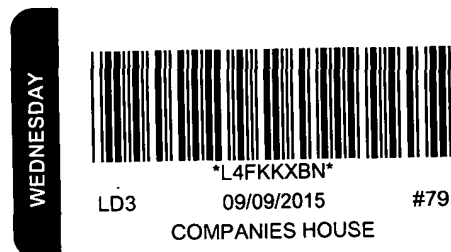


**COLONIAL MANAGEMENT LIMITED**  
(Limited by guarantee)

**Directors' Report and Financial Statements**  
**for the year ended 31 December 2014**



Registered Office: Pixham End, Dorking, Surrey, RH4 1QA

**COLONIAL MANAGEMENT LIMITED**  
(Limited by guarantee)

**COMPANY INFORMATION**

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**DIRECTORS**

Michael Kipling (resigned 26/09/2014)  
Mark Versey (resigned 28/03/2014)  
Jin-Wee Tan (resigned 26/09/2014)  
Robert Groves (appointed 25/09/2014)  
Pierre Biscay (appointed 25/09/2014)  
Yang Song (appointed 25/09/2014)

**SECRETARY**

Friends Life Secretarial Services Limited

**AUDITORS**

Ernst & Young LLP

**COLONIAL MANAGEMENT LIMITED**  
**(Limited by guarantee)**

**DIRECTORS' REPORT**

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The directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2014.

**PRINCIPAL ACTIVITIES**

The principal and continuing activity of Colonial Management Limited ("the Company") is property management and administration within the United Kingdom.

During the period 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.

**EMPLOYEES**

Information regarding staff numbers and costs is disclosed in note 2.

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year the Company made no donations.

**DIRECTORS**

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

Michael Kipling (resigned 26/09/2014)  
Mark Versey (resigned 28/03/2014)  
Jin-Wee Tan (resigned 26/09/2014)  
Robert Groves (appointed 25/09/2014)  
Pierre Biscay (appointed 25/09/2014)  
Yang Song (appointed 25/09/2014)

**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 auditor in connection with preparing its report, of which the auditor is 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 auditor is aware of that information.

**COLONIAL MANAGEMENT LIMITED**  
(Limited by guarantee)

**DIRECTORS' REPORT (CONTINUED)**

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**AUDITOR CHANGE**

Following the change in control of the Friends Life Group of companies, it is anticipated that Ernst & Young LLP will resign as the Company's auditor following the Directors' approval of the report and accounts. It is anticipated that E&Y will confirm that there are no matters to be brought to the Company's attention under s519 of the Companies Act 2006. PwC LLP will then be appointed by the directors and shareholder approval of the appointment sought in due course.

On behalf of the Board:



**Pierre Biscay**

Director

† August 2015

**COLONIAL MANAGEMENT LIMITED**  
**(Limited by guarantee)**

**STRATEGIC REPORT**

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**RESULTS AND BUSINESS REVIEW**

The Company's purpose was to collate service charge revenues from the tenants of certain properties that it was responsible for managing. The service charges are calculated in order to cover the administrative costs of the properties under the Company's management and, therefore the Company is not expected to make a profit or loss in the normal course of business.

In respect of the current year, the Company made neither a profit or loss after taxation.

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

**FUTURE DEVELOPMENTS**

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

There are no plans which will significantly change the activities and risks of the Company.

**RISK MANAGEMENT**

Due to the nature of the former principal activity of the Company, being to manage the service charge for designated properties, it was not expected that the Company would make a profit or loss in the normal course of business and therefore the directors do not consider there to have been any principal risks affecting the Company.

In making this assessment, consideration has also be given to the declaration of support by the parent, Friends Life Limited, which has committed to cover the liabilities of the Company as they fall due (including any liquidity risks arising from a potential tenant default).

**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.

**DIRECTORS' INDEMNITY AND LIABILITY INSURANCE**

Friends Life Holdings plc (formerly Friends Life Group plc), an intermediate parent company, maintains insurance cover with respect to directors' and officers' liabilities. In addition, qualifying third party indemnity arrangements (as defined in Section 234 of the Companies Act 2006) are in force for the benefit of directors within the Group. Copies of the indemnity are available for inspection at the Company's registered office.

**COLONIAL MANAGEMENT LIMITED**  
(Limited by guarantee)

**STRATEGIC REPORT**

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**KEY PERFORMANCE INDICATORS (KPIs)**

The directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the Company.

On behalf of the Board:



**Pierre Biscay**

Director

7 August 2015

**COLONIAL MANAGEMENT LIMITED**  
(Limited by guarantee)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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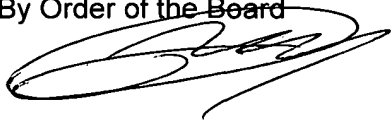
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. The financial statements have been prepared on a going concern basis as disclosed in note 1.

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) 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

By Order of the Board



**Pierre Biscay**  
Director  
7 August 2015

**COLONIAL MANAGEMENT LIMITED**  
(Limited by guarantee)

**AUDITOR'S REPORT**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF COLONIAL  
MANAGEMENT LIMITED**

We have audited the financial statements of Colonial Management Limited ("the Company") for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements have been prepared on a going concern basis as disclosed in note 1.

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.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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. In addition, we read all the financial and non-financial information in the Report and Financial Statements 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.



**COLONIAL MANAGEMENT LIMITED**  
(Limited by guarantee)

**AUDITOR'S REPORT (CONTINUED)**

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**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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.



**James Stuart (Senior statutory auditor)**

For and on behalf of Ernst & Young LLP, Statutory Auditor  
London

12 August 2015

**COLONIAL MANAGEMENT LIMITED**  
**(Limited by guarantee)**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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	Note	2014 £	2013 £
<b>Turnover</b>		<b>9,218</b>	<b>16,721</b>
Administrative expenses		<b>(9,218)</b>	<b>(16,721)</b>
		<hr/>	<hr/>
<b>Results for the year</b>	2,3	<b>-</b>	<b>-</b>
		<hr/>	<hr/>

The results for the year and the preceding year are from continuing operations.

The Company has no recognised gains or losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 10 to 13 form an integral part of these financial statements.

**COLONIAL MANAGEMENT LIMITED**  
(Limited by guarantee)

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

	Note	2014 £	2013 £
<b>Current assets</b>			
Debtors	4	-	6,177
Cash at bank and in hand		8,519	3,081
		<u>8,519</u>	<u>9,258</u>
<b>Creditors: amounts falling due within one year</b>	5	(8,519)	(9,258)
		<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>			
Profit and loss account		<u>-</u>	<u>-</u>

The financial statements were approved by the Board of directors on 7 August 2015 and signed on its behalf by:



Pierre Biscay  
Director  
7 August 2015

The notes on pages 11 to 13 form an integral part of these financial statements.

**COLONIAL MANAGEMENT LIMITED**  
(Limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

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**1. ACCOUNTING POLICIES**

The principal accounting policies are set out below.

**(a) Basis of preparation**

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and with applicable UK accounting standards.

The directors consider these to be appropriate and in accordance with the objectives of Financial Reporting Standard 18 "Accounting Policies" which are relevance, reliability, comparability and understandability.

**(b) Income and expenses**

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

All income arises in the United Kingdom and represents the collection of service charges from the tenants of the properties managed by the Company. It is recognised net of VAT. Service charges are made to cover the costs associated with the management and administration of the properties by the Company on behalf of the tenants.

**2. RESULT FOR THE YEAR**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
The result for the year is stated after charging:		
Auditor's remuneration	<u><b>2,000</b></u>	<u><b>2,000</b></u>

The average number of persons employed by the Company during the year was nil (2013: nil). Staff costs for the year were £nil (2013: £nil).

**3. TAXATION**

The Company made neither a profit nor a loss in the year (2013: £nil), consequently no provision for taxation has been made.

**COLONIAL MANAGEMENT LIMITED**  
(Limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. DEBTORS**

	2014	2013
	£	£
Amounts due from tenants	-	5,194
Amounts due from group undertaking	-	983
	<u>-</u>	<u>6,177</u>

**5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£	£
Trade creditors	2,532	627
Deferred income	-	2,607
Amounts due to group undertaking	5,986	6,024
	<u>8,519</u>	<u>9,258</u>

**6. DIRECTORS' EMOLUMENTS**

The directors are employed by, and receive their emoluments from, Friends Life Services Limited or Friends Life Management Services Limited. The directors holding office during the year consider their services to the Company were incidental to their other duties within the Friends Life Group and accordingly no remuneration has been apportioned to the Company (2013: none).

**7. GUARANTEE**

Every Member of the Company undertakes to contribute such amount as may be required (not exceeding £1) to the Company's assets if it should be wound up while such a person is a Member or within one year after ceasing to be a Member, for payment of the Company's debts and liabilities contracted before such person ceases to be a Member, and of the costs, charges and expenses of winding up.

The Company had 1 Member throughout the year (2013: 1).

**8. RELATED PARTIES**

As the Company is a wholly-owned subsidiary, it has taken advantage of the exemption granted under Financial Reporting Standard 8 (Related Party Disclosures) where subsidiary undertakings do not have to disclose transactions with Group companies qualifying as related parties provided that consolidated financial statements are publicly available. There are no external related party transactions (2013: none).

**COLONIAL MANAGEMENT LIMITED**  
**(Limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**9. CASH FLOW STATEMENT**

Under Financial Reporting Standard ("FRS") 1 (Cash Flow statements (Revised 1996)), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a subsidiary undertaking of a parent undertaking which produces a consolidated cash flow statement. The cash flow of the Company is consolidated in Friends Life Group Limited's (formerly Resolution Limited) Financial Statements, which can be viewed via the Aviva website at [www.aviva.com](http://www.aviva.com).

**10. ULTIMATE PARENT**

For the year to 31 December 2014, the smallest group into which the results of the Company have been consolidated is that formerly headed by Friends Life Holdings plc. The largest group into which the results have been consolidated is that formerly headed by Friends Life Group Limited. These consolidated financial statements are available on [www.aviva.com](http://www.aviva.com) or by application to the Group Company Secretary, Aviva plc, St. Helen's, 1 Undershaft, London EC3P 3DQ.

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

**11. POST BALANCE SHEET EVENTS**

On 19 January 2015, Friends Life Group Limited (FLGL), the ultimate parent company of the Company at that time, published a Scheme of Arrangement ("the Scheme") document in relation to the proposed acquisition by Aviva plc of the entire ordinary share capital of FLGL by way of a Scheme of Arrangement in accordance with Guernsey company law.

The acquisition received the approval of FLGL and Aviva's shareholders, and of the Guernsey Court. The Scheme became effective on 10 April 2015 and at that point the Company became part of the Aviva Group, with FLGL becoming a wholly-owned subsidiary of Aviva Group Holdings Limited.

On 13 April 2015 the former Friends Life Group companies were transferred within the Aviva group of companies, such that Friends Life Group Limited is no longer a parent company of the Company.