PEARL GROUP MANAGEMENT SERVICES LIMITED

Company Registration Number 3588063

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2011

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Directors' report

The Directors present their Report and the Financial Statements of Pearl Group Management Services Limited ('the Company') for the year ended 31 December 2011

The Company is incorporated in the United Kingdom as a private limited company Its registration number is 3588063 and its registered Office is 1, Wythall Green Way, Wythall, Birmingham B47 6WG

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS')

Business review

Principal activities
The principal activity of the Company is the provision of management services, including governance and policy administration services, to the life assurance companies that are within the Phoenix Group This will continue to be the principal activity for the foreseeable future

The Company carries out the management services under arm's length, per policy based, Management Services Agreements ('MSA') The Company has outsourced some of the services it provides to third parties

The Company has employees based in Wythall and London

Strategy
The vision of the Phoenix Group, of which the Company is a member, is to be recognised as the 'industry solution' for the safe, innovative and profitable decommissioning of closed life funds and as a specialised asset manager Its mission is to improve returns for Phoenix policyholders and IGNIS customers, and deliver value for shareholders

Corporate activity
On 1 September 2010, the Company agreed a transaction with Unisys Limited and Diligenta Limited, two of its outsource providers, to transfer policy administration work between the two providers and negotiated lower policy administration fees on the policies transferred from 1 September 2012 Connected to this deal, the Company accepted from 1 September 2012 to bear the costs associated with future regulatory change and pre-existing conditions from Phoenix Life Limited and Phoenix & London Assurance Limited, fellow subsidiaries, to whom policy administration services are provided, for a fee of £49,000,000 From this fee, £47,000,000 will be treated as deferred income until 1 September 2012 at which time it will be released to meet the costs associated with future regulatory change The liability associated with the pre-existing conditions has been accepted by Diligenta Limited for a fee of £2,000,000

Result and dividends
The results of the Company for the year are shown in the statement of comprehensive income on page 8 The loss before tax was £11,513,000 (2010 £27,974,000 loss)

No dividends were paid during the year (2010 £nil)

Principal risks and uncertainties
The Phoenix Group applies a consistent methodology for the identification, assessment, management and reporting of risk that includes a high level framework for the management of key risks within each business unit

The key financial risks the Company is exposed to are expense risk, liquidity risk and legislative and regulatory risk Capital and financial risk management are discussed within notes 24 and 25 of the financial statements

Key Performance Indicators ('KPIs')
The Company's performance is measured and monitored by the Board with particular regard paid to the following KPIs

Cash flows
Cash flows are monitored closely by the business to ensure that all liabilities can be met as they fall due Any shortfall is covered by a funding request to the parent, Impala Holdings Limited ("IHL"), as and when required In 2011, operations absorbed cash of £7,389,000 (2010 £895,000) and cash and cash equivalents decreased by £7,355,000 (2010 £29,105,000 increase)

Adjusted net assets
As the Company is regulated by the Financial Services Authority ('FSA'), it regularly reviews and forecasts its adjusted net asset position as determined by Chapter 13 of IPRU (INV) At 31 December 2011, it had an excess over its regulatory capital requirements of £81,787,000 (2010 £72,687,000)

Operatıng loss and loss after tax
As at 31 December 2011, the Company reported an operatıng loss of £8,260,000 (2010 £23,703,000 operatıng loss) and a profit of £9,110,000 after tax (2010 loss after tax of £39,936,000)

Going concern
The Directors' report summarises the Company's activities, its financial performance and financial position together with any factors likely to affect its future development In addition, it discusses the principal risks and uncertainties it faces Notes 24 and 25 to the financial statements summarise the Company's capital management and risk objectives and policies together with its financial risks

The Directors have followed the UK Financial Reporting Council's "*Going Concern and Liquidity Risk Guidance for Directors of UK Companies 2009*" when performing their going concern assessment As part of their comprehensive assessment of whether the Company is a going concern, the Directors have prepared cash flow forecasts for the Company for the foreseeable future

As a result of this review, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the financial statements

Employees
During the year, the Company maintained a policy of informing and involving employees on matters which concern them and in the achievement of its business goals The Company has a comprehensive system for consultation and communication involving regular meetings between management and employees, team briefings, opinion surveys and the issue of various bulletins

Employee development within the Company is promoted by encouraging staff to gain appropriate professional qualifications and assisting with wider personal development

The Company is committed to providing equal opportunities to all employees irrespective of their sex, age, sexual orientation, marital status, religion, race or disability It is the Company's policy to give positive consideration to disabled persons with respect to applications for employment, training, career development and promotion, having regards to each individual's particular aptitudes and abilities

Creditor payment policy
The Company's payment policy in respect of suppliers providing goods and services is to either agree the terms of payment with suppliers when placing orders, or, where appropriate, accept the suppliers' standard terms and to pay in accordance with its contractual and other legal obligations

The company does not follow any code or statement on payment practice, but it is the Company's policy to pay all of its suppliers on 30 days terms As at 31 December 2011, the amounts owed to trade creditors represented 31 days goods and services (2010 30 days)

Directors
The names of those individuals who served as Directors of the Company during the year or who held office as at the date of signature of this report are as follows

A G R Jones
A Kassimiotis
A Moss
P L Miles

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

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

Disclosure of information to auditors
So far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware, and each of the Directors has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006

Re-appointment of auditors
In accordance with section 487 of the Companies Act 2006, the Company's auditors, Ernst & Young LLP, will be deemed to have been re-appointed at the end of the period of 28 days following circulation of copies of these financial statements as no notice has been received from members pursuant to section 488 of the Companies Act 2006 prior to the end of the accounting reference period to which these financial statements relate

On behalf of the Board

A Moss
Director
19 March 2012

Statement of Directors' responsibilities

The Directors are required to prepare financial statements for each accounting period that comply with the relevant provisions of the Companies Act 2006 and International Financial Reporting Standards as adopted by the European Union ('IFRS'), and which present fairly the financial performance, financial position, cash flows of the Company for the accounting period A fair presentation of the financial statements in accordance with IFRS requires the Directors to

- select suitable accounting policies and verify they are applied consistently in preparing the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance, and
- state that the Company has complied with applicable IFRSs, subject to any material departures disclosed and explained in the financial statements

The Directors are responsible for maintaining proper accounting records which are intended to disclose with reasonable accuracy at any time the financial position of the Company They are also ultimately responsible for the systems of internal control maintained for safeguarding the assets of the Company and for the prevention and detection of fraud and other irregularities

Independent Auditor's report to the members of Pearl Group Management Services Limited

We have audited the financial statements of Pearl Group Management Services Limited for the year ended 31 December 2011 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related notes 1 to 29 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union ('IFRS')

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 auditor

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 Directors' report and financial statements to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements of inconsistencies we consider the implications for our report

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 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year 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 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, 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

Ernst & Young LLP

James Lenton (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
21 March 2012

Statement of comprehensive income
for the year ended 31 December 2011

	Notes	2011 £000	2010 £000
Revenue			
Fees and commissions	3	241,944	237,909
Net investment income	4	5,198	4,524
Total revenue		247,142	242,433
Total income		247,142	242,433
Administrative expenses	5	(249,623)	(245,349)
Other operating expenses	8	(5,779)	(20,787)
Total operating expenses		(255,402)	(266,136)
Loss before finance costs and tax		(8,260)	(23,703)
Finance costs	9	(3,253)	(4,271)
Loss for the year before tax		(11,513)	(27,974)
Tax credit/(charge)	10	20,623	(11,962)
Profit/(loss) for the year attributable to owners		9,110	(39,936)
Total comprehensive income for the year attributable to owners		9,110	(39,936)

Statement of financial position
as at 31 December 2011

	Notes	As at 31 December 2011 £000	As at 31 December 2010 £000
Equity attributable to owners			
Share capital	11	38,613	38,613
Capital contribution reserve	12	75,263	75,263
Retained earnings		(88,079)	(97,189)
Total equity		25,797	16,687
Non-current liabilities			
Long-term borrowings	13	94,731	93,201
Long-term provisions	14	5,696	13,822
Accruals and deferred income	16	47,000	47,000
Other payables	17	2,000	5,000
Total non-current liabilities		149,427	159,023
Current liabilities			
Short-term provisions	14	7,897	5,645
Current tax	15	-	17,877
Accruals and deferred income	16	31,292	39,971
Other payables	17	36,371	25,913
Total current liabilities		75,560	89,406
Total liabilities		224,987	248,429
Total equity and liabilities		250,784	265,116
Non-current assets			
Investments in subsidiaries	18	8,426	8,426
Property, plant and equipment	19	548	683
Loans and receivables	20	148,090	143,389
Deferred tax	15	2,020	2,020
Total non-current assets		159,084	154,518
Current assets			
Other receivables	21	44,887	56,430
Cash and cash equivalents	22	46,813	54,168
Total current assets		91,700	110,598
Total assets		250,784	265,116

On behalf of the Board

A Moss
Director
19 March 2012

Statement of cash flows
for the year ended 31 December 2011

	Notes	2011 £000	2010 £000
Cash flows from operating activities			
Cash absorbed by operations	23	(7,389)	(895)
Net cash flows from operating activities		(7,389)	(895)
Cash flows from investing activities			
Dividends received from subsidiaries		34	-
Net cash flows from investing activities		34	-
Cash flows from financing activities			
Proceeds of capital contribution		-	30,000
Net cash flows from financing activities		-	30,000
Net increase in cash and cash equivalents		(7,355)	29,105
Cash and cash equivalents at the beginning of the year		54,168	25,063
Cash and cash equivalents at the end of the year	22	46,813	54,168

Supplementary disclosures on cash flow from operating activities

	2011 £000	2010 £000
Interest received	462	234
Interest paid	218	453

Statement of changes in equity
for the year ended 31 December 2011

	Share capital (note 11) £000	Capital contribution reserve (note 12) £000	Retained earnings £000	Total £000
At 1 January 2011	38,613	75,263	(97,189)	16,687
Profit for the year	-	-	9,110	9,110
Total comprehensive income for the year	-	-	9,110	9,110
Receipt of capital contributions (note 12)	-	-	-	-
At 31 December 2011	38,613	75,263	(88,079)	25,797

	Share capital (note 11) £000	Capital contribution reserve (note 12) £000	Retained earnings £000	Total £000
At 1 January 2010	38,613	10,000	(57,253)	(8,640)
Loss for the year	-	-	(39,936)	(39,936)
Total comprehensive income for the year	-	-	(39,936)	(39,936)
Receipt of capital contributions (note 12)	-	65,263	-	65,263
At 31 December 2010	38,613	75,263	(97,189)	16,687

Notes to the financial statements

1 Accounting policies

(a) Basis of preparation
The financial statements have been prepared on a historical cost basis

The financial statements are separate financial statements and the exemptions in paragraph 10 of IAS 27 *Consolidated and Separate Financial Statements* and section 401 of the Companies Act 2006, have been used not to present consolidated financial statements

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS')

The financial statements are presented in sterling (£) rounded to the nearest £000 except where otherwise stated

Assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously Income and expenses are not offset in the statement of comprehensive income unless required or permitted by an international financial reporting standard or interpretation, as specifically disclosed in the accounting policies of the Company

(b) Critical accounting estimates and judgements
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the judgements about carrying values of assets and liabilities that are not readily apparent from other sources Actual results may differ from these estimates

Critical accounting estimates are those which involve the most complex or subjective judgements or assessments The areas of the Company's business that typically require such estimates are the determination of the fair value of financial assets and liabilities, impairment tests for investments in subsidiaries, income taxes and provisions

Impairment of investments in subsidiaries
Investments in subsidiaries are subject to regular impairment reviews Impairments of investments in subsidiaries are measured at the difference between the carrying value of a particular asset and its estimated recoverable amount Impairments are recognised in the statement of comprehensive income in the period in which they occur The Company's policy in relation to impairment testing of investments in subsidiaries is detailed in accounting policy (h)

Income taxes
Deferred tax assets are recognised to the extent that they are regarded as recoverable, that is to the extent that, on the basis of all the available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which the losses can be relieved The UK taxation regime applies separate rules to trading and capital profits and losses The distinction between temporary differences that arise from items of either a capital or trading nature may affect the recognition of deferred tax assets Any judgements made, and uncertainties considered, in arriving at the carrying values of deferred tax assets and liabilities in the financial statements are discussed in note 15

The accounting policy for income taxes (both current and deferred taxes) is discussed in more detail in accounting policy (e)

(c) Foreign currency transactions
Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rate at the period end Income and expenses denominated in foreign currencies are translated at the prevailing rate at the date of the transaction Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income

(d) Borrowings
Interest-bearing borrowings are recognised initially at fair value less any attributable transaction costs The difference between initial cost and the redemption value is amortised through the statement of comprehensive income over the period of the borrowing using the effective interest method

(e) Income tax

Income tax comprises current and deferred tax Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in the statement of changes in equity, in which case it is recognised in this statement

Current tax is the expected tax payable on the taxable income for the year, using tax rates and laws enacted or substantively enacted at the date of the statement of financial position together with adjustments to tax payable in respect of previous years

Deferred tax is provided for on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes Deferred tax is not provided in respect of temporary differences arising from the initial recognition of goodwill and the initial recognition of assets or liabilities in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting nor taxable profit The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates and laws enacted or substantively enacted at the period end

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised

(f) Employee benefits

The Company is a participating employer in the PGL pension scheme which has a defined contribution section and a defined benefit section

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income as incurred

Defined benefit plans

No net defined benefit cost or cash contributions of the PGL scheme are borne by the Company as it is the policy of the Phoenix Group for these to be borne by the sponsoring employer for the PGL scheme, Phoenix Group Holdings (No 1) Limited, a Group entity

(g) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of the assets The useful lives of the fixtures, fittings and equipment have been estimated as 5-10 years

(h) Investment in subsidiaries

Investments in shares in subsidiaries held for strategic purposes are carried in the statement of financial position at cost less impairment

The Company assesses at each reporting date whether an investment in a subsidiary or group of investments in subsidiaries held at cost is impaired The Company first assesses whether objective evidence of impairment exists If objective evidence of impairment exists the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value and recognises the amount as an expense in the statement of comprehensive income Evidence of impairment needs to be significant or prolonged to determine that objective evidence of impairment exists Evidence of impairment is obtained by comparing the carrying value of the investment in the subsidiary with the estimate of the recoverable amount of the subsidiary

(i) Financial assets

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market These investments are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the investment All transaction costs directly attributable to the acquisition are also included in the cost of the investment Subsequent to initial recognition, these investments are carried at amortised cost, using the effective interest method

Impairment of financial assets

The Company assesses at each period end whether a financial asset or group of financial assets held at amortised cost is impaired The Company first assesses whether objective evidence of impairment exists for financial assets If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with an original maturity term of three months or less at the date of placement Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are deducted from cash and cash equivalents for the purpose of the statement of cash flows

(k) Leases

Where a significant element of the risks and rewards of title to the asset is retained by the lessor, such leases are classified as operating leases

(l) Provisions and contingent liabilities

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability Where the Company has a present legal or constructive obligation as a result of a past event but it is not probable that there will be an outflow of resources to settle the obligation or the amount cannot be reliably estimated, this is disclosed as a contingent liability

A provision is recognised for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it The unavoidable costs reflect the least net cost of exiting the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it

(m) Dividends

Final dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's owners Interim dividends are deducted from equity when they are paid

Dividends for the year that are approved after the reporting period are dealt with as an event after the reporting period

Declared dividends are those that are appropriately authorised and are no longer at the discretion of the entity

(n) Income recognition

Fee and commission income

Fee and commission income relates to the following

- policy administration fees, which are recognised as the services are provided, and
- other fees, which are recognised as the services are provided

Net investment income

Net investment income comprises interest, dividends and impairment reversals and losses on loans and receivables

Interest income is recognised in the statement of comprehensive income as it accrues using the effective interest method Dividend income is recognised in the statement of comprehensive income on the date the right to receive payments is established

(o) Expense recognition

Share-based payments

Equity-settled share-based payments to employees and others providing services are measured at the fair value of the equity instruments at the grant date The fair value excludes the effect of non market-based vesting conditions Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 26

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Phoenix Group Holdings ('PGH'), the Company's ultimate parent company estimate of equity instruments that will eventually vest At each period end, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non market-based vesting conditions The impact of the revision of the original estimates, if any, is recognised in the statement of comprehensive income

Finance costs

Interest payable is recognised in the statement of comprehensive income as it accrues and is calculated by using the effective interest method

(p) Share capital and capital contributions

Ordinary share capital
The Company has issued ordinary shares which are classified as equity

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

(q) Events after the reporting period
The financial statements are adjusted to reflect significant events that have a material effect on the financial results and that have occurred between the period end and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the period end Events that are indicative of conditions that arise after the period end that do not result in an adjustment to the financial statements are disclosed

2 Financial information

The financial statements for the year ended 31 December 2011, set out on pages 8 to 26, were authorised by the Board of Directors for issue on 19 March 2012

In preparing the financial statements the Company has adopted the following standards, interpretations and amendments which have been issued by the International Accounting Standards Board ('IASB') and have been adopted for use by the EU None of these have a material effect on the results of the Company

- IAS 32 Financial Instruments Presentation (Amendment) The amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments
- IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment) The amendment permits a prepayment of future service costs in accordance with a minimum funding requirement to be recognised as a pension asset
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments Addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in its equity instruments being issued to extinguish all or part of the financial liability
- Annual improvements 2010 This makes a number of minor improvements to existing standards and interpretations

The IASB has issued the following standards, interpretations and amendments which, subject to adoption for use by the EU, apply from the dates shown The Company has decided not to early adopt any of these standards, interpretations or amendments where this is permitted The impact on the Company of adopting them is subject to evaluation

- IFRS 9 Financial Instruments (2015) These are the first two parts of a replacement standard for IAS 39 Financial Instruments Recognition and Measurement and deals with the classification and measurement of financial assets and financial liabilities, including some hybrid contracts
- Deferred tax Recovery of Underlying Assets (Amendments to IAS 12) (2012) This provides a practical approach to the measurement of deferred tax liabilities and assets, according to whether the entity expects to recover an asset by using or selling it
- IFRS 12 Disclosure of Interests in Other Entities (2013) combines, enhances and replaces the disclosure requirements for subsidiaries
- IFRS 13 Fair Value Measurement (2013) defines fair value and sets out in a single IFRS a framework for measuring fair value
- IAS 19 Employee Benefits (Amendment) (2013) The IASB has issued numerous amendments to IAS 19 These range from fundamental changes like removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording
- IAS 27 Separate Financial Statements (Revised) IAS 27 now only deals with the requirements for separate financial statements, which have been carried over largely unamended from IAS 27 Consolidated and Separate Financial Statements Requirements for consolidated financial statements are now contained in IFRS 10 Consolidated Financial Statements
- Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) (2013) The new disclosure requirements are intended to help users of financial statements better assess the effect or potential effect of offsetting arrangements on an entity's financial position
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) (2014) The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32

In addition, the following standards, interpretations and amendments have been issued but are not currently relevant to the Company

- IFRS 10 Consolidated Financial Statements (2013) provides a single consolidation model that identifies control as the basis for consolidation for all types of entities
- Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to IFRS 1) (2012)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (2013)
- Disclosure – Transfer of Financial Assets (Amendments to IFRS 7) (2012) This revises the required disclosures to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position
- IFRS 11 Joint Arrangements (2013) establishes principles for financial reporting by parties to a joint arrangement
- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1) (2013) The amendment requires companies to group together items within other comprehensive income that may be reclassified to the profit or loss section of the income statement
- IAS 28 Investments in Associates and Joint Ventures (Revised) This standard supersedes IAS 28 Investments in Associates and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures

3 Fees and commissions

	2011	2010
	£000	£000
Policy administration fees	106,930	108,938
Other fees	132,446	121,848
Outsourcing income	2,568	7,123
	241,944	237,909

Other fees include charges to group entities for pass-through costs, project work and head office costs

4 Net investment income

	2011	2010
	£000	£000
Investment income		
Interest income on loans and receivables	5,164	4,524
Dividend income	34	-
Net investment income	5,198	4,524

Interest income on loans and receivables includes interest of £4,702,000 (2010 £4,290,000) on loans to Group entities Dividend income includes dividends from the Company's subsidiary, Alba Life Trustees Limited, of £34,000 (2010 £nil)

5 Administrative expenses

	2011	2010
	£000	£000
Employee costs	71,583	72,463
Outsourcing expenses	82,501	99,132
Depreciation of property, plant and equipment	135	135
Other	95,404	73,619
	249,623	245,349

Other administration expenses include contractor and professional fees predominately for project work Expenses are allocated between the Company and Pearl Group Services Limited, a fellow subsidiary

Employee costs comprise

	2011	2010
	£000	£000
Wages and salaries (including termination benefits)	60,886	61,946
Social security contributions	7,322	6,688
Other pension costs	3,375	3,829
	71,583	72,463

	2011	2010
	Number	Number
Average number of persons employed	729	655

6 Directors' remuneration

	2011	2010
	£000	£000
Salaries and short term benefits	163	134
Remuneration (excluding pension contributions and awards under share option schemes and other long-term incentive schemes)	163	134
Contributions to money purchase pension schemes	10	4

	2011	2010
	Number	Number
Number of Directors who		
- are members of a defined benefit pension scheme	0	2
- are members of a money purchase pension scheme	4	1

	2011	2010
	£000	£000
Highest paid Director's remuneration	149	96

During the year the Group's defined benefit schemes were closed to future accrual and as a result none of the directors of the Company are accruing benefits under a defined benefit scheme at the year end

The Directors are employed by the Company or Pearl Group Services Limited, a fellow group entity The total compensation paid to the Directors of the Company relates to services to the Company, irrespective of which entity within the Phoenix Group has paid the compensation

7 Auditors' remuneration

The remuneration of the auditors of the Company in respect of the audit of the financial statements was £167,000 (2010 £257,000)

8 Other operating expenses

	2011	2010
	£000	£000
Capita Transition and Transformation	8,764	11,904
Provision movements	(2,985)	8,883
	5,779	20,787

A 12 year contract was signed between the Company and Capita Life and Pensions Limited on 30 May 2007 to provide outsourcing services covering all customer services and IT operations, as well as some facilities, risk, audit and compliance services The contract start date was 1 August 2007 During 2011, the Company incurred £8,764,000 (2010 £11,904,000) of Transition and Transformation costs

9 Finance costs

	2011 £000	2010 £000
Interest expense		
On borrowings at amortised cost	3,253	4,271

Interest expense includes interest of £3,253,000 (2010 £4,271,000) on loans from Group entities

10 Tax (credit)/charge

Current year tax (credit)/charge

	2011 £000	2010 £000
Current tax		
Group relief	(2,746)	-
Adjustment in respect of prior years	(17,877)	6,869
	(20,623)	6,869
Deferred tax		
Reversal / (origination) of timing differences		
Capital allowances in excess of depreciation	-	4,880
On provisions for future expenditure	-	2,233
Tax losses arising in the current year carried forward	-	(2,020)
	-	5,093
Total tax (credit)/charge	(20,623)	11,962

Reconciliation of tax charge/(credit)

	2011 £000	2010 £000
Loss before tax	(11,513)	(27,974)
Tax at standard UK rate of 26 5% (2010 28%)	(3,051)	(7,833)
Disallowable expenses	75	76
Adjustment to tax charge in respect of prior years	(17,877)	6,869
Current year tax losses not valued	-	6,443
Deductible temporary differences not valued	230	6,407
Total tax (credit)/charge for the year	(20,623)	11,962

11 Share capital

The Company's Articles of Association contain a restriction on the number of shares that may be allotted

	2011 £000	2010 £000
Authorised		
100,000,000 (2010 100,000,000) ordinary shares of £1 each	100,000	100,000
Issued and fully paid equity shares		
38,613,037 (2010 38,613,037) ordinary shares of £1 each	38,613	38,613

The holders of ordinary shares are entitled to one vote per share on matters to be voted on by owners and to receive such dividends, if any, as may be declared by the Board of Directors in its discretion out of legally available profits

12 Capital contribution reserve

	2011 £000	2010 £000
At 1 January	75,263	10,000
Cash contribution received	-	30,000
Loan contribution received	-	35,263
At 31 December	75,263	75,263

13 Borrowings

	2011 £000	2010 £000
Amounts owed to Group entities at amortised cost		
Subordinated loan from fellow subsidiary, Pearl Group Holdings (No 1) Limited	56,000	56,000
Loan from immediate parent, Impala Holdings Limited	38,731	37,201
	94,731	93,201
Amount due for settlement after 12 months	94,731	93,201

On 21 September 2007, the Company entered into a £110,000,000 credit facility agreement with fellow subsidiary, Pearl Group Holdings (No 1) Ltd ("PGH1") Cash can be drawn down by the Company after giving five days written notice and is not repayable to PGH1 within two years of drawdown Repayments are not allowed at any time without the express written consent of the FSA In total £56,000,000 has been drawn down and remains outstanding at the year end (2010 £56,000,000) Interest of £1,723,000 (2010 £1,642,000) on the loan was charged by PGH1 to the Company in accordance with the agreement

The loan from the immediate parent Impala Holdings Limited ("IHL") is repayable on 31 December 2016 and interest is payable at a rate of 6 month LIBOR plus 2 94%

The fair value of the loans equates to their carrying values

14 Provisions

	Re-structuring £000	Leasehold properties £000	Staff related £000	Other £000	Total £000
At 1 January 2011	1,867	15,637	778	1,185	19,467
Additions in the year	3,444	-	171	1,058	4,673
Utilised during the year	(535)	(2,295)	-	(59)	(2,889)
Released during the year	(649)	(6,758)	-	(251)	(7,658)
Reclassification	(442)	-	442	-	-
At 31 December 2011	3,685	6,584	1,391	1,933	13,593
Amount due for settlement after 12 months	17	4,288	1,391	-	5,696

The restructuring provision covers the severance costs following restructuring of management and staffing and a provision for potential claims made against the Company by its outsourcers It is expected that the majority of expenditure will be incurred within the next 12 months

The leasehold property provision includes an onerous contract provision as a result of a credit note granted to a sub-tenant in a property leased by the Company The release during the year was due to a change in assumptions concerning the occupancy of this property The leasehold property provision also includes a dilapidations provision resulting from obligations under operating leases It is expected that the dilapidations provision will be due for settlement after 12 months

The staff related provision covers the projected shortfall in an escrow account used for paying supplementary pension commitments to ex-employees

The main component in other provisions is £1,100,000 (2010 £525,000) to cover the costs associated with outsourcers in relation to specific products

15 Tax assets and liabilities

	2011 £000	2010 £000
Net deferred tax assets	2,020	2,020
Current tax payable	-	17,877

Deferred tax assets comprise

	2011 £000	2010 £000
Trading losses	2,020	2,020

Movements in deferred tax assets comprise

	2011 £000	2010 £000
At 1 January	2,020	1,979
Amounts credited to the statement of comprehensive income	-	(5,093)
Other movements	-	5,134
At 31 December	2,020	2,020

Deferred income tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable

A gradual reduction in the UK corporation tax rate from 28% to 24% over 4 years was announced in the Emergency Budget of 22 June 2010 with a further 1% reduction being announced in the Budget of 23 March 2011 The Finance (No 2) Act 2010 included the first of the 1% rate reductions with effect from April 2011, a further 1% reduction was substantively enacted on 29 March 2011 under the Provisional Collection of Taxes Act 1968 and a further 1% reduction was included in the Finance Act 2011 Further reductions are to be dealt with by future legislation The reduction to the Company's net assets arising from the further 2% reduction of rate is estimated as £162,000 in total and will be recognised as the legislation is substantively enacted

	2011 £000	2010 £000
Deferred tax assets have not been recognised in respect of		
Tax losses carried forward	33,243	35,041
Excess expenses carried forward		
Provisions and other temporary differences	1,148	1,076
Accelerated capital allowances	4,374	4,809

16 Accruals and deferred income

	2011 £000	2010 £000
Deferred income	47,751	48,000
Accruals	30,541	38,971
	78,292	86,971
Amount due for settlement after 12 months	47,000	47,000

Within deferred income is £47,000,000 (2010 £47,000,000) relating to an upfront fee from Phoenix Life Limited and Phoenix & London Assurance Limited, fellow subsidiaries, for the costs associated with certain future regulatory changes commencing 1 September 2012

17 Other payables

	2011 £000	2010 £000
Amounts owed to fellow group entities	13,603	10,643
Tax and social security	302	1,992
Other payables	24,466	18,278
	38,371	30,913
Amount due for settlement after 12 months	2,000	5,000

On 1 September 2010, the Company agreed a transaction with Unisys Limited ("UniSys") and Diligenta Limited, two of its outsource providers, to transfer policy administration work between the two providers and negotiated lower policy administration fees on the policies transferred from 1 September 2012 Included within other payables is £5,000,000 (2010 £17,000,000) owed to Diligenta Limited in respect of this transaction, payable by instalments Note 21 contains details of amounts due from Unisys in respect of this deal

18 Investment in subsidiaries

	2011 £000	2010 £000
Cost		
At 1 January and 31 December	8,715	8,715
Impairment		
At 1 January and 31 December	289	289
Carrying amount		
At 31 December	8,426	8,426

The cost of investments in subsidiaries is approximate to their fair values

The principal subsidiaries of the Company are as follows

	Country of incorporation and principal place of operation	Class of shares held (wholly-owned unless otherwise indicated)
Pearl Life Services Limited	UK	Ordinary shares of £1
PGMS (Ireland) Holdings Limited	EIRE	Ordinary shares of £1
PGMS (Glasgow) Limited	UK	Ordinary shares of £1
Alba Life Trustees Limited	UK	Ordinary shares of £1

19 Property, plant and equipment

	2011 £000	2010 £000
Cost or valuation		
At 1 January	1,335	1,335
At 31 December	1,335	1,335
Depreciation		
At 1 January	(652)	(517)
Charge for the year	(135)	(135)
At 31 December	(787)	(652)
Carrying amount		
At 31 December	548	683

Property, plant and equipment consists wholly of fixtures, fittings and equipment The useful lives of the fixtures, fittings and equipment have been taken as 5-10 years

20 Loans and receivables

	2011 £000	2010 £000
Loans to Group entities at amortised cost		
Loan to Pearl Life Holdings Limited	66,542	65,061
Loan to Impala Holdings Limited	81,548	78,328
At 31 December	148,090	143,389

The loan to fellow subsidiary Pearl Life Holdings Limited is repayable on 2 September 2019 and incurs interest at a rate of 6 month LIBOR plus 1 25%

The loan to the Company's immediate parent IHL is repayable on 31 December 2016 and incurs interest at a rate of 6 month LIBOR plus 2 94%

The fair value of loans and receivables at amortised cost amounted to £148m (2010 £143m)

21 Other receivables

	2011 £000	2010 £000
Know how fee	-	6,786
Other prepayments	3,866	1,439
Amounts owed by fellow Group entities	39,294	24,887
Other receivables	1,727	23,318
	44,887	56,430
Amount recoverable after 12 months	-	-

As part of the contract with its outsourcing partner, Capita Life and Pensions Limited, the Company was committed to making significant payments to the outsourcer to bring their know-how to the outsourcing arrangement The payments made by the Company for the know-how were heavily loaded towards the beginning of the arrangement, as stipulated by the contract The total payments to be made in respect of know-how under the contract were being charged to the statement of comprehensive income in line with the costs incurred for the Transition and Transformation programme over a 4 year period and accordingly a prepayment of £nil (2010 £6,786,000) has been recognised

Included within other receivables is £nil (2010 £12,000,000) owed by Unisys in respect of a transaction to transfer policy administration work between outsourcer providers (see note 17), this was receivable in instalments during 2011

The carrying amounts of other receivables are approximate to their fair values

22 Cash and cash equivalents

	2011 £000	2010 £000
Bank and cash balances	(8)	(32)
Short-term deposits (including demand and time deposits)	46,821	54,200
	46,813	54,168

All deposits are subject to fixed interest rates The carrying amounts approximate to fair value at the period end

23 Cash flows

Cash flows from operating activities

	2011 £000	2010 £000
Loss for the year before tax	(11,513)	(27,974)
Dividends received from subsidiaries	(34)	-
Non-cash movements in loss for the year before tax		
Depreciation of property, plant and equipment	135	135
Interest expense on borrowings	3,253	4,271
Interest income on loans to Group entities	(4,702)	(4,290)
Changes in operating assets and liabilities		
Decrease /(increase) in other assets	11,543	(13,135)
(Decrease)/increase in other liabilities	(6,071)	40,098
Cash absorbed by operations	(7,389)	(895)

24 Capital management

The Company's capital comprises share capital and all reserves At 31 December 2011, total capital was £25,797,000 (2010 £16,687,000) The movement in capital in the year comprises total comprehensive income of £9,110,000 and a capital contribution of £nil

The Company is subject to regulation by the FSA and must maintain an own funds requirement of £10,000 The Company's capital is monitored by the Directors and managed on an on-going basis The Directors are responsible for ensuring that the Company maintains an appropriate level of capital to enable it to meet liabilities arising from reasonably foreseeable extreme events The Company has implemented a system of regular reviews to monitor the level of capital in the short to medium term taking account of the anticipated future developments of the Company

The Directors have prepared cash flow forecasts for the Company for the foreseeable future The cash flow forecasts indicate that the capital contributions guaranteed by IHL are sufficient to enable the Company to meet its obligations as and when they fall due for the foreseeable future

25 Risk management

The principal risks and uncertainties facing the Company are

Expense risk
The Company carries the expense risk of reducing its expenses in line with per policy based management services agreements To generate ongoing profitability, the Company has to deliver efficiencies to at least match policy run-off

The Company manages this risk through a focus on cost reduction initiatives across the business with robust business plans, monitored by detailed reporting and regular re-forecasting A specific expense risk relates to the realisation of synergies from bringing Group operations to the Wythall site The Company monitors the level of risk in its ongoing expense base every month and the Phoenix Group holds appropriate levels of risk capital to encompass this

Liquidity risk
The Company has exposure to liquidity risk as a result of normal business activities, specifically the risk arising from an inability to meet short-term cash flow requirements and this is monitored on an ongoing basis

Key components of the monitoring framework include daily monitoring of cash flow and regular reviews with the parent company, IHL, to identify cash flow requirements

Legislative and regulatory risk
The Company is subject to regulation by the FSA The FSA has broad regulatory powers dealing with all aspects of financial services including, amongst other things, the authority to grant and, in specific circumstances, to vary or cancel permissions to carry out particular activities Phoenix Group has processes in place to keep up to date with latest FSA guidelines and regulation Phoenix Group is also responsible for treating its customers fairly and adheres to FSA guidelines in respect of this

26 Share-based payments

Share-based payment expense

The expense recognised for employee services receivable during the year is as follows

	2011	2010
	£000	£000
Expense arising from equity-settled share-based payment transactions	4,247	6,152
Expense arising from cash-settled share-based payment transactions	402	734
Total expense arising from share-based payment transactions	4,649	6,886

Share-based payment schemes in issue

Long-term Incentive Plan ('LTIP')
In 2009, the Company implemented a long-term incentive plan to retain and motivate its senior management group The awards under this plan are in the form of nil-cost options to acquire an allocated number of ordinary shares Assuming no good leavers or other events which would trigger early vesting rights, these awards will be subject to performance conditions tied to the Group's financial performance in respect of growth in embedded value and cumulative cash generation over a three year period, there are no cash settlement alternatives The 2009 LTIP awards vested in 2010 Further awards were made in 2010 which will vest on 28 May 2013 and in 2011 which will vest on 12 August 2014

The fair value of these awards is estimated at the share price at the grant date, taking into account the terms and conditions upon which the instruments were granted

Save As You Earn ("SAYE")
The SAYE scheme allows participating employees to save up to £250 each month over a period of either 3 or 5 years

Under the SAYE arrangement, participants remaining in the Group's employment at the end of the 3 or 5 year saving period are entitled to use their savings to purchase shares at an exercise price at a discount to the share price on the date of grant Employees leaving the Group for certain reasons are able to use their savings to purchase shares if they leave less than six months before the end of their 3 or 5 year periods

The fair value of the awards has been determined using a Black-Scholes valuation model Key assumptions within this valuation model included expected share price volatility and expected dividend yield

The following information was relevant in the determination of the fair value of the 2010 SAYE and 2011 SAYE awards in the year

	2011 SAYE	2010 SAYE
Share price (£)	6 70	6 50
Exercise price (£)	5 72	5 63
Expected life (years)	3 25 and 5 25	3 25 and 5 25
Risk-free rate (%)	1 8 (for 3 25 year scheme) and 2 6 (for 5 25 year scheme) based on UK Government Gilts with a term commensurate with the expected term for each award	2 0 (for 3 25 year scheme) and 2 8 (for 5 25 year scheme) based on UK Government Gilts with a term commensurate with the expected term for each award
Expected volatility (%)	30 0 which is based on the Company's share price volatility to date	30 0 which is based on the Company's share price volatility to date
Dividend yield (%)	6 3	zero

Bonus Share Plan
In 2009, certain employees were granted nil-cost options to acquire an allocated number of ordinary shares There were no performance criteria associated with these awards and no cash settlement alternatives The contractual life of the awards is 2 years The fair value of these awards is estimated at the share price at the grant date, taking into account the terms and conditions upon which the options were granted The majority of awards vested in 2011

Deferred Cash Plan
With effect from 2 September 2009, a number of executives were given deferred cash awards the value of which will be equal to a fixed number of Phoenix Group Holdings shares on 2 September 2012 and will be payable on this date provided the executive remains in employment by the Group

The fair value of the awards has been determined assuming that all granted shares vest As the award is a cash settled scheme, the fair value of the expense is updated at every period and to reflect movements in Phoenix Group Holdings' share price

Deferred bonus share plan
With effect from 31 December 2010, part of the annual incentive for certain executives, for any year, is deferred into Phoenix Group Holdings' shares This grant of shares is conditional on the employee remaining in employment with the Group for a period of three years The 2010 Deferred BSP shares are expected to vest on 6 April 2014
The fair value of these awards is estimated at the share price at the grant date, taking into account the terms and conditions upon which the options were granted

Movements in the year

	Number of share options				
	2009 BSP	Deferred cash plan	LTIP Schemes	SAYE Schemes	2010 Deferred BSP
Outstanding at 1 January 2010	70,000	-	70,000	-	-
Granted during the year	20,000	66,931	837,093	604,007	-
Forfeited during the year	-	-	(106,241)	(89,822)	-
Exercised during the year	(17,500)	-	(112,442)	(5,206)	-
Outstanding at 31 December 2010	72,500	66,931	688,410	508,979	-
Outstanding at 1 January 2011	72,500	66,931	688,410	508,979	-
Granted during the year	-	-	1,238,100	196,485	62,250
Forfeited during the year	-	-	48,857	(117,649)	-
Exercised during the year	-	-	-	(11,428)	-
			-		
Outstanding at 31 December 2011	72,500	66,931	1,877,653	576,387	62,250

The weighted average fair value of options granted during the year was £5 65 (2010 £4 95)

The weighted average share price at the date of exercise for the rewards exercised is £5 84 (2010 £6 77)

The weighted average remaining contractual life for the rewards outstanding as at 31 December 2011 is 2 0 years (2010 2 5 years)

27 Operating leases

Operating lease rentals charged within administrative expenses amounted to £5,864,000 (2010 £7,911,000)

The Company has commitments under non-cancellable operating leases as set out below

	2011 £000	2010 £000
Not later than one year	6,284	5,864
Later than one year and no later than five years	25,137	23,456
Later than five years	25,137	29,320

The principal operating lease commitments include

A lease relating to St Vincent Street, Glasgow currently occupied by Capita and Royal London The lease expires in December 2020 There are no exit clauses in the lease It is based on current market value and is reviewed twice yearly in each year of the term The current rental figure of £5,864,000 per annum was set in August 2006 The increase since that date is due to inflation

28 Related party transactions

The Company enters into transactions with related parties in its normal course of business These are at arm's length on normal commercial terms

The Company provides management services to fellow subsidiaries within the Phoenix Group, in the form of staff and other services, under management services agreements The income received by the Company for the year ended 31 December 2011 amounted to £241,089,000 (2010 £216,653,000) In addition to this the Company has deferred £47,000,000 (2010 £47,000,000) of income from fellow subsidiaries, for the acceptance of costs associated with future regulatory change from 1 September 2012 which, see note 16

In the year ended 31 December 2011, the Company received dividends of £34,000 from its subsidiaries (2010 £nil) and paid no dividends to its parent company (2010 £nil) In addition, the Company paid interest and capitalised interest on loans from its parent of £1,530,000 (2010 £2,629,000) and received interest and capitalised interest on loans to its parent of £3,221,000 (2010 £2,907,000)

Amounts due to related parties

	2011	2010
	£000	£000
Loans due to parent	38,731	37,201
Loans due to fellow subsidiaries	56,000	56,000
Other amounts due to parent	787	-
Other amounts due to fellow subsidiaries	12,816	10,673

Amounts due from related parties

	2011	2010
	£000	£000
Loans due from parent	81,548	78,328
Loans due from fellow subsidiaries	66,542	65,061
Other amounts due from fellow subsidiaries	39,294	26,887

Key management compensation

The total compensation payable to employees classified as key management, which comprises the Directors, is disclosed in note 6

Payments made to Directors of the Company's parent companies amounted to £4,409,000 (2010 £2,370,000) principally comprising remuneration and other benefits

Dividends paid by the ultimate parent company to key management during the year amounted to £66,000 (2010 £33,000)

Parent and ultimate parent entity

Information on the Company's parent and ultimate parent is given in note 29

29 Other information

The Company's principal place of business is the United Kingdom The Company's immediate parent is Impala Holdings Limited and its ultimate parent is Phoenix Group Holdings, a company incorporated in the Cayman Islands and resident in Jersey A copy of the financial statements of Phoenix Group Holdings can be obtained from the Company Secretary, 1st Floor, 32 Commercial Street, St Helier, Jersey, JE2 3RU