PHOENIX LIFE ASSURANCE LIMITED

Company Registration Number: 00001419

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

Contents

Strategic report

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

The financial statements of the Company for the year ended 31 December 2024 have been prepared in accordance with Financial Reporting Standard *102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") and Financial Reporting Standard 103 *Insurance Contracts* ("FRS 103") (together "UK GAAP") in conformity with the requirements of the Companies Act 2006. The provisions of Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 relating to insurance companies also apply to the Company.

Business review

Principal activities
Prior to the transfer in 2023 of all the long-term business and the majority of the Company's assets to Phoenix Life Limited ("PLL"), a fellow group company, under a Part VII of the Financial Services & Markets Act 2000 ("Part VII transfer"), the principal activity of the Company was the provision of life assurance and pension products in the UK. Subsequent to the Part VII transfer, the Company's principal activity has been the investment of the assets retained in the Company.

Corporate activity
An application was successfully submitted to the Financial Conduct Authority ("FCA") and Prudential Regulation Authority ("PRA") for cancellation of the Company's Part 4A permissions under the Financial Services and Markets Act 2000. Following deauthorisation on 9 December 2024, the majority of the remaining assets were transferred by the Company, in accordance with the Part VII transfer to PLL, for £nil consideration.

All Phoenix Group life company entities operate under the governance and risk management frameworks ("RMF") of the Group. The Company, PLL, Standard Life Assurance Limited ("SLAL"), ReAssure Limited, ReAssure Life Limited and Phoenix Life CA Limited (together the Life Companies) operate joint Boards of Directors, Audit Committees and Risk Committees, which operate under the Group's frameworks whilst having responsibility delegated to them for oversight of policies and activities that only impact the Life Companies. Following deauthorisation, the Company was decoupled from the joint Boards of Directors, Audit Committees and Risk Committees of the Life Companies on 28 January 2025 and new Directors appointed.

Climate change activity in the year and future developments
Climate change remains one of the greatest global challenges faced today. Whilst the Company no longer has any direct customers, as a member of a purpose-led Group we want to continue to play our part in delivering a net zero economy; 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 the Group's customer base, and we are taking action to understand and address our dependencies and impacts on nature across all areas of our business, including the Company.

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 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 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 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 16.

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Dividends of £nil were paid to the parent company during the year (2023: £nil). The Directors do not recommend the payment of a final dividend.

Operations
During the year, asset management was outsourced to the Aberdeen group plc (formerly abrdn plc). Investment administration and custody services were outsourced to HSBC Security Services.

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:

Strategic priorities key		
Optimise our in-force business	Grow organically and through M&A	Enhance our operating model and culture

Key stakeholder groups		
Suppliers	Colleagues	Community
We depend on our outsource providers ("OSP's") to deliver the highest standards of service and continually promote good outcomes for all our stakeholders. The Board understands that the quality of relationships we have with our OSP's 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.	The Group encourages all colleagues to support our local communities through volunteering.

Link to strategic priorities		
How has the Board engaged with and had oversight of stakeholder views during the year?		
Relationships with OSP's were monitored via regular updates to the Board. The Board reviewed the outputs of operational resilience assessment activity, whose scope included a review of the Company's OSP's. Bespoke updates on specific OSP's were provided to the Board during the year.	The Board monitored colleague-related matters throughout the year via the regular operational updates provided by management. The Board considered the forward-looking performance metrics proposed for the Group's Annual Incentive Plan with respect to customer performance.	The Board contributed towards development of the Group's Sustainability Strategy and Stewardship Policy for 2024 and beyond. The Board considered and provided feedback in relation to the Company's 2023 Climate Report, in particular with respect to simplifying such reporting in future.

The Board's role in promoting positive stakeholder relationships		
The Board monitors the performance of its OSP's to ensure Phoenix is able to provide the best customer outcomes to deliver its operational and financial targets. Positive relationships with OSP's are vital to the success of both parties.	The Group Board is responsible for setting cultural tone for all Group colleagues. However, the PLAL Board monitors engagement and other relevant colleague-related matters in recognition of their role in the ongoing success of the Company.	The Board ensures that the activity it undertakes operates within the wider parameters of the Group's Sustainability Strategy.

Key stakeholder groups continued	
Investors	**Government, trade bodies & regulators**
Our sole shareholder is Phoenix Group Holdings (No.2) Limited. 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.	Until its deauthorisation in December 2024, our business was regulated by the PRA and FCA. Throughout the year, the Board acknowledged the importance of maintaining positive relationships with the Company's regulators.

Link to strategic priorities	
How has the Board engaged with and had oversight of stakeholder views during the year?	
The governance framework within the Board operates is designed to facilitate good information flows between and robust decision-making at all levels within the Group. During the year both the Group Chief Executive and Group Chief Financial Officer were members of the Board, which further strengthened the link between the Company and its ultimate parent, PGH. Updates on the Group Board's activity were provided within their regular reporting.	The Board received updates on management's interactions with regulators and any feedback received from those bodies. At the request of the regulators, certain Board directors have met with representatives on a formal basis. The Board received feedback on the external interactions with Government and trade / industry bodies by the Life Companies CEO and the CEO, Savings & Retirement. The FCA attended sessions with the Board during the year.

The Board's role in promoting positive stakeholder relationships	
The Board maintains strong links with its ultimate parent, PGH, through regular reporting and interaction with the Group Board and its committees and vice versa.	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.

Strategic priorities key		
Optimise our in-force business	Grow organically and through M&A	Enhance our operating model and culture

Example key Board decision	2024 Sustainability Strategy
Link to strategic priorities	How the Board reached its decision
	Consideration of section 172 matters During the year the Board considered proposals relating to the evolution of the Group's Sustainability Strategy for 2024 and beyond to reflect the changing landscape of the wider Group. As part of its consideration, the Board explored Phoenix's ambition across its Environmental, Social and Governance (ESG) themes and the journey to meet those ambitions. It also reviewed priority themes for Planet, People, Human Rights, Diversity, Equity & Inclusion and good governance. It also provided challenge in relation to how the strategy's investment ambitions could be reconciled with the practicalities of commercial matters, as well as the complexity of customer engagement. It further sought to understand how the Group was differentiating itself from its peers and was addressing digital inclusion across its customer base.
Outcome	Following due consideration of the matters set out in section 172, the Board confirmed its support for the proposed Sustainability Strategy, targets and plans at local level. Final approval for the overall strategy was then sought and received from the Company's ultimate parent, Phoenix Group Holdings plc.

Example key Board decision	Cancellation of regulatory permissions
Link to strategic priorities	How the Board reached its decision
	Consideration of section 172 matters The Board considered a request to approve the de-authorisation of the Company following the successful transfer of the Company's business to another life company of the Group in October 2023. In considering the request, the Board noted the following matters pertaining to the Company: • That the Company had paid, secured or otherwise discharged all liabilities arising out of all contracts of insurance previously underwritten by the Company; • That the Company had ceased all regulatory activities for which it was authorised;

	• That all liabilities arising out of regulated activities, including present and future, for the Company had been either repaid, secured or otherwise discharged; • All potential or actual liabilities arising from customer complaints for the Company had been settled, secured or otherwise discharged; and • That there were no outstanding regulatory fees to be paid. Being able to provide assurance on these matters to the regulator, which the Board noted were supported by Line 2, would ensure that the highest standards of business conduct were maintained.
Outcome	Following due consideration of the matters set out in section 172, the Board irrevocably endorsed the Company's application to cancel its regulatory permissions.

Business relationships with customers
Since the transfer of its books of business to another Group subsidiary in October 2023, the Company no longer has any customers. However, as part of the wider Phoenix Group, the Board continues to consider the impact of its decision-making on customers elsewhere within the Group, subject always to ensuring that the strategic objectives of the Company are maintained.

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. Until its de-authorisation in December 2024, in accordance with the PRA's Supervisory Statement 'SS2/21', the Company's Board, as part of the collective Life Companies' Board, had oversight of the relationship with OSP's with respect to their delivery of services to customers. The Life Companies' Board's schedule of matters reserved includes the responsibility for monitoring the performance of management service provider contracts (including services contracted with OSP's).

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 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. We have 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, we adopted ways to further promote individual accountability.

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

Principal risks and uncertainties
Following the Part VII transfer and deauthorisation, the Company is not expected to be exposed to any material risks.

On behalf of the Board

DocuSigned by:
Lindsey Hayden-Carey
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L Hayden-Carey
For and on behalf of Pearl Group Secretariat Services Limited
Company Secretary

15 September 2025

Directors' report

The Company is incorporated in England and Wales. Its registration number is 00001419 and its registered office is 1 Wythall Green Way, Wythall, Birmingham B47 6WG.

Corporate governance

As a PRA-regulated firm until it was granted deauthorisation on 9 December 2024, the Company has applied the regulator's Supervisory Statement SS5/16, which sets out the principles as to how a PRA-regulated firm should govern itself if it is not a listed company and does not, therefore, fall within the remit of the UK Corporate Governance Code (the "Code").

Within the guidelines of SS5/16, PRA-regulated firms are expected to focus on twelve aspects of governance, many of which echo the framework provided by the Code. These twelve aspects of governance, whilst not being as formal as following the Code (which is applied by the Company's ultimate parent, Phoenix Group Holdings plc), provide a framework through which the Board is able to demonstrate that it runs the Company with sound governance at its heart.

This framework is assessed, reviewed and challenged by the Board on at least an annual basis with evidence focusing on the following points. The findings of the review for 2024 are set out below. For the avoidance of doubt, there have been no departures from these aspects of governance through the year:

Aspect of Governance	**Demonstrated** by
Setting strategy	As noted in the Directors' duties section of the Strategic report which provides an overview of how the Directors have regard for their duty in respect of consequences of decisions in the long-term, an annual strategy day is held each June for the Board to debate and challenge the strategy for the Company and input to the overall Group strategy debate. The Chair of the Company (or designated representative) is invited to attend the Group strategy sessions to provide the Board's feedback. A more refined view, developed into an Annual Operating Plan, is created for review and sign off at the beginning of each year which maps out the ongoing strategic direction for the following 12 months and up to 5 years thereafter. Board agendas are prepared to ensure that the more strategic items have sufficient time for review and challenge. Key matters discussed and challenged at the Board during the year were: liquidity headroom and the risks and opportunities associated with its management; the response to the PRA relating to its Supervisory Statement on Funded Reinsurance; and the Group's Sustainability Strategy.
Culture of risk awareness and ethical behaviour	The Company operates within the overall Group Risk Management Framework. As part of this, on an annual basis, the Board approves a series of risk appetite statements for articulation throughout the Company. The Group Risk Function have created and presented their assessment of Risk Culture within the business during the year to the Risk Committee. The Dashboard considers 15 specific objectives across Purpose, Psychological Safety and Diversity & Inclusion, Governance & Controls and Leadership with assessments based on a variety of inputs, including colleague surveys and Board / Committee evaluations. In respect of remuneration, the Non-Executive Directors input into the proposed objectives and performance ratings for those individuals within the management team of the Company who are responsible for the day to day running of the business (typically direct reports of the Chief Executive and their direct reports who are also Senior Management Function Holders). This ensures that these objectives promote an effective culture of risk awareness and ethical behaviour. In the same way, the Board was also engaged in the review of any bespoke remuneration plans for business units, and the targets to be included in the Group's Annual Incentive Plan with respect to customer performance, in advance of their consideration by the Phoenix Group Holdings plc Remuneration Committee.

Risk appetite, risk management and internal controls	As described above, risk appetite statements are approved by the Board. Oversight of risks, risk management and internal controls is delegated for oversight by both the Board Audit Committee and Board Risk Committee in line with their Terms of Reference. Both the Head of Internal Audit and Chief Risk Officer have access to the Chair of the Board and the Audit Committee to raise any concerns directly. In addition, the Chief Risk Officer has direct access to the Chair of the Risk Committee. The operation of a three lines of defence model within the Company ensures that there is appropriate oversight, not only from the individual business unit but also from the Risk function providing risk oversight independent of management and the Internal Audit function providing independent verification of the adequacy and effectiveness of the internal controls and risk management processes in operation.
Board composition	Board skills and associated succession planning are subject to annual review to ensure there is an appropriate mix of skills among the Non-Executive Board members. Our Non-Executive Board members are considered to have the required knowledge to effectively challenge management and to undertake their duties appropriately. In 2024, one new Non-Executive Director was appointed, with Karin Cook joining the Board on 1 May 2024. Non-Executive Directors, Amanda Bowe and Nick Poyntz-Wright, retired on 30 April 2024 and 31 December 2024 respectively. During 2024 there were also a number of Executive Director changes. Pete Mayes, Rakesh Thakrar and Brid Meaney stepped down from the Board on 31 March 2024, 31 July 2024 and 19 August 2024 respectively. Arlene Cairns was appointed to the Board on 1 April 2024. As a result of these changes, at the end of 2024 the Board comprised 7 Non-Executive Directors (including the Chair) and 3 Executive Directors. Current Chair, John Lister, was considered independent on appointment to the role in 2021. There is a division of responsibility between the Non-Executive Chair, who is responsible for the leadership and effective operation of the Board, and the Chief Executive Officer, who is responsible to the Board for the overall management and operation of the Company.
Role of Executive and Non-Executive Directors	All appointment letters and associated role profiles for Non-Executive Directors specify the requirements of the role to include constructive challenge, scrutiny of management information and the integrity of financial information. The 'Matters Reserved' for the Board of the Company specifies those activities for which the Board has retained approval with agendas for each meeting reminding all directors of their responsibilities under Section 172 of the Companies Act 2006. Board meetings, as evidenced through the Board Minutes produced, are an open forum for directors to be robust and challenge the proposals presented. Having a clear organisational structure allows for areas not covered by the Matters Reserved and which fall into the "day to day management" of the Company to be appropriately delegated through a structure of approved Delegations of Authority.
Knowledge and experience of Non-executive Directors	The experience of the Non-Executive Directors is wide across the life insurance industry and all have received a comprehensive induction on the business of the Company. A skills assessment is in place which identifies an individual's area of expertise such as accountancy, with-profits management, risk management, life and pensions and investments. This assessment demonstrates that our

	Non-Executive Directors have a substantial number of years' experience on the matters close to our Company. During the year, the Board is provided with regular education sessions to support any gaps in knowledge and to promote continuous professional development. During 2024, the Board received deep dives on the following topics: • Proposition Development Process • New Consumer Duty: Approach to Consumer Understanding and Support • Matching Adjustment Assumptions Attestation • IFRS17 • Capital Quality Methodology • Solvency II Reforms • Ongoing development of strategic pension partnership arrangements • Pensions & Savings and Standard Life Customers
Board time and resource	The Board met for 9 scheduled Board meetings in 2024 either in person or via video conference. A further 5 out of cycle meetings were held: two to consider the 2024 Annual Operating Plan; one to consider the Company's Solvency and Financial Condition Report and Solvency II Pillar 3 reporting prior to regulatory submission; one to approve the Company's annual financial statements; and one to approve the 2024 half year Solvency II results. As well as the Board, a number of Board Committees responsible for overseeing Audit, Risk, Nomination, With-Profits, Investment and Model Governance matters, have also been in operation during the course of the year. The Board Nomination Committee undertakes a review of the estimated time commitment required by a Non-Executive Director to support the Company's activities on an annual basis. For 2024 this was completed at its March meeting. Should a Non-Executive Director be considering an additional external commitment, this is reviewed by the Board Nomination Committee and Board in advance during which time it is confirmed that the time commitment required will not impact their availability for Company matters.
Management information (MI) and transparency	Each Board meeting includes a formal Chief Executive and other Company Officer reporting, together with other key Management Information ("MI") reports (which includes Financial and Operational MI), as well as reports from the Board's committees. The Group Chief Executive Officer is also Chief Executive Officer of the Company, further strengthening the link, through management representation, between the Group and Life Boards.
Succession planning	The performance of the Chief Executive and their direct reports is considered at least annually in private sessions facilitated by the Group HR Director with the Non-Executive Directors during which more informal discussions on succession planning may take place. During 2024 the Board Nomination Committee considered Non-Executive Director succession planning matters with particular reference to the forthcoming retirements of three Board Members in late 2024 and in 2025. This review incorporated a skills audit exercise to support long term succession planning. The Board formally reviewed its Succession Policy in November 2024.
Remuneration	Whilst the remuneration of executives is a matter for the Group and, specifically, the Group's Remuneration Committee, the Non-Executive Directors are provided with the information necessary to enable them to oversee the design and operation of the remuneration arrangements linked to the Company's strategic objectives. In addition, the Non-Executive Directors consider and opine on the performance outcomes of the individuals within the management team of the Company who are responsible for the

	day to day running of the business (typically direct reports of the Chief Executive).
Subsidiary boards	Within the scope of Board updates, there is the flexibility to consider the activities of the Company's subsidiary companies. More broadly, a summary update of any activity of the Company's subsidiaries is provided on a six-monthly basis where appropriate. The Group Chief Executive Officer ("CEO") is an executive director of both the Company and its ultimate parent, Phoenix Group Holdings plc, as was the Group Chief Financial Officer ("CFO") until he stepped down as a director of the Company during the year. In the case of each individual, conflicts of interest were assessed for each agenda item and, where appropriate, they were recused from decision making at the meeting. The Phoenix Life Companies Board Matters Reserved clearly state those matters which are in the gift of the Board and those which require Group oversight, in support of balancing the obligations of the Company within the context of the wider Group.
Board committees	The terms of reference of the committees of the Board of the Company document the duties of the committees. Any matter which cannot be properly dealt with by the committee concerned or needs to be escalated is submitted to the Board for consideration. Board Committee terms of reference have been assessed against activity undertaken and amended during the course of the year, as appropriate, to ensure corporate governance arrangements remained aligned to the Group operating model.

Going concern

The Directors have followed the UK Financial Reporting Council's "*Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks (April 2016)"* when performing their going concern assessment. The Directors have undertaken a review of solvency, liquidity and cash flow projections. The Directors have also considered the Part VII of its business into PLL and the cancellation of its Part 4A permissions. The Company has ceased all regulatory activities for which it was authorised but continues to hold investments in subsidiary companies. At the date of reporting there are no formal plans to wind up the Company.

As a result of this review, the Directors believe the Company has adequate resources to continue in operational existence over the going concern period assessed for no less than 12 months from the date of publishing these financial statements. 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 and who held office at the date of signature of this report are as follows:

A H Bowe	(resigned 30 April 2024)
A D Briggs	(resigned 1 February 2025)
J B Buffham	(appointed 31 January 2025)
A Cairns	(appointed 1 April 2024, resigned 1 February 2025)
K A Cook	(appointed 1 May 2024, resigned 1 February 2025)
I A Craston	(resigned 1 February 2025)
A B Curran	(resigned 1 February 2025)
J S Gill	(resigned 1 February 2025)
R Harris	(resigned 1 February 2025)
T W Harris	(resigned 1 February 2025)
M G Hassall	(resigned 31 March 2023)
L J Hayden-Carey	(appointed 2 September 2025)
J R Lister	(resigned 1 February 2025)
P K Mayes	(resigned 31 March 2024)
B M Meaney	(resigned 19 August 2024)
N H Poyntz-Wright	(resigned 31 December 2024)
K E Sutton	(appointed 31 January 2025)
R K Thakrar	(resigned 31 July 2024)

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

Matters disclosed in strategic report
The strategic report covers future developments and any dividends paid.

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 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 10 July 2024, PKF Littlejohn LLP resigned as auditors. 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, the Company's auditor, KMPG LLP, will be deemed to have been reappointed at the end of the period of 28 days following circulation 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:
Lindsey Hayden-Carey
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L Hayden-Carey
For and on behalf of Pearl Group Secretariat Services Limited
Company Secretary

15 September 2025

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare financial statements in accordance with UK accounting standards and applicable law, including FRS 102 and FRS 103.

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 the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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 LIFE ASSURANCE LIMITED

Opinion

We have audited the financial statements of Phoenix Life Assurance Limited ("the Company") for the year ended 31 December 2024 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, and related notes, including the accounting policies.

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 accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland;* 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:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Inspecting correspondence with regulators to identify instances or suspected instances of fraud.

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, 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 there is no management judgement or estimation involved in recording revenue.

We did not identify any additional fraud risks.

To address the pervasive risk relating to management override, 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 those posted to unusual accounts and journals impacting cash balances that were identified as unusual or unexpected in our risk assessment procedure.

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 management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, and discussed with 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 throughout the audit.

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

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.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

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, 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 12, 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.

S. Zaidi

Shozab Zaidi (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
15 September 2025

Statement of comprehensive income

for the year ended 31 December 2024

	Notes	2024 £000	2023 £000
Long term business technical account			
Gross premiums written	5	-	106,000
Outward reinsurance premiums		-	(5,000)
Earned premiums, net of reinsurance		-	101,000
Investment income / (expense)	6	180	(91,000)
Unrealised gains on investments	6	-	53,000
Other technical income	7	-	16,000
Claims paid:			
Gross amount		-	(541,000)
Reinsurers' share		-	158,000
Claims paid net of reinsurance		-	(383,000)
Change in provision for claims:			
Gross amount		-	(17,000)
Change in provision for claims net of reinsurance		-	(17,000)
Claims incurred net of reinsurance		-	(400,000)
Change in long term business provision:			
Gross amount		-	549,000
Reinsurers' share		-	(59,000)
Change in long term business provision net of reinsurance		-	490,000
Change in technical provision for linked liabilities, net of reinsurance		-	(102,000)
Change in technical provisions net of reinsurance		-	388,000
Net operating expenses	8	(2)	(57,000)
Investment expenses and charges	6	(26)	(10,000)
Transfer from fund for future appropriations		-	8,000
Tax charge attributable to the long term business	11	(39)	(5,000)
Balance on long term business account		113	3,000

The accompanying notes on pages 20 to 32 are an integral part of these financial statements.

Non-technical account	Notes	2024 £000	2023 £000
Balance on long term business technical account		113	3,000
Tax charge on long term business	11	39	9,000
Balance on long term technical account before tax		152	12,000
Investment income	6	-	2,000
Profit on ordinary activities before tax		152	14,000
Tax charge on ordinary activities	11	(39)	(9,000)
Profit for the year		113	5,000
Total other comprehensive income for the year		113	5,000

The accompanying notes on pages 20 to 32 are an integral part of these financial statements.

Statement of financial position

as at 31 December 2024

ASSETS	Notes	As at 31 December 2024 £000	As at 31 December 2023 £000
Investments			
Investments in group undertakings and participating interests	12	250	250
Other financial investments	13	-	4,105
Other assets			
Cash at bank and in hand	16	38	89
Total Assets		288	4,444
EQUITY AND LIABILITIES			
Capital and reserves			
Called up share capital	17	342,109	342,109
Share premium		40,716	40,716
Other reserves	18	(471,402)	(467,133)
Profit and loss account		88,865	88,752
Total capital and reserves		288	4,444
Total equity and liabilities		288	4,444

The accompanying notes on pages 20 to 32 are an integral part of these financial statements.

On behalf of the Board

DocuSigned by:

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J Buffham
Director
15 September 2025

Company registration number 00001419

Statement of changes in equity

for the year ended 31 December 2024

	Called up share capital (note 17)	Share premium	Other reserves (note 18)	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
Balance at 1 January 2024	342,109	40,716	(467,133)	88,752	4,444
Profit for the year	-	-	-	113	113
Total comprehensive income for the year	-	-	-	113	113
Part VII transfer (note 4)	-	-	(4,269)	-	(4,269)
Balance at 31 December 2024	342,109	40,716	(471,402)	88,865	288

	Called up share capital (note 17)	Share premium	Other reserves (note 18)	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
Balance at 1 January 2023	342,109	40,716	96,867	83,752	563,444
Profit for the year	-	-	-	5,000	5,000
Total comprehensive income for the financial year	-	-	-	5,000	5,000
Part VII transfer (note 4)	-	-	(564,000)	-	(564,000)
Balance at 31 December 2023	342,109	40,716	(467,133)	88,752	4,444

The accompanying notes on pages 20 to 32 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 16 to 32 were authorised by the Board of Directors for issue on 11 September 2025.

The financial statements have been prepared on a historical cost basis except for those financial assets 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 a financial reporting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

The financial statements are presented in sterling (£) rounded in thousands except where otherwise stated.

These financial statements are separate financial statements and the exemption in section 400 of the Companies Act 2006 has been used not to present consolidated financial statements. 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 Board has considered the capital and solvency position of the Company for the going concern period of no less than 12 months from the date of publishing these financial statements. The Company no longer holds insurance liabilities and continues to hold sufficient liquid assets to cover its liabilities as they fall due.

The Directors have also considered the Part VII of its business into Phoenix Life Limited ("PLL") and the cancellation of its Part 4A permissions. The Company has ceased all regulatory activities for which it was authorised but continues to hold investments in subsidiary companies. At the date of reporting there are no formal plans to wind up the Company.

Having carried out this assessment, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Further detail is provided within the Directors' report.

Statement of compliance
The financial statements have been prepared in accordance with the Companies Act 2006 and the provisions of Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 relating to insurance companies.

The financial statements are prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") and Financial Reporting Standard 103 *Insurance Contracts* ("FRS 103") (together "UK GAAP").

The Company is considered to be a qualifying entity under FRS 102 and has applied the exemptions available in respect of the following disclosures:

- Cashflow statement and related notes
- Key management personnel compensation
- Related party transactions between two or more wholly owned subsidiaries of Phoenix Group Holdings plc

2. Accounting Policies

a) Critical accounting estimates and judgements
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Disclosures of judgements made by management in applying the Company's accounting policies include those that have the most significant effect on the amounts that are recognised in the Company's financial statements. Disclosures of estimates and associated assumptions include those that have a significant risk of resulting in a material change to the carrying value of assets and liabilities within the next year. 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 requires such estimates are set out below.

Collective investment schemes
The Company has invested in collective investment schemes and other types of investment where judgement is applied in determining whether the Company controls the activities of these entities. These entities are typically structured in such a way that owning the majority of the voting rights is not the conclusive factor in the determination of control.

The Company considers the scope of its decision-making authority, including the existence of substantive rights (such as power of veto, liquidation rights and the right to remove the fund manager) that give it the ability to direct the relevant activities of the investee. The assessment of whether rights are substantive rights, and the circumstances under which the Company has the practical ability to exercise them, requires the exercise of judgement. Where the Company is deemed to control such collective investment schemes they are classified as investment subsidiaries. Where the company is deemed to exercise significant influence over such investments they are classified as associates. Where the Company has an investment but not control over these types of entities, the investment is classified either as shares or participations in investment pools in the Statement of financial position.

How climate risk affects our accounting estimates and judgments

In preparation of these financial statements, the Company has considered the impact of climate change 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 held at fair value and use quoted market prices or observable market inputs in their valuation. The use of quoted market prices and market inputs to fair value is assumed to include current information and knowledge regarding the effect of climate risk.

b) Income recognition
Gross premiums written
In respect of insurance contracts and investment contracts with discretionary participating features ("DPF"), premiums are accounted for on a receivable basis and exclude any taxes or duties based on premiums. Funds at retirement under individual pension contracts converted to annuities with the Company are, for accounting purposes, included in both claims incurred and premiums within gross premiums written.

For linked business the due date for payment may be taken as the date when the liability is established.

Reinsurance premiums
Outward reinsurance premiums are accounted for on a payable basis. Reinsured premiums include fixed monthly payments made under longevity swap arrangements.

Reinsurance premiums include amounts receivable as refunds of premiums in cases where the Company cancels arrangements for the reinsurance of risk to another insurer.

Other technical income
Fee and commission income relates to the following:

- investment contract income – investment contract policyholders are charged for policy administration services, investment management services, surrenders and other contract fees. These fees are recognised as revenue over the period in which the related services are performed. If the fees are for services provided in future periods, then they are deferred and recognised over those periods. 'Front end' fees are charged on some non-participating investment contracts. Where the non-participating investment contract is measured at fair value, such fees which relate to the provision of investment management services are deferred and recognised as the services are provided; and

- release of deferred income reserve.

Investment income and expense
Investment income comprises interest, dividends, rents receivable and realised gains and losses. Interest income is recognised in the Income Statement 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. Rental income from investment property is recognised as income in the Income Statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

Realised gains and losses are the difference between the net sale proceeds and the original cost.

Unrealised gains/ losses
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.

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.

c) Transfers of business
Where the Company participates in a transfer of insurance business scheme under Part VII of the Financial Services and Markets Act 2000 and the ultimate shareholders remain the same, the transaction constitutes a business combination as part of a Group reconstruction. On initial recognition, the transferred assets and liabilities are measured at the carrying value in the transferring company and the resulting gain or loss is included within equity.

d) Non-technical account allocation
Prior to the Part VII transfer, the Company contained only long-term business, with any other activities within the Group managed via separate entities. The Company managed its position primarily on a Solvency basis. As such there is no concept of a separate long-term insurance fund, with all assets presumed to be available to meet obligations to policyholders and support the solvency position of the Company.

Income on intercompany loans has been allocated to the non-technical account on the basis that it relates to Group-wide activities. All other income and expenses have been attributed to the technical account.

e) Benefits, claims and expenses recognition
Gross benefits and claims
Claims on insurance contracts and investment contracts with DPF reflect the cost of all claims arising during the period, including policyholder bonuses allocated in anticipation of a bonus declaration. Claims payable on maturity are recognised when the claim becomes due for payment and claims payable on death are recognised on notification. Surrenders are accounted for at the earlier of the payment date or when the policy ceases to be included within insurance contract liabilities. Where claims are payable and the contract remains in force, the claim instalment is accounted for when due for payment. Claims payable include the costs of settlement.

Reinsurance claims
Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract. Reinsured claims include variable monthly claim recoveries received under longevity swap arrangements.

Other charges
Interest payable is recognised as an expense in the Statement of comprehensive income as it accrues and is calculated by using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability, and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash flows over the expected life of the financial instrument or, where appropriate, a shorter period, to the carrying amount of the financial asset or liability.

Fund for Future Appropriations ("FFA")
The FFA is the unallocated surplus of the with-profits business and comprises the excess of assets over policyholder liabilities that have yet to be apportioned between policyholders and shareholders. The unallocated surplus is recorded wholly as a liability with no allocation to equity. The annual excess/(shortfall) of income over expenditure within the with-profits funds, after declaration and attribution of the cost of bonuses to policyholders and shareholders, is transferred to/(from) the Fund for Future Appropriations each year through a (charge)/credit to the income statement.

f) Tax
Income tax comprises current and deferred tax. Income tax is recognised as income or an expense in profit and loss except to the extent that it relates to items recognised as other comprehensive income, in which case it is recognised in other comprehensive income.

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.

Deferred tax is provided for on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates and laws enacted or substantively enacted at the period end. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The tax charge is analysed between tax that is payable in respect of policyholders' returns and tax that is payable on owners' returns. This allocation is calculated based on an assessment of the effective rate of tax that is applicable to owners for the year. Deferred tax assets and liabilities taxed at policyholder rates are not offset against deferred tax assets or liabilities taxed at shareholder rates due to restrictions in place in life tax legislation.

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

h) Investment in group undertakings and participating interests

Investments in group undertakings

The Company has subsidiaries that are dormant companies. Investments in shares in group undertakings are carried at fair value through profit or loss.

The Company has invested in collective investment schemes and other types of investment where judgement is applied in determining whether the Company controls the activities of these entities. These entities are typically structured in such a way that owning the majority of the voting rights is not the conclusive factor in the determination of control.

The Company considers the scope of its decision-making authority, including the existence of substantive rights (such as power of veto, liquidation rights and the right to remove the fund manager) that give it the ability to direct the relevant activities of the investee. The assessment of whether rights are substantive rights, and the circumstances under which the Company has the practical ability to exercise them, requires the exercise of judgement. Where the Company is deemed to control such collective investment schemes they are classified as investment subsidiaries. Where the company is deemed to exercise significant influence over such investments they are classified as associates. Where the Company has an investment but not control over these types of entities, the investment is classified either as shares or participations in investment pools in the Statement of financial position.

i) Financial instruments

The Company has chosen to account for its financial instruments in accordance with FRS 102.11.2 (c) which applies the recognition and measurement provisions of IFRS 9 *Financial Instruments* (as adopted for use in the UK) with the disclosure requirements of FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instruments Issues*.

Financial instruments cover a range of financial assets and liabilities, including other financial investments and cash at bank and in hand

Recognition & de-recognition

Financial assets

Purchases and sales of financial assets are recognised on the trade date, which is the date that the Company commits to purchase or sell the asset.

The Company derecognises a financial asset where:

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

Classification & measurement

Financial assets

Financial assets are classified into one of the following measurement categories: fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") and amortised cost. Classification is made based on the objectives of the Company's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. Financial assets are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the financial asset. All transaction costs directly attributable to the acquisition are also included in the cost of the financial asset, except for assets subsequently held at FVTPL where transaction costs are expensed.

Financial assets are measured at amortised cost where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

Subsequent to initial recognition, these financial assets are carried at amortised cost, using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Unit trusts and other pooled investments are measured at FVTPL as they are managed and evaluated on a fair value basis. Net gains and losses, including interest and dividend income, are recognised in the Statement of comprehensive income.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets. Reclassifications are expected to occur infrequently.

Impairment of financial assets
The Company assesses the expected credit losses (“ECL”) associated with its financial assets carried at amortised cost. The measurement of credit impairment is based on an ECL model and considers whether there has been a significant increase in credit risk.

For those credit exposures for which credit risk has not increased significantly since initial recognition, the Company measures loss allowances at an amount equal to the total ECL resulting from default events that are possible within 12 months after the reporting date (“12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, the Company measures and recognises an allowance at an amount equal to the ECL over the remaining life of the exposure, irrespective of the timing of the default (“Lifetime ECL”). If the financial asset becomes ‘credit-impaired’ (following significant financial difficulty of issuer/borrower, or a default/breach of a covenant), the Company will recognise a Lifetime ECL. ECLs are derived from unbiased and probability-weighted estimates of expected loss.

The loss allowance reduces the carrying value of the financial asset and is reassessed at each reporting date. ECLs, and subsequent remeasurements of the ECL, are recognised in the Statement of comprehensive income. For other receivables, the ECL rate is recalculated each reporting period with reference to the counterparties of each balance.

Fair value measurement
The fair value of financial instruments traded in active markets such as publicly traded securities and derivatives are based on quoted market prices at the period end. The quoted market price used for financial assets is the current bid price on the trade date. The fair value of investments that are not traded in an active market is determined using valuation techniques such as broker quotes, pricing models or discounted cash flow techniques. Where pricing models are used, inputs are based on market related data at the period end. Where discounted cash flow techniques are used, estimated future cash flows are based on contractual cash flows using current market conditions and market calibrated discount rates and interest rate assumptions for similar instruments.

For units in unit trusts and shares in open-ended investment companies, fair value is determined by reference to published bid-values. The fair value of receivables and floating rate and overnight deposits with credit institutions is their carrying value. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques.

j) Cash at bank and in hand
Cash and cash equivalents include cash in hand, deposits, money held at call and short notice with banks and any highly liquid investments with less than three months to maturity from the date of acquisition.

k) 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. The capital contribution reserve is distributable subject to the availability of distributable reserves.

l) 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

The second periodic review of FRS 102 was completed in March 2024 and an updated version of the standard was issued in September 2024, with a principal effective date of 1 January 2026. The Periodic Review 2024 changes incorporate a new model of revenue recognition, a new model of lease accounting and various other incremental improvements and clarifications. The impact of such changes on the Company continues to be assessed and is not expected to be material.

4. Transfer of the business

On 3 October 2023, the terms of a scheme under Part VII of the Financial Services and Markets Act 2000 to transfer all of the assets and liabilities of the Company to PLL, was approved by the Court of Session. The Part VII transfer was conducted with effect from 30 September 2023.

In line with the Company's accounting policy this business combination under common control was accounted under predecessor accounting and the net asset decrease was recognised directly in other reserves.

0n 9 December 2024, the majority of the remaining assets were transferred by the Company in accordance with the Part VII transfer to PLL for £nil consideration. This followed the successful application to the FCA and PRA for cancellation of the Company's Part 4A permissions under the Financial Services and Markets Act 2000.

The following table presents the balances transferred to PLL:	2024	2023
	£000	£000
Assets		
Land and buildings	-	13,000
Other financial investments	4,269	9,113,000
Assets held to cover linked liabilities	-	261,000
Reinsurers' share of technical provisions - Long-term business provision	-	484,000
Reinsurers' share of technical provisions - Technical provisions for unit-linked liabilities	-	1,335,000
Other debtors	-	1,120,000
Deferred tax asset	-	46,000
Cash at bank and in hand	-	62,000
Other prepayments and accrued income	-	37,000
Total assets	4,269	12,471,000
Liabilities		
Fund for future appropriations	-	(237,000)
Technical provisions - Long-term business provision	-	(8,455,000)
Technical provisions - Claims outstanding	-	(174,000)
Technical provisions for linked liabilities	-	(1,599,000)
Other provisions	-	(3,000)
Creditors arising out of direct insurance operations	-	(4,000)
Creditors arising out of reinsurance operations	-	(15,000)
Amounts owed to credit institutions	-	(14,000)
Other creditors including taxation and social security	-	(1,398,000)
Accruals and deferred income	-	(8,000)
Total liabilities	-	(11,907,000)
Net assets transferred to PLL	4,269	564,000

5. Premium analysis

Gross Premiums written	2024 £000	2023 £000
Direct	-	106,000
	-	106,000

Direct business is analysed as follows:

	2024 £000	2023 £000
Individual business	-	106,000
	-	106,000
Regular premiums	-	33,000
Single premiums	-	73,000
	-	106,000
Participating contracts	-	18,000
Non-participating contracts	-	88,000
	-	106,000

All business is written in the UK.

6. Investment income and expense

	Technical account		Non-technical account	
	2024 £000	2023 £000	2024 £000	2023 £000
Interest income on financial assets at FVTPL	-	104,000	-	-
Dividend income	180	122,000	-	-
Income from group undertakings	-	-	-	2,000
Realised losses on financial assets at FVTPL	-	(317,000)	-	-
Total investment (expense)/income	180	(91,000)	-	2,000
Unrealised gains/(losses) on investments:				
Financial instruments at FVTPL	-	56,000	-	-
Investment property	-	(3,000)	-	-
Net unrealised gains on investments	-	53,000	-	-
Investment expenses and charges	(26)	(10,000)	-	-
Total investment return	154	(48,000)	-	2,000

7. Other technical income

	2024 £000	2023 £000
Fee income from investment contracts without DPF	-	13,000
Other income from contracts with customers	-	3,000
Total other technical income	-	16,000

8. Net operating expenses

	Technical account 2024 £000	Technical account 2023 £000
Administration expenses	2	1,000
Outsourcing expenses	-	56,000
Total operating expenses	2	57,000

Employee costs
The Company has no employees. Administrative services are provided by Phoenix Group Management Services Limited ("PGMSL"), a fellow group company. For the current year, PLL has borne the majority of the administration expenses of the Company and is expected to bear any future administration expenses.

9. Directors' remuneration

	2024 £000	2023 £000
Remuneration (executive and non-executive Directors' remuneration excluding pension contributions and awards under share option schemes and other long-term incentive schemes)	134	847
Share option schemes and other long-term benefits	112	533
Contributions to money purchase pension schemes	1	3
Total Directors' emoluments	247	1,383

Directors' remuneration comprises executive and non-executive Directors' remuneration excluding pension contributions and awards under share option schemes and other long-term incentive schemes.

	2024 Number	2023 Number
Number of Directors accruing retirement benefits under:		
- a money purchase pension scheme	2	3
Number of Directors who exercised share options during the year	5	2

	2024 £000	2023 £000
Highest paid Director:		
Remuneration	45	216
Long term benefits	46	232

The highest paid Director exercised share options during the year.

The Executive Directors are employed by either PGMSL or ReAssure UK Services Limited ("RUKSL"). The Non-Executive Directors are not employed but provide their services via a letter of appointment. 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.

10. Auditor's remuneration

	2024	2023
	£000	£000
Audit of the Company's financial statements	25	515

On 10 July 2024, PKF Littlejohn LLP resigned as auditor. In accordance with section 485 of the Companies Act 2006, KPMG LLP were appointed auditor 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. Auditor's 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.

11. Tax charge / (credit)

	Technical account		Non-technical account	
	2024	2023	2024	2023
	£000	£000	£000	£000
Current tax:				
UK Corporation tax	39	-	-	-
Adjustment in respect of prior years	-	(1,000)	-	-
Total current tax	39	(1,000)	-	-
Deferred tax:				
Origination and reversal of timing differences	-	3,000	-	-
Adjustment in respect of prior years	-	3,000	-	-
`Total deferred tax	-	6,000	-	-
Total tax charge	39	5,000	-	-
Attributable to:				
- policyholders	-	(4,000)	-	-
- owners	39	9,000	-	-
Total tax charge	39	5,000	-	-

The Company, as a proxy for policyholders in the UK, is required to pay taxes on investment income and net investment gains each year. Accordingly, the tax benefit or expense attributable to UK life assurance policyholder earnings is included in the income tax expense.

Reconciliation of tax charge

	2024	2023
	£000	£000
Profit before tax attributable to owners	152	14,000
Tax at standard UK rate of 25% (2023: 23.5%)	39	3,000
Adjustment to owners' tax in respect of prior years	-	3,000
Profits taxed at rates other than 25% (2023: 23.5%)	-	2,000
Other	-	1,000
Tax charge attributable to owners	39	9,000

The Company has applied the disclosure exemptions available as the required equivalent tax disclosures are presented in the consolidated financial statements of the Group, in which the Company is included.

12. Investments: Investments in group undertakings and participating interests

The fair value for the investment in subsidiaries held for strategic purposes is determined with reference to their net asset value, which is considered to approximate to fair value. This is categorized as a Level 3 fair value. Both the cost and the fair value of the investments in subsidiaries held for strategic purposes are £250k (2023: £250k).

The subsidiaries of the Company held for strategic purposes are as follows:

Company Name	**Country of incorporation and principal place of operation**	**Type and % of holding**
London Life Trustees Limited	England and Wales	Ordinary shares, 100%
National Provident Life Limited *	England and Wales	Ordinary shares, 100%
NP Life Holdings Limited	England and Wales	Ordinary shares, 100%
NPI (Westgate) Limited	England and Wales	Ordinary shares, 100%
NPI (Printworks) Limited	England and Wales	Ordinary shares, 100%
Phoenix (Barwell 2) Limited	England and Wales	Ordinary shares, 100%
Phoenix (Chiswick House) Limited	England and Wales	Ordinary shares, 100%
Phoenix (Moor House 1) Limited	England and Wales	Ordinary shares, 100%
Phoenix (Moor House 2) Limited	England and Wales	Ordinary shares, 100%
Phoenix (Printworks) Limited	England and Wales	Ordinary shares, 100%
Phoenix (Stockley Park) Limited	England and Wales	Ordinary shares, 100%
Pearl Trustees Limited	England and Wales	Ordinary shares, 100%
The London Life Association Limited	England and Wales	Ordinary shares, 100%

* Held indirectly, being a subsidiary of NP Life Holdings Limited.

All subsidiaries are dormant and have the registered office address 1 Wythall Green Way, Wythall, Birmingham, B47 6WG.

13. Investments: Other financial investments

	Cost		Current value	
	2024	2023	2024	2023
	£000	£000	£000	£000
Fair value through profit and loss				
Unit trusts and other pooled investments	-	4,105	-	4,105
	-	4,105	-	4,105

14. Financial assets and liabilities

Expected settlement dates	Total	Amounts recoverable after 12 months	Total	Amounts recoverable after 12 months
	2024	2024	2023	2023
	£000	£000	£000	£000
Financial assets				
Financial assets at fair value through profit or loss				
Unit trusts and other pooled investments	-	-	4,105	-
	-	-	4,105	-

Due to the nature of unit trusts and other pooled investments, there is no fixed term associated with these items.

There were no financial liabilities at 31 December 2024 (2023: none)

Offsetting financial assets and financial liabilities

The Company has no financial assets and financial liabilities that have been offset in the Statement of financial position as at 31 December 2024 (2023: none)

15. Fair value

Determination of fair value and fair value hierarchy of financial instruments

Level 1 financial instruments
The fair value of financial instruments traded in active markets (such as exchange traded securities and derivatives) is based on quoted market prices at the period end provided by recognised pricing services. Market depth and bid-ask spreads are used to corroborate whether an active market exists for an instrument. Greater depth and narrower bid-ask spread indicates higher liquidity in the instrument and are classed as Level 1 inputs. For unit trusts and other pooled investments, fair value is by reference to published bid prices and are generally considered to be quoted in an active market and are therefore categorised as level 1 instruments within the fair value hierarchy.

16. Other Assets: Cash at bank and in hand

	2024	2023
	£000	£000
Bank and cash balances	38	89
Total cash at bank and in hand	38	89

Cash in hand is non-interest bearing. All other cash is subject to variable interest rates.

17. Capital and reserves: Called up share capital

	2024	2024	2023	2023
	£000	Number	£000	Number
Issued and fully paid:				
“A” Ordinary shares of £0.05 each	2,108	42,169,489	2,108	42,169,489
“B” Ordinary shares of £1 each	340,001	340,001,000	340,001	340,001,000
	342,109	382,170,489	342,109	382,170,489

The Company's Articles of Association contain a restriction on the number of shares that may be allotted.

The holders of the "A" ordinary shares have no voting rights.

The holders of the "B" shares are entitled to:

- one vote per share on matters to be voted on by owners;
- to receive 99.999% of such dividends, if any, as may be declared by the Board of Directors in its discretion out of legally available profits, with the balance going to the holders of the "A" ordinary shares;
- on a return of capital, repayment in full of the capital paid up on the "B" ordinary shares and a further sum equal to 99.999% of the assets available for distribution to members with the balance of assets then going to the holders of the "A" ordinary shares.

18. Capital and reserves: Other Reserves

	Capital contribution reserve £000	Restructuring reserve £000	Other reserves total £000
At 1 January 2024	97,302	(564,435)	(467,133)
Part VII transfer following deauthorisation (note 4)	-	(4,269)	(4,269)
At 31 December 2024	97,302	(568,704)	(471,402)
At 1 January 2023	97,302	(435)	96,867
Part VII transfer (note 4)	-	(564,000)	(564,000)
At 31 December 2023	97,302	(564,435)	(467,133)

Capital contribution reserve
The capital contributions received have been treated as capital as there is no agreement for repayment. The reserve is considered distributable, subject to the availability of distributable reserves

Restructuring reserve
On 30 September 2023, £564,000,000 was transferred to PLL under a Scheme of Transfer pursuant to Part VII of the Financial Services and Markets Act 2000. Following merger accounting principles this reserve was created to reflect this balance in equity. Following deauthorisation on 9 December 2024 the remaining assets of £4,269,000 were transferred by the Company in accordance with the terms of the Part VII transfer to PLL.

19. Risk and capital management

Following the Part VII transfer and deauthorisation, the Company is no longer expected to be exposed to any material financial risks. The subsequent deauthorisation of the Company led to the release of the requirement to hold levels of capital. Should any liabilities arise in future, the terms of the Part VII transfer are such that these will transfer to PLL.

20. Related party transactions

The Company has taken advantage of the exemption under FRS 102 Related Party Disclosures from disclosing transactions with other wholly owned subsidiary undertakings of the Phoenix plc group. The Company has no related parties that are not wholly owned subsidiary undertakings of the Phoenix plc group.

21. Events after the reporting period

Following the cancellation of its Part 4A permissions of the Financial Services and Markets Act 2000 on 9 December 2024, the Company was decoupled from the joint Boards of Directors, Audit Committees and Risk Committees of the Life Companies on 28 January 2025 and new Directors were appointed on 31 January 2025.

22. Ultimate parent and ultimate controlling party

The Company's immediate parent is Pearl Group Holdings (No.2) Limited and its ultimate parent and ultimate controlling party 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.