

FRIENDS LIFE FPLMA LIMITED

**COMPANY REGISTERED IN ENGLAND AND WALES
REGISTRATION NUMBER 4599**

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021



FRIENDS LIFE FPLMA LIMITED

Registered Number: 4599

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**FRIENDS LIFE FPLMA LIMITED
COMPANY INFORMATION**

BOARD OF DIRECTORS

O Stowe
A Wilkinson

COMPANY SECRETARY

Aviva Company Secretarial Services Limited

REGISTERED OFFICE

Aviva
Wellington Row
York
YO90 1WR

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

COMPANY NUMBER

Registered in England and Wales: No. 4599

OTHER INFORMATION

The Company is a private company limited by shares and member of the Aviva plc group of companies ("the Group").

FRIENDS LIFE FPLMA LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their Strategic Report for the Company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The Company, a private limited company incorporated and domiciled in the United Kingdom (UK), is a non-trading wholly owned subsidiary of Aviva Life Holdings UK Limited and is part of the Aviva plc group of companies. Ownership was transferred from London and Manchester Group Limited on 14 February 2022. Further information is contained in the 2021 report and financial statements of Aviva plc.

The former principal activity of the Company was to conduct general insurance business, long-term life assurance, pensions and annuity business in the United Kingdom. The Company did not trade during the year. General business ceased being written in 1987, and other business ceased in 2000.

RESULTS AND BUSINESS REVIEW

The Company ceased writing general business in 1987 and the long-term life assurance, pensions and annuity business was transferred to Friends Life Limited ("FLL") in 2000. All business written prior to 1980 was 100% reassured, and between 1980 and 1987 the reassurance was between 40% and 60% and further limited by excess of loss treaties. On 1 October 2017, the insurance business conducted by FLL was transferred to Aviva Life & Pensions UK Limited ("UKLAP") under the terms of a Part VII scheme of transfer.

	2021	2020
	£	£
Profit for the financial year	2,003	25,152
Total equity	100,363	6,541,502

SECTION 172 STATEMENT AND OUR STAKEHOLDERS

The Directors report here how they have discharged their duties under Section 172 (1) of the Companies Act 2006 which the directors must have regard to in their duty to promote the success of the Company for the benefit of its shareholders which includes having regard to other stakeholders.

The Board is responsible for monitoring and upholding the culture, values, standards, ethics, and reputation of the Company to ensure that the Directors' obligations to its shareholders and to its stakeholders are met. The Board monitors adherence to the Aviva Group business standards and compliance with local corporate governance requirements and is committed to acting if our businesses should fail to act in the manner the Board expects of them.

For each matter which comes before the Board, stakeholders who may be affected are identified and their interests are carefully considered as part of the Board's decision-making process.

The Board is also focused on the wider social context within which our businesses operate, including those issues related to climate change which are of fundamental importance to the planet's well-being.

The Company's culture

As the provider of vital financial services to millions of customers, the Aviva Group seeks to earn its customers' trust by acting with integrity and responsibility at all times. The Aviva Group looks to build relationships with all stakeholders based on openness and continuing dialogue.

The Company's culture is shaped, in conjunction with its parent holding company, Aviva Life Holdings UK Limited (UKLH) and its ultimate shareholder Aviva plc by jointly held and clearly defined values to help ensure it does the right thing. The Company values diversity and inclusivity in its workforce and beyond. The commitment the Company makes to each customer extends to all the Company's stakeholders; that is 'with you today, for a better tomorrow.' Throughout the Company's business, the Board is proud that our people live the Aviva values; Care, Community, Commitment and Confidence, by caring for our customers, for each other and for the communities they serve.

FRIENDS LIFE FPLMA LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Strategic decisions in 2021

In December 2020, the Board resolved to change the Company's registered office address from Pixham End, Dorking, Surrey, RH4 1QA, to Aviva, Wellington Row, York YO90 1WR. The change was due to the forthcoming closure of the Dorking Offices and Wellington Row was chosen as the most appropriate address as the Company's statutory records were held there. The change came into effect on 15 January 2021.

Approval to deauthorise the Company was sought from the FCA and PRA and this was granted with effect from 8 February 2021.

Stakeholder engagement

The table below sets out our approach to stakeholder engagement during 2021:

Stakeholders	Why are they important to Aviva?	What is our approach to engaging with them?
Employees	Our people's well-being and commitment to serving our customers is essential for our long-term success.	<ul style="list-style-type: none"> The Company has no employees. The majority of staff engaged in the activities of the Company are employed by fellow subsidiary undertakings of Aviva plc. As part of the Aviva Group, these staff enjoy the benefit of the Aviva Group policies and benefits made available to them. The Company's engagement mechanisms align with those of the Aviva Group, such as employee forums, internal communication channels, and informal meetings with the Directors and employee engagement surveys. We are committed to recruiting, training and retaining the best talent we can find. We are proud to have been a pioneer in some areas of employee benefits, including providing six months paid parental leave for all UK employees. Our people share in the businesses' success as shareholders through membership of the Group's global share plans. The Company supported the safety and well-being of staff through the provision of equipment to enable all employees to work from home through the Covid-19 pandemic as well as transitioning to a hybrid way of working in mid-2021.
Customers	Understanding what's important to our customers is key to our long-term success.	<ul style="list-style-type: none"> The Company has no external customers. The Company's immediate shareholder, Aviva Life Holdings UK Limited, is supported by a Conduct Committee to enable it to monitor customer metrics, the Company's Board can escalate any matter it feels necessary to the Aviva Life Holdings UK Limited Conduct Committee for further scrutiny.
Suppliers	We operate in conjunction with a wide range of suppliers to deliver services to our customers. It is vital that we build strong working relationships with our intermediaries.	<ul style="list-style-type: none"> All supplier related activity is managed in line with the Group's Procurement & Outsourcing Business Standard. This ensures that supply risk is managed appropriately including in relation to customer outcomes, data security, corporate responsibility, financial, operational, contractual, and brand damage caused by inadequate oversight or supplier failure. An important part of our culture is the promotion of high legal, ethical, environmental and employee related standards within our business and also among our suppliers. Before working with any new suppliers we provide them with the Aviva Supplier Code of Behaviour, and our interaction with them is guided by Aviva's Business Code of Ethics. In the UK, Aviva is a signatory of the Prompt Payment Code which sets standards for high payment practices. We are a Living Wage employer in the UK, and our supplier contracts include a commitment to paying eligible employees not less than the Living Wage in respect of work provided at our premises in the UK.

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FRIENDS LIFE FPLMA LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

Communities	We recognise the importance of contributing to our communities through volunteering, community investment, and long-term partnerships. As a major insurance company we are fully engaged in building resilience against the global impact of climate change.	<ul style="list-style-type: none"> Our Board supports the community activities of the Aviva Group including the wellbeing proposition for UK employees, the Aviva Communities to help drive greater diversity and inclusivity throughout the organisation and to support colleagues to volunteer in their communities. Recognising climate change presents risk and opportunities for customers, communities and business, Aviva is signed up to the United Nations Net-Zero Asset Owner Alliance commitment. As part of the Aviva Group, Friends Life FPLMA Limited is committed to Aviva's long-term strategy to reach net zero by 2040, and to support achieving this target the Aviva Group has defined climate risk preferences and operating risk limits. The Aviva plc Board approved the adoption of the new climate risk preferences during the year, along with its 2022-2024 Plan which takes the new climate risk preferences into consideration.
Shareholders	Our retail and institutional shareholders are the ultimate owners of the Company.	<ul style="list-style-type: none"> The Company's ultimate shareholder is Aviva plc and its immediate shareholder is Aviva Life Holdings UK Limited. Any matters requiring escalation are escalated by the Board through the Chair to its parent.

FUTURE OUTLOOK

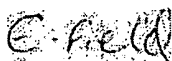
As at the date of this Report and Financial Statements no decisions have been made in respect of the Company's activities.

On 24 February 2022, on-going tensions between Russia and Ukraine developed into full-scale armed conflict between the two countries. The Company is monitoring and responding to this dynamic situation. The Company does not conduct operations in the affected region, and does not have material direct investment holdings there.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to financial risk through its financial assets and liabilities in the ordinary course of its business. It is exposed to operational risk of loss resulting from internal processes, people and systems, or from external events, including regulatory risk. The major component of financial risk is credit risk, due to counterparties failing to meet all or part of their obligations in a timely fashion.

Approved by the Board on 8 September 2022 and signed on its behalf by:



Aviva Company Secretarial Services Limited
Company Secretary

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FRIENDS LIFE FPLMA LIMITED
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2021.

DIRECTORS

The directors in office at the date of signing of these financial statements are listed on page 2. Details of Board appointments and resignations during the year and since the year end are shown below:

A Darlington resigned as director of the Company on 30 April 2021. A Wilkinson was appointed as a director of the Company on the same date.

T J Latter resigned as director of the Company on 1 March 2022. O Stowe was appointed as a director of the Company on the same date.

FUTURE OUTLOOK

Likely future developments in the business of the Company are discussed in the Strategic Report.

DIVIDEND

A dividend of £6,443,000 was paid on 30 December 2021 (2020: £nil).

COMPANY SECRETARY

Aviva Company Secretarial Services Limited acted as the Company Secretary throughout 2021.

MAJOR EVENTS

On 15 December 2021, the Company resolved to reduce its issued share capital from £5,750,000 to £1 by cancelling and extinguishing in full 5,749,999 ordinary shares of £1 each.

POST BALANCE SHEET EVENTS

On 14 February 2022 ownership of the Company was transferred to a fellow group undertaking, Aviva Life Holdings UK Limited, for a consideration of £100,363.

STATEMENT OF GOING CONCERN

The financial statements have been prepared on a going concern basis. In assessing whether the going concern basis is appropriate, the directors have considered all the information available, including information contained in the financial statements of the Company. The directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the approval of the financial statements.

EMPLOYEES

The Company has no employees (2020: nil). The majority of employees are employed by a fellow subsidiary undertaking of Aviva plc, Aviva Employment Services Limited. Disclosures relating to employee remuneration and the average number of persons employed are made in the financial statements of Aviva Employment Services Limited. The Company is recharged with the costs of the staff provided by Aviva Employment Services Limited however the associated costs and a average number of persons employed cannot be accurately disclosed.

FRIENDS LIFE FPLMA LIMITED
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITORS

In accordance with section 418 of the Companies Act 2006, the directors in office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's External Auditors, PricewaterhouseCoopers LLP, are unaware and each director has taken all steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that PricewaterhouseCoopers LLP is aware of that information.

INDEPENDENT AUDITORS

Under the Competition and Markets Authority Regulations, the Company's ultimate parent Company, Aviva plc is required to tender for the provision of the external audit every 10 Years. PricewaterhouseCoopers LLP (PwC) was appointed for the first time for the 31 December 2012 financial year end and therefore a mandatory re-tender was required for the year ending 31 December 2022. The audit tender process was initiated during 2020 but, as previously reported, COVID-19 restrictions caused delays and Aviva sought a two-year extension from the FRC which was granted. Following a full and rigorous competitive tender process, which was overseen by the Aviva Life Holdings UK Limited Audit Committee, the selection of Ernst & Young LLP from the year ending 31 December 2024 was approved by the Aviva plc Board. PwC will continue in its role and, subject to reappointment by the Company's shareholders at the 2022 and 2023 Annual General Meetings, will undertake the audit for the financial years ending 31 December 2022 and 2023.

DIRECTORS AND OFFICERS – QUALIFYING INDEMNITY PROVISIONS

Aviva plc, the Company's ultimate parent, granted in 2004 an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985, which continue to apply in relation to any provision made before 1 October 2007. This indemnity is a "qualifying third party indemnity" for the purposes of sections 309A to 309C of the Companies Act 1985. These qualifying third party indemnity provisions were extended to the directors of the Company following an acquisition. These qualifying third party indemnity provisions were in force throughout the year and at the date of approving the Report of the Directors by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

The directors also have the benefit of the indemnity provision contained in the Company's articles of association, subject to the conditions set out in the Companies Act 2006. This is a "qualifying third party indemnity" provision as defined by section 234 of the Companies Act 2006.

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FRIENDS LIFE FPLMA LIMITED
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE REPORT OF THE DIRECTORS AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and Financial Statements and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also 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.

By order of the Board on 8 September 2022:



Aviva Company Secretarial Services Limited
Company Secretary

FRIENDS LIFE FPLMA LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRIENDS LIFE FPLMA LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Friends Life FPLMA Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: balance sheet as at 31 December 2021; profit and loss account and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

FRIENDS LIFE FPLMA LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRIENDS LIFE FPLMA LIMITED
(continued)

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the report of the directors and the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate reported results. Audit procedures performed by the engagement team included:

- Discussions with Management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- review of minutes of meetings held by those charged with governance
- review of financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- performing procedures over the risk of management override of controls, including through testing journal entries based on specific risk criteria and other adjustments for appropriateness.

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FRIENDS LIFE FPLMA LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRIENDS LIFE FPLMA LIMITED
(continued)

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility



James Wilkinson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

8 September 2022

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FRIENDS LIFE FPLMA LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Interest receivable and similar income		2,003	25,152
PROFIT BEFORE TAXATION		2,003	25,152
Tax on profit	4	-	-
PROFIT FOR THE FINANCIAL YEAR		2,003	25,152

There are no recognised gains or losses for 2021 or 2020 other than those included in the profit and loss account above and therefore no statement of comprehensive income has been presented.

All of the amounts above are in respect of discontinued operations.

The notes on pages 15 to 18 form an integral part of these financial statements.

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FRIENDS LIFE FPLMA LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
ASSETS			
Cash and cash equivalents	D	100,363	6,541,502
TOTAL ASSETS		100,363	6,541,502
EQUITY			
Capital and reserves			
Called up share capital	5	1	5,750,000
Profit and loss account		100,362	791,502
TOTAL EQUITY		100,363	6,541,502
TOTAL EQUITY AND LIABILITIES		100,363	6,541,502

The financial statements on pages 12 to 18 were approved by the board of directors on 8 September 2022 and signed on its behalf by:

Oliver Stowe

O Stowe
Director

The notes on pages 15 to 18 form an integral part of these financial statements.

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FRIENDS LIFE FPLMA LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Profit and loss account £	Total equity £
Balance as at 1 January 2021	5,750,000	791,502	6,541,502
Capital reduction	(5,749,999)	5,749,999	-
Dividends paid	-	(6,443,142)	(6,443,142)
Profit for the financial year	-	2,003	2,003
Balance as at 31 December 2021	1	100,362	100,363
 Balance as at 1 January 2020	 5,750,000	 766,350	 6,516,350
Profit for the financial year	-	25,152	25,152
Balance as at 31 December 2020	5,750,000	791,502	6,541,502

The notes on pages 15 to 18 form an integral part of these financial statements.

FRIENDS LIFE FPLMA LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

A) Basis of presentation

The financial statements have been prepared in accordance with The Companies Act 2006, as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis. In assessing whether the going concern basis is appropriate, the directors have considered the information contained in the financial statements of the Company. The directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the approval of the financial statements.

The financial statements are stated in sterling, which is the Company's functional and presentational currency. Unless otherwise noted, the amounts shown in these financial statements are in pounds sterling (£).

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2021. These policies have been consistently applied to all years presented, unless otherwise stated.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of paragraphs 10(d) and 111 of IAS 1 Presentation of Financial Statements to include a statement of cash flows and the requirements of IAS 7 Statement of Cash Flows;
- (b) the requirements of paragraph 16 of IAS 1 to make a statement of compliance with the international accounting standards;
- (c) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose when an entity has not applied a new accounting standard that has been issued but is not yet effective;
- (d) the requirements of paragraph 17 of IAS 24 Related Party Disclosure to disclose key management personnel compensation;
- (e) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.
- (f) paragraph 18A of IAS 24, 'Related party disclosures', related to key management services provided by a separate management entity.

New standards and minor clarifications to existing guidance on a number of standards became effective for the reporting period beginning on 1 January 2021. Amendments to IFRS 16 leases: Covid-19 related rent concessions (published by the IASB in May 2020); Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (published by the IASB in August 2020). The amendments do not have any impact on the Company's financial statements.

B) Interest receivable and similar income

Dividends, interest or other income receivable includes any withholding tax but excludes any other taxes, such as attributable credits, not payable wholly on behalf of the Company. Interest income is recognised as income as it accrues.

FRIENDS LIFE FPLMA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

C) Tax on profit

Income taxes

The current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits before taxation and amounts charged or credited to components of other comprehensive income and equity as appropriate.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The rates enacted or substantively enacted at the statement of financial position date are used to value the deferred tax assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Where there is a history of tax losses, deferred tax assets are only recognised in excess of deferred tax liabilities if there is convincing evidence that future profits will be available.

Deferred tax is provided on any temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred taxes are not provided in respect of any temporary differences arising from the initial recognition of goodwill, or from the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction.

Current and deferred tax relating to items recognised in other comprehensive income and directly in equity are similarly recognised in other comprehensive income and directly in equity respectively. Deferred tax related to any fair value re-measurement of available for sale investments, owner-occupied properties, pensions and other post-retirement obligations and other amounts charged or credited directly to other comprehensive income is recognised in the statement of financial position as a deferred tax asset or liability.

D) Cash and cash equivalents

Cash and cash equivalents includes balances held in liquidity funds. Liquidity funds are not deemed to be solely payments of principle and interest and are measured at fair value.

E) Share capital

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

- there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- the instrument will not be settled by delivery of a variable number of shares or is a derivative that can be settled other than for a fixed amount of cash, shares or other financial assets.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements, in accordance with FRS 101, requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses. There are no major areas of judgement on policy application for the Company.

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FRIENDS LIFE FPLMA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)

3. AUDITORS' REMUNERATION

The auditors' remuneration for audit services for 2021 of £1,000 (2020: £1,000) was borne by other companies within the Group. Fees paid to the Company's auditors, PricewaterhouseCoopers LLP (PwC) and its associates for services other than the statutory audit of the Company and other Group undertakings are disclosed in the consolidated financial statements of Aviva plc.

4. TAX ON PROFIT**(a) Tax charged to the income statement**

	2021 £	2020 £
The total tax charge comprises:		
Current tax		
For this year	-	-
Prior period adjustments	-	-
Total tax charged to the income statement	-	-

(b) Tax charged/credited to other comprehensive income

There was no tax charged or credited to other comprehensive income in either 2021 or 2020.

(c) Tax reconciliation

The tax on the company's profit before tax differs from (2020: differs from) the theoretical amount that would arise using the tax rate of the United Kingdom as follows:

	2021 £	2020 £
Total profit before tax	2,003	25,152
Tax calculated at standard UK corporation tax rate of 19% (2020: 19%)	(381)	(4,779)
Group relief claimed for nil consideration	381	4,779
Total tax charged to the income statement	-	-

During 2021 the UK Government enacted an increase in the UK corporation tax rate to 25%, from 1 April 2023. During 2020 the reduction in the UK corporation tax rate that was due to take effect was cancelled, and as a result, the rate remained at 19%.

As the Company has no deferred tax assets or liabilities at the year end, there is no impact on the Company's net assets as a consequence of the amendments in the tax rates.

(d) Tax assets and liabilities**Current tax**

Current tax liabilities payable in more than one year are £nil (2020: £nil).

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FRIENDS LIFE FPLMA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)

5. CALLED UP SHARE CAPITAL

	2021 £	2020 £
Allotted, called-up and fully paid		
1 share of £1 each (2020: 5,750,000 shares of £1 each)	1	5,750,000

On 15 December 2021, the Company resolved to reduce its issued share capital from £5,750,000 to £1 by cancelling and extinguishing in full 5,749,999 ordinary shares of £1 each.

Ordinary shares in issue in the Company rank *pari passu*. All the ordinary shares in issue carry the same right to receive all dividends and other distributions declared, made or paid by the Company.

6. INDEMNITY POLICY

London and Manchester Group Limited (LMG), a fellow group undertaking, provide an indemnity to the Company against any future claims. As at 31 December 2021 there are no outstanding claims.

7. REMUNERATION OF DIRECTORS

The directors are employed by, and receive their emoluments from Aviva Employment Services Limited (AES). The directors holding office during the year consider their services to the Company were incidental to their other duties within the Aviva Group and accordingly no remuneration has been apportioned to the Company.

8. RISK MANAGEMENT

The ultimate parent company, Aviva plc, and its subsidiaries, joint ventures and associates (collectively known as "the Group") operate a risk management framework, which forms an integral part of the management and board processes and decision-making framework across the Group. The key elements of its risk management framework comprise risk strategy and risk appetite, risk policy categorisation, enterprise-wide approach to managing risks, including how to identify, measure, manage, monitor and report risks, and risk governance and oversight (including boards and board committees, risk policies and business standards, delegated authorities and management committees, and roles and responsibilities). The Group's approach to risk management ensures that significant existing or emerging risks are actively identified, measured, managed, monitored and reported on a continuous basis.

9. RELATED PARTIES

The Company is a wholly owned subsidiary undertaking of Aviva Life Holdings UK Limited. The results of the Company are consolidated in the results of Aviva plc, the Company's ultimate parent and controlling company, whose financial statements are publicly available. Under FRS 101 the Company is exempt from the requirements of IAS 24 Related Party Disclosures, concerning the disclosure of transactions entered into between two or more members of a group provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

10. ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent undertaking is Aviva plc, St Helens, 1 Undershaft, London, EC3P 3DQ, who are also the parent company of the smallest and largest group of companies, of which the Company is a wholly owned subsidiary, for which group financial statements are drawn up. Copies of the Group Report and Financial Statements of Aviva plc can be viewed via its website at www.aviva.com.

11. SUBSEQUENT EVENTS

On 14 February 2022 ownership of the Company was transferred to a fellow group undertaking, Aviva Life Holdings UK Limited, for a consideration of £100,363.