

CANADA LIFE FUND MANAGERS (U.K.) LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



Registered Number: 02091089

CANADA LIFE FUND MANAGERS (U.K.) LIMITED

	Page
Directors and Advisers	2
Directors' Report	3 – 4
Directors' Responsibilities Statement	5
Independent Auditor's Report to the members of Canada Life Fund Managers (U.K.) Limited	6 – 8
Income Statement	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the financial statements	12 – 15

CANADA LIFE FUND MANAGERS (U.K.) LIMITED

Directors and Advisers

Directors

K L Bateman
D A Brown
D J Marchant

Registered Office

Canada Life Place
Potters Bar
Hertfordshire
EN6 5BA

Registered Number

02091089

Auditor

Deloitte LLP
Bristol

CANADA LIFE FUND MANAGERS (U.K.) LIMITED

Directors' Report for the year ended 31 December 2019

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The directors of the Company present their Annual Report and audited financial statements for the year ended 31 December 2019. The Financial Statements for the year ended 31 December 2019 have been prepared in accordance with the Financial Reporting Standards 102.

Principal activity and future developments

The principal activity of Canada Life Fund Managers (U.K.) Limited ("the Company") is to act as an internal fund manager to Canada Life Limited, a fellow group undertaking. This will continue to be the main activity for the foreseeable future. The directors continue to review the operations of the Company with a view to its future developments.

The ongoing coronavirus pandemic (COVID-19) is an emerging situation that increases the exposure to some of the risks already identified in this section but particularly operational and credit risk. Management have taken action to mitigate the operational risks and enable the Company to continue to conduct its business activities effectively while ensuring the safety and well-being of customers, employees and wider communities. Continuity plans are in operation with employees working remotely. Further details are disclosed in Note 12.

Directors

The names of the persons who were directors during the year and up to the date of this report are set out below.

K L Bateman
D A Brown
D J Marchant

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and shall be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

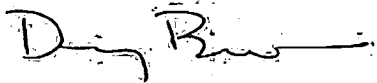
CANADA LIFE FUND MANAGERS (U.K.) LIMITED

Directors' Report for the year ended 31 December 2019 (continued)

COVID-19

The details of events occurring after the reporting period are presented in Note 12, while their impacts on consideration of the Company's Going Concern status are presented in Note 3A.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'D. Brown', with a long horizontal stroke extending to the right.

Director D. Brown

Registered office
Canada Life Place, High Street, Potters Bar, Hertfordshire, EN6 5BA

Date: 19th June 2020

CANADA LIFE FUND MANAGERS (U.K.) LIMITED

Directors' Responsibilities Statement

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CANADA LIFE FUND MANAGERS (U.K.) LIMITED

Independent auditor's report to the members of Canada Life Fund Managers (U.K.) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Canada Life Fund Managers (U.K.) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

CANADA LIFE FUND MANAGERS (U.K.) LIMITED

Independent auditor's report to the members of Canada Life Fund Managers (U.K.) Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information **included in the annual report, other than the financial statements and our auditor's report thereon**. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- **the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and**
- **the directors' report [has/have] been prepared in accordance with applicable legal requirements.**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

CANADA LIFE FUND MANAGERS (U.K.) LIMITED

Independent auditor's report to the members of Canada Life Fund Managers (U.K.) Limited (continued)

Matters on which we are required to report by exception

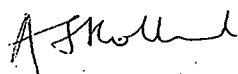
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Holland FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Bristol, United Kingdom

19th June 2020

CANADA LIFE FUND MANAGERS (U.K.) LIMITED

Income Statement For the year ended 31 December 2019

	Notes	2019 £	2018 £
Turnover		349,008	2,227,678
Operating expenses		<u>(943,534)</u>	<u>(2,004,039)</u>
Operating Loss/(Profit)	4	(594,526)	223,639
Interest payable		-	(100)
Other interest receivable and similar income		16,042	12,728
(Loss)/Profit before taxation		<u>(578,484)</u>	<u>236,267</u>
Tax on (loss)/profit	7	86,003	(44,891)
(Loss)/Profit for the financial year		<u><u>(492,481)</u></u>	<u><u>191,376</u></u>

All amounts derive from continuing operations.

The notes on pages 12 to 15 form an integral part of these financial statements.

The company has no recognised gains or losses other than those included in the income statement above for the current or the preceding year and consequently no statement of other comprehensive income is presented.

CANADA LIFE FUND MANAGERS (U.K.) LIMITED

Statement of Financial Position As at 31 December 2019

	Notes	2019 £	2018 £
Current Assets			
Cash at bank and in hand		<u>1,554,090</u> 1,554,090	<u>2,356,799</u> 2,356,799
Creditors: amounts falling due within one year	8	<u>(190,490)</u>	<u>(500,718)</u>
Net Current Assets		<u>1,363,600</u>	<u>1,856,081</u>
Net Assets		<u>1,363,600</u>	<u>1,856,081</u>
Capital and Reserves			
Called up share capital	9	750,000	750,000
Profit and loss account		<u>613,600</u>	<u>1,106,081</u>
Shareholders' funds		<u>1,363,600</u>	<u>1,856,081</u>

The notes on pages 12 to 15 form an integral part of these financial statements.

The financial statements of Canada Life Fund Managers (U.K.) Limited (registered number 02091089) were approved and authorised for issue by the Board of Directors and were signed on its behalf by:



Director **D. Brown**

Registered office
Canada Life Place, High Street, Potters Bar, Hertfordshire, EN6 5BA

Date: 19th June 2020

CANADA LIFE FUND MANAGERS (U.K.) LIMITED

Statement of Change in Equity For the year ended at 31 December 2019

	Ordinary share capital £	Profit and loss account £	Total £
Balance at 1 January 2018	750,000	914,705	1,664,705
Profit and total comprehensive income attributable to shareholders	-	191,376	191,376
Balance at 31 December 2018	750,000	1,106,081	1,856,081
Balance at 1 January 2019	750,000	1,106,081	1,856,081
(Loss) and total comprehensive income attributable to shareholders	-	(492,481)	(492,481)
Balance at 31 December 2019	750,000	613,600	1,363,600

CANADA LIFE FUND MANAGERS (U.K.) LIMITED

Notes to the financial statements for the year ended 31 December 2019

1 Principal accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year. No significant judgements have been made in applying the accounting policies and no material estimates have been made within the financial statements.

A General information

Canada Life Fund Managers (U.K.) Limited ("the Company") is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Canada Life Place, Potters Bar, Hertfordshire EN6 5BA.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2 Statement of Compliance

The Financial Statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS102) and the Companies Act 2006.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to presentation of cash flow statement and intra-group transactions.

3 Principal accounting information

The principal accounting policies applied in the preparation of these Financial Statements are summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 102 in these Financial Statements.

A. Basis of preparation

The financial statements are prepared in accordance with the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted by the directors are described below.

Going concern

The Company has taken into consideration the recent COVID-19 outbreak when undertaking its Going Concern assessment and further details are outlined in Note 12. Having regard to the Company's financial position, its expected performance in the future and having made appropriate enquiries the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement

Advantage has been taken of the exemption under FRS 102 1.12(b), Cash Flow Statements, not to present a cash flow statement as the company is 100% controlled within the Great-West Lifeco Inc group of companies. The consolidated financial statements in which the subsidiary undertakings are included are publicly available (see note 11).

Transactions with related parties

Advantage has been taken under FRS102 33 1.A, Related Party Disclosures, not to disclose transactions between entities, 100% of whose voting rights are controlled within the Great-West Lifeco Inc group of companies (see note 10).

CANADA LIFE FUND MANAGERS (U.K.) LIMITED

Notes to the financial statements for the year ended 31 December 2019 (continued)

B. Turnover

Turnover represents remuneration from the management of funds, all earned in the United Kingdom on an accruals basis.

C. Financial assets

Basic financial assets, including trade and other receivables, cash and cash equivalent, loans and receivables, are initially recognised at transaction price, unless the arrangement constitute a financing transaction where the transaction is measured at present value of futures receipts discounted at market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment.

D. Financial liabilities and equity

Basic financial liabilities, including trade and other payable, loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where a debt instruments is measured at present value of future receipts discounted at market rate of interest.

Debt instruments that are payable or receivable within one year shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liability simultaneously. Income and expenses will not be offset in the income statement unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the company.

E. Operating expenses

Operating expenses represent the management charge made by other group companies for the administration of funds.

F. Interest receivable

Interest receivable is accounted for on the accruals basis.

G. Current taxation

Current taxation, including UK corporation tax, is provided at amounts expected to be paid or recovered using the tax rates applicable to the relevant financial years. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

H. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, but only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

CANADA LIFE FUND MANAGERS (U.K.) LIMITED

Notes to the financial statements for the year ended 31 December 2019 (continued)

4 Operating profit

Operating profit is stated after charging:

	2019 £	2018 £
Auditor's remuneration in respect of fees payable for the audit of the company's annual accounts	<u>2,500</u>	<u>2,500</u>

5 Employee information

There were no persons (including directors) employed by the Company during the year (2018: none). All staff contracts are with CLFIS (U.K.) Limited ("CLFIS"); a fellow subsidiary of The Canada Life Group (U.K.) Limited ("CLG"). The associated costs are recharged back to the Company, where appropriate.

6 Directors' emoluments

The directors of this Company have served during the year as directors of fellow subsidiaries and their remuneration was incurred by CLFIS, a fellow subsidiary of CLG. The duties of the directors in relation to this company consist principally of attending board meetings and hence the total remuneration apportioned to the Company is £nil (2018 - £nil). Accordingly the whole remuneration for the year is disclosed in the accounts of CLFIS.

7 Tax on profit on ordinary activities

	2019 £	2018 £
Current year tax (credit)/charge	(86,003)	44,891
Total tax (credit)/charge for the year	<u>(86,003)</u>	<u>44,891</u>
Reconciliation of tax charge for the year		
(Loss)/profit before tax	<u>(578,484)</u>	<u>236,267</u>
Corporation tax (credit)/charge at standard UK Corporation tax rate of 19% (2018: 19%)	(109,912)	44,891
Prior period adjustment	23,909	-
Total tax charge for the year	<u>(86,003)</u>	<u>44,891</u>

The standard rate of tax applied to reported profit on ordinary activities is 19% (2018: 19%).

CANADA LIFE FUND MANAGERS (U.K.) LIMITED

Notes to the financial statements for the year ended 31 December 2019 (continued)

8 Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	93,253	73,288
Corporation tax	97,237	427,430
	<u>190,490</u>	<u>500,718</u>

9 Called up share capital

	2019 £	2018 £
Allotted, called up and fully paid		
750,000 (2017: 750,000) Ordinary shares of £1 each	<u>750,000</u>	<u>750,000</u>

10 Related party transactions

No contracts of significance existed at any time during the year in which a director or key manager was materially interested or which requires disclosure as a related party transaction as defined under FRS 102 section 33 Related Party Disclosures. No other contracts of significance existed at any time during the year between the company and other related parties that similarly require disclosure under FRS 102 section 33. Advantage has been taken under FRS 102 33.1A, Related Party Disclosures, not to disclose transactions between entities, 100% of whose voting rights are controlled within the Great-West Lifeco Inc group of companies.

11 Parent undertaking and controlling party

The Company's ultimate parent company, which is also the parent company of the largest group of companies for which group financial statements are drawn up and of which the company is a member, Power Corporation of Canada, is incorporated in Canada. The parent of the smallest group for which group financial statements are drawn up was The Canada Life Assurance Company, a company incorporated in Canada. The immediate parent company is Canada Life (U.K.) Limited.

Copies of the group financial statements for both The Canada Life Assurance Company (330 University Avenue, Toronto, Ontario, Canada, M5G 1R8) and Power Corporation of Canada (751 Victoria Square Montréal, Québec, Canada, H2Y 2J3) can be obtained from the Company's registered office.

12 Events after the reporting period

The ongoing coronavirus pandemic (COVID-19) is an emerging risk to which the Company is exposed. The directors consider the emergence of COVID-19 as a pandemic, and the associated economic impact and government measures in response, as a non-adjusting post balance sheet event.

The Company is monitoring the situation closely and has made preparations to ensure that it will continue to operate effectively while ensuring the safety and well-being of customers, employees and wider communities. Continuity plans are in operation with employees working remotely.

COVID-19 has not materially impacted the Company's financial position. The estimated net assets of the Company as at 31 March 2020 were £1.2m (unaudited).