



Standard Life Pension Funds Limited

**Annual FSA Insurance Returns
for the financial year ended 31 December 2010**

Prepared in accordance with the Accounts and Statements Rules

(Appendices 9.1,9.3,9.4 and 9.6)

Contents

Balance Sheet and Profit and Loss Account

Form 2	Statement of solvency - long-term insurance business	1
Form 3	Components of capital resources	3
Form 13	Analysis of admissible assets	6
Form 14	Long term insurance business liabilities and margins	12
Form 15	Liabilities (other than long term insurance business)	13
Form 16	Profit and loss account (non-technical account)	14
Form 17	Analysis of derivative contracts	15

Long Term Insurance Business: Revenue Account and Additional Information

Form 40	Revenue account	16
Form 41	Analysis of premiums	17
Form 42	Analysis of claims	18
Form 43	Analysis of expenses	19
Form 46	Summary of new business	20
Form 47	Analysis of new business	21
Form 48	Assets not held to match linked liabilities	22
Form 50	Summary of mathematical reserves	23
Form 51	Valuation summary of non-linked contracts (other than accumulating with-profits contracts)	24
Form 53	Valuation summary of property linked contracts	26
Form 58	Distribution of surplus	28
Form 60	Long-term insurance capital requirement	29

Supplementary notes to the return	30
--	----

Additional information on derivative contracts	36
---	----

Additional information on controllers	37
--	----

Abstract of the Valuation Report	38
---	----

Statement of information on the with-profits actuary	42
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Directors' Certificate	43
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Auditor's Report	45
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Statement of solvency - long-term insurance businessName of insurer **Standard Life Pension Funds Limited**

Global business

Financial year ended **31 December 2010**

Solo solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	Units
R2	46447	GL	31	12	2010	£000
			As at end of this financial year			As at end of the previous year
			1			2

Capital resources

Capital resources arising within the long-term insurance fund	11				
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12			69842	66201
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13			69842	66201

Guarantee fund

Guarantee fund requirement	21			3040	3128
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22			66802	63073

Minimum capital requirement (MCR)

Long-term insurance capital requirement	31			962	1362
Resilience capital requirement	32				
Base capital resources requirement	33			3040	3128
Individual minimum capital requirement	34			3040	3128
Capital requirements of regulated related undertakings	35				
Minimum capital requirement (34+35)	36			3040	3128
Excess (deficiency) of available capital resources to cover 50% of MCR	37			68322	64637
Excess (deficiency) of available capital resources to cover 75% of MCR	38			67562	63855

Enhanced capital requirement

With-profits insurance capital component	39				
Enhanced capital requirement	40			962	1362

Capital resources requirement (CRR)

Capital resources requirement (greater of 36 and 40)	41			3040	3128
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42			66802	63073

Contingent liabilities

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51				
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Components of capital resourcesName of insurer **Standard Life Pension Funds Limited**

Global business

Financial year ended **31 December 2010**

	Company registration number	GL/ UK/ CM	day month year			Units
R3	46447	GL	31	12	2010	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

Core tier one capital

Permanent share capital	11					
Profit and loss account and other reserves	12		69842	69842	66201	
Share premium account	13					
Positive valuation differences	14					
Fund for future appropriations	15					
Core tier one capital in related undertakings	16					
Core tier one capital (sum of 11 to 16)	19		69842	69842	66201	

Tier one waivers

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	21					
Implicit Items	22					
Tier one waivers in related undertakings	23					
Total tier one waivers as restricted (21+22+23)	24					

Other tier one capital

Perpetual non-cumulative preference shares as restricted	25					
Perpetual non-cumulative preference shares in related undertakings	26					
Innovative tier one capital as restricted	27					
Innovative tier one capital in related undertakings	28					

Total tier one capital before deductions (19+24+25+26+27+28)	31		69842	69842	66201	
Investments in own shares	32					
Intangible assets	33					
Amounts deducted from technical provisions for discounting	34					
Other negative valuation differences	35					
Deductions in related undertakings	36					
Deductions from tier one (32 to 36)	37					
Total tier one capital after deductions (31-37)	39		69842	69842	66201	

Components of capital resourcesName of insurer **Standard Life Pension Funds Limited**

Global business

Financial year ended **31 December 2010**

Company registration number	GL/UK/CM	day month year			Units	
R3	46447	GL	31	12	2010	£000
		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year	
		1	2	3	4	

Tier two capital

Implicit items, (tier two waivers and amounts excluded from line 22)	41				
Perpetual non-cumulative preference shares excluded from line 25	42				
Innovative tier one capital excluded from line 27	43				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	44				
Perpetual cumulative preference shares	45				
Perpetual subordinated debt and securities	46				
Upper tier two capital in related undertakings	47				
Upper tier two capital (44 to 47)	49				

Fixed term preference shares	51				
Other tier two instruments	52				
Lower tier two capital in related undertakings	53				
Lower tier two capital (51+52+53)	59				

Total tier two capital before restrictions (49+59)	61				
Excess tier two capital	62				
Further excess lower tier two capital	63				
Total tier two capital after restrictions, before deductions (61-62-63)	69				

Components of capital resourcesName of insurer **Standard Life Pension Funds Limited**

Global business

Financial year ended **31 December 2010**

Company registration number	GL/UK/CM	day month year			Units	
R3	46447	GL	31	12	2010	£000
		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4	

Total capital resources

Positive adjustments for regulated non-insurance related undertakings	71				
Total capital resources before deductions (39+69+71)	72		69842	69842	66201
Inadmissible assets other than intangibles and own shares	73				
Assets in excess of market risk and counterparty limits	74				
Deductions for related ancillary services undertakings	75				
Deductions for regulated non-insurance related undertakings	76				
Deductions of ineligible surplus capital	77				
Total capital resources after deductions (72-73-74-75-76-77)	79		69842	69842	66201

Available capital resources for GENPRU/INSRU tests

Available capital resources for guarantee fund requirement	81		69842	69842	66201
Available capital resources for 50% MCR requirement	82		69842	69842	66201
Available capital resources for 75% MCR requirement	83		69842	69842	66201

Financial engineering adjustments

Implicit items	91				
Financial reinsurance - ceded	92				
Financial reinsurance - accepted	93				
Outstanding contingent loans	94				
Any other charges on future profits	95				
Sum of financial engineering adjustments (91+92-93+94+95)	96				

Analysis of admissible assetsName of insurer **Standard Life Pension Funds Limited**

Global business

Financial year ended **31 December 2010**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
R13	46447	GL	31	12	2010	£000
					1	1
					As at end of this financial year	As at end of the previous year
					1	2
Land and buildings			11			

Investments in group undertakings and participating interests

UK insurance dependants	Shares	21		
	Debts and loans	22		
Other insurance dependants	Shares	23		
	Debts and loans	24		
Non-insurance dependants	Shares	25		
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares	41		
Other shares and other variable yield participations	42		
Holdings in collective investment schemes	43	69067	64559
Rights under derivative contracts	44	989	622
Fixed interest securities	Approved	45	
	Other	46	
Variable interest securities	Approved	47	
	Other	48	
Participation in investment pools	49		
Loans secured by mortgages	50		
Loans to public or local authorities and nationalised industries or undertakings	51		
Loans secured by policies of insurance issued by the company	52		
Other loans	53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54	
	More than one month withdrawal	55	
Other financial investments	56		
Deposits with ceding undertakings	57		
Assets held to match linked liabilities	Index linked	58	
	Property linked	59	

Analysis of admissible assetsName of insurer **Standard Life Pension Funds Limited**

Global business

Financial year ended **31 December 2010**Category of assets **Total other than long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
R13	46447	GL	31	12	2010	£000
						1
						As at end of this financial year
						As at end of the previous year
						1
						2

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	701	1747
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	561	561
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		1
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	71318	67490
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Analysis of admissible assetsName of insurer **Standard Life Pension Funds Limited**

Global business

Financial year ended **31 December 2010**Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/ UK/ CM	day	month	year	Units	Category of assets
R13	46447	GL	31	12	2010	£000	1
						As at end of this financial year	As at end of the previous year
						1	2

**Reconciliation to asset values determined in accordance
with the insurance accounts rules or international
accounting standards as applicable to the firm for the
purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	71318	67490
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	71318	67490
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Analysis of admissible assetsName of insurer **Standard Life Pension Funds Limited**

Global business

Financial year ended **31 December 2010**Category of assets **Total long term insurance business assets**

R13	Company registration number	GL/UK/CM	day month year			Units	Category of assets
			31	12	2010		
	46447	GL				£000	10
						As at end of this financial year	As at end of the previous year
						1	2
Land and buildings			11				

Investments in group undertakings and participating interests

UK insurance dependants	Shares	21		
	Debts and loans	22		
Other insurance dependants	Shares	23		
	Debts and loans	24		
Non-insurance dependants	Shares	25		
	Debts and loans	26		
Other group undertakings	Shares	27		
	Debts and loans	28		
Participating interests	Shares	29		
	Debts and loans	30		

Other financial investments

Equity shares		41		
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	6010	
Rights under derivative contracts		44		
Fixed interest securities	Approved	45		
	Other	46		
Variable interest securities	Approved	47		
	Other	48		
Participation in investment pools		49		
Loans secured by mortgages		50		
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52		
Other loans		53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54		14036
	More than one month withdrawal	55		
Other financial investments		56		
Deposits with ceding undertakings		57		
Assets held to match linked liabilities	Index linked	58		
	Property linked	59		

Analysis of admissible assetsName of insurer **Standard Life Pension Funds Limited**

Global business

Financial year ended **31 December 2010**Category of assets **Total long term insurance business assets**

Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
R13	46447	GL	31	12	2010	£000
						10
						As at end of this financial year
						As at end of the previous year
						1
						2

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78	7555	5698
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	63	116
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	4	
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	13632	19850
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Analysis of admissible assetsName of insurer **Standard Life Pension Funds Limited**

Global business

Financial year ended **31 December 2010**Category of assets **Total long term insurance business assets**

	Company registration number	GL/UK/CM	day	month	year	Units	Category of assets
R13	46447	GL	31	12	2010	£000	10
						As at end of this financial year	As at end of the previous year
						1	2

Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	13632	19850
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100	1075358	1010460
Other asset adjustments (may be negative)	101	(5)	(5)
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	1088985	1030305
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

Long term insurance business liabilities and marginsName of insurer **Standard Life Pension Funds Limited**

Global business

Financial year ended **31 December 2010**Total business/Sub fund **Ordinary Long Term**Units **£000**

As at end of this financial year 1	As at end of the previous year 2
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Mathematical reserves, after distribution of surplus		11	6086	14373
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12		
Balance of surplus/(valuation deficit)		13		
Long term insurance business fund carried forward (11 to 13)		14	6086	14373
Claims outstanding	Gross	15		
	Reinsurers' share	16		
	Net (15-16)	17		
Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers		23		
Creditors	Direct insurance business	31		
	Reinsurance accepted	32		
	Reinsurance ceded	33		
Debenture loans	Secured	34		
	Unsecured	35		
Amounts owed to credit institutions		36		
Creditors	Taxation	37		
	Other	38	7546	5477
Accruals and deferred income		39		
Provision for "reasonably foreseeable adverse variations"		41		
Total other insurance and non-insurance liabilities (17 to 41)		49	7546	5477
Excess of the value of net admissible assets		51		
Total liabilities and margins		59	13632	19850

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	7546	5477
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62		

Total liabilities (11+12+49)		71	13632	19850
Increase to liabilities - DAC related		72		
Reinsurers' share of technical provisions		73	1075358	1010460
Other adjustments to liabilities (may be negative)		74	(5)	(5)
Capital and reserves and fund for future appropriations		75		
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)		76	1088985	1030305

Liabilities (other than long term insurance business)Name of insurer **Standard Life Pension Funds Limited**

Global business

Financial year ended **31 December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	Units	
	R15	46447	GL	31	12	2010	£000
						As at end of this financial year 1	As at end of the previous year 2

Technical provisions (gross amount)

Provisions for unearned premiums		11				
Claims outstanding		12				
Provision for unexpired risks		13				
Equalisation provisions	Credit business	14				
	Other than credit business	15				
Other technical provisions		16				
Total gross technical provisions (11 to 16)		19				

Provisions and creditors

Provisions	Taxation	21			
	Other risks and charges	22			
Deposits received from reinsurers		31			
Creditors	Direct insurance business	41			
	Reinsurance accepted	42			
	Reinsurance ceded	43			
Debenture loans	Secured	44			
	Unsecured	45			
Amounts owed to credit institutions		46		560	558
Creditors	Taxation	47			
	Foreseeable dividend	48			
	Other	49		866	681
Accruals and deferred income		51			
Total (19 to 51)		59		1426	1239
Provision for "reasonably foreseeable adverse variations"		61			
Cumulative preference share capital		62			
Subordinated loan capital		63		50	50
Total (59 to 63)		69		1476	1289

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		37	37
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Amounts deducted from technical provisions for discounting	82			
Other adjustments (may be negative)	83		(50)	(50)
Capital and reserves	84		69892	66251
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	85		71318	67490

Profit and loss account (non-technical account)Name of insurer **Standard Life Pension Funds Limited**

Global business

Financial year ended **31 December 2010**

		Company registration number	GL/ UK/ CM	day	month	year	Units
		R16	46447	GL	31	12	2010
					This financial year		Previous year
					1		2
Transfer (to)/from the general insurance business technical account	From Form 20	11					
	Equalisation provisions	12					
Transfer from the long term insurance business revenue account		13					
Investment income	Income	14				2280	2786
	Value re-adjustments on investments	15				2564	
	Gains on the realisation of investments	16				271	76
Investment charges	Investment management charges, including interest	17					
	Value re-adjustments on investments	18					3975
	Loss on the realisation of investments	19					
Allocated investment return transferred to the general insurance business technical account		20					
Other income and charges (particulars to be specified by way of supplementary note)		21				(5)	
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29				5110	(1113)
Tax on profit or loss on ordinary activities		31				1469	200
Profit or loss on ordinary activities after tax (29-31)		39				3641	(1313)
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41					
Tax on extraordinary profit or loss		42					
Other taxes not shown under the preceding items		43					
Profit or loss for the financial year (39+41-(42+43))		49				3641	(1313)
Dividends (paid or foreseeable)		51					
Profit or loss retained for the financial year (49-51)		59				3641	(1313)

Analysis of derivative contractsName of insurer **Standard Life Pension Funds Limited**

Global business

Financial year ended **31 December 2010**Category of assets **Total other than long term insurance business assets**

		Company registration number	GL/ UK/ CM	day month year			Units	Category of assets
		R17	GL	31	12	2010	£000	1
Derivative contracts		Value as at the end of this financial year			Notional amount as at the end of this financial year			
		Assets 1	Liabilities 2	Bought / Long 3	Sold / Short 4			
Futures and contracts for differences	Fixed-interest securities	11						
	Interest rates	12	989			6837		
	Inflation	13						
	Credit index / basket	14						
	Credit single name	15						
	Equity index	16						
	Equity stock	17						
	Land	18						
	Currencies	19						
	Mortality	20						
Other	21							
In the money options	Swaptions	31						
	Equity index calls	32						
	Equity stock calls	33						
	Equity index puts	34						
	Equity stock puts	35						
Other	36							
Out of the money options	Swaptions	41						
	Equity index calls	42						
	Equity stock calls	43						
	Equity index puts	44						
	Equity stock puts	45						
Other	46							
Total (11 to 46)		51	989			6837		
Adjustment for variation margin		52						
Total (51 + 52)		53	989					

THE NOTIONAL AMOUNTS IN COLUMNS 3 AND 4 ARE NOT A MEASURE OF EXPOSURE.
Please see instructions 11 and 12 to this Form for the meaning of these figures.

Long-term insurance business : Revenue account

Name of insurer **Standard Life Pension Funds Limited**
 Total business / subfund **Ordinary Long Term**
 Financial year ended **31 December 2010**
 Units **£000**

Financial year 1	Previous year 2
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Income

Earned premiums	11	1414	2555
Investment income receivable before deduction of tax	12	46	80
Increase (decrease) in the value of non-linked assets brought into account	13		
Increase (decrease) in the value of linked assets	14		
Other income	15	23166	18761
Total income	19	24626	21396

Expenditure

Claims incurred	21	9675	1419
Expenses payable	22	23237	18888
Interest payable before the deduction of tax	23	1	
Taxation	24		
Other expenditure	25		
Transfer to (from) non technical account	26		
Total expenditure	29	32913	20307

Business transfers - in	31		
Business transfers - out	32		
Increase (decrease) in fund in financial year (19-29+31-32)	39	(8287)	1089
Fund brought forward	49	14373	13284
Fund carried forward (39+49)	59	6086	14373

Long-term insurance business : Analysis of premiums

Name of insurer **Standard Life Pension Funds Limited**
 Total business / subfund **Ordinary Long Term**
 Financial year ended **31 December 2010**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Regular premiums	11		1414		1414	2555
Single premiums	12		71262		71262	85649

Reinsurance - external

Regular premiums	13					
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16		71262		71262	85649

Net of reinsurance

Regular premiums	17		1414		1414	2555
Single premiums	18					

Total

Gross	19		72676		72676	88204
Reinsurance	20		71262		71262	85649
Net	21		1414		1414	2555

Long-term insurance business : Analysis of claims

Name of insurer **Standard Life Pension Funds Limited**
 Total business / subfund **Ordinary Long Term**
 Financial year ended **31 December 2010**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Death or disability lump sums	11		675		675	1419
Disability periodic payments	12					
Surrender or partial surrender	13		74180		74180	62416
Annuity payments	14		672		672	690
Lump sums on maturity	15					
Total	16		75527		75527	64525

Reinsurance - external

Death or disability lump sums	21					
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
Total	26					

Reinsurance - intra-group

Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33		65180		65180	62416
Annuity payments	34		672		672	690
Lump sums on maturity	35					
Total	36		65852		65852	63106

Net of reinsurance

Death or disability lump sums	41		675		675	1419
Disability periodic payments	42					
Surrender or partial surrender	43		9000		9000	
Annuity payments	44					
Lump sums on maturity	45					
Total	46		9675		9675	1419

Long-term insurance business : Analysis of expenses

Name of insurer **Standard Life Pension Funds Limited**
 Total business / subfund **Ordinary Long Term**
 Financial year ended **31 December 2010**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Commission - acquisition	11				
Commission - other	12		30	30	47
Management - acquisition	13				
Management - maintenance	14		23207	23207	18841
Management - other	15				
Total	16		23237	23237	18888

Reinsurance - external

Commission - acquisition	21				
Commission - other	22				
Management - acquisition	23				
Management - maintenance	24				
Management - other	25				
Total	26				

Reinsurance - intra-group

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
Total	36				

Net of reinsurance

Commission - acquisition	41				
Commission - other	42		30	30	47
Management - acquisition	43				
Management - maintenance	44		23207	23207	18841
Management - other	45				
Total	46		23237	23237	18888

Long-term insurance business : Summary of new business

Name of insurer **Standard Life Pension Funds Limited**
 Total business
 Financial year ended **31 December 2010**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Number of new policyholders/
scheme members for direct
insurance business**

Regular premium business	11				
Single premium business	12				
Total	13				

**Amount of new regular
premiums**

Direct insurance business	21				
External reinsurance	22				
Intra-group reinsurance	23				
Total	24				

**Amount of new single
premiums**

Direct insurance business	25		71240		71240	85649
External reinsurance	26					
Intra-group reinsurance	27					
Total	28		71240		71240	85649

Long-term insurance business : Analysis of new business

Name of insurer

Standard Life Pension Funds Limited

Total business

Financial year ended

31 December 2010

Units

£000

UK Pension / Direct Insurance Business

Product code number 1	Product description 2	Regular premium business		Single premium business	
		Number of policyholders / scheme members 3	Amount of premiums 4	Number of policyholders / scheme members 5	Amount of premiums 6
755	Trustee investment plan				71240

Long-term insurance business : Assets not held to match linked liabilities

Name of insurer **Standard Life Pension Funds Limited**
 Category of assets **10 Total long term insurance business assets**
 Financial year ended **31 December 2010**
 Units **£000**

Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
1	2	3	4	5

Assets backing non-profit liabilities and non-profit capital requirements

Land and buildings	11				
Approved fixed interest securities	12				
Other fixed interest securities	13				
Variable interest securities	14				
UK listed equity shares	15				
Non-UK listed equity shares	16				
Unlisted equity shares	17				
Other assets	18				
Total	19				

Assets backing with-profits liabilities and with-profits capital requirements

Land and buildings	21				
Approved fixed interest securities	22				
Other fixed interest securities	23				
Variable interest securities	24				
UK listed equity shares	25				
Non-UK listed equity shares	26				
Unlisted equity shares	27				
Other assets	28	13632	13632	68	0.50
Total	29	13632	13632	68	0.50

Overall return on with-profits assets

Post investment costs but pre-tax	31				
Return allocated to non taxable 'asset shares'	32				
Return allocated to taxable 'asset shares'	33				

Long-term insurance business : Summary of mathematical reserves

Name of insurer **Standard Life Pension Funds Limited**
 Total business / subfund **Ordinary Long Term**
 Financial year ended **31 December 2010**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Form 51 - with-profits	11		6086		6086	5373
Form 51 - non-profit	12		7173		7173	7195
Form 52	13					
Form 53 - linked	14		1068184		1068184	1003264
Form 53 - non-linked	15					
Form 54 - linked	16					
Form 54 - non-linked	17					
Total	18		1081444		1081444	1015833

Reinsurance - external

Form 51 - with-profits	21					
Form 51 - non-profit	22					
Form 52	23					
Form 53 - linked	24					
Form 53 - non-linked	25					
Form 54 - linked	26					
Form 54 - non-linked	27					
Total	28					

Reinsurance - intra-group

Form 51 - with-profits	31					
Form 51 - non-profit	32		7173		7173	7195
Form 52	33					
Form 53 - linked	34		1068184		1068184	1003264
Form 53 - non-linked	35					
Form 54 - linked	36					
Form 54 - non-linked	37					
Total	38		1075358		1075358	1010460

Net of reinsurance

Form 51 - with-profits	41		6086		6086	5373
Form 51 - non-profit	42					
Form 52	43					
Form 53 - linked	44					
Form 53 - non-linked	45					
Form 54 - linked	46					
Form 54 - non-linked	47					
Total	48		6086		6086	5373

Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profits contracts)

Name of insurer **Standard Life Pension Funds Limited**
 Total business / subfund **Ordinary Long Term**
 Financial year ended **31 December 2010**
 Units **£000**
 UK Pension / Gross

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
205	Miscellaneous conventional with-profits - Life Assurance		529474	1461				6086
390	Deferred annuity non-profit - Group deferred annuity	507	8					151
400	Annuity non-profit (CPA) - Group Annuity in payment	474	696					7023

Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profits contracts)

Name of insurer **Standard Life Pension Funds Limited**
 Total business / subfund **Ordinary Long Term**
 Financial year ended **31 December 2010**
 Units **£000**
 UK Pension / Reinsurance ceded intra-group

Product code number 1	Product description 2	Number of policyholders / scheme members 3	Amount of benefit 4	Amount of annual office premiums 5	Nominal value of units 6	Discounted value of units 7	Other liabilities 8	Amount of mathematical reserves 9
390	Deferred annuity non-profit - Group deferred annuity		8					151
400	Annuity non-profit (CPA) - Group Annuity in payment		696					7023

Long-term insurance business : Distribution of surplus

Name of insurer **Standard Life Pension Funds Limited**
 Total business / subfund **Ordinary Long Term**
 Financial year ended **31 December 2010**
 Units **£000**

Financial year	Previous year
1	2

Valuation result

Fund carried forward	11	6086	14373
Bonus payments in anticipation of a surplus	12		
Transfer to non-technical account	13		
Transfer to other funds / parts of funds	14		
Subtotal (11 to 14)	15	6086	14373
Mathematical reserves	21	6086	5373
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	29		9000

Composition of surplus

Balance brought forward	31		
Transfer from non-technical account	32		
Transfer from other funds / parts of fund	33		
Surplus arising since the last valuation	34		9000
Total	39		9000

Distribution of surplus

Bonus paid in anticipation of a surplus	41		
Cash bonuses	42		
Reversionary bonuses	43		
Other bonuses	44		9000
Premium reductions	45		
Total allocated to policyholders (41 to 45)	46		9000
Net transfer out of fund / part of fund	47		
Total distributed surplus (46+47)	48		9000
Surplus carried forward	49		
Total (48+49)	59		9000

Percentage of distributed surplus allocated to policyholders

Current year	61		100.00
Current year - 1	62	100.00	
Current year - 2	63		
Current year - 3	64		100.00

Long-term insurance capital requirementName of insurer **Standard Life Pension Funds Limited**

Global business

Financial year ended **31 December 2010**Units **£000**

LTICR factor	Gross reserves / capital at risk	Net reserves / capital at risk	Reinsurance factor	LTICR Financial year	LTICR Previous year
1	2	3	4	5	6

Insurance death risk capital component

Life protection reinsurance	11	0.0%					
Classes I (other), II and IX	12	0.1%	523388	523388	1.00	523	643
Classes I (other), II and IX	13	0.15%					
Classes I (other), II and IX	14	0.3%					
Classes III, VII and VIII	15	0.3%					
Total	16		523388	523388		523	643

Insurance health risk and life protection reinsurance capital component

Class IV supplementary classes 1 and 2 and life protection reinsurance	21						
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Insurance expense risk capital component

Life protection and permanent health reinsurance	31	0%					
Classes I (other), II and IX	32	1%	11799	4626	0.85	100	169
Classes III, VII and VIII (investment risk)	33	1%					
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%					
Classes III, VII and VIII (other)	35	25%					
Class IV (other)	36	1%					
Class V	37	1%					
Class VI	38	1%					
Total	39					100	169

Insurance market risk capital component

Life protection and permanent health reinsurance	41	0%					
Classes I (other), II and IX	42	3%	13260	6086	0.85	338	550
Classes III, VII and VIII (investment risk)	43	3%					
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%					
Classes III, VII and VIII (other)	45	0%	1068184				
Class IV (other)	46	3%					
Class V	47	0%					
Class VI	48	3%					
Total	49		1081444	6086		338	550

Long term insurance capital requirement	51					962	1362
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Returns under the Accounts and Statements Rules

Supplementary notes

Name of insurer **STANDARD LIFE PENSION FUNDS LIMITED**

Financial year ended **31 December 2010**

***0301* Reconciliation of net admissible assets to total capital resources after deductions**

	2010	2009
	£'000	£'000
Total admissible assets (long term) F13:89	13,632	19,850
Total admissible assets (other than long term) F13:89	71,318	67,490
Less:		
Mathematical reserves, after distribution of surplus (long term) F14:11	(6,086)	(14,373)
Total other insurance and non-insurance liabilities (long term) F14:49	(7,546)	(5,477)
Total liabilities (other than long term) F15:69	(1,476)	(1,289)
Net admissible assets	69,842	66,201
<u>Total capital resources after deductions F3:79</u>	<u>69,842</u>	<u>66,201</u>

***0313* Reconciliation of profit and loss account and other reserves to profit retained for year**

	2010	2009
	£'000	£'000
Profit and loss account and other reserves brought forward F3:12 column 4	66,201	67,514
<u>Profit/(loss) retained for the year F16:59</u>	<u>3,641</u>	<u>(1,313)</u>
<u>Profit and loss account and other reserves carried forward F3:12 column 3</u>	<u>69,842</u>	<u>66,201</u>

***1301 and 1308* Aggregate value of certain securities**

The aggregate value of unlisted investments falling within any of lines 41, 42, 46 or 48 which have been valued in accordance with the rules in GENPRU 1.3 was £nil (2009: £nil).

The aggregate value of units or beneficial interests in collective investment schemes that are not schemes falling within the UCITS Directive and are not authorised unit trust schemes or recognised schemes within the meaning of Part XVII of the Act was £nil (2009: £nil).

***1302 and 1309* Hybrid securities**

The aggregate value of hybrid securities included at lines 46 or 48 was £nil (2009: £nil).

***1304 and 1310* Amounts set off under generally accepted accounting principles**

Amounts have been set off to the extent permitted by generally accepted accounting principles.

Returns under the Accounts and Statements Rules

Supplementary notes

***1305 and 1319* Maximum permitted counterparty limits**

Investment and treasury managers operate within counterparty limits approved by the Board of Directors. Operation within these limits ensures that the total exposure to any one counterparty falls within the prescribed admissibility limits. To secure proper diversification, individual equity, property and fixed interest holdings are limited to specified percentages of the total portfolios in which they are held. Holdings in fixed interest securities are also subject to limits on the percentage of the portfolio held in issues whose credit ratings are less than a specified level. Cash deposits and holdings in short term securities are restricted to counterparties whose credit ratings are above a specified level, with limits set for each counterparty.

The maximum extent to which, in accordance with the above investment guidelines, the Company was permitted to be exposed to any one counterparty during the year was £16,980,000. This limit was not exceeded during the year.

The maximum extent to which, in accordance with the above investment guidelines, the Company was permitted to be exposed to any one counterparty, other than by way of exposure to an approved counterparty, during the year was £4,245,000. This limit was not exceeded during the year.

***1306 and 1312* Large counterparty exposure**

As at 31 December 2010 the Company had the following counterparty exposures in excess of the value calculated as 5% of the Company's base capital resources requirement and its long-term insurance liabilities (excluding property linked liabilities and net of reinsurance ceded):

Counterparty	Nature of Assets	Exposure £'000
Citibank	Deposits	624

***1307 and 1313* Aggregate value of fully secured rights**

The aggregate value of rights to which INSPRU 2.1.35R or INSPRU 2.1.36R and INSPRU 2.1.37R relate was £940,000 (2009: £660,000).

***1318* Other asset adjustments**

The following adjustments were included at line 101 of the Long Term Business Fund:

	2010 £'000	2009 £'000
Grossing up of debtors and creditors	(5)	(5)

Returns under the Accounts and Statements Rules

Supplementary notes

***1401 and 1501* Provision for reasonably foreseeable adverse variations**

No adjustment or provision is deemed necessary pursuant to GENPRU 1.3.30R to GENPRU 1.3.33R. This follows a review by senior management of positions that are valued using third-party valuations or by marking-to-model.

No adjustment or provision is deemed necessary pursuant to INSPRU 3.2.17R as all positions in derivatives, quasi-derivatives or any contract (other than a contract of insurance) for the purchase, sale or exchange of assets are covered.

***1402 and 1502* Contingent liabilities and guarantees**

There were no charges over assets.

Full provision has been made in respect of the Company's potential liability to capital gains tax.

The Company, like other insurers is subject to legal proceedings and complaints in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on the results and financial position of the Company.

The Company is subject to insurance solvency regulations in all the territories in which it issues insurance and investment contracts, and it has complied with all the local solvency regulations. There are no contingencies associated with the Company's compliance or lack of compliance with these regulations.

There were no guarantees, indemnities or contractual commitments effected by the Company other than in ordinary course of its insurance business.

***1405* Other adjustments to liabilities**

The following adjustments were included at line 74:

	2010	2009
	£'000	£'000
<u>Grossing up of debtors and creditors</u>	<u>(5)</u>	<u>(5)</u>

***1507* Other adjustments to liabilities**

The following adjustments were included at line 83:

	2010	2009
	£'000	£'000
<u>Loan capital</u>	<u>(50)</u>	<u>(50)</u>

Returns under the Accounts and Statements Rules

Supplementary notes

The loan capital of £50,000 provided by the Company's parent undertaking forms part of equity in the Company's statutory accounts prepared under international accounting standards. The loan capital does not, however, meet the definition of capital and reserves for the purposes of the FSA return and has therefore been included at line 63 (subordinated loan capital). The loan capital is non-interest bearing, repayable only on liquidation and ranks after all other creditors.

***1601 and 4005* Basis of conversion of foreign currency**

Foreign currency transactions have been translated at the exchange rate prevailing at the date of the transaction. Gains and losses arising from such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies have been recognised in the revenue account.

***1603* Other income and charges**

Other income and charges reported at line 21 represents interest expense of £5,000.

***1700* Analysis of derivative contracts**

Form 17 has been omitted for 'total long term insurance business assets' as all entries would be blank.

***1800* With-profits insurance capital component for the fund**

This Form has been omitted since all entries would be blank.

***1900* Realistic balance sheet**

This Form has been omitted since all entries would be blank.

***4002* Other income**

Other income reported at line 15 represents fund management income from third party funds under management.

***4008* Provision of management services**

During the year arrangements have been in place for the Company to be provided with management services by the following companies:

Standard Life Assurance Limited

Standard Life Investments Limited

During the financial year arrangements have been in place for the Company to provide management services to the following companies:

Standard Life Assurance Limited

Returns under the Accounts and Statements Rules

Supplementary notes

***4009* Material connected party transactions**

The Company transacts United Kingdom pension fund business and provides management services for pension funds based in the United Kingdom and the Republic of Ireland. Group life assurance contracts in respect of United Kingdom pension business undertaken by Standard Life Assurance Limited (the Company's parent undertaking) are reinsured with the Company. Net premiums less claims on reinsurance accepted during the year amounted to an expense of £8,261,000 for the Company.

The Company also reinsures unitised pensions business to Standard Life Investment Funds Limited (a fellow subsidiary of Standard Life Assurance Limited) on an original terms basis. Net premiums less claims and charges on reinsurance ceded during the year amounted to income of £5,324,000 for the Company.

Standard Life Investments Limited, a fellow Group subsidiary, provides the Company with management services in respect of these pension funds. Total investment management fees paid by the Company during the year amounted to £23,298,000.

***4400* Linked funds balance sheet**

This Form has been omitted since all entries would be blank.

***4500* Revenue account for internal linked funds**

This Form has been omitted since all entries would be blank.

***4701* Group schemes**

There are 3 new Pensions Management contracts which have no records of benefits at member level.

***4802* Treatment of expected income where interest in default**

Expected income from admissible assets not held to match linked liabilities is stated net of provision against any expected income where the payment of interest is in default. The amount of interest provided against was £ nil.

***4900* Fixed and variable interest assets**

This form has been omitted since the fixed interest securities are approved securities.

***5101* Group schemes**

There are 39 Pensions Management contracts which have no records of benefits at member level.

***5103* Miscellaneous conventional with-profits**

Returns under the Accounts and Statements Rules

Supplementary notes

Product Code number 205 - Miscellaneous conventional with-profits – Life Assurance: this represents Group Life business including provision for potential triennial bonus.

***5200* Valuation summary of accumulating with-profit contracts**

This Form has been omitted since all entries would be blank.

***5301* Group schemes**

Product code number 755: there are 4 Trustee Investment Plans which have no records of benefits at member level.

***5400* Valuation summary of index linked contracts**

This Form has been omitted since all entries would be blank.

***5500* Unit prices for internal linked funds**

This Form has been omitted since all entries would be blank.

***5600* Index linked business**

This Form has been omitted since all entries would be blank.

***5700* Analysis of valuation interest rate**

This Form has been omitted since all entries would be blank.

***59A00 and 59B00* With-profits payouts**

This Form has been omitted since all entries would be blank.

***6002* Calculation of expense risk and market risk capital requirement**

The Company's approach to the LTICR calculation has been to consider the risks that the Company is exposed to. Under the Group Life business, accepted as reinsured from Standard Life Assurance Limited, the expense risk component is not reinsured to the Company. The expense risk component of the LTICR in respect of this business is therefore retained by Standard Life Assurance Limited and the reserves shown in columns 2 and 3 for the expense risk component reflect this.

Returns under the Accounts and Statements Rules

Additional information on derivative contracts

Statement on derivatives required by IPRU (INS) 9.29

Name of insurer **STANDARD LIFE PENSION FUNDS LIMITED**
Financial year ended **31 December 2010**

- a) In respect of derivative transactions, investment managers work to written authorities approved by the Directors. Controls are applied to ensure that the authorities delegated to investment managers are not exceeded.

Use of derivatives, or any contract or asset having the effect of a derivative, is permitted for the purpose of matching contractual liabilities providing certain constraints are met. These constraints, which include constraints to limit counter-party risk, are determined and monitored according to the written authorities.

Use of derivatives, or any contract or asset having the effect of a derivative, is also allowed for the purpose of efficient portfolio management, providing the transactions underlying the contract would be permitted. In addition, major counter-parties, including clearing houses, must have appropriate credit worthiness. The total exposure to any one counter-party or group of counter-parties must be kept within a pre-determined amount.

- b) The written authorities do not prohibit entry into contracts where the right or obligation to acquire or dispose of assets is not reasonably likely to be exercised at the time of entry. This is so that investment managers are not prevented from entering into contracts that could potentially enhance efficient portfolio management or reduce investment risk.
- c) During the financial year, there were no contracts entered into by the Company that, at the time of the transaction, were not reasonably likely to be exercised.
- d) During the year the Company did not enter into any contracts which required a 'significant' provision to be made for them under INSPRU 3.2.17R or did not fall within the definition of a permitted derivative contract.
- e) During the financial year the Company did not receive any consideration in return for granting rights under derivative contracts.

Returns under the Accounts and Statements Rules

Statement of additional information on controllers required by IPRU (INS) 9.30

Name of insurer **STANDARD LIFE PENSION FUNDS LIMITED**
Global business
Financial year ended **31 December 2010**

The controllers during the year to 31 December 2010 were Standard Life Assurance Limited and Standard Life plc, which remained controllers at 31 December 2010.

As at 31 December 2010, Standard Life Assurance Limited was the immediate controller of the Company and was able to exercise 100% of the voting power at any general meeting.

As at 31 December 2010, Standard Life plc held 100% of the issued share capital of Standard Life Assurance Limited and was able to exercise 100% of the voting power at any general meeting.

Returns under the Accounts and Statements Rules

Valuation report – IPRU(INS) Appendix 9.4

Name of insurer **STANDARD LIFE PENSION FUNDS LIMITED**
Global business
Financial year ended **31 December 2010**

1. Introduction

1. (1) The valuation date (the date to which the investigation relates) is 31 December 2010.
1. (2) The previous investigation related to 31 December 2009.
1. (3) There have been no interim valuations (for the purposes of rule 9.4) carried out since 31 December 2009.

2. Product range

The assurance contract reported on Form 51 results from an agreement into which the Company has entered with its parent company, Standard Life Assurance Limited. Under this agreement the Company will automatically accept, on the terms that have been applied in accordance with the principal contract, reinsurance of all or part of the group life assurance benefits under some contracts issued by Standard Life Assurance Limited. Rates of premium for group life assurance contracts issued by the parent company are generally guaranteed for a period of at most two years from the outset.

The reinsurance agreement provides that the parent company undertakes to meet the associated expenses of the Company in return for the premium loadings and charges provided for in the principal contracts.

The Company issues Pensions Management contracts under which investments are managed on behalf of the policyholder in return for a fee. An administration service may also be provided. The premium income from each Pensions Management contract is invested in a separate Segregated Fund, the general investment policy for which is determined individually in conjunction with the Trustees of the Pension Scheme.

The Company issues a limited number of Trustee Investment Plan contracts that are wholly reassured to Standard Life Investment Funds Limited.

The Company also writes group annuity business, which is reassured with Standard Life Assurance Limited.

The Company has only one long-term business fund. The Company is open to new with profits business under the group life assurance contracts issued by the parent company and reassured under the reinsurance agreement described above and is open to new non-profit business as described above.

3. Discretionary charges and benefits

3. (1) Market Value Reductions are not applicable.
3. (2) No changes to premium rates for the group life assurance business were made during the report period.
3. (3) The Company has no products providing non-profit deposit administration benefits.

Returns under the Accounts and Statements Rules

Valuation report – IPRU(INS) Appendix 9.4

3. (4) There are no service charges on the linked Trustee Investment Plans.

3. (5) There are no benefit charges on the linked Trustee Investment Plans.

3. (6) Changes to unit management charges, or notional charges to accumulating with profits policies

The Company has no accumulating with profits policies. There have been no changes to unit management charges on the linked Trustee Investment Plans.

3. (7) – 3. (10) The only internal linked funds are those available for the linked Trustee Investment Plans. These policies are reassured to Standard Life Investment Funds Limited on an original terms basis. Information on the unit pricing of the internal linked funds available to these policies may be found in the Appendix 9.4 for Standard Life Investment Funds Limited.

4. Valuation basis (other than for special reserves)

The only product group for which the gross mathematical reserves or gross annual premiums exceed the lesser of £10m and 1% of the total gross mathematical reserves is the Trustee Investment Plans.

4. (1) The Trustee Investment Plan business is wholly reassured to Standard Life Investment Funds Limited. The gross reserve is calculated as the value of units.

4. (2) No interest rates were used in the valuation of the Trustee Investment Plan.

4. (3) A deduction from the yield to allow for risk of default was not considered necessary as the only assets held by the Company in the Ordinary Long Term Pension Fund were cash. At the valuation date the Company held no investments in gilts, equity shares or property within the Ordinary Long Term Pension Fund.

4. (4) No mortality bases were used in the valuation of the Trustee Investment Plan.

4. (5) No morbidity bases were used in the valuation.

4. (6) This section is not applicable since expenses are met by the parent company, and by Standard Life Investment Funds Limited in respect of the Trustee Investment Plans.

4. (7) Not applicable.

4. (8) Not applicable.

4. (9) No assumptions were made for lapses, surrenders or policies being made paid-up.

4. (10) The Company has made no material basis assumptions for the Regulatory valuation of the business other than those stated elsewhere in this appendix.

4. (11) No specific allowance has been made for derivative contracts in the determination of the amount of the long-term liabilities.

4. (12) No changes were made to valuation methodology arising from changes in INSPRU valuation rules effective from 31 December 2006.

Returns under the Accounts and Statements Rules

Valuation report – IPRU(INS) Appendix 9.4

5. Options and guarantees

The Company has no liability for any options or guarantees.

6. Expense reserves

Under the terms of the agreements described earlier, this section is not applicable since the expenses of the Company are met by the parent company, and by Standard Life Investment Funds Limited in respect of the Trustee Investment Plans.

7. Mismatching reserves

7. (1) & (2) All liabilities (other than for property-linked benefits) and the corresponding matching assets are denominated in sterling.

7. (3) No reserve for currency mismatching is required.

7. (4) Both scenarios under INSPRU 3.1.16R had the same impact as all assets backing the liabilities were invested in cash.

7. (5) Not applicable.

7. (6) No Resilience Capital Requirement was required. The aggregate amount of long-term liabilities reduced by £0. The aggregate amount by which the assets allocated to match these liabilities changed in value under the scenario from that shown on Form 13 was £0.

7. (7) No further reserve has been made arising from the test on assets in INSPRU 1.1.34R(2). Additional reserves are already held to provide against fluctuations in experience.

8. Other special reserves

There are no other special reserves.

9. Reinsurance

9. (1) The Company ceded no business on a facultative basis to reinsurers who were not authorised to carry on business in the United Kingdom at any time during the report period.

9. (2)

The Company is the cedant in respect of the following reinsurance treaties under which business was in force at the valuation date and where:

[a] premiums payable by the Company exceed the lesser of £10m and 1% of gross premiums; or

[b] the amount of mathematical reserves ceded exceeds the lesser of £10m and 1% of total mathematical reserves; or

[c] the treaty is a financing arrangement.

The Company has ceded no business under financing arrangements.

Returns under the Accounts and Statements Rules

Valuation report – IPRU(INS) Appendix 9.4

[i] The Company has entered into an agreement with Standard Life Assurance Limited under which the parent company automatically accepts reinsurance, on the terms that have been applied by the Company in accordance with the principal contract, of all annuities that are secured under group annuity contracts issued by the Company and guarantees to pay the associated annuities direct.

No premiums were payable by the Company under the agreement in the report period. There is no associated deposit back arrangement. The agreement is open to new business. The Company has no undischarged obligation. The amount of mathematical reserves ceded under the treaty was £7.2m. The Company has no retention.

Standard Life Assurance Limited is authorised to carry on insurance business in the United Kingdom and is the parent of the Company. There are no material contingencies to which the agreement is subject. The Company has no liability to refund reinsurance commission in the event of the lapse or surrender of the contracts reinsured.

[ii] The Company has entered into an agreement with Standard Life Investment Funds Limited under which the latter company accepts reinsurance on original terms of certain Trustee Investment Plan business written by the Company.

Premiums of £71m were payable by the Company under the agreement in the report period. There is no associated deposit back arrangement. The agreement is open to new business. The Company has no undischarged obligation. The amount of mathematical reserves ceded under the treaty was £1,068.2m. The Company has no retention.

Standard Life Investment Funds Limited is authorised to carry on insurance business in the United Kingdom and is a subsidiary of Standard Life Assurance Limited, the parent of the Company. There are no material contingencies to which the agreement is subject. The Company has no liability to refund reinsurance commission in the event of the lapse or surrender of the contracts reinsured.

10. Reversionary (or annual) bonus

No bonus has been allocated in respect of this report period.

Returns under the Accounts and Statements Rules

Statement of information on the actuary who has been appointed to perform with-profits actuary function required by IPRU (INS) 9.36

Name of insurer **STANDARD LIFE PENSION FUNDS LIMITED**

Financial year ended **31 December 2010**

The Company has requested the actuary to furnish the following particulars in respect of the financial year to 31 December 2010.

- (a) At 31 December 2010, Mr Morrison and his spouse had a direct interest in 10,130 shares in Standard Life PLC, the ultimate parent company of Standard Life Pension Funds Limited.
- (b) Mr Morrison and his spouse had four joint contracts in force with Standard Life Assurance Limited, the parent company of Standard Life Pension Funds Limited, for a total basic sum assured of £45,529, attaching reversionary bonuses of, £7,140, a guaranteed minimum death benefit of £69,009, and a total annual premium of £730. In addition, Mr Morrison and his spouse had three contracts which had a total fund value of £164,860 as at 31 December 2010.
- (c) Mr Morrison and his spouse received a total remuneration during the financial year ending 31 December 2010 of £276,474 including benefits in kind.
- (d) Mr Morrison and his spouse were members of The Standard Life Staff Pension Scheme which entitled them to specified benefits in common with other eligible employees.

Mr Morrison had no other pecuniary interest in the Company.

Returns under the Accounts and Statements Rules

Certificate by the directors required by IPRU (INS) 9.34(1) and IPRU (INS) Appendix 9.6

Name of insurer **STANDARD LIFE PENSION FUNDS LIMITED**
Global business
Financial year ended **31 December 2010**

We certify that -

1.
 - (a) the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU; and
 - (b) we are satisfied that:
 - (i) throughout the financial year in question, the insurer has complied in all material respects with the requirements in SYSC and PRIN as well as the provisions of IPRU(INS), GENPRU and INSPRU; and
 - (ii) it is reasonable to believe that the insurer has continued so to comply subsequently, and will continue so to comply in future.
2.
 - (a) in our opinion, premiums for contracts entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the insurer that are available for the purpose, to enable the insurer to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;
 - (b) the sum of the mathematical reserves and the deposits received from reinsurers as shown in Form 14 constitute proper provision at the end of the financial year in question for the long-term insurance liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of an actuarial investigation as at that date into the financial condition of the long-term insurance business;¹
 - (c) we have, in preparing the return, taken and paid due regard to-
 - (i) advice from the actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R; and
 - (ii) advice from the actuary appointed by the insurer to perform the with-profits actuary function in accordance with SUP 4.3.16AR.

¹ The insurer has been granted a waiver under FSA reference 955619 from Section 20.3 of the COBS Rules. Accordingly the statement regarding compliance with the Principles and Practices of Financial Management has been omitted.

Returns under the Accounts and Statements Rules

Certificate by the directors required by IPRU (INS) 9.34(1) and IPRU (INS) Appendix 9.6

..... Director
J GILL

..... Director
P S MATTHEWS

..... Company Secretary
G McGOVERN

Returns under the Accounts and Statements Rules

Report of the auditors to the directors pursuant to IPRU(INS) rule 9.35

Name of insurer **STANDARD LIFE PENSION FUNDS LIMITED**
Global Business
Financial year ended **31 December 2010**

Independent auditors' report to the directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers

We have audited the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in part I and part IV of chapter 9 to IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Prudential Sourcebook for Insurers ("the Rules") made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 2, 3, 13 to 17, 40 to 43, 48, 58 and 60, (including the supplementary notes) ("the Forms");
- the statement required by IPRU(INS) rule 9.29 ("the statement"); and
- the valuation report required by IPRU(INS) rule 9.31 (a) ("the valuation report").

We are not required to audit and do not express an opinion on:

- Forms 46 to 47 and 50 to 55 (including the supplementary notes) ;
- the statements required by IPRU(INS) rules 9.30 and 9.36; and
- the certificate required by IPRU(INS) rule 9.34(1)

Respective responsibilities of the insurer and its auditors

The insurer is responsible for the preparation of an annual return (including the Forms, the statement and the valuation report under the provisions of the Rules. Under IPRU(INS) rule 9.11 the Forms, the statement and the valuation report are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules. The methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report are required to reflect appropriately the requirements of INSPRU 1.2.

It is our responsibility to form an independent opinion as to whether the Forms, the statement and the valuation report meet these requirements, and to report our opinion to you. We also 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 Forms, the statement and the valuation report are not in agreement with the accounting records and returns; or
- we have not received all the information we require for our audit.

This report has been prepared for the directors of Standard Life Pension Funds Limited to comply with their obligations under IPRU(INS) rule 9.35 and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose save where expressly agreed by our prior consent in writing.

Returns under the Accounts and Statements Rules

Report of the auditors to the directors pursuant to IPRU(INS) rule 9.35

Basis of opinion

We conducted our work in accordance with Practice Note 20 'The audit of insurers in the United Kingdom (Revised)' issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms, the statement and the valuation report. The evidence included that previously obtained by us relating to the audit of the financial statements of the company for the financial year. It also included an assessment of the significant estimates and judgements made by the company in the preparation of the Forms, the statement and the valuation report.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms, the statement and the valuation report are free from material misstatement, whether caused by fraud or other irregularity or error and comply with IPRU(INS) rule 9.11.

In accordance with IPRU(INS) rule 9.35(1A), to the extent that any document, Form, statement, analysis or report to be examined under IPRU(INS) rule 9.35(1) contains amounts or information abstracted from the actuarial investigation performed pursuant to IPRU(INS) rule 9.4, we have obtained and paid due regard to advice from a suitably qualified actuary who is independent of the insurer.

Opinion

In our opinion:

- (i) the Forms, the statement and the valuation report fairly state the information provided on the basis required by the Rules and have been properly prepared in accordance with the provisions of those Rules; and
- (ii) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report appropriately reflect the requirements of INSPRU 1.2.

PricewaterhouseCoopers LLP

Chartered Accountants

Date