STANDARD LIFE ASSURANCE LIMITED

Company Registration Number: SC286833

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 Standard 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
The principal activity of the Company was the provision of life assurance and pension products in the UK. Subsequent to the transfer of the long-term business and the majority of the Company's assets to Phoenix Life Limited ("PLL") detailed below, the Company's principal activity has been the investment of the assets retained in the Company.

In 2023, court and regulatory permissions were obtained to complete a Part VII of the Financial Services & Markets Act 2000 transfer ("Part VII transfer") whereby the policies and associated assets and liabilities of the Company were transferred to PLL, a fellow group company, effective 30 September 2023, with the exception of three policies that were unable to be transferred and liquid assets required to cover a minimum regulatory capital requirement. These are expected to be transferred at a later date under the terms of the Part VII transfer. The Company remains regulated by the Prudential Regulation Authority ("PRA") and the Financial Conduct Authority ("FCA").

All Phoenix Group life company entities operate under the governance and risk management frameworks of the Group. The Company, PLL, ReAssure Limited, ReAssure Life Limited and Phoenix Life CA Limited (formerly Sun Life Assurance Company of Canada (U.K.) 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.

Strategy
The Company is a member of the Phoenix 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.

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 play our part in delivering a net zero economy whilst delivering good outcomes for our customers; our actions are either directly or indirectly aligned with this goal. The primary drivers for our actions are to reduce customers' exposure to climate-related risk and to help them 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 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.

Regulatory developments
Solvency II as modified by the PRA's 2024 Reforms ("Solvency UK"), came into full effect for the year ended 31 December 2024 following further changes from 2023 based on consultation feedback, including matching adjustment changes. The Company continues to monitor changes in the regulatory environment and feedback on consultations both via the Group and industry bodies.

Key Performance Indicators ("KPIs")
The results of the Company for the year are shown in the Statement of comprehensive income on page 20.

The Company's financial strength is measured and monitored by the Board with particular regard paid to the Company's solvency position. As at 31 December 2024 the Company's Solvency II Own funds and excess of own funds were £4m (2023: £4m).

Operations
Asset management is outsourced to aberdeen group plc (formerly abrdn plc).

Investment administration and custody services are primarily 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		
Customers	Suppliers	Colleagues
The majority of our customers transferred to another Group company in 2023 under a Part VII arrangement. However, the Company still has a small number of individual life, pensions and savings customers.	We depend on our outsourced service providers ("OSPs") to deliver the highest standards of service and continually promote good outcomes for all our customers.	Our colleagues, engaged via Group service company arrangements are integral to the Company's success. .

The Board recognises its responsibility and duty to oversee the success of the Company for these customers.	The Board understands that the quality of relationships we maintain and develop with our OSPs is core to the Group achieving its purpose of helping people secure a life of possibilities.	The Board supports the Group's ambition for a champion-led culture to reach its purpose and achieve its strategy.

Link to strategic priorities		
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 reports on customer service, customer satisfaction and complaints. During the year, there were specific updates on the proposition development process, the approach to consumer understanding and support, analysis on customer complaints and tackling unclaimed assets for with-profits business. The Board monitored the impact of the Group's change agenda, including resource required to maintain focus, and the potential impact on, customer outcomes.	The Board received regular reports from management on ongoing customer service performance and outsourced services. Relationships with outsourced service providers were monitored via regular updates to the Board. The Board received regular updates on customer migration programme activity. The Board reviewed the outputs of operational resilience assessment activity, whose scope included a review of the Company's OSPs. Bespoke updates on specific OSPs 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. In addition, the Board's non-objection was sought for any intended bespoke remuneration plans for functions responsible for the delivery of good customer outcomes.

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 good customer outcomes and needs, especially in the context of ongoing data and platform migration work and projects to grow and develop the Group.	The Board monitors the performance of its OSPs to ensure Phoenix is able to provide the best customer outcomes to 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 SLAL Board monitors engagement and other relevant colleague-related matters 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.	Our sole and ultimate shareholder is Phoenix Group Holdings plc.	Our business is regulated by the PRA, FCA and The Pensions Regulator ("TPR").

The Board understands the value of building trust and inspiring confidence through sustainable and responsible investment. The Group also encourages all colleagues to support our local communities through volunteering.	The Board recognises the role it plays in driving growth to help the Group meet the needs of its customers.	The Board acknowledges the importance of maintaining positive relationships with the Company's regulators 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 reporting on its sustainable investments which is a core focus of its Board Investment Committee. 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 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. The Board considered regular updates in relation to the Group's preparation for implementation of the next phase of the FCA's Consumer Duty for closed products, including an additional meeting focused solely on readiness ahead of the 1 August 2024 go live date. It also reviewed the outputs of the annual assessment of customer outcomes for the Company's open products. At the request of the regulators, certain Board directors have met with representatives on a formal basis. The Board receives an annual update from the Chair of the Independent Governance Committee, which includes insight into the relationship with TPR. 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, through its Investment Committee, monitors investment performance against agreed strategy within the wider parameters of the Group's Sustainability Strategy.	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 of the Act.

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

Key Board decision	Consumer Duty implementation for closed products
Link to strategic priorities	**How the Board reached its decision**
	Consideration of section 172 matters Alongside monitoring ongoing compliance with the FCA's Consumer Duty in respect of open products which was implemented in 2023, during 2024 the Board closely tracked the Company's progress toward achieving compliance with the same in respect of closed products. This included receiving regular update reports and attending a standalone education session on the progress of the Group's Consumer Duty programme. As a final step it considered evidence to support the Company's compliance with the Duty ahead of the 1 August 2024 go-live date. The Board reviewed work undertaken in relation each of the key dimensions of Consumer Duty, which included: how high priority actions had been addressed; how it would be embedded into business as usual activity; readiness of third party and outsourced service providers; a summary of an independent review of Customer Outcomes Monitoring; and a delivery roadmap for additional measures. It also sought specific assurance from management that appropriate funding was available to ensure delivery of product simplification activity associated with Consumer Duty compliance.
Outcome	Following due consideration of the matters set out in section 172 and evidence presented, the Board approved a Defined Statement of Compliance in relation to closed book products and position against the specified target outcomes.

Key Board decision	Migration of Standard Life policies to a new administration platform
Link to strategic priorities	**How the Board reached its decision**
	Consideration of section 172 matters Having previously undertaken migrations of legacy policies to a new administration platform between 2020 and 2023, the Board considered a proposal to migrate a further tranche of policies to the new platform. In considering the proposal, the Board recognised the long-term benefit of safely moving customers to a more robust platform, which was aligned to the Group's wider strategic objectives. The Board considered the proposed phased approach to going live for the migration, alongside the status of migration activity to date against previously agreed business readiness criteria. It also noted that learnings from previous migrations had been incorporated into the proposal. Assurance was also received that risks associated with the migration had been adequately addressed, with the Board noting that this particular tranche was deemed well thought through and low-risk and that work to further de-risk the migration programme in the long term was being explored.

Outcome	Following due consideration of the matters set out in section 172, the Board approved the granting of delegated authority to management to facilitate a final go-live decision. The migration subsequently took place in November 2024.

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 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.

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 cancellation of the Company's Jersey regulatory permit following the successful transfer of the Company's Jersey business to another Group life company in October 2023. In doing so, the Board noted that the proposal was aligned to ongoing activity to consolidate and optimise business within the wider Group. The Board also noted that the proposal had been supported by Line 2, thereby providing further assurance that the highest standards of business were being maintained.
Outcome	Following due consideration of the matters set out in section 172, the Board approved the intention to proceed with an application to the Jersey Financial Services Commission to cancel the Company's Category A regulatory permit.

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, enabling the Board 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. In accordance with the PRA's Supervisory Statement 'SS2/21', the Company's Board, as part of the collective Life Companies' Board, has oversight of the relationship with OSPs 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 OSPs).

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 Phoenix Group's Risk Management Framework (RMF) and has a system of governance that embeds clear ownership of risk and the RMF supports the identification, measurement, assessment, management and reporting of risks within approved risk appetites. The Group has 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 Risk Management Framework is an integral part of the system of governance in the Group, 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 we 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 CRO as part of their onboarding.

An overview of the elements of the Group's RMF is included in the Group's 2024 Annual Report and Accounts.

Principal risks and uncertainties

The Part VII transfer of Company business into PLL, a fellow Group company, occurred in 2023. From the perspective of the Company, the vast majority of risks have been transferred to PLL.

Three policies were not able to be transferred due to ongoing sanctions on policyholders. For the policies that remain with the Company a reinsurance arrangement is in place with PLL, which transfers the majority of insurance and financial risk from the Company to PLL.

From the perspective of the Company, its principal risks and uncertainties are integrated with the principal risks of the Group which are outlined in the Strategic report of the Group's Annual Report and Accounts 2024. One of the seven Group principal risks is relevant to the Company and is outlined in the section below. The principal exposures for the Company relate to the risks for the residual customer policies, and for the ongoing process towards the deauthorisation of the Company.

During 2024, for the purposes of managing risks of the Company, including those impacting the Company's financial assets and financial liabilities, the Company considered the following Risk Universe categories: Financial Soundness; Market; Insurance; Credit; Customer; Sustainability; Operational; and Strategic. Sources of these risks, and an explanation of actions taken to manage risk exposures during the year, are outlined in more detail in note 23 of the financial statements.

<u>Strategic risk – Strategic Execution</u>

1. The Group's, including the Company, ability to meet its external obligations is adversely impacted by failure to execute key strategic change programmes

Impact	**Mitigating Actions**
Execution of migrations, transformation and cost efficiency programmes is essential to bringing our business together into an efficient single Group-wide operating model. In some cases, the Group is reliant on its strategic partnerships with third parties to deliver these changes. These include, but are not limited to, investment management services from aberdeen group plc (formerly abrdn plc); custody and fund accounting services from HSBC plc and customer administration from TCS Diligenta. Failure to prioritise and have the right capability and capacity (internally or at the third party) to deliver and execute these programmes on time and within agreed costs could negatively impact benefits assumed in the Group's business plan. It could also cause significant disruption to the operation of necessary business processes and controls; and the Group is exposed to the risk of failing to deliver good outcomes for its customers, should failures occur in key programmes relevant to its products, propositions or service delivery.	Throughout 2024, the Group has continued to enhance its Change Management Framework with strengthened governance to support the safe and controlled mobilisation and delivery of change. The Group has deprioritised some of its change initiatives to maintain focus on delivering the key programmes that support a single Group-wide operating model; and the Group have enhanced risk monitoring and contingency planning. The Supplier Management Model also has robust governance and engagement arrangements to manage relationships with the Group's strategic partners. This includes change prioritisation, capability and capacity planning.

The Group continues to invest in its operating model to further strengthen the capability required to deliver and execute change effectively.

Risk appetite, policies and standards for guarding against increased risk of potential harm to customer outcomes are embedded in the Risk Management Framework. As part of our work on Consumer Duty, this includes enhanced customer experience metrics and outcomes monitoring.

On behalf of the Board

Signed by:

Kerry Sutton

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Kerry Sutton
For and on behalf of Pearl Group Secretariat Services Limited
Company Secretary

10 July 2025

Directors' report

The Company is incorporated in Scotland. Its registration number is SC286833 and its registered office is Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH.

Corporate governance

The Company adheres to the PRA's Supervisory Statement SS5/16, which sets out the principles as to how a PRA-regulated firm, such as the Company, 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 . During the year, the Board gave considerable focus and challenge to the implementation of the FCA's New Consumer Duty in relation to its closed products. Associated with this, the Board had significant input into how customer outcomes were assessed via metrics designed to understand the extent to which customers: • Feel listened to • Are supported • Trust the business • Are able to understand and make informed decisions • Feel their needs are recognised • Feel secure about the future Further key matters discussed and challenged at the Board during the year were: the launches of a new smooth managed pension fund and a guaranteed fixed term income product in support of wider Group organic growth; liquidity headroom and the risks and opportunities associated with its management; the response to the PRA relating to its Supervisory Statement on Funded Reinsurance; overseeing the migration of further tranches of Phoenix Life policies to a new administration platform; the Group's Sustainability Strategy; and approval of dividend payments to the Company's ultimate parent.

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 Customer Treatment, Customer Complaints, Financial and Operational Capacity 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 (of which the Company is one) 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 Strategic report and Directors' report summarise the Company's activities, its financial performance and financial position together with any factors likely to affect its future development. In addition, they discuss the principal risks and uncertainties it faces. Note 22 and note 23 to the financial statements summarise the Company's capital management and risk objectives and policies together with its financial risks.

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. Such assessments are considered for a period of no less than 12 months from the date of approval of these financial statements. At the date of reporting there are no formal plans to wind up the Company.

The Directors have taken note of the net asset position of £4m which is predominately held in a highly liquid cash fund.

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. 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	
A Cairns	(appointed 1 April 2024)
K A Cook	(appointed 1 May 2024)
I A Craston	
A B Curran	(resigned 8 May 2025)
J S Gill	
R Harris	
T W Harris	
J R Lister	
P K Mayes	(resigned 31 March 2024)
B M Meaney	(resigned 19 August 2024)
M J Muir	(appointed 1 January 2025)
N H Poyntz-Wright	(resigned 31 December 2024)
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.

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 25 July 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 Life Company within the Group. In accordance with section 485 of the Companies Act 2006, KPMG LLP were appointed auditors to the Company for the year ended 31 December 2024, following a Group-wide selection process carried out in accordance with section 485B of the Companies Act 2006. The appointment of KPMG LLP as auditor of the Company was approved by the Board.

In accordance with section 487 of the Companies Act 2006, the Company's auditor, KPMG 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

Signed by:
Kerry Sutton
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Kerry Sutton
For and on behalf of Pearl Group Secretariat Services Limited
Company Secretary

10 July 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 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 accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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 STANDARD LIFE ASSURANCE LIMITED

1 Our opinion is unmodified

We have audited the financial statements of Standard Life Assurance Limited ("the Company") for the year ended 31 December 2024 which comprise the income statement, statement of comprehensive income, balance sheet, and the 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 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 believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the directors on 8 May 2025. The period of total uninterrupted engagement is for the one financial year ended 31 December 2024. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to public interest entities. No non-audit services prohibited by that standard were provided.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter in arriving at our audit opinion above, together with our key audit procedures to address this matter and, as required for public interest entities, our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

Key Audit Matter	The risk	Our response
Valuation of technical provisions (2024 / 2023: £250,000) *Refer to page 28 (accounting policy) and page 37 (financial disclosures).*	The valuation of technical provisions for linked liabilities is based on the fund value. We do not consider these provisions to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because their valuation is not complex or judgemental. However, due to their materiality in the context of the financial statement as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing the audit.	Our procedures to address the risk included: • Verification of underlying units • Verification of the unit prices of underlying funds by comparing to prices from an independent source • Recalculation of the technical provisions liability by multiplying the unit prices with the number of units held against each policy **Our results:** We found the valuation of technical provisions to be reasonable.

3 Our application of materiality and an overview of the scope of our audit

Materiality for the Company financial statements as a whole was set at £80,000, determined with reference to a benchmark of the Company's total net assets, of which it represents 2%.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% of materiality for the financial statements as a whole, which equates to £60,000 . We applied this percentage in our determination of performance materiality based on our expectation of an increased level of identified misstatements and driven by the level of change within the business and the potential for that to impact the control environment during this period.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £4,000 , in addition to other identified misstatements that warranted reporting on qualitative grounds.

4 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").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources over this period were:

• Adverse impacts arising from fluctuations or negative trends in the economic environment including, but not limited to, interest rates, inflation and defaults which affect regulatory capital solvency coverage ratios, liquidity ratios, and the valuation of technical provisions; and

We also considered less predictable but realistic second order impacts, such as failure of counterparties who have transactions with the Company (such as financial institutions and reinsurers), which could result in a reduction of available financial resources.

We considered whether these risks could plausibly affect the liquidity and solvency in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of financial resources indicated by the Company's financial forecasts.
We considered the impact of the part VII transfer on the Company's going concern and challenging management as to whether there is an intention to wind up the Company during the period to 30 June 2026.

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the director' assessment of going concern, including the identified risks and related stress tests.

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; and
- we found the going concern disclosure in note 1 to be acceptable.

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.

5 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, the audit committee, internal audit and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, Audit Committee, and Risk Committee 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, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls.

We do not believe there is a fraud risk related to revenue because there is limited management judgement involved in the recognition of and measurement of revenue.

We also 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 relating to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), and 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 and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such effect: regulatory capital and liquidity requirements, conduct regulation and certain aspects of Company legislation recognising the financial and regulated nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, 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.

6 We have nothing to report on the strategic report and the 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 those reports;
- in our opinion the information given in the strategic report and the directors' report 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.

7 We have nothing to report on the other 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.

8 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 15, the directors are responsible for: the preparation of the financial statements including 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.

9 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.

James Anderson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
15 Canada Square, London, E14 5GL
10 July 2025

Statement of comprehensive income
for the year ended 31 December 2024

Long term business technical account	Notes	2024 £000	2023 £000
Gross premiums written	5	-	681,500
Outward reinsurance premiums		-	(9,806)
Earned premiums, net of reinsurance		-	671,694
Investment income	7	272	3,115,770
Unrealised losses on investments	7	(1)	(301,986)
Other technical income	6	-	287,685
Claims paid:			
Gross amount		-	(2,475,859)
Reinsurers' share		-	246,582
Claims paid net of reinsurance		-	(2,229,277)
Change in provision for claims:			
Gross amount		-	(12,539)
Change in provision for claims net of reinsurance		-	(12,539)
Claims incurred net of reinsurance		-	(2,241,816)
Change in long term business provision:			
Gross amount		-	1,437,114
Reinsurers' share		-	(196,639)
Change in long term business provision net of reinsurance		-	1,240,475
Change in technical provision for linked liabilities, net of reinsurance		-	(2,448,994)
Change in technical provisions net of reinsurance		-	(1,208,519)
Net operating expenses	8	-	(410,545)
Investment expenses and charges	7	-	(23,488)
Other technical charges	9	-	(95,901)
Transfer to fund for future appropriation		-	(15,899)
Tax (charge) / credit on long-term business	12	(81)	71,939
Balance on long term business technical account		190	(151,066)

The accompanying notes on pages 24 to 41 are an integral part of these financial statements.

Non-technical account	Notes	2024 £000	2023 £000
Balance on long term business technical account		190	(151,066)
Tax charge / (credit) on long term business	12	81	(37,213)
Balance on long term technical account before tax		271	(188,279)
Investment income	7	-	15,602
Unrealised losses on investments	7	-	(5,844)
Profit / (loss) on other activities		-	9,758
Profit / (loss) on ordinary activities before tax		271	(178,521)
Tax (charge) / credit on ordinary activities	12	(81)	35,493
Profit / (loss) for the year		190	(143,028)
Total comprehensive income / (expense) for the year		190	(143,028)

The accompanying notes on pages 24 to 41 are an integral part of these financial statements.

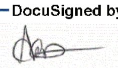
Statement of financial position
as at 31 December 2024

ASSETS	Notes	As at 31 December 2024 £000	As at 31 December 2023 £000
Investments			
Investments in group undertakings and participating interests	13	-	-
Other financial investments	14	4,253	3,999
		4,253	3,999
Reinsurers share of technical provisions			
Technical provisions for unit-linked liabilities	21	250	250
		250	250
Other assets			
Cash at bank and in hand	16	2	2
		2	2
Prepayments and accrued income			
Other prepayments and accrued income	17	17	-
		17	-
Total Assets		4,522	4,251
EQUITY AND LIABILITIES			
Capital and reserves			
Called up share capital	19	29,684	29,684
Share premium		117,219	117,219
Other reserves	20	(50,501)	(50,501)
Profit and loss account		(92,211)	(92,401)
Total capital and reserves		4,191	4,001
Liabilities			
Reinsurers share of technical provisions			
Technical provisions for linked-liabilities	21	250	250
		250	250
Creditors			
Other creditors including taxation and social security		81	-
		81	-
Total liabilities		331	250
Total equities and liabilities		4,522	4,251

The accompanying notes on pages 24 to 41 are an integral part of these financial statements.

On behalf of the Board

DocuSigned by:



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Arlene Cairns
Director

10 July 2025

Company registration number SC286833

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

	Called up share capital (note 19)	Share premium	Other reserves (note 20)	Profit and loss account	Total
	£000	£000	£000	£000	£000
Balance at 1 January 2024	29,684	117,219	(50,501)	(92,401)	4,001
Total comprehensive income for the financial year	-	-	-	190	190
Balance at 31 December 2024	29,684	117,219	(50,501)	(92,211)	4,191

	Called up share capital (note 19)	Share premium	Other reserves (note 20)	Profit and loss account	Total
	£000	£000	£000	£000	£000
Balance at 1 January 2023	29,684	117,219	521,024	50,627	718,554
Total comprehensive expense for the financial year	-	-	-	(143,028)	(143,028)
Part VII transfer (note 4)	-	-	(571,525)	-	(571,525)
Balance at 31 December 2023	29,684	117,219	(50,501)	(92,401)	4,001

Of the above, £nil (2023: £nil) is considered distributable.

The accompany notes on pages 24 to 41 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 20 to 41 were authorised by the Board of Directors for issue on 7 May 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 to the nearest thousand 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 a going concern period of no less than 12 months from the date of approval of these financial statements. The Company continues to hold sufficient liquid assets to cover its regulatory capital requirements and all liabilities as they fall due. 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 participation 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.

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

Fees and commissions
Fee and commission income is shown under other technical income in the Statement of comprehensive income and 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 foreign exchange gains and losses. These are recognised in the Statement of comprehensive income as follows:

- Interest income - as it accrues using the effective interest method.
- Dividend 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 - 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
Unrealised gains and losses in respect of long term business are included in the long term business technical account. Other unrealised gains and losses, including gains and losses on investments in subsidiaries held for strategic purposes, are included in the non-technical account.

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) 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.

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.

e) Non-technical account allocation
Income and expenses on certain items such as intercompany loans and investments in strategic subsidiaries are allocated to the non-technical account as they relate to Group financing and structure rather than long-term insurance business. All other items of income and expenses have been attributed to the technical account. The Company only contains long-term business as any other activities within the Group are managed in separate entities.

f) Taxation
In preparing the financial statements, the Company has adopted International Tax Reform-Pillar Two Model Rules (Amendments to FRS 102) which includes amendments effective from 1 January 2023.

Income tax comprises current and deferred tax. Income tax is recognised as income or an expense in the Statement of comprehensive income 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 recognised in respect of timing differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. 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) Investments: 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 (or part of a group of similar financial assets) 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.

Equities, variable & fixed rate income securities, derivatives and unit trusts and other pooled investments are mandatorily classified and 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) 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.

k) Classification of contracts
Contracts are classified as insurance contracts where the Company accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain event adversely affects the policyholder.

Contracts under which the transfer of insurance risk to the Company from the policyholder is not significant are classified as investment contracts.

l) Technical Provisions for linked liabilities
The technical provisions for linked liabilities include liabilities for unit-linked insurance contracts and unit-linked investment contracts (investment contracts without DPF).

Receipts and payments on investment contracts without DPF are accounted for using deposit accounting, under which the amounts collected and paid out are recognised in the Statement of financial position as an adjustment to the liability to the policyholder.

The valuation of liabilities on unit-linked contracts is based on the fair value of the related assets and liabilities. The financial liability is measured based on the carrying value of the assets and liabilities that are held to back the contract. The liability is the sum of the unit-linked liabilities plus an additional amount to cover the present value of the excess of future policy costs over future charges.

Investment income attributable to, and the movements in the fair value of, technical provisions for linked liabilities are included in 'Change in technical provision for linked liabilities' as income or an expense in the long term business technical account.

Reinsurers' share of technical provisions
The reinsurers' share of technical provisions is dependent on the expected claims and benefits arising under the related reinsured insurance contracts. They are measured on a consistent basis to underlying insurance contracts.

m) 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.

n) Foreign currency translation
Foreign currency transactions are translated into the functional currency of the Company using exchange rates prevailing at the date of translation. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in Statement of comprehensive income.

Translation differences on debt securities and other monetary financial assets measured at fair value through profit or loss are included in foreign exchange gains and losses. Translation differences on non-monetary items at fair value through profit or loss are reported as part of the fair value gain or loss.

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 the net asset decrease for this business combination under common control was recognised directly in equity.

With the exception of £4m of net assets (required to meet the ongoing Minimum Capital Requirement until de-authorisation) and three insurance contract policies that were unable to be transferred due to ongoing sanctions on policyholders, all assets and liabilities of the Company were transferred to PLL for nil consideration.

The following table presents the balances transferred to PLL.

	2023 £000
Assets	
Land and buildings	410,149
Investments in group undertakings and participating interests	22,727
Other financial investments	33,781,733
Assets held to cover linked liabilities	87,881,210
Reinsurers' share of technical provisions - Long-term business provision	2,089,067
Reinsurers' share of technical provisions - Technical provisions for unit-linked liabilities	2,376,809
Debtors arising out of direct insurance operations - Policyholders	2,164
Debtors arising out of reinsurance operations	1,026
Other debtors	940,693
Deferred tax asset	48,167
Cash at bank and in hand	121,506
Deferred acquisition costs	196,522
Other prepayments and accrued income	34,993
Total assets	127,906,766
Liabilities	
Fund for future appropriations	(309,018)
Technical provisions - Long-term business provision	(31,098,637)
Technical provisions - Claims outstanding	(351,062)
Technical provisions for linked liabilities	(90,763,017)
Other provisions	(19,820)
Deposits received from reinsurers	(2,091,929)
Creditors arising out of direct insurance operations	(529)
Creditors arising out of reinsurance operations	(63,383)
Other creditors including taxation and social security	(2,582,427)
Accruals and deferred income	(55,419)
Total liabilities	(127,335,241)
Net assets transferred to PLL	571,525

5. Premium analysis

Gross premiums written	2023 £000
Direct	233,798
Reinsurance accepted	447,702
	681,500

Direct business is analysed as follows:

	2023 £000
Individual business	208,528
Group contracts	25,270
	233,798
Regular premiums	101,923
Single premiums	131,875
	233,798
Participating contracts	143,421
Non-participating contracts	57,850
Linked business (excluding investment contracts without DPF)	32,527
	233,798

All direct business is written in the United Kingdom.

Outward reinsurance premiums

Outward reinsurers comprise:

	2023
	£000
Reinsurance premiums ceded under on-going reinsurance arrangements	9,806
	9,806

6. Other technical income

	2023
	£000
Fee income from investment contracts without DPF	281,734
Amortisation of deferred income	3,118
Other income from contracts with customers	2,833
Total other income	287,685

7. Investment income and expense

	Technical account		Non-technical account	
	2024	2023	2024	2023
	£000	£000	£000	£000
Interest income on financial assets at FVTPL	-	416,756	-	-
Interest income on financial assets at amortised cost	-	-	-	15,602
Dividend income	272	1,958,483	-	-
Rental income	-	149,426	-	-
Realised gains/losses on financial assets at FVTPL	-	591,105	-	-
Total investment income	272	3,115,770	-	15,602
Unrealised losses on investments:				
Financial instruments at FVTPL	(1)	(214,805)	-	-
Investment in subsidiaries	-	-	-	(5,844)
Investment property	-	(83,924)	-	-
FX losses	-	(3,257)	-	-
Net unrealised losses on investments	(1)	(301,986)	-	(5,844)
Investment expenses and charges	-	(23,488)	-	-
Total investment return	271	2,790,296	-	9,758

8. Net operating expenses

	Technical account
	2023
	£000
Acquisition costs incurred	186,113
Acquisition costs deferred	(2,238)
Amortisation of deferred acquisition costs	16,010
Administration services	19,505
Other expenses	191,155
Total operating expenses	410,545

Employee costs

The Company has no employees. Administrative services are provided by Phoenix Group Management Services Limited (“PGMS”), a fellow group company.

9. Other technical charges

	2023
	£000
Interest expense:	
Financial liabilities at FVTPL	95,901
Total other charges	95,901

10. Directors' remuneration

	2024	2023
	£000	£000
Remuneration (executive and non-executive Directors' remuneration excluding pension contributions and awards under share option schemes and other long-term incentive schemes)	134	1,134
Share option schemes and other long-term benefits	112	713
Contributions to money purchase pension schemes	1	5
Total Directors' emoluments	247	1,852

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	2023
	Number	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	2023
	£000	£000
Highest paid Director:		
Remuneration	45	392
Long term benefits	46	244

The highest paid Director exercised share options during the year.

The Executive Directors are employed by either PGMS 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.

11. Auditor's remuneration

	2024	2023
	£000	£000
Audit of the Company's financial statements	40	1,420

During the financial year ended 31 December 2023 Ernst & Young acted as the Company's external auditor and on 25 July 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 auditors for the year ended 31 December 2024.

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.

12. Tax charge / (credit)

Current year tax charge / (credit)	Technical account		Non-technical account	
	2024	2023	2024	2023
	£000	£000	£000	£000
Current tax:				
UK Corporation tax	67	-	-	-
Overseas tax	-	(4,576)	-	-
	67	(4,576)	-	-
Adjustment in respect of prior years	14	7,950	-	
Total current tax charge	81	3,374	-	-
Deferred tax:				
Origination and reversal of temporary differences	-	(64,329)	-	1,720
Change in the rate of UK corporation tax	-	(3,641)	-	-
Adjustment in respect of prior years	-	(7,343)	-	-
Total deferred tax charge / (credit)	-	(75,313)	-	1,720
Total tax charge / (credit)	81	(71,939)	-	1,720
Attributable to:				
-policyholders (long term business)	-	(34,726)	-	-
-owners (ordinary activities)	81	(37,213)	-	1,720
Total tax charge / (credit)	81	(71,939)	-	1,720

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.

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 / (credit)

	2024	2023
	£000	£000
Profit / (loss) before tax attributable to owners	271	(178,521)
Tax at standard UK rate of 25% (2023: 23.5%)	67	(41,952)
Adjustment to owners' tax in respect of prior years	14	10,133
Deferred tax rate change	-	(3,674)
Tax charge / (credit) attributable to owners	81	(35,493)

13. 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 Solvency II net asset value, which is considered to approximate to fair value. This is categorised as a Level 3 fair value. Both the cost and the fair value of the investments in subsidiaries held for strategic purposes are less than £1k (2023: less than £1k).

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
Gallions Reach Shopping Park (Nominees) Limited *	England and Wales	Ordinary shares, 100%
Iceni Nominees (No2) Limited	England and Wales	Ordinary shares, 100%
Inhoco 3107 Limited	England and Wales	Ordinary shares, 100%
SL (NewCo) Limited	Scotland	Ordinary shares, 100%
SLACOM (No8) Limited	Scotland	Ordinary shares, 100%
SLACOM (No9) Limited	Scotland	Ordinary shares, 100%
SLACOM (No10) Limited	Scotland	Ordinary shares, 100%
Standard Life Agency Services Limited	Scotland	Ordinary shares, 100%
Standard Life Investment Funds Limited	Scotland	Ordinary shares, 100%
Standard Life Property Company Limited	Scotland	Ordinary shares, 100%
The Heritage Securities and Mortgage Investment Association Limited	Scotland	Ordinary shares, 100%
Welbrent Property Investment Company Limited	England and Wales	Ordinary shares, 100%

*Held indirectly, being a subsidiary of Inhoco 3107 Limited

Subsidiaries incorporated in England and Wales have the registered office address 280 Bishopsgate, London. EC2M 4AG.

Subsidiaries incorporated in Scotland have the registered office address Standard Life House, 30 Lothian Road, Edinburgh, EH1 2DH.

14. 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	4,253	3,999	4,253	3,999
	4,253	3,999	4,253	3,999

15. 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 at fair value through profit or loss				
Unit trusts and other pooled investments	4,253	-	3,999	-
	4,253	-	3,999	-

Due to the nature of collective investment, there is no fixed term associated with these items.

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.

16. Other Assets: Cash at bank and in hand

	2024	2023
	£000	£000
Bank and cash balances	2	2
Total cash at bank and in hand	2	2

17. Creditors: Other creditors including taxation and social security

	2024	2023
	£000	£000
Other creditors including taxation and social security	81	-
	81	-
Amount due for settlement after 12 months	-	-

18. 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 collective investment schemes, fair value is by reference to published bid prices.

Fair value hierarchy of financial instruments

As 31 December 2024	Level 1	Total fair value
Financial assets measured at fair value		
Unit trusts and other pooled investments	4,253	4,253
Total financial assets measured at fair value	4,253	4,253

As 31 December 2023	Level 1	Total fair value
	£000	£000
Financial assets measured at fair value		
Unit trusts and other pooled investments	3,999	3,999
Total financial assets measured at fair value	3,999	3,999

Financial instrument valuation methodology
Collective investment schemes listed on a recognised exchange are valued using prices sourced from the primary exchange on which they are listed. 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.

19. Capital and reserves: Called up share capital

	2024	2024	2023	2023
	£000	Number	£000	Number
Issued and fully paid:				
Ordinary shares of £0.01 each	24,684	2,468,403,162	24,684	2,468,403,162
Non-voting ‘B’ ordinary shares of £1 each	5,000	5,000,000	5,000	5,000,000
	29,684	2,473,403,162	29,684	2,473,403,162

The holders of the £0.01 ordinary shares are 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 in its discretion out of legally available profits.

The holders of ‘B’ ordinary shares are entitled to a discretionary non-cumulative dividend accruing at a specified rate per annum. The ‘B’ ordinary shares do not confer any further right of participating in the profits or assets of the Company other than as specified

20. Capital and Reserves: Other Reserves

	Capital contribution reserve	Special reserve	Restructuring reserve	Total
	£000	£000	£000	£000
At 1 January 2024	14,150	660,905	(725,556)	(50,501)
At 31 December 2024	14,150	660,905	(725,556)	(50,501)
At 1 January 2023	14,150	660,905	(154,031)	521,024
Part VII transfer	-	-	(571,525)	(571,525)
At 31 December 2023	14,150	660,905	(725,556)	(50,501)

Capital contribution reserve
In August 2010, Standard Life plc made a capital contribution to the Company of £14,150k, which is considered distributable.

Special reserve
On 21 July 2006, the Court of Session confirmed the cancellation of the Company’s entire share premium account of £1,766m. Following the reduction, a special reserve was created for the same amount against which was written off the sum of £1,005m, being the debit reserve which arose from the application of merger accounting principles to the demutualisation transaction and which represented the difference between the fair value and the book value of the life business assets and liabilities of SLAC at the time they were transferred to the Company. The special reserve forms part of the Company’s distributable profits. In 2012, a dividend of £100m was paid from the special reserve. This reserve is considered fully distributable.

Restructuring reserve
On 31 December 2011, the long-term business of Standard Life Investment Funds Limited, a wholly owned subsidiary of the Company, was transferred to the Company, under a Scheme of Transfer pursuant to Part VII of the Financial Services and Markets Act 2000. Following the transfer, £146m was transferred to the restructuring reserve being the difference between the net assets transferred and the value of the investment in subsidiary. Following merger accounting principles this reserve was created to reflect this balance in equity. A further movement in the restructuring reserve of £8m occurred in 2019 representing the difference between the net assets transferred to SLIDAC following the Part VII transfer and the related loan consideration from Phoenix Group Holdings plc. On 30 September 2023, £572m was transferred to PLL under a Scheme of Transfer pursuant to Part VII of the Financial Services and Markets Act 2000.

21. Technical provisions

Three insurance contract policies were unable to be transferred under the Part VII transfer to PLL in 2023 due to ongoing sanctions on policyholders. The total value of technical provisions for these policies as at 31 December 2024 is £250,000 (2023: £250,000). These policies are fully reinsured to PLL and the reinsurers share of the technical provisions as at 31 December 2024 is £250,000 (2023: £250,000).

Managing product risk
The Company has three policies remaining in force at 31 December 2024 (2023: three). The total technical provisions held for these products is £250,000 (2023: £250,000) and the risk is fully reinsured to PLL.

22. Capital Management

Capital Management Framework
The Company’s Capital Management Framework is designed to achieve the following objectives:

- provide appropriate security for policyholders and meet all regulatory capital requirements whilst not retaining unnecessary excess capital; and
- ensure sufficient liquidity to meet obligations to policyholders and other creditors.

The Company has met these objectives throughout the financial year. Following the Part VII transfer, the Company is exposed to minimal financial risk.

Extractions of capital are required to be in line with the dividend policy approved by the Board. The dividend policy covers quantity of capital, quality of capital, and the amount of distributable reserves.

Solvency II external capital requirement
Following the implementation of the Solvency II directive effective from 1 January 2016, the Company’s capital is managed on a Solvency II basis.

Following the Part VII transfer the Company’s Solvency Capital Requirement (“SCR”) is determined by the absolute floor of the Minimum Capital Requirement (“MCR”). The Company is required to meet the SCR at each quarterly valuation date.

23. Risk management

a) Overview

Risk Management Framework
The Group has a system of governance that embeds clear ownership of risk and has a Risk Management Framework (‘RMF’) that supports the identification, measurement, assessment, management and reporting of risks against approved risk appetites. The Group has 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 Risk Management Framework is an integral part of the system of governance in the Group, 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 operations 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.

An overview of the elements of the Group’s RMF is included in the Group’s 2024 Annual Report and Accounts.

Risk Universe

A key element of effective risk management is ensuring the business understands the risks it faces. The Group's Risk Universe summarises the risks to which the Group is exposed. The Risk Universe allows the Group to deploy a common risk taxonomy and language, allowing for meaningful comparison to be made across the business. The risk profile of each is an assessment of the impact and likelihood of those risks crystallising and the Group failing to achieve its strategic objectives. Changes in the risk profile are influenced by the commercial, economic and non-economic environment and are identified, measured, managed, monitored and reported through the Group's RMF processes.

There are three levels of Risk Universe categories; the highest is Level 1 and includes:

Level 1 category	Definition
Strategic risk	The risk of financial failure, or reputational loss, loss of earnings and/or value arising from making poor business decisions, from the substandard execution of decisions, from inadequate resource allocation, or from a failure to respond well to changes in business environment.
Financial soundness	The risk of financial failure, reputational loss, loss of earnings and/or value arising from a lack of liquidity, funding or capital, and/or the inappropriate recording, reporting and disclosure of financial, taxation, climate change and regulatory information.
Market risk	The risk of loss or of adverse changes in the financial situation resulting, directly or indirectly, from fluctuations in the level and the volatility of market prices of assets, liabilities and financial instruments
Credit risk	The risk of loss or adverse change in the financial situation resulting from counterparty failure to meet financial obligations or fluctuations in the credit standing of issuers of securities, counterparties, or any debtors to which the Group is exposed. The risk of reductions in earnings and/or value, through financial or reputational loss, as a result of the default of a counterparty or an associate of such a counterparty to a financial transaction (i.e. failure to honour their financial obligations, or failing to perform them in a timely manner), whether on or off balance sheet.
Insurance risk	The risk of reductions in earnings and/or value, through financial or reputational loss, due to experience variations in the timing, frequency and severity of insured/underwritten events and to fluctuations in the timing and amount of claim settlements.
Customer risk	The risk of financial failure, reputational loss, loss of earnings and/or value arising from inappropriate or poor customer treatment (including poor advice).
Operational risk	The risk of reductions in earnings and/or value, through financial or reputational loss, from inadequate or failed internal processes and systems, or from people related or external events.
Sustainability risk	The risk of financial failure, poor customer outcomes, loss of earnings and/or value arising from a failure to manage the impacts of environmental, social and governance matters on the Group's customers, financials and strategy (and vice versa).

The Company has also defined a more granular categorisation for Level 2 and Level 3 risks. This helps to further explain our attitude to these risks.

Part VII transfer

On 30 September 2023, the majority of the Company's business was successfully transferred to PLL, a fellow Group company. Three policies were unable to be transferred due to ongoing sanctions on policyholders. The transfer of business moves the majority of risks to PLL, the residual key risks for the Company are discussed in the following sections.

Intra-Group Reinsurance

For the business which remains in the Company, an intra-Group reinsurance arrangement with PLL is in place which transfers the majority of insurance and financial risks to PLL. Given this, any sensitivity to profit as a result of movements of insurance and market risk variables would be reported as zero on a net of reinsurance basis.

The residual risks for the Company are discussed in the following sections.

b) Climate risk

The Company is exposed to market and credit risk related to the transition to a low carbon economy, and the physical impacts resulting from climate change which could result in long-term market, credit, insurance, reputation, proposition and operational implications. As such, this risk is treated as a component of the cross-cutting Sustainability risk in the Group's Risk Universe.

Identification of climate related risks has been embedded into the Group's RMF, which applies to the Company. Significant progress has been made in recent years in developing risk metrics and establishing appropriate governance and risk management processes. The Group has adopted a proactive approach towards combatting climate change, with key net-zero targets. Further details on these targets and on managing the related climate change risks are provided in the TCFD within the Group's Annual Report and Accounts.

c) Strategic risk

Strategic risks threaten the achievement of the Company and Group strategy through poor strategic decision-making, implementation or response to changing circumstances. The Company recognises that core strategic activity brings with it exposure to strategic risk. However, the Company seeks to proactively review, manage and control these exposures.

The Company's strategy and business plan are exposed to external events that could prevent or impact the achievement of the strategy; events relating to how the strategy and business plan are executed; and events that arise as a consequence of following the specific strategy chosen. The identification and assessment of strategic risks is an integrated part of the RMF. Strategic Risk should be considered in parallel with the Risk Universe as each of the risks within the Risk Universe can impact the Group and Company's strategy.

A Strategic Risk Policy is maintained and reported against regularly, with a particular focus on risk management, stakeholder management, corporate activity and overall reporting against the Company and Group's strategic ambitions.

d) Financial risks

The use of financial instruments naturally exposes the Company to the risks associated with them which comprise mainly financial soundness risk, market risk, and credit risk. Financial soundness is a broad risk category encompassing liquidity and funding risk, capital management risk and tax risk.

Responsibility for agreeing the financial risk profile rests with the Board, as advised by investment managers, internal committees and the actuarial function. In setting the risk profile, the Board will receive advice from the Chief Investment Officer, the With-Profits Actuaries and the Chief Actuary as to the potential implications of that risk profile on the probability of both realistic insolvency and of failing to meet the regulatory minimum capital requirement.

The Company's overall exposure to investment risk is monitored by appropriate committees, which agree policies for managing each type of risk on an ongoing basis.

e) Financial Soundness: Capital management risk

Capital management risk is defined as the risk of reductions in earnings and/or value, through financial or reputations loss, due to a failure to maintain sufficient capital to provide appropriate security for policyholders and meet all regulatory capital requirements whilst not retaining unnecessary capital. The Company has exposure to capital management risk through the regulatory capital requirements mandated by the PRA. Note 22 gives more detail on how capital and capital management risk are managed.

f) Financial Soundness: Tax risk

Tax risk is defined as the risk of reductions in earnings and/or value, through financial or reputational loss, due to an unforeseen tax cost, or by the inappropriate reporting and disclosure of information in relation to taxation.

Potential causes of tax risk are: the Company making a material error in its tax reporting; incorrect calculation of tax provisions; failure to implement the optimum financial arrangements to underpin a commercial transaction; and incorrect operation of policyholder tax requirements.

There are tax consequences associated with other risks and these are considered as part of the evaluation of those risks. For example, a crystallisation of market risk may result in lower projected future profits which may in turn result in reduced deferred tax assets and reduced benefit from loss absorbing capacity of deferred taxes in the SCR.

Tax risk is managed by maintaining an appropriately staffed tax team who have the qualifications and experience to make judgements on tax issues, augmented by advice from external specialists where required. In addition, the Company has a formal tax risk policy, which sets out its risk appetite in relation to specific aspects of tax risk, and which details the controls the Company has in place to manage those risks.

g) Market risk

Market risk is defined as the risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments.

The Company is exposed to market risk as a result of the investment of assets held to meet regulatory capital and solvency requirements.

h) Credit risk

Credit risk is defined as the risk of loss of adverse change in the financial situation resulting from counterparty failure to meet financial obligation or fluctuations in the credit standing of issuers of securities, counterparties, or any debtors to which the Company is exposed.

The principal source of credit risk for the Company results from direct investment activities, including investments in collective investment schemes and the placing of cash deposits.

The Company's reinsurance arrangement with PLL exposes it to the risk of default in the event that PLL becomes unable to service its obligations under the contract. The financial resilience of PLL, combined with regular monitoring and stress and scenario testing make the probability of a default negligible.

The amount disclosed in the Statement of financial position in respect of all financial assets, together with rights secured under unrecognised collateral arrangements, but excluding those that back unit-linked liabilities, represents the Company's maximum exposure to credit risk.

As credit risk exposures from the issuance of insurance and investment contracts and from external counterparties are transferred to PLL though the reinsurance, the Company has no additional credit risk exposures.

i) Insurance risk

Insurance risk is defined as the risk of reductions in earnings and/or value, through financial or reputational loss, due to experience variations in the timing, frequency and severity of insured/underwritten events and to fluctuations in the timing and amount of claim settlements.

All insurance risk within the Company has been transferred through the reinsurance that is in place with PLL.

j) Customer risk

Customer risk is defined as the risk of financial failure, reputational loss, loss of earnings and/or value arising from inappropriate or poor customer treatment (including poor advice). It can arise as a result of:

- **Customer Outcomes:** The risk that our decisions, actions or behaviors individually or collectively result in a failure to act to deliver good outcomes for our customers.
- **Customer Transformation:** The risk that the design, governance, and oversight of Strategic Customer Transformation Activity in retained functions and service providers, fails to deliver on reasonable customer expectations, taking account of the Phoenix Group customer treatment risk appetites and regulatory requirements.

The Group has both a Conduct Risk appetite, to focus on behaviours within the business, and a Customer Risk appetite to focus on achieving good customer outcomes (both of which apply to the Company). The behaviours and standards all colleagues are expected to achieve are detailed in our Group Code of Conduct. For customers, what represents a good outcome is articulated in our Customer Standards and supporting Business Unit processes.

In addition, the Group Conduct Strategy, which overarches the Risk Universe and all risk policies, is designed to help the Group meet its aim of helping people secure a lifetime of possibilities. It seeks to do this by putting customers at the heart of our strategy and decision making, achieving good customer outcomes and preventing foreseeable harm.

The Company also has a suite of customer polices which set out the key customer risks and control objectives in place to mitigate them. The customer risks for the Group, and of the Company, are regularly reported to management oversight committees.

k) Operational risk

Operational risk is defined as the risk of reductions in earnings and/or value, through financial or reputation loss, from inadequate or failed internal processes and systems, or from people related or external events.

Operational risk arises due to failures in one or more of the following aspects of our business:

- Indirect exposures through our OSPs and suppliers;
- Direct exposures through internal practices, actions or omissions;
- External threats from individuals or groups focused on malicious or criminal activities, or on external events occurring which are not within the Company's control; and
- Negligence, mal-practice or failure of colleagues, or suppliers to follow good practice in delivering operational processes and practices.

It is accepted that it is neither possible, appropriate nor cost effective to eliminate all operational risks from the Company as operational risk is inherent in any operating environment particularly given the regulatory framework under which the Company operates. As such the Company will tolerate a degree of operational risk subject to appropriate and proportionate levels of control around the identification, management and reporting of such risks.

The Company also has a set of operational risk policies that set out the nature of the risk exposure and key controls in place to control the risk.

The reinsurance arrangement with PLL transfers the vast majority of operational risk within the Company to PLL.

24. 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.

25. Ultimate parent and ultimate controlling party

The Company's immediate parent 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.