Registered Number 02238458

PHOENIX WEALTH SERVICES LIMITED

(formerly known as AXA Wealth Services Limited)

Financial Statements

for the year ended 31 December 2017

Registered Office: 1 Wythall Green Way, Wythall, Birmingham, B47 6WG

Registered Number 02238458

Phoenix Wealth Services Limited

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Registered Number 02238458

Phoenix Wealth Services Limited

Company information

Directors

D Cheeseman
A Moss

Company Secretary

Pearl Group Secretariat Services Limited

Auditors

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Phoenix Wealth Services Limited

Strategic report

The directors present the Strategic report, their Report and the financial statements of Phoenix Wealth Services Limited ("the Company") for the year ended 31 December 2017.

Business Review

Principal activities

On 1 November 2016, the Company was acquired through the purchase of its parent company, Phoenix Wealth Holdings Limited (formerly known as Winterthur Life UK Holdings Limited), by the Phoenix Group.

The Company distributed SunLife branded products on behalf of Phoenix AW Limited ("PAWL"), a fellow subsidiary company, and certain third parties until 30 June 2017. It continues to act as scheme operator and administrator for the Family Sun Trust SIPP product, which was closed to new business during 2016. This will continue to be the principal activity for the foreseeable future.

The Company is regulated by the Financial Conduct Authority ("FCA").

Financial performance

The results of the Company for the year are shown in the profit and loss account on page 9. The profit before tax was £5.3m (2016: loss of £4.5m).

The profit before tax has been split between continued and discontinued operations, with £5.0m of the overall profit before tax representing discontinued operations. The discontinued operations represent the distribution of SunLife branded products, which ceased following the transfer of the SunLife business on 1 July 2017.

Corporate activity

On 1 July 2017, the Company transferred the SunLife business and associated assets and liabilities to SunLife Limited, a fellow group company, via a business transfer agreement. The Company paid £3.7m as cash consideration. There was no impact on profit or equity as a result of the transfer.

Principal risks and uncertainties

The Phoenix Group, of which the Company is a member, 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 principal risks and uncertainties facing the Company are:

- the risk that the Company has insufficient capital to meet its regulatory capital requirements (capital management risk);
- the risk arising from counterparty default in relation to bank deposits (credit risk);
- the Company's inability to meet short-term cash flow requirements (liquidity risk).

The Company's exposure to these risks is monitored by the Board which agrees policies for managing the risks on an ongoing basis.

Strategic Report (continued)

Key performance indicators ("KPIs")

For the year ended 31 December 2017, the Company reported a profit after taxation of £4.8m (2016: loss of £3.6m). Continued operations represented £0.3m (2016: £1.2m) and discontinued operations represented £4.5m (2016: loss of £4.8m).

Turnover increased by 150% (2016: decreased by 18%) to £38.3m (2016: £15.3m), following the implementation of a new distribution agreement with PAWL, which was in operation for the first six months of the year.

Signed on behalf of the Board by

D Cheeseman
Director

7 June 2018

Phoenix Wealth Services Limited

Directors' report

Change of name

On 8 December 2017, the Company changed its name from AXA Wealth Services Limited to Phoenix Wealth Services Limited.

Going Concern

Having reviewed the position in light of the Financial Reporting Council Guidance issued in April 2016, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors of the Company who were in office during the year and up to the date of approval of the financial statements are shown on page 1. The directors who have served for part of the year are given below:

D Cheeseman	resigned 20 July 2017, appointed 18 October 2017.
A Kennedy	appointed 13 April 2017, resigned 18 October 2017.
D Lamble	resigned 20 July 2017.
S D McInnes	resigned 11 March 2018
D S Miller	resigned 20 July 2017.
S Mohammed	resigned 26 June 2017.
N H Poyntz-Wright	resigned 20 July 2017.
D N Woollett	resigned 9 January 2017.

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 auditor

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 auditor is 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 auditor is 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.

Statement of directors' responsibilities

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements.

Directors' report (continued)

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.

Re-appointment of auditor

In accordance with section 487 of the Companies Act 2006, the Company's auditor, 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.

Signed on behalf of the Board by

D Cheeseman
Director

7 June 2018

Phoenix Wealth Services Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PHOENIX WEALTH SERVICES LIMITED

Opinion

We have audited the financial statements of Phoenix Wealth Services Limited for the year ended 31 December 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report (continued)

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on pages 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Phoenix Wealth Services Limited

Independent auditor's report (continued)

Use of our report

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.

Ernst & Young LLP

Stuart Wilson (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
13 June 2018

Registered Number 02238458

Phoenix Wealth Services Limited

Profit and loss account
for the year ended 31 December 2017

	Note	**Continuing operations 2017 £000**	**Discontinued operations 2017 £000**	**Total operations 2017 £000**	Continuing operations 2016 £000	Discontinued operations 2016 £000	Total operations 2016 £000
Turnover	4	**1,345**	**36,989**	**38,334**	4,375	10,892	15,267
Administrative expenses		**(1,056)**	**(32,005)**	**(33,061)**	(2,954)	(16,909)	(19,863)
Interest receivable and similar income	5	**1**	**-**	**1**	62	-	62
Profit/(loss) on ordinary activities before taxation		**290**	**4,984**	**5,274**	1,483	(6,017)	(4,534)
Tax on profit/(loss) on ordinary activities	7	**(42)**	**(482)**	**(524)**	(297)	1,204	907
Profit/(loss) for the financial year		**248**	**4,502**	**4,750**	1,186	(4,813)	(3,627)

The discontinued operations represent the distribution of SunLife and third party products.

The Company had no recognised gains or losses during the year other than those recognised in the profit and loss account (2016: £nil). Therefore, the Company has elected not to present a Statement of Comprehensive Income for the year ended 31 December 2017.

The information on pages 12 to 17 forms an integral part of these financial statements.

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Phoenix Wealth Services Limited

Balance sheet
as at 31 December 2017

	Note	2017 £000	2016 £000
Current assets			
Debtors	10	**1,507**	2,056
Cash at bank and in hand		**19,721**	20,456
		21,228	22,512
Current liabilities			
Creditors: amounts falling due within one year	11	**(1,426)**	(7,460)
Net current assets		**19,802**	15,052
Net assets		**19,802**	15,052
Capital and reserves			
Called up share capital	12	**14,000**	14,000
Capital contribution	13	**82,805**	82,805
Profit and loss account	13	**(77,003)**	(81,753)
Total equity		**19,802**	15,052

The financial statements on pages 9 to 17 were approved by the Board of directors on 7 June 2018 and were signed on behalf of the Board by:

D Cheeseman
Director

Phoenix Wealth Services Limited

Statement of changes in equity
for the year ended 31 December 2017

	Called Up Share Capital £000	Capital contribution £000	Profit and loss account £000	Total £000
Balance as at 1 January 2017	**14,000**	**82,805**	**(81,753)**	**15,052**
Profit for the financial year and other comprehensive income	-	-	**4,750**	**4,750**
Balance as at 31 December 2017	**14,000**	**82,805**	**(77,003)**	**19,802**

	Called Up Share Capital £000	Capital contribution £000	Profit and loss account £000	Total £000
Balance as at 1 January 2016	14,000	82,805	(78,126)	18,679
Loss for the financial year and other comprehensive income	-	-	(3,627)	(3,627)
Balance as at 31 December 2016	14,000	82,805	(81,753)	15,052

The information on pages 12 to 17 forms an integral part of these financial statements.

Phoenix Wealth Services Limited

Notes to the financial statements
as at 31 December 2017

General information

The Company distributed SunLife branded products on behalf of Phoenix AW Limited ("PAWL") and other third parties until 30 June 2017. It continues to act as scheme operator and administrator for the Family Sun Trust SIPP product (which was closed to new business during 2016.)

The Company is a private limited company under the Companies Act 2006 and is incorporated in England and Wales. The address of its registered office is 1 Wythall Green Way, Wythall, Birmingham, B47 6WG.

The results of the Company are consolidated into the accounts of the Company's ultimate parent, Phoenix Group Holdings, a company incorporated in the Cayman Islands and resident in the United Kingdom. The registered address of Phoenix Group Holdings is PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

1. Statement of compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

I. Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires management to monitor and exercise judgment in the selection and application of appropriate accounting policies and in the use of accounting estimates. Those areas that could have a significant impact to the financial statements are set out in accounting policy VI.

As a qualifying entity, the Company has applied the following exemptions in the preparation of these financial statements, in accordance with FRS 102:

(a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv) - removes the requirement to disclose a reconciliation of the number of shares outstanding at the beginning and end of the period.
(b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d) - removes the requirement to present a cash flow statement.
(c) The requirement of Section 33 Related Party Disclosures paragraph 33.7 - removes the requirement to disclose management personal compensation in total.

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements, even where the disclosures are made in aggregate or in an abbreviated form.

II. Turnover

Turnover represents fee and net commission income earned in the year which is accounted for on an accruals basis. Fee income represents the income generated from providing distribution services to other Group companies and third parties, which was discontinued on 30 June 2017. The Company acts as an agent for commission payments, receiving income that is passed on to third parties after retaining commission income.

Notes to the financial statements
as at 31 December 2017 (continued)

III. Administrative expenses

Administrative expenses are accounted for on an accruals basis. Included within administrative expenses are actual expenses recharged to and payable by the company which are in excess of those expenses recharged to PAWL on a pre-determined basis.

IV. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts.

V. Discontinued operations

The Company classifies discontinued operations as those separate major lines of business that have been sold, and that can be clearly distinguished operationally from the other lines of business of the Company. Discontinued operations are excluded from the results of continuing operations and presented separately by reported line within the profit and loss account. The measurement and recognition of the specific discontinued profit and loss line items, follows the accounting and legislative requirements appropriate for the line item being reported.

VI. Critical accounting estimates and judgements in applying accounting policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The area that the directors consider particularly susceptible to change in estimates and assumptions is detailed below:

a) Deferred taxation

Significant management judgement is applied to determine the deferred tax asset that can be recognised and is based on the probability of future taxable profits.

Notes to the financial statements
as at 31 December 2017 (continued)

3. Risk management

The principal risks and uncertainties facing the Company are capital management risk, credit risk and liquidity risk, which are discussed in more detail below.

Capital management

The Company's capital comprises share capital and reserves. At 31 December 2017, total capital was £19,802,000 (2016: £15,052,000).

The Company is regulated by the Financial Conduct Authority ("FCA") and is subject to regulatory capital regulations which specify the minimum amount of capital that must be held. The Company manages capital in accordance with these rules and has embedded in its processes the necessary tests to ensure continuous and full compliance with such regulations. The Company monitored and maintained net assets in excess of its regulatory capital throughout the period. At 31 December 2017, the amount of capital that the Company was required to hold was £3,669,000 (2016: £6,458,000) and the excess capital over that required was £16,133,000 (2016: £8,594,000).

Credit risk

Credit risk can be defined as the risk of capital or income loss resulting from counterparty default or issuer credit downgrades affecting financial assets. Non-investment credit risk arises from the exposure of the Company to intra-group debts with other companies in the Phoenix Group and to debts due from third parties. The risk in respect of these debts is controlled through ongoing monitoring of amounts due.

Liquidity risk

Liquidity risk is defined as the risk that the Company, irrespective of solvency and profitability, may not have sufficient available cash (or near cash assets or funding facilities) to pay obligations when they fall due at reasonable cost.

This is managed via regular liquidity risk monitoring and reporting in addition to regular short-term cash flow forecasting. A robust capital framework is in place to ensure there are appropriate loan and overdraft facilities in place.

4. Turnover

	2017	2016
	£000	£000
Fee income	**38,089**	13,821
Net commission income	**245**	1,446
Total	**38,334**	15,267

Turnover from discontinued operations totalled £37m (2016: £10.9m).

5. Interest receivable and similar income

	2017	2016
	£000	£000
Interest from cash on deposit	**1**	62

Phoenix Wealth Services Limited

Notes to the financial statements
as at 31 December 2017 (continued)

6. *Auditor's remuneration*

	2017 £000	2016 £000
Audit services		
Fees payable to the Company's auditor for audit of the Company accounts:	**6**	17
Non-audit services		
Fees payable to the Company's auditor and its associates for other services:		
Audit related assurance services:	**5**	5
Total	**11**	22

Other services principally include fees relating to group and regulatory reporting and other services pursuant to the review of internal financial controls.

7. Tax on profit/(loss) on ordinary activities

Analysis of tax charge/(credit) in the year

	2017 £000	2016 £000
Current tax:		
UK corporation tax charge/(credit) on profit/(loss) for the year	**524**	(907)
Total current tax	**524**	(907)

The differences between the total tax charge/(credit) shown above and the amount calculated by applying the standard rate of UK corporation tax are as follows:

	2017 £000	2016 £000
Profit/(loss) on ordinary activities before tax	**5,274**	(4,534)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	**1,015**	(907)
Utilisation of tax losses not previously valued	**(491)**	-
Tax charge/(credit) for the period	**524**	(907)

There is no expiry date on timing differences, unused tax losses or tax credits.

At the balance sheet date, the Company has unused tax losses of £4.4m (2016: £7.0m) available for offset against future profits. No deferred tax asset has been recognised in respect of this balance as it is not considered probable that there will be future taxable profits available. The unrecognised tax losses may be carried forward indefinitely.

The standard rate of tax applied to reported profit/(loss) on ordinary activities is 19.25% (2016: 20.00%). The UK corporation tax rate reduced from 20% to 19% with effect from 1 April 2017 and will be further reduced from 19% to 17% with effect from 1 April 2020.

Phoenix Wealth Services Limited

Notes to the financial statements
as at 31 December 2017 (continued)

8. Employee numbers and costs

The Company does not directly employ any staff (2016: none). All staff are employed by Phoenix SL Direct Limited ("PSLD"). Staff costs are borne by PSLD and disclosed in the financial statements of that company.

9. Directors' emoluments

Until 1 November 2016, the directors in office were employed and paid by companies in the AXA Group and their directorships were held as part of that employment. As of 1 November 2016, the directors in office are employed and paid by companies in the Phoenix Group. For the purposes of this note an apportionment of the total remuneration paid to the directors of the Company by the Phoenix Group has been made based on an estimate of the services rendered to the Company. No apportionment was made in 2016.

	2017 £	2016 £
Remuneration (excluding pension contributions and awards under share option schemes and other long-term incentive schemes)	**388,133**	-
Amounts receivable (excluding gains on exercise of share options and value of shares received) under long-term incentive schemes	**50,600**	-
Aggregate pension contributions	**8,144**	-

Amounts attributable to highest paid director	£	£
Remuneration (excluding pension contributions and awards under share option schemes and other long-term incentive schemes)	**241,004**	-

10. Debtors

	2017 £000	2016 £000
Amounts owed by group undertakings group relief	**-**	907
Tax recoverable	**196**	-
Trade debtors	**589**	586
Other debtors	**722**	308
Prepayments and accrued income	**-**	255
Total	**1,507**	2,056

All amounts are non-interest bearing, repayable on demand and unsecured.

Phoenix Wealth Services Limited

Notes to the financial statements
as at 31 December 2017 (continued)

11. Creditors: amounts due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings – group relief	**366**	-
Amounts owed to group undertakings	**348**	3,533
Accruals and deferred income	**-**	3,223
Other taxes and social security	**183**	188
Other creditors	**529**	516
Total	**1,426**	7,460

All amounts are non-interest bearing, repayable on demand and unsecured.

12. Called up share capital

	2017 £	2016 £
Allotted and fully paid:		
14,000,002 (2016: 14,000,0002) ordinary shares of £1 each	**14,000,002**	14,000,002

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

13. Other reserves

	Capital contribution £000	Profit and loss account £000	Total £000
Balance as at 1 January 2017	82,805	(81,753)	1,052
Profit for the financial year	-	4,750	4,750
Balance as at 31 December 2017	**82,805**	**(77,003)**	**5,802**

Reserve definitions:

Capital contribution reserve represents amounts received from parent undertakings. No formal agreement is in place requiring the repayment of the contribution and, as such this is considered a distributable reserve.

Profit and loss account represents the cumulative profits and losses of the Company.

Distributable reserves are those reserves without restriction that are available to be distributed to shareholders. For the year ended 31 December 2017 the Company had distributable reserves of £5,802,000 (2016: £1,052,000).

14. Related parties

The Company has taken advantage of the exemption granted under FRS 102 Section 33.1A to not disclose 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.

15. Immediate and ultimate parent company

The Company's principal place of business is the United Kingdom. The Company's immediate parent is Phoenix Wealth Holdings Limited (formerly known as Winterthur Life UK Holdings Limited) and its ultimate parent is Phoenix Group Holdings, a company incorporated in the Cayman Islands and resident in the United Kingdom. A copy of the financial statements of Phoenix Group Holdings can be obtained from the Company Secretary, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU.