance Indicators ("KPIs")
The results of the Company for the year are shown in the Statement of comprehensive income on page 15. The Company's performance is measured and monitored by the Board, with particular regard paid to the following KPIs**:**

Profit before tax
The Company reported a profit before tax of £2,783k (2023: £1,527k).

Regulatory capital
The Company operates under the regulation of the FCA. The Company regularly reviews and forecasts its adjusted net asset position for regulatory capital adequacy purposes as determined by Chapter 11 of IPRU (INV). At 31 December 2024, it had an excess over its regulatory capital requirement of £14,124k (2023: £11,640k). Note 15 discusses the Company's capital management policy.

Box management
The Company operates a zero box for all its funds. There was no box profit or loss for the current or previous year.

Directors' duties under section 172 of the Companies Act

Section 172 of the Companies Act 2006 (the "Act") requires each director of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing so, each director must have regard, amongst other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and the environment;
- desirability of the company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the company.

During the year the Directors of the Company have applied Section 172 of the Act in a manner consistent with the wider Group's purpose, values and strategic priorities, whilst having due regard to the Company's ongoing regulatory responsibilities as a financial services business. To support the fulfilment of the Directors' duties outlined above, each paper prepared for consideration by the Board contains an analysis of the potential impact of proposals to be considered by the Board in light of the factors contained in Section 172.

The Board recognises that the Company's stakeholders are integral to its success. During the year, the Board ensured that its considerations and decision making processes took into account their impact on its own stakeholders. The key stakeholder groups of the Company and its relationships with each are as follows:

- The Company's customers on behalf of whom it manages unit trusts, including its parent and other Life Companies within the Group;
- Employees engaged by the Company via service companies within the Group;
- Its regulator, the Financial Conduct Authority;
- Its asset managers and other service providers; and
- The Company's immediate parent, Phoenix Life Limited and ultimate parent, Phoenix Group Holdings plc.

Phoenix Group strategic priorities (as supported by the Company) - key		
Optimise our in-force business	Grow organically and through mergers & acquisitions	Enhance our operating model and culture

Key stakeholder groups		
Customers	**Suppliers**	**Colleagues**
Our customers are a combination of directly invested individuals and life companies within Phoenix Group, on behalf of whom the Company manages a range of unit trusts The Board recognises its responsibility and duty to oversee the success of the Company for all its customers.	We depend on our outsourced service providers ("OSP's"), which include our investment managers, to deliver the highest standards of service and continually promote good outcomes for all our customers. The Board understands that the quality of relationships we maintain and develop with our suppliers is core to the Group achieving its purpose of helping people secure a life of possibilities.	Our colleagues, engaged via Group service company arrangements are integral to the Company's success. The Board supports the Group's ambition for a champion-led culture to reach its purpose and achieve its strategy.
Link to strategic priorities		
Optimise our in-force business; Grow organically and through mergers & acquisitions	Optimise our in-force business; Enhance our operating model and culture	Grow organically and through mergers & acquisitions; Enhance our operating model and culture
How has the Board has engaged with and had oversight of stakeholder views during the year?		
The Board sought to understand whether customer needs were being met through consideration of regular reporting on assessments of value and the outcome of any identified breaches.	The Board received regular reports from management on ongoing investment manager oversight and associated due diligence activity. Relationships with outsourced service providers were monitored via regular oversight updates to the Board.	The Board received relevant information about colleague-related matters throughout the year via the regular operational updates provided by management.
The Board's role in promoting positive stakeholder relationships		
The Board holds management to account throughout the year, ensuring due care and attention is given to customer outcomes and needs.	The Board monitors the performance of its OSPs to ensure PUTM is able to provide the best customer outcomes and can deliver its operational and financial targets. Positive relationships with OSPs are vital to the success of both parties.	The Group Board is responsible for setting cultural tone for all Group colleagues. However, the PUTM Board receives information about colleague-related matters, where relevant to the Company, in recognition of their role in the ongoing success of the Company.

Key stakeholder groups continued		
Community	**Investors**	**Government, trade bodies & regulators**
The most significant way in which we impact the community is through the investment decisions we make. The Board understands the value of building trust and inspiring confidence through sustainable and responsible investment.	Our sole shareholder is Phoenix Life Limited ("PLL"). As a Phoenix Group company, our ultimate shareholder is Phoenix Group Holdings plc ("PGH"). The Board recognises the role it plays in driving growth to help the Group meet the needs of its customers.	Our business is regulated by the FCA. The Board acknowledges the importance of maintaining positive relationships with the Company's regulator to enable good outcomes for its customers.

Link to strategic priorities		
How has the Board has engaged with and had oversight of stakeholder views during the year?		
The Board received regular updates on implementation of the final rules on UK SDR (PS23/16). The Board reviewed and published its Climate Report that had been prepared in accordance with TCFD guidelines and PS21/24 in June 2024.	The governance framework within which the Board operates is designed to facilitate good information flows between and robust decision-making at all levels within the Group. Three members of the Board are also directors of PLL, which strengthens the link between the Company and its parent. The Company provides regular updates to the PLL Board to strengthen this link further.	The Board received updates on regulatory matters, including any feedback received from its regulators. At the request of the regulators, certain Board directors may be required to meet on a formal basis. The Board receives regular Regulatory Reports, outlining key developments and matters to the extent they are relevant to PUTM.
The Board's role in promoting positive stakeholder relationships		
The Board, monitors investment performance against agreed strategy within the wider parameters of the Group's Sustainability Strategy.	The Board maintains strong links with its parent, PLL, through regular reporting and interaction with the PLL Board.	As the guardian of the Company, (ensuring robust governance, controls and risk management) the Board is responsible for holding management to account for day-to-day compliance with regulation and legislation; ensuring transparent communication of such compliance to maintain trust in Phoenix.

Key board decisions

The pages that follow contain examples of key decisions of the Board, their alignment to the Group's strategy, how the Board reached its decision (including consideration of matters set out in Section 172; the interests of stakeholders; related risks and opportunities; and challenges it faced) and the outcome of those considerations. The examples shown are provided to demonstrate how the Directors of the Company have carried out their duties under Section 172 of the Act.

Example key Board decision	YE23 Annual Accounts
Link to strategic priorities	**How the Board reached its decision**
	Consideration of section 172 matters As part of the year end accounts approval process, the Board considered whether the expectation that the Company would continue in operational existence for the foreseeable future was appropriate. The Board considered supporting paperwork presented by the Financial Reporting team, together with the outcome of an external audit for the accounts, including assessments relating to the impact of market uncertainty. Such consideration enabled the Board to reach a decision to approve the YE23 accounts, within which a going concern statement was included. The long-term impact of the decision to approve the YE23 accounts therefore included the potential reliance of those reading the accounts on the going concern statement which the Board considered to be relevant and accurate.
Outcome	Following due consideration of the matters set out in section 172, and in particular the likely consequences of any decisions in the long term and the desire for the Company to maintain a reputation for high standards of business conduct, the Board approved the YE23 accounts.

Example key Board decision	YE23 TCFD Reporting
Link to strategic priorities	**How the Board reached its decision**
	Consideration of section 172 matters As part of maintaining a reputation for high standards of business conduct, the Board reviewed the Company's annual report prepared in accordance with the FCA's PS21/24 (Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers). Prior to finalisation of the report, the Board satisfied itself as to the calculation and validation of key metrics. It also noted that the report's content had been streamlined to enhance alignment to Group climate reporting. The Board noted that the report's primary audience was institutional investors. However, the importance of meeting retail investors' needs in terms of report interpretation was recognised. Consequently, the report's language had been simplified and links to a terminology guide also included to enhance the customer journey for this group.
Outcome	Having considered the matters set out in section 172, the Board approved the Company's YE23 TCFD report, which was subsequently published on the Company's website.

Example key Board decision	SDR-labelled funds
Link to strategic priorities	**How the Board reached its decision**
	Consideration of section 172 matters The Board considered a proposal relating to the design of equity and corporate bond funds to comply with the FCA's SDR regulations and associated anti-greenwashing rules in respect of fund names and labels. It was noted that the changes were required to meet the needs of the wider Group's Pensions and Savings business, on behalf of whom the Company managed investment funds. In terms of community impact, the Board noted that the funds' design would support the achievement of net zero by 2050 and would include a target to increase investment in climate solutions. As part of ensuring that the highest standards of business conduct were maintained, the Board considered the findings of a comprehensive Line 2 review relating to the proposal. The Board noted that the review concluded that from a policyholder investment perspective, the proposals would support the continued delivery of good customer outcomes, subject to ensuring delivery was suitably resourced and overseen.
Outcome	Having considered the matters set out in section 172, the Board approved the design of the equity and corporate bond index and fund design. Later in the year it approved the launch of the funds, subject to meeting operational readiness criteria.

Example key Board decision	Consumer Duty monitoring
Link to strategic priorities	**How the Board reached its decision**
	Consideration of section 172 matters The Board considered a report setting out the findings of activity undertaken to comply with the FCA's rules in relation to monitoring the outcomes retail customers were experiencing from their products. Such activity supported the Company's obligation to maintain high standards of business conduct. Whilst recognising that the Company's retail customer numbers were very low, the Board noted the importance of looking down the value chain to understand how the decisions and actions of the Company might impact its ultimate customers within the Group's Life Companies. The Board also noted its obligations to continue safeguarding unclaimed assets held within client accounts, albeit they were not being managed within the Company's funds. In terms of actions taken to mitigate risks which might prevent good customer outcomes, the Board noted that recent changes had been made to the Company's website. It was also proposed to amend the prospectus with input form Line 2 to make clear that target customers were institutional fund, rather than retail investors.
Outcome	Having given careful consideration to its duties under section 172, the Board approved the findings and associated actions arising from the Consumer Duty monitoring undertaken during the year.

Business relationships with customers
Customer matters are key for the Company and play a significant part of the rationale for decision-making that takes place. Board papers require authors to consider and provide detail relating to the potential impact of proposals on customers, ensuring that the Board is able to pay due regard to such matters.

Business relationships with Partners/Suppliers
The Service Companies within the Group are the principal leads on maintaining relationships with suppliers with respect to their contractual obligations. Further detail of how the Service Companies entities engage with these stakeholders is set out in their respective report and accounts.

Energy and carbon reporting
Energy and Carbon usage information is disclosed in the Group's annual report and accounts and accordingly the Company has not reported on this in these individual financial statements.

Risk Management

Risk management Framework
The Company adopts the Group's Risk Management Framework ("RMF") and has a system of governance that embeds clear ownership of risk. The RMF supports the identification, measurement, assessment, management and reporting of risks within approved risk appetites. There is an established 'three lines of defence' model. Management (Line 1) is responsible for risk ownership and maintaining effective processes, procedures and controls; the Risk Function (Line 2) provides independent oversight and challenge; and Internal Audit (Line 3) provides objective assurance. Periodic review of the RMF is an integral part of the system of governance in the Group and Company, and in 2024, the Group adopted ways to further promote individual accountability. In 2025, the Group will look for further opportunities to streamline and augment the framework, including technology solutions that might help further simplify its operation across the Group. Any changes the Group choose to make will be considerate of the 2024 Corporate Governance Code in helping the Board to assess the effectiveness of the RMF.

All Non-Executive Directors receive an induction to the RMF from the Group Chief Risk Officer as part of their onboarding.

The components of the Group's RMF are outlined in the Strategic Report of the Group's Annual Report and Accounts 2024.

Risk Environment

Adverse market movements can impact the Company's capital, solvency, profitability and liquidity position, and influence the certainty and timing of future cash flows and long-term investment performance for shareholders and customers. Regular monitoring of market risk exposures in accordance with the Group Market Risk Policy helps to reduce sensitivity to market shocks.

Regional conflicts, an uncertain political landscape and increased global economic fragmentation increase the risk of disruption to global supply chains and impacts to financial markets and the economy. The Group's Stress and Scenario Testing programme continues to consider a range of adverse circumstances to inform the Group, and its Life Companies of the actions needed to respond to external events and further enhance operational and financial resilience.

Severe disruption or failure of important business services exposes the Group to increased risk of harm to its strategic priorities, customer outcomes and, if prolonged, increased operating costs. The Group continues to implement measures to improve and embed operational resilience in-house and with its outsourced service providers and critical third-party suppliers. This includes exploring opportunities presented by emerging technologies whilst ensuring we sustain appropriate focus on the Group's cyber defence capabilities.

Principal risks and uncertainties

The key operational and financial risks that the Company is exposed to are liquidity risk, legislative and regulatory risk, credit risk and operational risk (including risk of outsourcer failure). These risks are discussed within note 18 of the financial statements.

Cash flows are monitored closely by the business to ensure that all liabilities can be met as they fall due. The Company closely manages the risk of failure to maintain sufficient capital to provide appropriate security for policyholders and meet all regulatory capital requirements mandated by the FCA. The Capital Management Framework is detailed in note 15.

On behalf of the Board

DocuSigned by:

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W Swift
Director

23 April 2025

Directors' report

The Company is incorporated in England and Wales as a private limited company. Its registration number is 03588031 and its registered office is 1 Wythall Green Way, Wythall, Birmingham, B47 6WG. Its principal place of business is the United Kingdom.

Going concern

The Strategic report and the Directors' report summarise the Company's activities, its financial performance and its financial position together with any factors likely to affect its future development. In addition, it discusses the principal risks and uncertainties it faces. Notes 15 and 18 to the financial statements summarise the Company's capital management and risk management objectives and policies together with its financial risks.

The Directors have followed the UK Financial Reporting Council's "*Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks (April 2016)*" when performing their going concern assessment. As part of their comprehensive assessment of whether the Company is a going concern, the Directors have prepared profitability, cash flow and solvency forecasts for the Company for the period to 30 June 2026.

Scenarios considered include an immediate decrease in AUM by £39.9bn (42%), with no recovery or additional AUM received over the going concern period, a doubling of non-passthrough operating expenses and the removal of the cap on the regulatory capital requirement. Each of these scenarios is considered to be highly unlikely.

The Company would continue to hold excess capital over the FCA requirement in each of these scenarios until the end of the going concern period.

The Company has a strong liquidity position, with £47m of cash and liquidity funds at 31 December 2024, and regular reviews are undertaken to identify cash flow requirements. The cash and liquidity funds are held with financial institutions which have an investment grade credit rating and a positive outlook. The Company has a strong net asset and net current asset position.

As a result of this review, the Directors believe the Company has adequate resources to continue in operational existence until at least 30 June 2026. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The names of those individuals who served as Directors of the Company during the year or who held office as at the date of signature of this report are as follows:

C Baker	(resigned 28 April 2024)
I Craston	
M Eakins	(appointed 29 April 2024)
T Harris	
F Maclachlan	(appointed 19 April 2024, resigned 30 March 2025)
B Meaney	(resigned 19 April 2024)
M J Muir	(appointed 20 March 2025)
N H Poyntz-Wright	(resigned 28 February 2025)
W E Swift	(appointed 31 March 2025)

Secretary

Pearl Group Secretariat Services Limited acted as Secretary throughout the year.

Disclosure of indemnity

Qualifying third party indemnity arrangements (as defined in section 234 of the Companies Act 2006) were in force for the benefit of the Directors of the Company during the year and remain in place at the date of approval of this report.

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 has taken all the steps that he ought to have taken as a Director to make himself 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

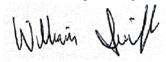
On 6 June 2024, Ernst & Young LLP resigned as auditors having reached the maximum period of service for an auditor of a Public Interest Entity under the mandatory auditor rotation requirements for another Company within the Group.

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.

On behalf of the Board

DocuSigned by:



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W Swift
Director

23 April 2025

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK adopted international accounting standards 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 estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK adopted international accounting standards;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Phoenix Unit Trust Managers Limited

Opinion

We have audited the financial statements of Phoenix Unit Trust Managers Limited ("the Company") for the year ended 31st December 2024 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31st 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.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

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:

- Perform planning analytics over balances to analyse period on period movements in order to assess whether any movements were indicative of fraud – this included a revenue trend analysis

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 calculation of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-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, and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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

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, taxation legislation, and financial services 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 regulated Company's authority to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-money laundering, employment law, data protection, regulatory capital and liquidity and certain aspects of company legislation and financial services legislation recognising the financial and regulated nature of the Company's activities and its legal form. 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 these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. 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.

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 11, 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.

Alison Allen

Alison Allen (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
E14 5GL
London

24 April 2025

Statement of comprehensive income
for the year ended 31 December 2024

	Notes	2024 £000	2023 £000
Revenue from contracts with customers	4	58,584	69,482
Net investment income	5	1,749	1,316
Total revenue		60,333	70,798
Operating expenses	6	(57,550)	(69,271)
Total operating expenses		(57,550)	(69,271)
Profit for the year before tax		2,783	1,527
Tax charge	7	(696)	(359)
Profit for the year		2,087	1,168
Other comprehensive income		-	-
Total comprehensive income for the year		2,087	1,168

The notes on pages 19 to 30 are an integral part of these financial statements.

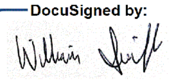
Statement of financial position
as at 31 December 2024

	Notes	2024 £000	2023 £000
Assets			
Receivables	10	106,171	92,528
Collective investment schemes	11	46,909	37,341
Cash and cash equivalents	12	206	255
Total assets		153,286	130,124
Equity attributable to owners			
Share capital	13	5,000	5,000
Capital contribution reserve	14	9,500	9,500
Retained earnings		7,892	5,805
Total equity		22,392	20,305
Liabilities			
Accruals		1,957	804
Payables	16	128,937	109,015
Total liabilities		130,894	109,819
Total equity & liabilities		153,286	130,124

The notes on pages 19 to 30 are an integral part of these financial statements.

On behalf of the Board

DocuSigned by:



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W Swift
Director
23 April 2025

Company registration number 03588031

Statement of changes in equity
for the year ended 31 December 2024

	Share capital (note 13) £000	Capital contribution reserve (note 14) £000	Retained earnings £000	Total £000
At 1 January 2024	5,000	9,500	5,805	20,305
Profit for the year	-	-	2,087	2,087
Total comprehensive income for the year	-	-	2,087	2,087
At 31 December 2024	5,000	9,500	7,892	22,392
At 1 January 2023	5,000	9,500	4,637	19,137
Profit for the year	-	-	1,168	1,168
Total comprehensive income for the year	-	-	1,168	1,168
At 31 December 2023	5,000	9,500	5,805	20,305

Of the above, £17,392k (2023: £15,305k) is considered distributable.

The notes on pages 19 to 30 are an integral part of these financial statements.

Statement of cash flows
for the year ended 31 December 2024

	Notes	2024 £000	2023 £000
Cash flows from operating activities			
Cash (absorbed) / generated by operations	17	(49)	199
Net cash flows from operating activities		(49)	199
Net (decrease) / increase in cash and cash equivalents		(49)	199
Cash and cash equivalents at the beginning of the year		255	56
Cash and cash equivalents at the end of the year	12	206	255

The notes on pages 19 to 30 are an integral part of these financial statements.

Notes to the financial statements

1. Basis of preparation

The financial statements for the year ended 31 December 2024, set out on pages 15 to 30, were authorised by the Board of Directors for issue on 15 April 2025.

The financial statements have been prepared on a historical cost basis except for those financial assets and liabilities that have been measured at fair value.

Assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of comprehensive income unless required or permitted by an international financial reporting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

The financial statements are presented in sterling (£) rounded to the nearest £000 except where otherwise stated.

The Company presents its Statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement more than twelve months after the period end is presented in the notes.

The results of the Company are consolidated into the accounts of the Company's ultimate parent, Phoenix Group Holdings plc, a company incorporated in England and Wales. Copies of the Phoenix Group Holdings plc consolidated financial statements can be obtained from their company website, www.thephoenixgroup.com.

Going concern
The Directors have followed the UK Financial Reporting Council's "*Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks (April 2016)*" when performing their going concern assessment. As part of their comprehensive assessment of whether the Company is a going concern, the Directors have prepared profitability, cash flow and solvency forecasts for the Company for the period to 30 June 2026.

Scenarios considered include an immediate decrease in AUM by £39.9bn (42%), with no recovery or additional AUM received over the going concern period, a doubling of non-passthrough operating expenses and the removal of the cap on the regulatory capital requirement. Each of these scenarios is considered to be highly unlikely.

The Company would continue to hold excess capital over the FCA requirement in each of these scenarios until the end of the going concern period.

The Company has a strong liquidity position, with £47m of cash and liquidity funds at 31 December 2024, and regular reviews are undertaken to identify cash flow requirements. The cash and liquidity funds are held with financial institutions which have an investment grade credit rating and a positive outlook. The Company has a strong net asset and net current asset position.

As a result of this review, the Directors believe the Company has adequate resources to continue in operational existence until at least 30 June 2026. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Statement of compliance
The financial statements of the Company have been prepared in accordance with UK adopted international accounting standards ("IFRS") & the Companies Act 2006 for the year ended 31 December 2024.

2. Accounting policies

(a) Critical accounting estimates and judgements
The preparation of financial statements in conformity with UK adopted international accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Critical accounting estimates are those which involve the most complex or subjective judgements or assessments. The areas of the Company's business that typically require such estimates relate to the recoverability of financial assets. The treatment of financial assets is set out in accounting policy (e). No significant judgements or estimates have been made in determining the financial results or financial position of the Company.

How Climate risk affects our accounting judgments and estimates
In preparation of these financial statements, the Company has considered the impact of climate change across a number of areas, predominantly in respect of the valuation of financial instruments. Many of the effects arising from climate change will be longer term in nature, with an inherent level of uncertainty, and have been assessed as having a limited effect on accounting judgments and estimates for the current period.

The majority of the Company's financial assets are receivables due from within the Group and are held at historical cost. The Group has considered the impact of climate change across its business and based on the results of this assessment no impairment indicators were identified in relation to the impacts of climate related risks on the Company's assets.

The Company's financial assets held at fair value use quoted market prices in their valuation. The use of quoted market prices and market inputs to determine fair value reflects current information and market sentiment regarding the effect of climate risk. The Company holds no financial assets which include material unobservable inputs in their valuation.

(b) Income and expense recognition

Revenue from contracts with customers
Revenue is recognised on an accruals basis and is measured at the fair value of the consideration received or receivable. Revenue represents amounts due for annual management fees charged to the funds under management less rebates payable and investment management fees. The fees are recognised over the period in which the related services are performed.

Net investment income
Net investment income comprises interest on cash and cash equivalents, dividend income and fair value gains and losses on collective investment schemes, and profit or loss on the sale of units.

Interest income is recognised in the statement of comprehensive income as it accrues using the effective interest method. Dividend income is recognised as income in the statement of comprehensive income on the date the right to receive payments is established, which in the case of listed securities is the ex-dividend date.

Fair value gains and losses on financial assets designated at fair value through profit or loss are recognised as income or expense in the Statement of comprehensive income. Realised gains and losses are the difference between the net sale proceeds and the original cost. Unrealised gains and losses are the difference between the valuation at the period end and their valuation at the previous period end or purchase price, if acquired during the year.

Sale and purchase of units
The Company is an authorised Corporate Director of unit trusts. The Company acts as a principal in respect of acquisition and disposal of units in the unit trusts by the Life Companies with the trustee of these unit trusts. The acquisition of units in the unit trusts represents revenue to the Company with disposals, creations and liquidations recognised as cost of sales. The profit or loss on the sale of units represents the difference between this revenue and the associated cost of sales. All trades (and the associated profit or loss) are recognised on the trade date at the consideration receivable or payable for the settlement of the transaction.

(c) Income tax
Income tax comprises current tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in the statement of changes in equity, in which case it is recognised in this statement.

Current tax is the expected tax payable on the taxable income for the year, using tax rates and laws enacted or substantively enacted at the date of the statement of financial position together with adjustments to tax payable in respect of previous years.

(d) Dividends
Final dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's owners. Interim dividends are deducted from equity when they become payable.

Dividends for the year that are approved after the reporting period are dealt with as an event after the reporting period.

(e) Financial assets
Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are initially recognised at cost. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. Subsequent to initial recognition, these investments are carried at amortised cost, using the effective interest method.

Collective investment schemes
Collective investment schemes are designated at fair value through profit or loss and accordingly are stated in the statement of financial position at fair value. They are designated at fair value through profit or loss because they are managed and evaluated on a fair value basis in accordance with the Company's stated risk management policies.

Impairment of financial assets
The Company assesses the expected credit losses associated with its other receivables and cash carried at amortised cost. The impairment methodology depends upon whether there has been a significant increase in credit risk.

The Company measures loss allowances which have low credit risk using the 12-month Expected Credit Loss ("ECL"). Interest revenue is recognised on a gross basis. A simplified approach is used to determine the loss allowances for other receivables and contract assets within the scope of IFRS 15, as these are always measured at an amount equal to lifetime ECLs. See note 18 for details of how the Company assesses whether the credit risk of a financial asset has increased since initial recognition and when estimating ECLs.

The loss allowance reduces the carrying value of the financial asset and is reassessed at each reporting date. ECLs are recognised using a provision for doubtful debts account in profit and loss. For other receivables, the ECL rate is recalculated each reporting period taking into account which counterparties are included in the reporting period.

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- 12-month ECLs - Total expected credit losses that result from default events that are possible within 12 months after the reporting date.
- Lifetime ECLs - Expected credit losses that result from all possible default events over the expected life of the financial asset.

No significant changes to estimation techniques or assumptions were made during the reporting period.

(f) Cash and cash equivalents
Cash and cash equivalents comprise cash balances and short-term deposits with an original maturity term of three months or less at the date of placement. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are deducted from cash and cash equivalents for the purpose of the statement of cash flows.

(g) Share capital and capital contributions
The Company has issued ordinary shares which are classified as equity. Capital contributions received by the Company, and which contain no agreement for their repayment are recognised directly in the statement of changes in equity as a distributable reserve.

(h) Events after the reporting period
The financial statements are adjusted to reflect significant events that have a material effect on the financial results and that have occurred between the period end and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the period end. Events that are indicative of conditions that arise after the period end that do not result in an adjustment to the financial statements are disclosed.

3. New and amended accounting standards

Adoption of New Accounting Pronouncements in 2024
In preparing the financial statements, the Company has adopted the following standards, interpretations and amendments effective from 1 January 2024 which have been endorsed by the UK Endorsement Board ("UKEB"):

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- The above amendment to standards is not considered to have a material effect on the Company's financial statements.

New Accounting Pronouncements Not Yet Effective
The International Accounting Standards Board has issued the following amendments to standards which apply from the dates shown. The Company has decided not to early adopt any of these amendments where this is permitted.

Lack of Exchangeability (Amendment to IAS 21 *The Effects of Changes in Foreign Exchange Rates*) (1 January 2025):
The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. These amendments are not expected to have any impact on the Company.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (1 January 2026):

The IASB issued targeted amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* to respond to recent questions arising in practice. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system.
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion.
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income.

The amendments are not expected to have a material impact on the financial statements of the Company.

IFRS 19 *Subsidiaries without Public Accountability* (1 January 2027):
IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. The Group is assessing the impact to the reporting of its subsidiaries, including the Company. It is not currently expected that this standard will have an impact on the financial statements of the Company.

IFRS 18 *Presentation and Disclosure in Financial Statements* (1 January 2027):
The new standard will replace IAS 1 Presentation of financial statements, introducing new requirements for the structure and content of financial statements, including improved disaggregation of income and expenses, and enhanced guidance on management-defined performance measures that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Its effects are expected to be pervasive. During 2025 the Company will carry out a detailed impact assessment to identify the actions required and any impacts. The Company will apply the standard from its mandatory effective date of 1 January 2027. Retrospective application is required and so comparative information for the financial year ending 31 December 2026 will be restated, where required, in accordance with IFRS 18. Reconciliations for each line item affected will be provided.

Annual Improvements to IFRS Accounting Standards — Volume 11 (1 January 2026)
As part of the IASB's Annual Improvements process it has issued minor amendments to address potential areas of confusion within the following standards:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards* - hedge accounting by a first-time adopter;
- IFRS 7 *Financial Instruments: Disclosures* - gain or loss on derecognition and clarifications within implementation guidance;
- IFRS 9 *Financial Instruments* - lessee derecognition of lease liabilities and transaction price; and
- IAS 7 *Statement of Cash Flows* - cost method.

The Company does not expect these amendments to have a material impact on its operations or financial statements.

The following amendments to standards listed above have been endorsed for use in the UK by the UKEB:

- Lack of Exchangeability (Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*); and
- Annual Improvements to IFRS Accounting Standards — Volume 11.

4. Revenue from contracts with customers

	2024 £000	2023 £000
Investment management fees	51,495	61,333
Performance fees	2,900	4,854
Management fees on unit trusts	14,030	13,057
Less: Management fee rebates	(9,994)	(9,989)
Revenue from stock lending	153	227
	58,584	69,482

Management fees, less rebates, are recognised over the time the Company provides the related investment management services. The percentage fee for management fees on unit trusts is specified in the fund prospectuses. There are no remaining performance obligations as the revenue recognised corresponds to the value to the customer.

Significant judgements are not required in determining the costs incurred to obtain or fulfil contracts with customers, and no amortisation is required, as income directly matches costs with management charges being applied on an ongoing (or pro-rata) basis.

5. Net investment income

	2024 £000	2023 £000
Sales of units	21,015,648	20,433,448
Cost of sales of units	(21,015,648)	(20,433,448)
Interest income	-	8
Dividend income	1,755	1,294
Fair value (losses) / gains on financial instruments designated as FVTPL on initial recognition	(6)	14
	1,749	1,316

6. Operating expenses

	2024 £000	2023 £000
Investment management fees	51,495	61,333
Performance fees	2,900	4,854
Fund administration fees	2,148	2,054
Other administrative expenses	1,007	1,030
	57,550	69,271

Employee costs
The Company has no employees. Administrative services are provided by Phoenix Group Management Services Limited, a fellow group company.

7. Tax charge

	2024 £000	2023 £000
Current tax:		
UK Corporation tax for the current year	696	359
Total tax charge	696	359

Reconciliation of tax charge

	2024 £000	2023 £000
Profit before tax	2,783	1,527
Tax at standard UK rate of 25% (2023: 23.5%)	696	359
Total tax charge for the year	696	359

The UK corporation tax rate has increased from 19% to 25% with effect from 1 April 2023. Accordingly, a rate of 25% is applied for 2024. No deferred tax assets or liabilities are recognised at 31 December 2024.

8. Directors' remuneration

	2024 £000	2023 £000
Remuneration (excluding pension contributions, awards under share option schemes and other long-term incentive schemes)	86	113
Share option schemes and other long-term benefits	41	39
Contributions to money purchase pension schemes	1	1
	128	153

	2024 Number	2023 Number
Number of Directors accruing retirement benefits under:		
- a money purchase pension scheme	2	2
Number of Directors who had exercised share options during the year	2	1

The Directors are employed by fellow Group companies. For the purposes of this note, an apportionment of the total remuneration paid to the Directors of the Company by the Phoenix Group has been made based on an estimate of the services rendered to the Company.

9. Auditor's remuneration

During the financial year ended 31 December 2023, Ernst & Young LLP acted as the Company's external auditor, and on 6 June 2024 they resigned, having reached the maximum term allowed under the Companies Act section 494ZA for a Life Company within the Group. KPMG LLP were appointed by the Directors to fill the vacancy and acted as the Company's external auditor for the year ended 31 December 2024.

In 2024 auditors' remuneration amounted to £77k (2023: £75k) in respect of the audit of the Company's financial statements. Auditors' remuneration for services other than the statutory audit of the Company are not disclosed in the Company's financial statements since the consolidated financial statements of Phoenix Group Holdings plc, the Company's ultimate controlling party, are required to disclose fees in respect of non-audit services on a consolidated basis.

10. Receivables

	2024 £000	2023 £000
Amounts due from related parties		
Management fee income receivable	3,767	2,186
Amounts receivable in respect of settlement of units in underlying funds	24,891	27,242
Other amounts due from Group companies	77,150	62,789
Amounts due from third parties		
Prepayments	15	107
Trade receivables	38	-
Accrued income	210	183
Other	100	21
	106,171	92,528
Amount recoverable after 12 months	1,405	1,713

11. Collective investment schemes

	2024 £000	2023 £000
Liquidity funds	46,909	37,341

Structured entities
A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements.

The Company has determined that its investments in Collective investment schemes as presented on the face of the Statement of Financial Position are structured entities. These investments are in liquidity funds (specifically a Short-Term Variable Net Asset Value Money Market fund) which is held for the purpose of managing liquidity and is managed together with the Company's cash and cash equivalents.

The Company's holdings in these investments are subject to the terms and conditions of the fund's prospectus and are susceptible to market price risk arising from uncertainties about future values. The Company can withdraw assets from the fund at any time on a T+0 basis. The assets of the fund are invested with the aim to preserve capital whilst providing a return in line with prevailing short term money market interest rates by investing in assets that can be readily purchased and sold in normal market conditions, thus maintaining a high degree of liquidity.

The fund is managed by Abrdn. The fund manager is compensated by the fund for their services. Such compensation is calculated as a percentage of the Net Asset Value of the fund and is reflected in the valuation of the fund.

The Company has not provided any non-contractual financial or other support to any structured entities and there are no current intentions to do so.

The Company's maximum exposure to loss to the interests presented above is the carrying amount of the Company's investments. Once the Company has disposed of its shares or units in a fund, it ceases to be exposed to any risk from that fund.

Fair value methodology
The Company's interests in collective investment schemes are held at fair value through profit or loss in accordance with accounting policy (e). Any change in fair value is included in the Statement of comprehensive income in 'Net investment income'.

The fair value of collective investment schemes is measured by reference to published bid prices. These instruments are generally considered to be quoted in an active market and are therefore categorised as level 1 instruments within the fair value hierarchy.

All the Company's collective investment schemes have been valued using standard market pricing sources.

12. Cash and cash equivalents

	2024	2023
	£000	£000
Bank and cash balances	206	255
	206	255

The carrying amounts of cash and cash equivalents are not materially different from their fair values at the year end. There is £42k (2023: £42k) of cash held in Client Money accounts that does not belong to the Company and therefore is not recognised on the Company's balance sheet.

13. Share capital

	2024	2023
	£000	£000
Issued and fully paid: 5,000,000 ordinary shares of £1 each	5,000	5,000

The holder of each ordinary share is entitled to one vote per share on matters to be voted on by owners and to receive such dividends, if any, as may be declared by the Board of Directors at its discretion out of distributable profits.

14. Capital contribution reserve

	2024	2023
	£000	£000
At 1 January	9,500	9,500
At 31 December	9,500	9,500

15. Capital management

The Company's capital resources comprise share capital and reserves and are shown below. Positive movement during the year comprises the total comprehensive income for the year of £2,087k (2023: £1,168k).

The Company's capital resources are monitored by the Directors and managed on an on-going basis. The Directors are responsible for ensuring that the Company maintains an appropriate level of capital resources to enable it to meet liabilities arising from reasonably foreseeable extreme events. The Company has implemented a system of regular reviews to monitor the level of capital resources in the short to medium term taking account of anticipated future developments.

As an 'Undertakings for Collective Investments in Transferable Securities (UCITS)' investment firm, the Company is subject to regulation by the FCA and must maintain sufficient capital resources to meet its regulatory capital requirement. The Company maintained sufficient capital to cover its regulatory capital requirement at both 31 December 2024 and 31 December 2023, and throughout both the current and prior years.

	2024 £000	2023 £000
Total available capital	22,392	20,305
Less: FCA capital requirement	(8,268)	(8,665)
Excess over FCA requirement	14,124	11,640

16. Payables

	2024 £000	2023 £000
Amounts due to Group companies		
Amounts payable in respect of settlement of units in underlying funds	61,665	68,435
Other amounts payable	2,181	1,853
Amounts due to third parties		
Investment management fees payable	55,629	31,846
Performance fees payable	9,459	6,868
VAT creditor	3	13
	128,937	109,015
Amounts due for settlement after 12 months	1,405	1,713

17. Cash flows

Cash flows from operating activities	2024 £000	2023 £000
Profit for the year before tax	2,783	1,527
Add back non-cash movement in profit for the year before tax		
Fair value losses on collective investment schemes	6	(14)
Changes in operating assets and liabilities		
Change in receivables	(13,643)	(5,573)
Change in collective investment schemes	(9,574)	(11,965)
Change in accruals and payables	20,379	16,224
Cash generated from operations	(49)	199
Supplementary disclosures on cash flows from operating activities		
Interest received	-	8
Dividends received	1,755	1,294

The cash flow has been prepared using the indirect method.

18. Risk management

The Phoenix Group RMF sets out the high level arrangements for risk management, control and assurance within Phoenix Group and its subsidiaries. It is designed to provide a structured approach for identifying, assessing, controlling and monitoring financial and non-financial risks within Phoenix Group companies, which includes the Company. The Company is not expected to be directly exposed to any market risk, as it does not hold any surplus units in the Funds as a principle in the ordinary course of business.

Liquidity risk
The Company has exposure to liquidity risk as a result of normal business activities, specifically the risk arising from an inability to meet short-term cash flow requirements, and this is monitored on an ongoing basis.

Key components of the monitoring framework include daily monitoring of cash flows and regular reviews to identify cash flow requirements.

The Company's liquidity risk continues to be de-minimis, since the Company hold its funds in highly liquid, readily available liquidity funds which are exposed to only a minimal risk of change in value (see sensitivity below).

The Company's liabilities at 31 December 2024 and 31 December 2023 were all repayable on demand for a consideration equivalent to the carrying value disclosed in the statement of financial position, other than those liabilities due after 12 months as disclosed in note 16. Those liabilities due after 12 months are due over a period from 2 to 4 years from the balance sheet date, and at each due date there is a receivable due in the same amount.

Legislative and regulatory risk
The Company is subject to regulation by the FCA. The FCA has broad regulatory powers dealing with all aspects of financial services including, amongst other things, the authority to grant and, in specific circumstances, to vary or cancel permissions to carry out particular activities. The Group has processes in place to keep up to date with latest FCA guidelines and regulation. The Group is also responsible for treating its customers fairly and adheres to FCA guidelines in respect of this.

There is uncertainty over the future of regulation as financial services regulation is being consulted on by HM Treasury, which aims to establish how much rule-making power will pass from legislation to the UK's regulators (the 'Future Regulatory Framework' review).

Operational risk
The Group has established an Operational Resilience Framework, which applies to the Company. This identifies important business services, accountability, sets tolerances for disruption and describes the processes that will deliver the required level of resilience. This enhances the protection of our customers and stakeholders, preventing intolerable harm and supports compliance with the regulations. The Company works closely with its outsourcers to ensure that the level of resilience delivered is aligned to the Company's impact tolerances.

The Company and its outsourcers have well established business continuity management and disaster recovery frameworks that are subject to an annual refresh and regular testing.

The Company carries the risk that the OSPs used by the Company will no longer be able to provide the agreed services at an agreed cost and under the agreed timeframe. The Company manages this risk through established governance and relationship meetings together with regular updates from key OSPs on their business continuity arrangements.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. These obligations can relate to both recognised and unrecognised assets and liabilities.

Credit risk management practices
The Company's credit risk grading framework comprises the following categories:

Category	**Description**	**Basis for recognising ECL**
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12m ECL
Doubtful	There has been a significant increase in credit risk since initial recognition, indicated by an increase in past-due amounts	Lifetime ECL (not credit impaired)
In default	There is evidence indicating the asset is credit-impaired, indicated by an increase in past-due amounts over 6 months old and increased counterparty risk by adverse changes in their credit ratings.	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off

The table below details the credit quality of the Company's financial assets, as well as the Company's maximum exposure to credit risk by credit risk rating grades.

	External credit rating	Internal credit rating	ECL recognition	Gross carrying amount	Loss allowance	Net carrying amount
Financial assets				£000	£000	£000
Intercompany receivables	N/A	Performing	12 month ECL	105,808	-	105,808
Other receivables	N/A	Performing	12 month ECL	100	-	100
Cash and cash equivalents	BBB+	N/A	12 month ECL	18	-	18
Cash and cash equivalents	A+	N/A	12 month ECL	188	-	188
Collective investment schemes	AAA	N/A	12 month ECL	46,909	-	46,909

The Company considers reasonable and supportable information that is relevant and available without undue cost or effort to assess whether there has been a significant increase in risk since initial recognition. This includes quantitative and qualitative information and also forward-looking analysis.

Intercompany receivables (note 10) – The credit risk from activities undertaken in the normal course of business is considered to be extremely low risk. The Company assesses whether there has been a significant increase in credit risk since initial recognition by assessing past credit impairments, history of defaults and the long term stability of the Phoenix Group.

Trade receivables (note 10) and Other receivables (note 10) – The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty including historical loss experiences and current market conditions. For each new counterparty, the Company also analyses the creditworthiness before the Company's standard payment terms and conditions are offered. The Company also reviews external ratings, if they are available, and financial statements.

Cash and cash equivalents (note 12) – The Company's cash and cash equivalents are held with financial institutions which have an investment grade rating and a stable outlook, as given by ratings agencies and published on each counterparty's website. The Company therefore considers that its cash and cash equivalents have low credit risk based on the external credit rating of the counterparties and there being no history of default.

Collective investment schemes (note 11) – The Company's collective investment schemes represent investments in a fund which has an investment grade rating, as given by ratings agencies and published on the counterparty website. The Company therefore considers that its collective investment schemes have low credit risk based on the external credit rating of the counterparty and there being no history of default.

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Sensitivity analysis

The Company is exposed to market risk in respect of its holdings in collective investment schemes (note 11). The table that follows illustrate the sensitivity of profit after tax and equity to reasonably possible variations in the unit price at the reporting date.

	2024	2023
	Effect on profit after tax and equity	Effect on profit after tax and equity
	£000	£000
0.20% increase in unit price	94	75
0.20% decrease in unit price	(94)	(75)

19. Related party transactions

The Company enters into transactions with related parties in its normal course of business. These are at arm's length on normal commercial terms.

	2024	2023
	£000	£000
Revenue recognised from related parties		
From parent company:		
Investment management and performance fees	51,897	24,015
Less: management fee rebates	(9,994)	(9,989)
From fellow group companies:		
Investment management and performance fees	2,505	41,679
Management fees from unit trusts	14,030	13,057
Operating costs with related parties		
Fund administration and other administration fees charged by fellow group companies	2,893	2,850
Amounts due from related parties		
Due from the parent	76,148	62,740
Due from fellow subsidiaries: other	1,002	49
Due from fellow subsidiaries: unit trusts	28,658	29,428
	105,808	92,217
Amounts due to related parties		
Due to the parent	26,248	28,406
Due to fellow subsidiaries: other	128	450
Due to fellow subsidiaries: unit trusts	36,774	41,193
Other payables - Group Relief	696	239
	63,846	70,288

Unit trusts
The unit trusts which the Company manages are fellow subsidiaries of the group, and therefore transactions with the unit trusts are disclosed above.

Investment management
The Company provides investment management services to its parent, as well as to fellow subsidiaries within the Group.

Net investment income
All of the Company's net investment income is from fellow subsidiaries of the group. Details of this income is provided in note 5.

Amounts due to and from related parties
Amounts due to and from related parties primarily relate to Unit trusts and Investment Management, other than the group relief disclosed separately above.

Dividends
No dividends were paid to the parent company during the year (2023: £nil).

Key management compensation
The compensation payable to employees classified as key management, which comprises the Directors, is disclosed in note 8. Other transactions are disclosed below:

	2024	2023
	£'000	£'000
Key management personnel and their close family members transactions with Pensions and Savings products sold by the Group:		
Contributions in the year	19	17
Value of investments at year end	2,524	2,915

Parent and ultimate parent entity
Information on the Company's parent and ultimate parent is given in note 20.

20. Ultimate parent and ultimate controlling party

The Company's immediate parent is Phoenix Life Limited, and its ultimate parent is Phoenix Group Holdings plc, a company incorporated in England and Wales. Copies of the Phoenix Group Holdings plc consolidated financial statements can be obtained from their company website, www.thephoenixgroup.com.