

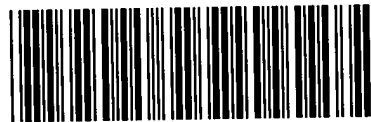
FRIENDS LIFE FPL LIMITED

COMPANY REGISTERED IN ENGLAND AND WALES
REGISTRATION NUMBER 4113107

REPORT AND ACCOUNTS

For the year ended 31 December 2015

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FRIENDS LIFE FPL LIMITED
REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

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FRIENDS LIFE FPL LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2015

BOARD OF DIRECTORS

A. D. Briggs
J. R. Lister

COMPANY SECRETARY

Aviva Company Secretarial Services Limited

REGISTERED OFFICE

Pixham End
Dorking
Surrey
RH4 1QA

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol
BS2 0FR

FRIENDS LIFE FPL LIMITED**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their Strategic Report on Friends Life FPL Limited ("the Company") for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

The Company is a wholly owned subsidiary of Friends Life FPG Limited ("FPG") and is part of the Aviva plc Group ("the Group"). The Company is an intermediate holding company. No change of activity is envisaged in the future.

EMPLOYEES

Companies within the Group receive services and administration from either, Friends Life Services Limited ("FLS"), Friends Life Management Services Limited ("FLMS") or both. These entities either employ staff engaged in these activities or outsource the provision of these services to external outsourced service providers. Accordingly, the Company has no direct employees. The average number of employees of FLS and FLMS is disclosed in the accounts of those entities.

ACQUISITION BY AVIVA GROUP

On 19 January 2015, Friends Life Group Limited ("FLGL"), which at that date was the ultimate parent company of the Company, 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. Following shareholder and Guernsey court approval the Scheme became effective on 10 April 2015 and at that point the Company became part of the Aviva Group.

RESULTS AND BUSINESS REVIEW

	2015 £000	2014 £000
Income from shares in group undertakings	410,000	393,000
Realised losses on subsidiaries	(803,054)	(611,106)
Unrealised losses on subsidiaries	(177,383)	(15,742)

Income from shares in group undertakings reflects dividends received from Friends Life Limited ("FLL"), one of the Company's principal subsidiaries, which is a regulated UK life insurance company.

The unrealised and realised losses arise from the revaluation of investments in group undertakings to fair value. Where a reduction in the fair value below book cost is considered to be permanent, losses are treated as realised. The losses on subsidiaries in the year principally relate to a reduction in the fair value of FLL. The group methodology for valuation of life insurance subsidiaries results in FLL's fair value being taken to be equal to its Market Consistent Embedded Value ("MCEV"). FLL's MCEV has fallen during the year as a result of falls in investment markets and changes in MCEV methodology as a result of alignment with Aviva Group methodologies.

FRIENDS LIFE FPL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The strategic aim of the Aviva Group (of which the Company has been a part of since the Aviva Group acquired the Friends Life Group) is to develop a sustainable business that meets the needs of customers and delivers cash and appropriate returns to shareholders. As with all businesses, the Aviva Group is exposed to risk in pursuit of its objectives.

Enterprise risk management ("ERM") is the discipline by which both the Friends Life Group and Aviva Group safeguards the interests of customers and shareholders. This is achieved through the identification, assessment, management monitoring and control of current and emerging risks, against a set of agreed risk appetite and limits, in order to develop a sustainable business that meets the needs of customers and delivers appropriate returns to shareholders within appropriate and prudent risk boundaries.

The philosophy underpinning risk management is that it should be designed, implemented and maintained in a manner that supports management's decision making and helps management to deal effectively with uncertainty.

Until the Aviva acquisition, the FLGL Board was responsible for the risk management framework applied by companies within the Friends Life Group. The Board delegated responsibility for overseeing risk management across the Group to the Risk and Compliance Committee ("RCC"). The RCC was supported by the Executive Risk Committee ("ERC").

Following the Aviva acquisition the ex-Friends Life entities have continued to use the enterprise risk management framework that was in place prior to acquisition across the Friends Life Group. The ex-Friends Life entities have transitioned to the Aviva Group risk management framework from 1 January 2016.

The principal risk which the Company is exposed to is the fluctuation in fair value of its investments in group undertakings. This risk principally arises from the investments in the life insurance subsidiaries of the Company.

As at 31 December 2015 the Company has net current liabilities of £9.2m principally arising from a £10.0m loan liability to Friends Life Services Limited ("FLS"). Given FLS is a 100% owned subsidiary of the Company and in addition the Company has access to significant liquidity in its other subsidiaries the net current liability position is not considered a significant risk for the Company.

Approved by the Board on ^{4 August}~~July~~ 2016 and signed on its behalf by:



J. R. LISTER
DIRECTOR

~~July~~ 2016
^{4 August}

FRIENDS LIFE FPL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2015.

DIRECTORS

The directors in office at the date of signing of these financial statements are listed on page 2. Appointments and resignations of directors during the year and up to the date of the signing of these financial statements are as follows:

A. D. Briggs was appointed as a director on 31 March 2015.

J. R. Lister was appointed as a director on 13 April 2015.

J. A. Newman resigned as a director on 31 March 2015.

D. J. Butler resigned as a director on 30 April 2015.

DIVIDENDS

Dividends totalling £590 million (2014: £393 million) were paid by the Company during the year.

COMPANY SECRETARY

Friends Life Secretarial Services Limited acted as Company Secretary until 30th June 2015 at which point Aviva Company Secretarial Services Limited became the company secretary.

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITORS

The directors who held office at the date of approval of this report of the directors confirm that, as far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

INDEPENDENT AUDITORS'

During the year Ernst & Young LLP resigned as auditors and PricewaterhouseCoopers LLP were appointed. It is the intention of the directors to reappoint the auditors, PricewaterhouseCoopers LLP, under the deemed appointment rules of section 487 of the Companies Act 2006.

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 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 and at least 12 months from the date of the approval of the financial statements.

DIRECTORS AND OFFICERS – QUALIFYING INDEMNITY PROVISIONS

Aviva plc, the Company's ultimate parent, (since Aviva plc acquired the Friends Life Group on 10 April 2015) 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 in force throughout the year and at the date of approving the Directors' Report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

FRIENDS LIFE FPL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2015 (continued)

FUTURE OUTLOOK

Following the acquisition of the Friends Life Group by the Aviva Group significant integration activity is envisaged across the combined Group. The impact of the integration on the activities of the Company has yet to be determined. Until any changes are agreed and implemented, the Company will continue with its existing activities.

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

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101).


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 United Kingdom Accounting Standards, including FRS 101, 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 101 used in the 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.

Approved by the Board on ^{4 August} July 2016 and signed on its behalf by:


J. R. DISTER
DIRECTOR

FRIENDS LIFE FPL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRIENDS LIFE FPL LIMITED
FRIENDS LIFE FPL LIMITED**

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, Friends Life FPL Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss 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 Accounts (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2015;
- the Profit and Loss Account 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 101 "Reduced Disclosure Framework", 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 Report of the Directors 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.

FRIENDS LIFE FPL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRIENDS LIFE FPL LIMITED
FRIENDS LIFE FPL LIMITED**

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 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) ("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 financial statements involves

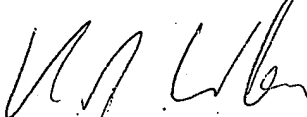
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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 Williams (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
10 August 2016

FRIENDS LIFE FPL LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £000	2014 £000
Income from shares in group undertakings		410,000	393,000
Income from other fixed asset investments		390	71
Interest income and similar income		577	1,038
Realised losses on subsidiaries		(803,054)	(611,106)
Unrealised losses on subsidiaries		(177,383)	(15,742)
LOSS ON ORDINARY ACTIVITIES BEFORE TAX		(569,470)	(232,739)
Tax on loss on ordinary activities	3	(210)	(228)
LOSS FOR THE FINANCIAL YEAR		(569,680)	(232,967)

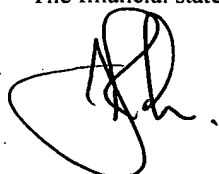
The notes on pages 12 to 29 form an integral part of these financial statements.

FRIENDS LIFE FPL LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2015

	Note	2015 £000	2014 £000
FIXED ASSETS			
Investments in group undertakings	4	3,975,684	4,916,421
		3,975,684	4,916,421
CURRENT ASSETS			
Amounts owed by group undertakings		328	98
Cash at bank and in hand		901	229,980
		1,229	230,078
CURRENT LIABILITIES			
Creditors:			
Amounts owed to group undertakings		(10,000)	(22,075)
Other creditors		(429)	(3,260)
		(10,429)	(25,335)
NET CURRENT (LIABILITIES) / ASSETS		(9,200)	204,743
TOTAL ASSETS LESS CURRENT LIABILITIES		3,966,484	5,121,164
CAPITAL AND RESERVES			
Called up share capital	6	2,506,259	2,501,259
Profit and loss account		1,460,225	2,619,905
EQUITY SHAREHOLDER'S FUNDS		3,966,484	5,121,164

The notes on pages 12 to 29 form an integral part of these financial statements.

The financial statements on pages 9 to 29 were approved by the board of directors on ^{4 August} ~~July~~ 2016 and signed on its behalf by:



J. R. LISTER
DIRECTOR

FRIENDS LIFE FPL LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015**

	Share capital £000	Profit and loss account £000	Total £000
At 1 January 2015	2,501,259	2,619,905	5,121,164
Loss for the financial year	-	(569,680)	(569,680)
Dividends paid	-	(590,000)	(590,000)
Increase in share capital	5,000	-	5,000
At 31 December 2015	2,506,259	1,460,225	3,966,484

	Share capital £000	Profit and loss account £000	Total £000
At 1 January 2014	2,201,259	3,245,872	5,447,131
Loss for the financial year	-	(232,967)	(232,967)
Dividends paid	-	(393,000)	(393,000)
Increase in share capital	300,000	-	300,000
At 31 December 2014	2,501,259	2,619,905	5,121,164

The distributable reserves of the Company at 31 December 2015 are £1,416 million (2014: £2,148 million).

The notes on pages 12 to 29 form an integral part of these financial statements.

FRIENDS LIFE FPL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****1. STATEMENT OF ACCOUNTING POLICIES****1.1 Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company is exempt under section 400 of the Companies Act 2006 from the obligation to prepare group accounts as the Company is a wholly owned subsidiary of Aviva plc in whose consolidated accounts the Company is included. Accordingly, the financial statements present information about the Company as an individual entity and not about its group.

The financial statements are stated in sterling which is the Company's functional and presentation currency.

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. The adjustments required as a result of transition to FRS 101 are set out in section 1.2 below.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

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 in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

1.2 Adjustments arising from the implementation of FRS 101

Following the implementation of FRS 101 investments in shares in group undertakings are classified as fair value through profit or loss. This results in fair value movements being recognised as realised / unrealised gains in the profit and loss account. Under the previous UKGAAP fair value movements were recognised in the statement of total recognised gains and losses unless they resulted in an impairment of the subsidiaries book cost, in which case they were recognised in the profit and loss account.

There was no impact of this change on the shareholder equity of the Company at 1 January 2014 or 31 December 2014. However, there is a reclassification of revaluation reserves to profit and loss reserves of £1,039,074 at 1 January 2014 and £428,111 at 31 December 2014. This change also resulted in the reclassification of £610,963 of fair value losses from the statement of total recognised gains and losses for the year to 31 December 2014 to the profit and loss account (split realised losses of £611,106 and unrealised gains of £143).

FRIENDS LIFE FPL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**

1.3 Significant accounting policies**1.3.1 Income from shares in group undertakings**

Dividend income from shares in group undertakings is recognised when the right to receive the payment is established. For unlisted shares (all the Company's directly held subsidiaries are unlisted) this is the due date.

1.3.2 Income from other fixed asset investments

Income from other fixed asset investments reflects interest due on loans to group undertakings. Interest income is recognised as it accrues on an effective interest rate basis.

1.3.3 Realised and unrealised (losses) / gains on subsidiaries

Shares in group undertakings are valued at fair value with gains or losses being recognised in the profit and loss account. Realised gains / (losses) either arise on disposal of a subsidiary or when the fair value of the subsidiary is reduced below its book cost and the loss is considered to be permanent.

1.3.4 Tax**Current Tax**

Taxation is based on the profits and income for the year as determined in accordance with the relevant tax legislation, together with adjustments to provisions for prior years. 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 year, 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 taxation is recognised in the statement of comprehensive income, or equity, as applicable.

1.3.5 Valuation of shares in group undertakings

Shares in group undertakings are stated at their fair values, estimated using applicable valuation models underpinned by Market Consistent Embedded Value and IFRS net asset value. Subsidiaries managed on a fair value basis are classified as held at fair value through profit or loss with valuation movements recognised in the profit and loss account.

1.3.6 Valuation of loans to group undertakings

Loans to Group undertakings are valued at amortised cost.

FRIENDS LIFE FPL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. AUDITORS' REMUNERATION

Auditors' remuneration for audit services for 2015 of £2,000 (2014 £3,000) 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.

3. TAX ON LOSS ON ORDINARY ACTIVITIES

	2015 £000	2014 £000
Tax charge for the year		
(a) Analysis of tax charge for the year		
UK corporation tax @ 20.25% (2014: 21.50%)	196	219
Prior year adjustments	14	9
Total tax charge	210	228
(b) Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(569,470)	(232,739)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014: 21.50%)	(115,317)	(50,039)
Effects of:		
Non-taxable income	(83,025)	(84,496)
Transfer pricing adjustment	-	(18)
Prior year adjustments	14	9
Impairment of valuation of subsidiaries	198,538	134,772
Total tax charge	210	228

(c) Factors that may affect future tax charge

UK legislation was substantively enacted in July 2013 to reduce the rate of corporation tax from 21% to 20% from 1 April 2015, resulting in an effective rate for the year ended 31 December 2015 of 20.25%. UK legislation was substantively enacted in October 2015 to reduce the rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020.

4. INVESTMENTS IN GROUP UNDERTAKINGS

	Shares in Group undertakings £000	Loans to Group undertakings £000	Total £000
Current value			
At 1 January 2015	4,893,631	22,790	4,916,421
Additions	30,000	9,700	39,700
Revaluations	(980,437)	-	(980,437)
At 31 December 2015	3,943,194	32,490	3,975,684
Cost			
At 1 January 2015	4,688,708	22,790	4,711,498
Additions	30,000	9,700	39,700
Impairment	(803,054)	-	(803,054)
At 31 December 2015	3,915,654	32,490	3,948,144

FRIENDS LIFE FPL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. INVESTMENTS IN GROUP UNDERTAKINGS AND PARTICIPATING INTEREST (continued)

The £30 million additions to shares in group undertakings relates to three separate occasions that the Company subscribed to 10 million £1 ordinary shares in Friends Provident Distribution Holdings Limited during 2015. The dates of these subscriptions were 26 March 2015, 24 September 2015 and 22 December 2015. The £9.7 million addition to loans to group undertakings reflects the drawdown in the year of the remaining £9.7 million of the £20 million loan facility to Friends Life Distribution Limited ("FLDL").

	Shares in Group undertakings £000	Loans to Group undertakings £000	Total £000
Current value			
At 1 January 2014	5,220,479	12,490	5,232,969
Additions	300,000	12,300	312,300
Repayments	-	(2,000)	(2,000)
Revaluations	(626,848)	-	(626,848)
At 31 December 2014	4,893,631	22,790	4,916,421
Cost			
At 1 January 2014	4,404,450	12,490	4,416,940
Additions	300,000	12,300	312,300
Repayments	-	(2,000)	(2,000)
Impairment	(15,742)	-	(15,742)
At 31 December 2014	4,688,708	22,790	4,711,498

On 26 September 2014 the Company increased its investment in FLL by subscribing for three hundred million ordinary shares of £1 each, in exchange for consideration of £300 million.

On 21 October 2014 the Company issued a loan to Sesame Bankhall Group Limited ("SBG") for £2 million with interest being set at 1% above the London Interbank Offered Rate. This loan was repaid on 18 December 2014.

On 18 December 2014 the Company issued a loan to FLDL for £10.3 million with interest being set at 1% above the London Interbank Offered Rate.

The cost of shares in group undertakings disclosed for 2014 has been restated to reflect the fact that where fair value has fallen below cost and the deficit is considered to be permanent then a write-down of the book cost is recognised. This has resulted in a reduction in the 1 January 2014 book cost of shares in group undertakings of £242 million and a reduction in the 31 December 2014 book cost of shares in group undertakings of £258 million, relative to previously disclosed amounts.

Loans to group undertakings

	2015 £000	2014 £000
Loan to FPDH (£8,500,000 non-interest bearing, £3,990,000 interest bearing of 1% above 6 months LIBOR)	12,490	12,490
Loan to FLDL (interest bearing of 1% above 6 months LIBOR)	20,000	10,300
	32,490	22,790

FRIENDS LIFE FPL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. PRINCIPAL GROUP UNDERTAKINGS

Principal subsidiary undertakings of the Company as at 31 December 2015 are shown below. Each undertaking operates mainly in its country of incorporation.

Held directly by the Company	Nature of business	Incorporated in	Class of shares	% owned
Friends Life Limited	Insurance	England and Wales	£1.00 Ordinary shares	100%
Friends Life Management Services Limited	Management Services Company	England and Wales	£1.00 Ordinary shares	100%
Friends Life Services Limited	Services Company	England and Wales	£1.00 Ordinary shares	100%
Friends Life Staff Schemes Limited	Insurance Distribution Company	England and Wales	£0.25 Ordinary shares	100%
Friends Provident Distribution Holdings Limited	Holding Company	England and Wales	£1.00 Ordinary shares	100%
London and Manchester Group Limited	Holding Company	England and Wales	£0.25 Ordinary shares	100%
Precis (1994) Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Held indirectly through subsidiary undertakings	Nature of business	Incorporated in	Class of Shares	% owned
1-5 Lowndes Square Management Company Limited	Property Management Company	England and Wales	£0.25 A Ordinary shares	4%
			£0.25 B Ordinary shares	100%
20 Lowndes Square Management Company Limited	Property Management Company	England and Wales	£0.25 A Ordinary shares	7%
			£0.25 B Ordinary shares	100%
21/2 Devonshire Square General Partner Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
23-25 Lowndes Square Management Company Limited (in liquidation)	Dormant Company	England and Wales	£0.25 A Ordinary shares	14%
			£0.25 B Ordinary shares	100%
41-42 Lowndes Square Management Company Limited	Property Management Company	England and Wales	£0.25 A Ordinary shares	11%
			£0.25 B Ordinary shares	100%
43 Lowndes Square Management Company Limited	Property Management Company	England and Wales	£0.25 A Ordinary shares	7%
			£0.25 B Ordinary shares	100%

FRIENDS LIFE FPL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****5. PRINCIPAL GROUP UNDERTAKINGS (continued)**

Held indirectly through subsidiary undertakings	Nature of business	Incorporated in	Class of Shares	% owned
44-49 Lowndes Square Management Company Limited	Property Management Company	England and Wales	£0.25 A Ordinary shares £0.25 B Ordinary shares	1% 100%
6-10 Lowndes Square Management Company Limited	Property Management Company	England and Wales	£0.25 A Ordinary shares £0.25 B Ordinary shares	4% 100%
Argus Benefits Experts AG & Co KG	Advisory and Distribution Company	Germany	Partnership Interest	60%
Atlantic Industrial Nominees Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Atlas Park Management Company Limited	Property Management Company	England and Wales	Company limited by guarantee	100%
AXA UK Infrastructure Investment SAS	Joint Stock Company	France	€1.00 Ordinary shares	100%
Axcess 10 Management Company Limited	Property Management Company	England and Wales	Company limited by guarantee	100%
Bankhall Investment Management Limited	Holding Company	England and Wales	£1.00 Ordinary shares	100%
Bankhall PMS Limited	Support Services Company	England and Wales	£1.00 Ordinary shares	100%
Bell, Noble, Elliott, (Brokers) Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Box Hill Investments Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Church Street Nominee No.1 Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Church Street Nominee No.2 Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Church Street Nominee No.3 Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Colonial Management Limited	Property Management Company	England and Wales	Company limited by guarantee	100%
Countrywide Independent Advisers Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%

FRIENDS LIFE FPL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. PRINCIPAL GROUP UNDERTAKINGS (continued)

Held indirectly through subsidiary undertakings	Nature of business	Incorporated in	Class of Shares	% owned
Crystal Clear Financial Advice Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
County Mall (Crawley) Management Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Cumberland Place Management Company Limited	Property Management Company	England and Wales	£1.00 Ordinary shares	67%
DBS Financial Management Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
DBS Management Limited	Dormant Company	England and Wales	£0.05 Ordinary shares	100%
DBS Management Deutschland (in liquidation)	Holding Company	Germany	€1.00 Ordinary shares	100%
Dextra Court Properties Limited	Property Holding Company	England and Wales	£1.00 Ordinary shares	100%
Exeter Properties Inc.	Investment Holding Company	United States	US\$ Common Stock WPV shares US\$ Series A Pref WPV Shares	95% 100%
Financial Options Services Limited	Holding Company	England and Wales	£1.00 Ordinary shares	100%
FP (Portfolio) Nominees Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
FP Finance plc	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
FP Financial Management Limited	Holding Company	England and Wales	£1.00 Ordinary shares	100%
FP Group Limited	Investment Holding Company	England and Wales	£1.00 Ordinary shares	100%
FPB AG & Co Erste Beteiligungs-KG	Distribution Company	Germany	€1.00 shares	100%
fpb AG	Distribution and Service Company	Germany	€1.00 shares	100%
fpb Concept AG	Dormant Company	Germany	€1.00 shares	100%
FPB Holdings GmbH	Holding Company	Germany	€1.00 Series A shares €1.00 Series B shares	100% 100%

FRIENDS LIFE FPL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****5. PRINCIPAL GROUP UNDERTAKINGS (continued)**

Held indirectly through subsidiary undertakings	Nature of business	Incorporated in	Class of Shares	% owned
FPPE Fund Public Limited Company	Capital Investment Company	Ireland	€1.00 subscriber shares €1.00 Shares of no par value	100%
Friars Square (Aylesbury) Management Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends AEL Trustees Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends AELEM Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends AELRIS Limited	Investment Holding Company	England and Wales	£1.00 Stock shares	100%
Friends ALF Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends Annuities Limited	Insurance	England and Wales	£1.00 Ordinary shares	100%
Friends Life and Pensions Limited	Insurance	England and Wales	£1.00 Ordinary shares	100%
Friends Life Assurance Society Limited	Insurance	England and Wales	£0.05 Ordinary shares	100%
Friends Life BHA Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends Life Company Limited	Insurance	England and Wales	£1.00 Ordinary shares	100%
Friends Life Distribution Limited	Holding Company	England and Wales	£1.00 Ordinary shares	100%
Friends Life FPLMA Limited	Insurance	England and Wales	£1.00 Ordinary shares	100%
Friends Life Investment Solutions Limited	Corporate Platform Provider	England and Wales	£1.00 Ordinary shares	100%
Friends Life Marketing Limited	Intermediary Company	England and Wales	£1.00 Ordinary shares	100%
Friends Life The Blue Line Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends Life WF Limited	Financing Facilities Company	England and Wales	£1.00 Ordinary shares	100%
Friends Life WL Limited	Insurance	England and Wales	£1.00 Ordinary shares	100%

FRIENDS LIFE FPL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****5. PRINCIPAL GROUP UNDERTAKINGS (continued)**

Held indirectly through subsidiary undertakings	Nature of business	Incorporated in	Class of Shares	% owned
Friends Milestones Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends Pensions Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends Provident First Call Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends Provident International Limited	Insurance	Isle of Man	£1.00 Ordinary B shares	100%
			£1.00 Ordinary shares	100%
Friends Provident International Services Limited	Service Company	Isle of Man	£1.00 Ordinary shares	100%
Friends Provident Investment Holdings plc	Investment Holding Company	England and Wales	£1.00 Ordinary A shares	100%
			£1.00 Ordinary B shares	100%
Friends Provident Life Assurance Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends' Provident Linked Life Assurance Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends' Provident Managed Pension Funds Limited	Pensions Company	England and Wales	£1.00 Ordinary shares	100%
Friends Provident Pension Scheme Trustees Limited	Corporate Trustee Company	England and Wales	£1.00 Ordinary shares	100%
Friends Provident Pension Solutions Direct Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends Provident Pensions Services Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends Provident Trustees Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends Retirement Income Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends SL Nominees Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends SLFA Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends SLFS Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Friends SLOLAC Limited	Non-trading Company	England and Wales	£1.00 Ordinary shares	100%

FRIENDS LIFE FPL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****5. ' PRINCIPAL GROUP UNDERTAKINGS (continued)**

Held indirectly through subsidiary undertakings	Nature of business	Incorporated in	Class of Shares	% owned
Friends SLPS Limited	Dormant Company	England and Wales	£0.25 Ordinary shares	100%
Friends SLUS Limited	Dormant Company	England and Wales	£0.02 Ordinary A shares £0.02 Ordinary B shares	100% 100%
Gateway Specialist Advice Services Limited	Financial Advice	England and Wales	£1.00 Ordinary shares	100%
Glasgow Airport Business Park Management Company Limited	Property Management Company	England and Wales	Limited by guarantee	100%
Gobafoss Partnership Nominee No 1 Ltd	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Hengrove Park Bristol (Phase 1) Management Company Limited	Property Management Company	England and Wales	£1.00 Ordinary shares	100%
Herax Nominees (No. 1) Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Herax Nominees (No. 2) Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
IFA Exchange Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
IFA Network Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
IFA Engine Limited	Dormant Company	England and Wales	£0.01 Ordinary shares	100%
Jetsolid Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Journey Financial Advice Limited	Financial Advice	England and Wales	£0.01 Ordinary shares	100%
London and Manchester (Commercial Mortgages) Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
London and Manchester (Mortgages) (No.7) Limited	Debt Recovery Company	England and Wales	£1.00 Ordinary shares	100%
London Capital Holdings Limited	Property Investment Company	England and Wales	£1.00 Ordinary shares £1.00 Deferred shares	100% 100%
London Midland Associated Properties Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%

FRIENDS LIFE FPL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****5. PRINCIPAL GROUP UNDERTAKINGS (continued)**

Held indirectly through subsidiary undertakings	Nature of business	Incorporated in	Class of Shares	% owned
NBP Developments Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Maidenhead Office Park Management Company Limited	Property Management Company	England and Wales	Limited by guarantee	90%
Newgate Street Properties Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
North British Properties (Scotland) Limited	Dormant Company	Scotland	£1.00 Ordinary shares	100%
North British Properties Limited	Holding Company	England and Wales	£0.01 Ordinary shares £0.25 Deferred (non-voting) shares	100% 100%
Optimum Investment Management Limited	Investment Management Company	England and Wales	£1.00 A Ordinary shares £1.00 B Ordinary shares £1.00 Preference shares	100% 0% 0%
Optimum Investment Solutions Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Opus Park Management Limited	Property Management Company	England and Wales	Limited by guarantee	100%
Point One Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Portfolio Member Services Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Premier Mortgage Service Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Regional Properties Limited	Investment Holding Company	England and Wales	£0.01 Ordinary shares £0.25 Deferred (non-voting) shares	100% 100%
Regional Properties Management Limited	Property Management Company	England and Wales	£1.00 Ordinary shares	100%
SB Mortgage Network Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Sesame Bankhall Group Limited	Financial Distribution Business	England and Wales	£1.00 Ordinary shares	100%
Sesame Bankhall Valuation Services Limited	Panel Management Company	England and Wales	£1.00 Ordinary A shares £1.00 Ordinary B Shares	100% 0%

FRIENDS LIFE FPL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. PRINCIPAL GROUP UNDERTAKINGS (continued)

Held indirectly through subsidiary undertakings	Nature of business	Incorporated in	Class of Shares	% owned
Sesame Desktop Services Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Sesame General Insurance Services Limited	Insurance Advice	England and Wales	£1.00 Ordinary shares	100%
Sesame Group India Private Limited	Support Services Company	India	INR 10.00 Equity Shares	100%
Sesame Investment Services Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Sesame Limited	Financial Advisor Network	England and Wales	£1.00 Ordinary shares	100%
Sesame Mortgage Services Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Sesame Mortgages Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Sesame Network Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Sesame Regulatory Services Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Sesame Select Services Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Sesame Services Limited	Services Company	England and Wales	£1.00 Ordinary A shares	100%
			£1.00 Ordinary B shares (non-voting)	100%
Silicon Properties Limited	Property Company	England and Wales	£1.00 Ordinary shares	100%
St Christopher's Place Limited	Property Investment Company	England and Wales	£1.00 Ordinary shares	100%
Staff Schemes Save from Pay Ltd	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Stonebridge Cross Management Limited	Property Management Company	England and Wales	Limited by guarantee	100%
Suntrust Limited	Trustee Company	England and Wales	£1.00 Ordinary shares	100%
The Financial Adviser School Limited	Training Services Company	England and Wales	£1.00 Ordinary shares	100%

FRIENDS LIFE FPL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. PRINCIPAL GROUP UNDERTAKINGS (continued)

Held indirectly through subsidiary undertakings	Nature of business	Incorporated in	Class of Shares	% owned
The Gallery Gloucester Green Nominee One Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
The Gallery Gloucester Green Nominee Two Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
The Gallery Gloucester Green Nominee Three Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
The Growth Fund Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
The IFA Training School Limited	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
The Land and House Property Corporation Limited	Dormant Company	England and Wales	£0.50 3.15% Cumulative Preference shares £0.50 Ordinary shares	100%
UKP Holdings Inc.	Investment Company	United States	US\$1.00 Common Stock shares US\$100.00 Non Cumulative Preferred Stock	100%
Vipsanius AG	Advisory Company	Germany	€1.00 Ordinary shares	100%
Wealth Limited (formerly SB Financial Distribution Limited)	Dormant Company	England and Wales	£1.00 Ordinary shares	100%
Winslade Investments Inc.	Investment Holding Company	United States	US\$ Common Stock WPV shares US\$ Series A Pref WPV US\$ Series B Pref WPV	100%
				100%
Participating Interest held directly by the Company	Nature of business	Incorporated in	Class of Shares	% owned
AXA UK Infrastructure Investment SAS	Investment Company	France	£1.00 Ordinary shares	100%
FPPE Fund Public Limited Company	Investment Company	Ireland	€1.00 Subscriber shares	100%
ASL Caravel Limited Partnership	Private Equity Partnership	United Kingdom	Limited Partner	100%
ASL Clipper Limited Partnership	Private Equity Partnershi	United Kingdom	Limited Partner	100%

FRIENDS LIFE FPL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****5. PRINCIPAL GROUP UNDERTAKINGS (continued)**

Participating Interest held directly by the Company	Nature of business	Incorporated in	Class of Shares	% owned
ASL Mainsail Limited Partnership	Private Equity Partnership	United Kingdom	Limited Partner	100%
ASL Schooner Limited Partnership	Private Equity Partnership	United Kingdom	Limited Partner	100%
ASL/SLAS Xebec Limited Partnership	Private Equity Partnership	United Kingdom	Limited Partner	100%
AXA Sun Life Private Equity (No 1) Limited Partnership	Private Equity Partnership	United Kingdom	Limited Partner	100%
SLAS Topsail Limited Partnership	Private Equity Partnership	United Kingdom	Limited Partner	100%
Livingbridge IV Limited Partnership	Private Equity Partnership	United Kingdom	Limited Partner	0.32
F&C European Capital Partners Limited Partnership	Private Equity Partnership	United Kingdom	Limited Partner	30%
Friends Life Funds Asia Pacific Ex Japan Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds Balanced Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds Cautious Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds Distribution Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds Europe Equity Ex UK Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds Global Equity Alpha Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds Global Equity Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds Japan Equity Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds Money Market Vnav Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds North American Equity Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds North American Equity Fund	Mutual Fund	United Kingdom	Mutual Fund	100%

FRIENDS LIFE FPL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****5. PRINCIPAL GROUP UNDERTAKINGS (continued)**

Participating Interest held directly by the Company	Nature of business	Incorporated in	Class of Shares	% owned
Friends Life Funds Sterling Corporate Bond Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds Stewardship Fixed Interest Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds Stewardship International Equity Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds Stewardship UK Equity Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds Stewardship UK Equity Income Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds Strategic Global Equity Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds UK Equity Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
Friends Life Funds UK Equity Income Fund	Mutual Fund	United Kingdom	Mutual Fund	100%
AXA Rosenberg Global Investment Company ICVC – Global Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	94%
AXA Rosenberg Global Investment Company ICVC – American Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	92%
AXA Rosenberg Global Investment Company ICVC – European Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	92%
AXA Rosenberg Global Investment Company ICVC – Japan Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	92%
AXA Rosenberg Global Investment Company ICVC – Asia Pacific ex Japan Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	91%
AXA Global Investment Company ICVC – Global Distribution Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	68%

FRIENDS LIFE FPL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. PRINCIPAL GROUP UNDERTAKINGS (continued)

Participating Interest held directly by the Company	Nature of business	Incorporated in	Class of Shares	% owned
F&C Institutional Investment Funds ICVC – Institutional UK Equity Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	51%
F&C Investment Funds ICVC III – Strategic Bond Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	44%
Aberdeen Multi-Asset Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	43%
F&C Multi-Capital Fund ICVC – F&C MM Navigator Select	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	40%
AXA UK Investment Company ICVC – Ethical Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	35%
Lazard European Alpha Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	34%
F&C Institutional Investment Funds ICVC – Institutional Global Equity Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	32%
AXA Fixed Interest Investment ICVC – Sterling Corporate Bond Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	31%
Architas MA Active Intermediate Income Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	30%
Architas Liquidity Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	29%
F&C Investment Funds ICVC 11 – Pacific Growth Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	29%
Baillie Gifford Managed	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	29%
F&C Multi Capital Fund ICVC – F&C MM Navigator Progressive	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	28%
Architas Multi-Manager Global Solutions ICVC – Reserve Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	26%
AXA Fixed Interest Investment ICVC – Sterling Strategic Bond Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	26%

FRIENDS LIFE FPL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. PRINCIPAL GROUP UNDERTAKINGS (continued)

Participating Interest held directly by the Company	Nature of business	Incorporated in	Class of Shares	% owned
F&C Investment Funds ICVC II – Global Bond Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	26%
AXA Sterling Corporate Bond Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	23%
Aviva Investors Sterling Liquidity Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	23%
F&C Investment Funds ICVC – North American Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	22%
AXA Fixed Interest Investment ICVC – Global High Income Fund	Open Ended Investment Company	United Kingdom	Open Ended Investment Company	20%
F&C European Growth & Income Fund	SICAV	Luxembourg	SICAV	52%
AXA IM Cash Sterling Liquidity Fund	SICAV	Luxembourg	SICAV	94%
AXA World Funds II – Global Masters Equities	SICAV	Luxembourg	SICAV	51%
F&C Diversified Growth Fund Euro	SICAV	Luxembourg	SICAV	38%
F&C Diversified Growth Fund Sterling	SICAV	Luxembourg	SICAV	25%
AXA General Trust	Unit Trust	United Kingdom	Unit Trust	95%
Schroder Institutional International Bond Fund	Unit Trust	United Kingdom	Unit Trust	54%
Schroder QEP US Core Fund	Unit Trust	United Kingdom	Unit Trust	32%
Schroder Institutional Sterling Bond Fund	Unit Trust	United Kingdom	Unit Trust	29%
Aberdeen UK Tracker Fund	Unit Trust	United Kingdom	Unit Trust	23%
Architas Multi-Manager Protector Funds ICVC – Diversified Protector 70	Fund of Funds	United Kingdom	Fund of Funds	49%
Architas Multi-Manager Protector Funds ICVC – Diversified Protector 80	Fund of Funds	United Kingdom	Fund of Funds	35%

On 5 May 2016 Friends Life FPL Limited transferred shares it owned in Precis (1994) Limited to London and Manchester Group Limited – transfer of 3 ordinary shares of £1 each.

FRIENDS LIFE FPL LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****6. SHARE CAPITAL**

	2015	2014
	£000	£000
Allotted called up and fully paid		
25,062,592,950 (2014: 25,012,592,950) ordinary shares of 10p each	2,506,259	2,501,259
1 Deferred share of 10p	-	-

On 22 December 2015 the Company issued 50 million new ordinary shares of 10p each to its parent company, FPG, in exchange for consideration of cash of £5 million.

7. DIRECTORS' EMOLUMENTS

The directors are employed by, and receive their emoluments from, FLMS, FLS 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 Aviva Group and accordingly no remuneration has been apportioned to the Company.

8. RELATED PARTIES

The Company is a wholly owned subsidiary undertaking of Aviva plc. 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.

9. ULTIMATE PARENT COMPANY

The Company's ultimate parent undertaking is Aviva plc, 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 accounts are drawn up. Copies of the Group Report and Financial Statements of Aviva plc can be viewed via its website at www.aviva.com.