

Registered number
01842645

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

Report and Financial Statements

For the year ended 24 December 2015



1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

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1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

Company Information

Company number:

01842645

Directors

Pierre Biscay
David Blackwell
Graham Long

Secretary

Friends Life Secretarial Services Limited

Independent Auditors

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

Registered office

Pixham End
Dorking
Surrey
RH4 1QA

Legal form

Private limited company

Country of incorporation

United Kingdom

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

Strategic Report

RESULTS AND BUSINESS REVIEW

The Company exists to collate receipts of ground rent payable by tenants and pay these amounts to the freeholder.

Additional income of £550,027 (2014: £nil) was recognised in the year as a result of amounts receivable from tenants in relation to leasehold enfranchisements. This enfranchisement income represents amounts receivable by the Company in consideration for agreements reached between the lessees and the freeholder to grant an extension of the underlying lease term. The Company made a Total comprehensive income for the financial year of £432,213 (2014: expense £530).

The results for the year and financial position of the Company are as shown in the financial statements.

FINANCIAL RISK MANAGEMENT

Due to the nature and principal activity of the Company, which exists to collate receipts of ground rent payable by tenants and pass these amounts to the freeholder, the Directors would normally expect any profit or loss earned by the Company in any given year will be marginal. Revenue earned from the leaseholder enfranchisement in the current and prior year does not represent any additional risk to the Company due to the amounts recognised in relation to each individual transaction being prescribed by a specific contractual agreement between the lessee and the freeholder. In particular, we note that the Company is not exposed to the credit risk arising from outstanding lease payments due from leaseholders on the basis that a fellow subsidiary of the Group provides a guarantee to cover any default amounts should they arise. As a result, the Directors consider that there are no principal risks affecting the Company.

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 the information contained in the financial statements. The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future.

KEY PERFORMANCE INDICATORS (KPIs)

The Company's only key performance indicator is the expectation that the revenue and expenses will remain stable due to the fixed price contractual fees of ground rent receivable from tenants. Revenues earned from leaseholder enfranchisements represent a low volume of bespoke transactions that sit outside the normal operating procedures of the Company. As a result, whilst individual transactions are reviewed by management, no specific KPIs exist with respect to this balance.

On behalf of the Board:



Pierre Biscay
Director

Date: 25 August 2016

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements for the year ended 24 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of 1-5 Lowndes Square Management Company Limited ("the Company") is to act as an intermediary vehicle for the administration of ground rent in respect of the leasehold interest in the property at 1-5 Lowndes Square, London SW1. Under the Company's lease with the freeholder, the Company is required to manage the service charge of the common parts of the underlying property for its own lessees, the residential tenants.

During the year and until 10 April 2015 the Company was part of the Friends Life Group of companies, and references to the Group are to the Group of Companies formerly headed by Friends Life Group Limited. Following the acquisition of the Friends Life Group by Aviva plc on 10 April 2015 the company is now a subsidiary of the Aviva Group of companies headed by Aviva plc.

FUTURE DEVELOPMENTS

No change to the activities of the Company is anticipated in the foreseeable future.

EMPLOYEES

Information regarding staff numbers and costs is disclosed in note 13.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the Company made no donations.

DIRECTORS

The Directors of the Company who served during the year were:

Pierre Biscay
Yang Song (resigned 23/10/2015)
Robert Groves (resigned 21/08/2015)
David Blackwell (appointed 23/10/2015)
Graham Long (appointed 23/10/2015)

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow Directors, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS' CHANGE

Following the change in control of the Friends Life Group of companies, Ernst & Young LLP resigned as the Company's auditors following the Directors' approval of the report and financial statements. Ernst & Young LLP have confirmed that there are no matters to be brought to the Company's attention under s519 of the Companies Act 2006. PricewaterhouseCoopers LLP have since been appointed by the Directors and shareholders.

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

Directors' Report (continued)

QUALIFYING INDEMNITY PROVISIONS

The directors have the benefit of an 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 in Section 234 of the Companies Act 2006.

EVENTS AFTER THE REPORTING DATE

On 23 June 2016 the UK electorate voted to leave the European Union. This decision commences a process that is likely to take a minimum of two years to complete, and during this time the UK remains a member of the European Union. There will be a resulting period of uncertainty for the UK economy, with increased volatility expected in financial markets. This does not impact the fair value of assets and liabilities, reported at the balance sheet date of 24 December 2015.

On behalf of the Board:



Pierre Biscay
Director

Date: 25 August 2016

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

Directors' Responsibilities Statement

DIRECTORS' RESPONSIBILITIES STATEMENT IN RESPECT OF THE FINANCIAL STATEMENTS

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

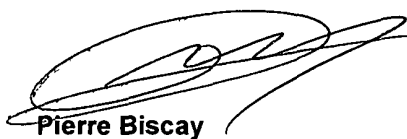
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in preparation of 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



Pierre Biscay
Director

Date: 25 August 2016

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, 1-5 Lowndes Square Management Company Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 24 December 2015 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 24 December 2015;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

Independent Auditors' Report (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of the financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Kevin S Rollo (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

25 August 2016

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED**Statement of comprehensive income
for the year ended 24 December 2015**

	Note	2015	2014
		£	£
Turnover	2	13,496	11,800
Administrative expenses	3	(21,451)	(12,475)
Other Income	4	<u>550,027</u>	<u>-</u>
Profit/(loss) on ordinary activities		542,072	(675)
Interest payable and similar charges		<u>(6)</u>	<u>-</u>
Profit/(loss) on ordinary activities before taxation		542,066	(675)
Tax on profit/(loss) on ordinary activities	5	(109,853)	145
Total comprehensive income/(expense) for the financial year		<u><u>432,213</u></u>	<u><u>(530)</u></u>

All activities are derived from continuing operations.

The primary statements and notes on pages 9 to 20 form part of these financial statements.

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED**Statement of financial position
as at 24 December 2015**

	Note	£	2015 £	£	2014 £
Current assets					
Debtors	6	5,286		4,870	
Cash at bank and in hand	7	<u>544,506</u>		<u>-</u>	
		549,792		4,870	
Creditors: amounts falling due within one year	8	<u>(120,596)</u>		<u>(7,887)</u>	
Net current assets/(liabilities)			<u>429,196</u>		<u>(3,017)</u>
Net Assets/(Liabilities)			<u>429,196</u>		<u>(3,017)</u>
Capital and Reserves					
Called up share capital	11		26		26
Retained earnings / (Accumulated losses)	12		<u>429,170</u>		<u>(3,043)</u>
Total equity			<u>429,196</u>		<u>(3,017)</u>

The primary statements and notes on pages 9 to 20 form part of these financial statements.

The financial statements on pages 9 to 20 were approved by the Board of Directors on 25 August 2016 and signed on its behalf by:


Pierre Biscay
 Director

Date: 25 August 2016

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

Statement of changes in equity
for the year ended 24 December 2015

	Called up Share Capital £	Retained earnings £	Total Equity £
As at 25 December 2014	26	(3,043)	(3,017)
Total comprehensive income for the year	-	432,213	432,213
Balance as at 24 December 2015	<u><u>26</u></u>	<u><u>429,170</u></u>	<u><u>429,196</u></u>

	Called up Share Capital £	Accumulated losses £	Total Equity £
As at 25 December 2013	26	(2,513)	(2,487)
Total comprehensive expense for the year	-	(530)	(530)
Balance as at 24 December 2014	<u><u>26</u></u>	<u><u>(3,043)</u></u>	<u><u>(3,017)</u></u>

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED**Statement of cash flows**

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	9	544,601	(120)
		<hr/>	<hr/>
Increase/(decrease) in cash	10	544,601	(120)
		<hr/>	<hr/>

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

Notes to the Financial Statements for the year ended 24 December 2015

1. ACCOUNTING POLICIES

The principal accounting policies are set out below.

(a) Statement of Compliance with FRS 102

These financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102").

These financial statements for the year ended 24 December 2015 are the Company's first financial statements that comply with FRS 102; the Company's date of transition to FRS 102 is 25 December 2013. There has been no impact on reported Statement of Comprehensive Income and equity from transition to FRS 102.

(b) Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006, under the historical costs convention and on a going concern basis. The accounting policies have been consistently applied throughout the year and are consistent with those applied in previous years.

These financial statements have been presented in British Pounds as this is the Company's functional currency, being the primary economic environment in which it operates.

(c) Critical accounting judgments and estimation uncertainty

Any estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(d) Income and expenses

Income and expenses are recognised in the financial statements on an accruals basis.

(e) Service Charge

The Company manages the service charge of the common parts of the building for the residential tenants. Under Section 42 of the Landlord and Tenant Act 1987, a statutory trust is created for the monies held on behalf of the tenants for this purpose. Accordingly, none of the transactions associated with the service charge activity are shown in the financial statements.

(f) 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 the information contained in the financial statements. The directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future.

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED**Notes to the Financial Statements (continued)
for the year ended 24 December 2015****1. ACCOUNTING POLICIES (continued)****(g) Taxation****Current Tax**

Taxation is based on the profits and income for the period as determined in accordance with the relevant tax legislation, together with adjustments to provisions for prior periods. Tax payable is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Current taxation is recognised in the profit and loss account for the period, except to the extent that it is attributable to a gain or loss recognised outside the profit and loss account, in which case the current tax is recognised in the statement of comprehensive income, or equity, as applicable.

Deferred Tax

Deferred taxation is recognised on temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the financial statements. The tax rates used are the rates that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred tax liabilities. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against of which the temporary differences can be utilised.

Deferred taxation is recognised in the profit and loss account for the period, except to the extent that it is attributable to a gain or loss recognised outside the profit and loss account, in which case the deferred taxation is recognised in the statement of comprehensive income, or equity, as applicable.

(h) Interest receivable and similar income distributions

Interest receivable and similar income is recognised on an accruals basis.

2. TURNOVER

	Year ended 24 December 2015 £	Year ended 24 December 2014 £
Rent receivable from tenants	13,496	11,800

All income is derived from operations performed in the United Kingdom and is recognised net of any VAT.

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED**Notes to the Financial Statements (continued)
for the year ended 24 December 2015****3. ADMINISTRATIVE EXPENSES**

	Year ended 24 December 2015	Year ended 24 December 2014
	£	£
Rent payable to freeholder	14,750	11,800
Other expenses	6,701	675
	<u>21,451</u>	<u>12,475</u>

Audit fees of £2,000 (2014: £2,000) plus non-recoverable VAT have been borne by a fellow subsidiary of the Friends Life Group and were not recharged to the Company (2014: same).

The auditors did not provide any non-audit services to the Company during the year (2014: none).

4. OTHER INCOME

	Year ended 24 December 2015	Year ended 24 December 2014
	£	£
Leasehold enfranchisements	<u>550,027</u>	<u>-</u>

Other income of £550,027 (2014:£nil) was recognised in the year as a result of amount receivable from tenants in relation to leasehold enfranchisements.

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED**Notes to the Financial Statements (continued)
for the year ended 24 December 2015****5. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES****(a) Analysis of tax charge/ (credit) for the financial year**

	Year ended 24 December 2015 £	Year ended 24 December 2014 £
Current tax:		
UK corporation tax charge/(credit) on profit/(loss) for the year	109,854	(145)
Adjustments in respect of prior periods	(1)	-
Tax charge/(credit) for the financial year	<u>109,853</u>	<u>(145)</u>

(b) Factors affecting the tax charge for the year

	Year ended 24 December 2015 £	Year ended 24 December 2014 £
Profit/(loss) on ordinary activities before taxation	542,066	(675)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.27% (2014: 21.53%)	(109,854)	145
Adjustments in respect of prior periods	1	-
Tax (charge)/credit for the year	<u>(109,853)</u>	<u>145</u>

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED**Notes to the Financial Statements (continued)
for the year ended 24 December 2015****6. DEBTORS**

	24 December 2015 £	24 December 2014 £
Trade debtors	1,600	1,200
Other debtors	2,634	2,619
Group relief debtor	1,052	1,051
	<u>5,286</u>	<u>4,870</u>

7. CASH AT BANK AND IN HAND

Cash and cash equivalents comprise the following:

	24 December 2015 £	24 December 2014 £
Cash at bank and in hand	<u>544,506</u>	<u>-</u>

8. CREDITORS: amounts falling due within one year

	24 December 2015 £	24 December 2014 £
Bank overdraft	-	95
Amounts owed to group undertakings	6,369	6,369
Tenant deposits	1,422	1,422
Accruals	2,951	1
Group relief creditor	109,854	-
	<u>120,596</u>	<u>7,887</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

There is no security attached to the Bank overdraft balance disclosed in 2014.

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED**Notes to the Financial Statements (continued)
for the year ended 24 December 2015****9. RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	24 December 2015	24 December 2014
	£	£
Operating profit/(loss)	542,066	(675)
(Increase)/Decrease in debtors	(415)	554
Increase/(decrease) in creditors	2,950	1
	<u>544,601</u>	<u>(120)</u>

10. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET CASH

	24 December 2015	24 December 2014
	£	£
Cash at start of the period	(95)	25
Increase/(decrease) in cash in the period	544,601	(120)
	<u>544,506</u>	<u>(95)</u>

11. CALLED UP SHARE CAPITAL

	24 December 2015	24 December 2014
	£	£
Issued:		
26 "A" (2014: 26) ordinary shares of £0.25 each, fully paid	6	6
78 "B" (2014: 78) ordinary shares of £0.25 each, fully paid	20	20
	<u>26</u>	<u>26</u>

The voting rights and dividend entitlements of the holders of all ordinary shares are the same and all the ordinary shares rank pari passu on a winding up of the company.

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED**Notes to the Financial Statements (continued)
for the year ended 24 December 2015****12. RETAINED EARNINGS/(ACCUMULATED LOSSES)**

	£
Accumulated losses at 24 December 2014	(3,043)
Profit for the financial year	<u>432,213</u>
Retained Earnings at 24 December 2015	<u><u>429,170</u></u>

13. STAFF COSTS

The monthly average number of employees of the Company during the year was nil (2014: £nil). Staff costs for the year were £nil (2014: £nil).

Costs associated with the administration of the Company were borne by Friends Life Services Limited, a fellow subsidiary of the Group, and were not recharged to the Company (2014: same).

14. RELATED PARTY TRANSACTIONS

During the year, the Company was charged ground rent of £11,800 (2014: £11,800), by its parent Company, Friends Life Group Limited, the freehold owner of the property. In turn, the Company charged ground rent of £13,496 (2014: £11,800) to its lessees, who are all shareholders of the Company. Of this balance, £400 (2014: £400) was payable by Friends SL Nominees Limited, as both a lessee and a fellow subsidiary of the Company. In addition, as disclosed in Note 6, an amount of £1,422 is due from the Company to leaseholders in respect of tenant deposits held by the Company.

Amounts due from and to related parties at the year-end were as follows:

	24 December 2015 £	24 December 2014 £
Amounts due from Minority shareholders	<u>1,600</u>	<u>1,200</u>
	24 December 2015 £	24 December 2014 £
Amounts due to the parent Company	<u>6,369</u>	<u>6,369</u>

1-5 LOWNDES SQUARE MANAGEMENT COMPANY LIMITED

**Notes to the Financial Statements (continued)
for the year ended 24 December 2015**

15. DIRECTORS' EMOLUMENTS

The directors are employed by, and receive their emoluments from, Friends Life Services Limited, Friends Life Management Services Limited or Aviva Employment Services Limited. The directors holding office during the year consider their services to the Company were incidental to their other duties within the Group and accordingly no remuneration has been apportioned to the Company (2014: none).

16. IMMEDIATE AND ULTIMATE PARENT

The immediate parent undertaking of the Company is Friends Life Limited.

The ultimate parent undertaking and controlling party of the Company is Aviva plc, a company incorporated in the United Kingdom.

Aviva plc is the parent undertaking of both the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2015. The consolidated financial statements of Aviva plc are available at www.aviva.com or are on application to the:

Group Company Secretary
Aviva plc
St. Helen's
1 Undershaft, London
EC3P 3DQ

17. EVENTS AFTER THE REPORTING DATE

On 23 June 2016 the UK electorate voted to leave the European Union. This decision commences a process that is likely to take a minimum of two years to complete, and during this time the UK remains a member of the European Union. There will be a resulting period of uncertainty for the UK economy, with increased volatility expected in financial markets. This does not impact the fair value of assets and liabilities, reported at the balance sheet date of 24 December 2015.

18. TRANSITION TO FRS 102

This is the first year that the Company has presented its financial statements in accordance with FRS 102 "The Financial Reporting Framework Applicable in the UK and Republic of Ireland ("FRS 102"). For financial years up to and including the year ending 24 December 2014, the Company prepared its financial statements in accordance with previously extant UK GAAP.

The date of transition to FRS 102 is therefore 25 December 2013.

There has been no impact on the position or results of the Company due to the transition to FRS 102.