

ABBHEY LIFE ASSURANCE COMPANY LIMITED

Company Registration Number: 710383

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2020

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ABBHEY LIFE ASSURANCE COMPANY LIMITED

Contents	Page
Directors' report	2
Statement of Directors' responsibilities	4
Statement of comprehensive income.....	5
Statement of financial position	6
Statement of changes in equity	7
Notes to the financial statements	8

ABBEY LIFE ASSURANCE COMPANY LIMITED

Directors' report

The Directors present their Report and the Financial Statements of Abbey Life Assurance Company Limited ("the Company") for the year ended 31 December 2020.

The Company is incorporated in England and Wales. Its registration number is 710383 and its registered office is 1 Wythall Green Way, Wythall, Birmingham, B47 6WG. The Company is a member of the Phoenix Group ("the Group"), headed by Phoenix Group Holdings plc.

The financial statements of the Company have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

Business review**Principal activities**

The company has not traded during the year.

Corporate activities

Following the Part VII transfer of the Company's long term insurance business ("the Scheme") approved by the High Court on 18 December 2018, an application was successfully submitted to the Financial Conduct Authority ("FCA") and Prudential Regulation Authority ("PRA") to cancel the Company's authorisation to undertake long term business.

Following deauthorisation, on 6 June 2019 the remaining assets of £4m were transferred by the Company in accordance with the Scheme to Phoenix Life Limited ("PLL") for £nil consideration.

Result and dividends

The results of the Company for the year are shown in the statement of comprehensive income on page 5. The profit before tax was £nil (2019: loss £4m).

No dividends were paid during the year (2019: £nil).

Principal risks and uncertainties

The Phoenix Group applies a consistent methodology for the identification, assessment, management and reporting of risk that includes a high level framework for the management of key risks within each business unit. Following deauthorisation the Company is not expected to be exposed to any material risks.

The COVID-19 pandemic crisis has not exposed the Company to any heightened operational or financial risks.

Key Performance Indicators ("KPIs")

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

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:

D R Cheeseman	(resigned 31 January 2020)
A Moss	
R Sheriff	(appointed 30 June 2020)

Secretary

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

Disclosure of indemnity

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

Small companies' exemption

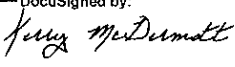
The Company has taken advantage of the exemption in section 414 of the Companies Act 2006 relating to small companies not to prepare a Strategic report.

Audit exemption

The Company has taken advantage of the exemption in section 479A of the Companies Act 2006 relating to subsidiary companies not to require an audit of these financial statements, as a guarantee over all liabilities of the Company at the balance sheet date has been granted by the Company's ultimate parent, Phoenix Group Holdings plc.

ABBAY LIFE ASSURANCE COMPANY LIMITED

On behalf of the Board

DocuSigned by:

97E926B46C7E474

K McDermott
For and on behalf of Pearl Group Secretariat Services Limited
Company Secretary

15 September 2021

ABBEEY LIFE ASSURANCE COMPANY LIMITED

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under the law the Directors have elected to prepare those statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. Under company law, the Directors must not approve the financial statements unless they are satisfied that they present fairly the financial performance, financial position and cash flows of the Company for the accounting period. A fair presentation of the financial statements in accordance with IFRS requires the Directors to:

- select suitable accounting policies in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state that the Company has complied with applicable IFRS, subject to any material departures disclosed and explained in the financial statements; 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 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 also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

 ABBEY LIFE ASSURANCE COMPANY LIMITED

Statement of comprehensive income
 for the year ended 31 December 2020

		2020	2019
	Notes	£m	£m
Loss on Part VII transfer	3		(4)
Net loss		-	(4)
Loss for the year attributable to owners		-	(4)
Other comprehensive income		-	-
Total comprehensive income for the year attributable to owners		-	(4)

ABBHEY LIFE ASSURANCE COMPANY LIMITED

Statement of financial position
as at 31 December 2020

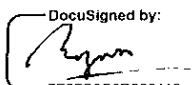
		As at 31 December 2020 £m	As at 31 December 2019 £m
	Notes		
Total assets		-	-
Equity attributable to owners			
Share capital	7	31	31
Capital contribution reserve	8	29	29
Retained earnings		(60)	(60)
Total equity		-	-
Total equity and liabilities		-	-

For the year ended 31 December 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

On behalf of the Board

DocuSigned by:

 7E2FB2C6D260412...
 R Sheriff
 Director

15 September 2021

ABBHEY LIFE ASSURANCE COMPANY LIMITED

Statement of changes in equity
for the year ended 31 December 2020

	Share capital £m	Capital contribution reserve £m	Retained earnings £m	Total £m
At 1 January 2020	31	29	(60)	-
Profit/(loss) for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
At 31 December 2020	31	29	(60)	-

	Share capital £m	Capital contribution reserve £m	Retained earnings £m	Total £m
At 1 January 2019	31	29	(56)	4
Profit/(loss) for the year	-	-	(4)	(4)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(4)	(4)
At 31 December 2019	31	29	(60)	-

ABBEEY LIFE ASSURANCE COMPANY LIMITED

Notes to the financial statements**1. Accounting policies****(a) Basis of preparation**

The financial statements have been prepared on a historical cost convention in accordance with the Companies Act 2006. The Directors do not consider the Company to be a going concern as there is an intention to liquidate and that the financial statements as prepared are not materially different from those prepared on a break-up basis.

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

The Company has taken advantage of the exemption in section 414 of the Companies Act 2006 relating to small companies not to prepare a Strategic report.

Statement of compliance

The financial statements of the Company have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

(b) Capital contributions

Capital contributions received by the Company and which contain no agreement for their repayment are recognised directly in the Statement of changes in equity as a distributable reserve.

(c) Transfer of business

Where the Company participates in a transfer of insurance business scheme under Part VII of the Financial Services Act 2000 and the ultimate shareholders remain the same, the transaction constitutes business combinations involving entities or businesses under common control. IFRS does not prescribe the treatment of such transfers. Accordingly, 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 recognised as income or an expense in the statement of comprehensive income.

(d) Share capital

The Company has issued ordinary shares which are classified as equity.

(e) 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.

2. Financial information

The financial statements for the year ended 31 December 2020, set out on pages 5 to 10, were authorised by the Board of Directors for issue on 15 September 2021.

In preparing the financial statements, the Company has adopted the following standards, interpretations and amendments which have been issued by the International Accounting Standards Board ('IASB'):

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Amendments clarify the definition of material and how it should be applied; and Amendments to the Conceptual Framework in IFRS Standards. These new and amended standards do not currently have any impact on the Company.

Other new or amended accounting standards issued by the IASB are not considered to have a significant impact on the Company's financial statements or accounting policies.

Effect of Brexit

On 31 January 2020, the UK left the EU and consequently EFRAG will no longer endorse International Financial Reporting Standards ("IFRSs") for use in the UK. Legislation is in place to onshore and freeze EU-adopted IFRSs and from 1 January 2021 the Company will apply UK-adopted International Accounting Standards. The European Commission's powers to endorse and adopt IFRSs will be delegated by the Secretary of State to the UK Endorsement Board.

ABBEY LIFE ASSURANCE COMPANY LIMITED

3. Transfer of Business

On 31 December 2018, all of the long-term business and the majority of the assets and liabilities of the Company were transferred to Phoenix Life Limited ("PLL") for £Nil consideration in accordance with the terms of a scheme under Part VII of the Financial Services and Markets Act 2000 ("the Scheme") approved by the High Court on 18 December 2018.

Following deauthorisation, on 6 June 2019 the remaining assets of £4m were transferred by the Company in accordance with the Scheme to PLL for £nil consideration.

4. Directors' remuneration

The Directors are employed by another Group company. The Directors received no remuneration in 2020 in respect of their services to the Company (2019: £nil)

5. Auditor's remuneration

The remuneration of the auditor of the Company, including their associates, in respect of the audit of the financial statements in the prior year was £4,000. This audit fee was borne by another Group company. For the year ended 31 December 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

6. Tax charge

	2020 £m	2019 £m
Total tax charge	-	-

Reconciliation of tax charge

	2020 £m	2019 £m
Loss for the year before tax	-	(4)
Tax at standard UK rate of 19% (2019: 19%)	-	(1)
Non-taxable loss on Part VII transfer	-	1
Tax attributable to owners	-	-
Total tax charge	-	-

7. Share capital

	2020 £m	2019 £m
Issued and fully paid		
30,500,000 (2019: 30,500,000) "A" ordinary shares of £1 each	31	31

The holders of the 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.

8. Capital contribution reserve

	2020 £m	2019 £m
At 1 January and 31 December	29	29

The capital contribution has been treated as capital as there is no agreement for repayment.

ABBEY LIFE ASSURANCE COMPANY LIMITED

9. Cash flows***Cash flows from operating activities***

	2020 £m	2019 £m
(Loss) for the year before tax	-	(4)
Non-cash movements in profit for the year before tax		
Loss on Part VII transfer	-	4
Cash generated from operations	-	-

10. Risk and capital management

Following the Part VII transfer of assets and liabilities to PLL, the Company is no longer exposed to financial risk. Should any liabilities arise in future, the terms of the Scheme are such that these will transfer to PLL. The subsequent de-authorisation of the Company to carry out long-term business led to the release of the requirement to hold levels of capital.

11. Related party transactions

During 2019, following the de-authorisation of the Company to carry out long-term business, the remaining assets comprising a £4m investment in collective investment schemes, were transferred to PLL for £nil consideration, in accordance with the Scheme (note 3).

Parent and ultimate parent entity

Information on the Company's parent and ultimate parent is given in note 12.

12. Other information

The Company's principal place of business is the United Kingdom. The Company's immediate parent is Phoenix Life Holdings Limited and its ultimate parent is Phoenix Group Holdings plc, a company incorporated in England and Wales. A copy of the financial statements of Phoenix Group Holdings plc can be obtained from the Company Secretary, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU.