

ROYAL LIVER ASSET MANAGERS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Registered Number 4130317

THURSDAY



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COMPANIES HOUSE

ROYAL LIVER ASSET MANAGERS LIMITED
DIRECTORS AND AUDITORS
FOR THE YEAR ENDED 31 DECEMBER 2017

Registered Office

55 Gracechurch Street
London
EC3V 0RL

(Company limited by shares - registered in England & Wales)

Registered Number

4130317

Directors

Andrew Carter
Richard James (resigned 31 December 2017)
Piers Hillier
Andrew Hunt (appointed 3 January 2018)

Company Secretary

Royal London Management Services Limited

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

ROYAL LIVER ASSET MANAGERS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

1 Review of the business

Royal Liver Asset Managers Limited ("the Company" or "Royal Liver AM") is essentially dormant. It holds £114,905 of client money, which it has actively been attempting to return; it pays a fee to a third party administrator to assist it in this activity.

Key performance indicators (KPI's)

The directors review a range of key performance indicators ("KPIs") to monitor the performance of the Company. These are included as part of the pack prepared for each Board Meeting. Profit / (Loss) before taxation and regulatory capital are regarded as KPI's.

The Loss before taxation for the year was £11k (2016: £11k).

2 Principal risks and uncertainties

The Company's business involved the acceptance and management of risk. The principal risks and uncertainties facing the company are listed below:

Operational risk

Operational risk is the risk of loss or negative impact to Royal Liver AM resulting from inadequate or failed internal process, people and systems or from external factors such as regulation and key suppliers. It includes legal and financial crime risk but excludes business risk.

Credit risk

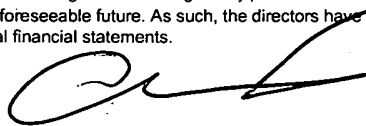
This represents the risk that a counterparty fails to repay amounts when they fall due. The firm's cash is held in an on- demand account with HSBC. The credit risk relates to the possibility of the bank defaulting.

3 Future outlook

The Company expects to continue to be able to meet its liabilities as they fall due. The directors intend to settle or transfer the remaining assets and liabilities of the company to its parent and close out its tax affairs, following which the directors intend to place the Company into voluntary liquidation.

4 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence, however, the Company is not trading. When the regulatory permissions are removed by the regulator, it will be placed into voluntary liquidation in the foreseeable future. As such, the directors have decided to adopt a basis of preparation other than going concern in the annual financial statements.



Andrew Carter
Director
21 March 2018

ROYAL LIVER ASSET MANAGERS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2017.

Principal activities

The Company does not trade.

The firm holds client money for products which are no longer sold. It is trying to repatriate the funds to the clients.

The firm used to act as the Authorised Corporate Director for a number of Open Ended Investment Companies and one Authorised Unit Trust. The management of the assets was transferred to Royal London Asset Management Limited in 2011.

Business review

The Directors' Report should be read in conjunction with the Strategic Report on page 2 (which is incorporated in this Directors' Report by reference), which together, include information about the Company's business, its financial performance during the financial year, and likely developments.

The loss, before taxation, was £11,000 (2016: £11,000). No dividends were paid during the year (2016:nil) and the directors do not recommend the payment of a dividend (2016: nil). The results for the year and the state of the Company's affairs are set out in the financial statements on pages 8 to 14.

The Company maintains certain client money balances on behalf of clients with banks totalling £114,905 (2016: £249,298), there were client money payments of £134,393 in 2017.

Directors

The directors who held office during the year and up to the date of signing of the financial statements are given below:

Andrew Carter

Richard James (resigned 31 December 2017)

Piers Hillier

Andrew Hunt (appointed 3 January 2018)

Directors' qualifying third party indemnity provisions

The directors have the benefit of a qualifying third party indemnity provision (as defined in section 234 of the Companies Act 2006). This provision was in force throughout the financial year and through the date the financial statements were approved. The Company's parent, The Royal London Mutual Insurance Society Limited also maintains directors' and officers' liability insurance in respect of the Company and its directors.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The financial statements have not been prepared on a going concern basis as it is the intention of the Directors to deregulate and dissolve the entity as soon as the regulator will permit.

ROYAL LIVER ASSET MANAGERS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

Statement of directors' responsibilities (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.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

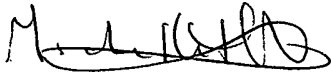
The directors who held office as at the date of approval of this Directors' Report confirm that;

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) that each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

In accordance with Sections 485 and 487 of The Company's Act 2006, PricewaterhouseCoopers LLP (PwC) are deemed to have been re-appointed as independent auditors of the Company.

By order of the Board



Royal London Management Services Limited
Company Secretary
21 March 2018

ROYAL LIVER ASSET MANAGERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ROYAL LIVER ASSET MANAGERS LIMITED

Report on the audit of the financial statements

Our opinion

In our opinion, Royal Liver Asset Managers Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of position as at 31 December 2017; the statement of comprehensive income, the statement of changes in equity for the year ended 31 December 2017; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of preparation. As a result of the entity ceasing to trade, the Directors of the entity have the intention to liquidate the company once the FCA gives approval to remove part IV permissions. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on pages 4-5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

ROYAL LIVER ASSET MANAGERS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ROYAL LIVER ASSET MANAGERS LIMITED**

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Thomas Robb (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 March 2018

ROYAL LIVER ASSET MANAGERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

		Discontinued operations	Discontinued operations
	Note	2017 £'000	2016 £'000
Administrative expenses		(11)	(11)
Operating loss		<u>(11)</u>	<u>(11)</u>
Loss before taxation	2	<u>(11)</u>	<u>(11)</u>
Tax on loss	5	-	2
Loss for the financial year		<u>(11)</u>	<u>(9)</u>
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		<u>(11)</u>	<u>(9)</u>

The accounting policies and notes on pages 11 to 14 form an integral part of these financial statements.

ROYAL LIVER ASSET MANAGERS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £'000	Capital reserve £'000	Retained Earnings £'000	Total shareholders' funds £'000
At 1 January 2016	1,500	-	319	1,819
Loss for the financial year	-	-	(9)	(9)
At 31 December 2016	1,500	-	310	1,810
Loss for the financial year	-	-	(11)	(11)
At 31 December 2017	1,500	-	299	1,799

The accounting policies and notes on pages 11 to 14 form an integral part of these financial statements.

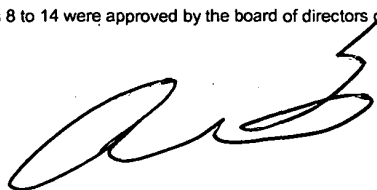
ROYAL LIVER ASSET MANAGERS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £'000	2016 £'000
Current assets			
Debtors	6	-	1
Cash at bank and in hand		<u>1,799</u>	<u>1,832</u>
		1,799	1,833
Creditors: amounts falling due within one year	7	-	23
Net current assets		<u>1,799</u>	<u>1,810</u>
Net assets		<u>1,799</u>	<u>1,810</u>
Capital and reserves			
Called up share capital	8	1,500	1,500
Retained Earnings		<u>299</u>	<u>310</u>
Total shareholders' funds		<u>1,799</u>	<u>1,810</u>

The accounting policies and notes on pages 11 to 14 form an integral part of these financial statements.

The financial statements on pages 8 to 14 were approved by the board of directors on 21 March 2018 and signed on its behalf by:



Andrew Carter
Director
Royal Liver Asset Managers Limited
Registered number : 4130317

ROYAL LIVER ASSET MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(a) Basis of preparation

These financial statements have not been prepared on the going concern basis, as it is the directors' intention to liquidate the company once the FCA gives approval to remove the part IV permissions. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern. No adjustments were necessary in these financial statements to reduce these assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities. The financial statements have been prepared in accordance with the Companies Act 2006 and Financial Reporting Standard (FRS) 101, 'Reduced Disclosure Framework'. FRS 101 has been effective since 1 January 2015. The Board gained shareholder permission to adopt the reduced disclosure.

FRS 101 permits the use of International Financial Reporting Standards (IFRS) as adopted for use in the European Union but with certain exemptions, as described below.

In accordance with FRS 101, the company has taken the exemptions not to present the following items required by EU IFRS:

- Comparative information for the reconciliation of the number of shares outstanding at the beginning and end of the period.
- A cash flow statement and related disclosures.
- Information on new IFRSs that have been issued but which are not yet effective.
- Key management compensation.
- Related party transactions between members of the group provided that any subsidiary that is party to the transaction is wholly owned by the group.
- The requirements of IFRS 7 financial instruments as the equivalent disclosures are included in the consolidated financial statements of the Royal London Group.

The Company has taken advantage of the exemptions within IFRS 8 (Operating Segments) not to provide segmental information.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

(b) Turnover

Turnover consists primarily of annual management charges ("AMC") based on the value of the collective investment schemes managed by the company. It is recognised when the service is provided and arises primarily within the UK. AMC is stated net of value added tax.

(c) Cost of sales

Cost of sales represent investment management fees rebated to the Group for Group investments in the Royal Liver AM OEIC range.

(d) Taxation

Income tax on the profit for the financial year comprises current and deferred tax and is recognised in profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity.

Current tax is the expected tax payable on the taxable profit for the financial year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided, with no discounting, using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided for is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

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

ROYAL LIVER ASSET MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2 Loss before taxation

The Company has no employees (2016: none). Staff are employed by the ultimate parent undertaking, The Royal London Mutual Insurance Society Limited. The Royal London Mutual Insurance Society Limited has made no recharge to the Company. The aggregate amount payable in respect of these expenses in the year was £0 (2016: £0).

Full details of staff costs, including relevant pension scheme details, are given in the published financial statements of the ultimate parent undertaking.

3 Directors' emoluments

The directors' emoluments are paid by the ultimate parent undertaking, The Royal London Mutual Insurance Society Limited, as employees of that Company. In prior years these costs were included within the total recharge, however no costs were recharged in 2017 (2016: £0) as the Company ceased trading from March 2012 onward.

4 Auditors' remuneration

	2017	2016
	£'000	£'000
Audit Fees	<u>16</u>	<u>23</u>

These fees are paid by Royal London Management Services Limited and not recharged to this entity. Disclosure is not made of non-audit remuneration receivable by the Company's auditors or an associate of the Company's auditors in accordance with Statutory Instrument 2008 No.489, regulation 5(1)(b), as this is compiled within the group consolidated financial statements of the ultimate parent company, The Royal London Mutual Insurance Society Limited.

Any fees payable to PricewaterhouseCoopers LLP and its associates for services other than the statutory audit of the Company are not disclosed as the consolidated financial statements of the parent company are required to disclose non-audit fees on a consolidated basis.

ROYAL LIVER ASSET MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

5 Tax on loss

	2017 £'000	2016 £'000
(a) Tax on loss	<u>-</u>	<u>(2)</u>
UK corporation tax on the loss for the year	-	(2)
Tax adjustments and other timing differences	-	-
Tax on loss (Note 5(b))	<u>-</u>	<u>(2)</u>

(b) Factors affecting tax

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19.25% (2016: 20.0%) applied to the loss before taxation. The differences are explained below:

	2017 £'000	2016 £'000
Loss before taxation	<u>(11)</u>	<u>(11)</u>
Loss multiplied by the standard rate of UK corporation tax 19.25% (2016: 20.0%)	(2)	(2)
Effects of:		
Group relief paid at a rate other than the standard rate of corporation tax	2	-
Total tax charge for the year (Note 5(a))	<u>-</u>	<u>(2)</u>

(c) Deferred taxation

No deferred tax asset has been recognised in the year.

The Company has tax losses of approximately £180,441 (2016: £180,441). No deferred tax asset has been recognised in respect of these losses.

6 Debtors

	2017 £'000	2016 £'000
Tax recoverable	<u>-</u>	<u>1</u>
	<u>-</u>	<u>1</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand. All debtors are due within one year (2016: All).

ROYAL LIVER ASSET MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

7 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Amounts owed to group undertaking	-	23
	<u>-</u>	<u>23</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

8 Called up share capital

	2017 £'000	2016 £'000
Allotted, and fully paid 1,500,000 (2016: 1,500,000) ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>

9 Ultimate parent undertaking and controlling party

Royal Liver Asset Managers Limited is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited, a company registered in England and Wales.

The immediate and ultimate parent undertaking and controlling party is The Royal London Mutual Insurance Society Limited which is the parent company of the smallest and largest group to consolidate these financial statements. Copies of the group annual financial statements can be obtained from 55 Gracechurch Street, London EC3V 0RL.

10 Capital Management (unaudited)

The Company's primary objective in respect of capital management is to ensure that it has sufficient capital now and in the future to support the risks in the business and to ensure that it can meet any regulatory capital requirements.

The Company is required by the FCA to hold regulatory capital in respect of its regulatory business. Capital consists of the excess of assets over liabilities, which is subject to three capital tests, the strictest being the pillar 2 requirement based on the larger of credit and market risk and operational risk, or the minimum requirement of 125k Euros as set out in the table below.

The Company has, at all times during the current and prior financial periods, held sufficient capital to meet all of these regulatory requirements.

	2017 £'000	2016 £'000
Net assets per accounts	1,799	1,810
Less : minimum 125k Euros requirement	<u>(111)</u>	<u>(108)</u>
Surplus capital	<u>1,688</u>	<u>1,702</u>

The 2017 position is lower due to the movement in the euro exchange rate.
The firm has surplus capital of £1,688k.

11 Client money balances held

As required by the UK Financial Services and Markets Act 2000 and in accordance with FCA rules, the company maintains certain client money balances on behalf of clients with banks totalling £114,905 (2016: £249,298). These amounts and any related liabilities are not included in the Company's Statement of Financial Position. They are held in Trust accounts.