

**NYL Investors (U.K.) Limited**  
(Registered Number: 4019043)  
**Annual Report and Financial Statements**  
For the Year Ended 31 December 2017

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**NYL Investors (U.K.) Limited**  
**Directors and Company Information**

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<b>Directors</b>	Robert Edward Ferguson Gail A. McDermott
<b>Company Secretary</b>	Pinsent Masons Secretarial Limited
<b>Registered Office</b>	Pinsent Masons, LLP 1 Park Row Leeds, United Kingdom LS1 5AB
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT
<b>Solicitors</b>	Pinsent Masons LLP 1 Park Row Leeds LS1 5AB
<b>Bankers</b>	JPMorgan Chase Bank, N.A. Chaseside Bournemouth UK BH7 7DA

## **NYL Investors (U.K.) Limited**

### **Directors' Report for the year ended 31 December 2017**

The Directors submit their report and audited financial statements for the year ended 31 December 2017.

#### **PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

NYL Investors (U.K.) Limited ("the Company") is a limited company incorporated on 21 June 2000. The Company has formally changed its name with the Companies House as of 16 July 2014 from New York Life Investment Management (U.K.) Limited to NYL Investors (U.K.) Limited.

The principal activities of the Company are to (1) identify potential investment opportunities for its parent company, NYL Investors LLC and the parent company's affiliates (including New York Life Insurance Company and New York Life Investment Management), primarily for inclusion in the private investment grade debt portfolio of the parent company's affiliates; (2) perform due diligence on the aforementioned investments; and (3) monitor the credit quality of the investments made by the parent company and its affiliates.

#### **RESULTS FOR THE YEAR**

The Company was active for the year ended 31 December 2017. The results for the year ended 31 December 2017, which are primarily related to the maintenance of the Company's office space and employment of two staff members, are set out on page 11. Under a transfer pricing arrangement, the Company is reimbursed for its expenses by the parent company including foreign exchange gain/loss plus tax associated with a cost plus arrangement. The directors do not recommend payment of a dividend (2016 £nil).

#### **Key Performance Indicators**

The Directors are of the opinion that no additional key performance indicators over and above turnover, administrative expenses, foreign currency gain and profit after tax, as disclosed in the profit and loss account on page 7, are necessary for an understanding of the development, performance or position of the business due to the level of limited activity.

#### **Future Developments**

The Company will continue to perform the principal activities noted. There is no additional future developments expected in the business of the Company although management will continue to evaluate the activity level of the Company.

#### **Going Concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future.

#### **Risks and uncertainties and financial risk management**

The Company has no material exposure to price, credit, liquidity, or interest rate risk for the financial assets and financial liabilities held by the Company. The Company has exposure to currency risk with respect to U.S. dollar denominated liabilities to its parent. The Company continues to retain the support of its parent.

## **NYL Investors (U.K.) Limited**

### **Directors' Report for the year ended 31 December 2017**

#### **Directors**

Robert Edward Ferguson was a director from 19 June 2013 to the date of this report.

Gail A. McDermott was a director from 4 October 2012 to the date of this report.

During 2017 neither Director had an interest in the share capital of the Company, or in shares of other group companies. Also, there were no contracts of significance in which either Director was materially interested during or at the end of the financial year.

During the period 1 January 2017 to (and including) the date of approval of this report, the Company provided its Directors and Officers with a qualifying third party indemnity and cover under a Directors and Officers insurance policy taken out by New York Life Insurance Company.

#### **Strategic Report**

The Directors have not prepared a strategic report as the Company would be entitled to prepare the financial statements in accordance with Section 414B – small companies' exemption, of the Companies Act 2006.

#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

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

**NYL Investors (U.K.) Limited**  
**Directors' Report for the year ended 31 December 2017**

**Directors' confirmations**

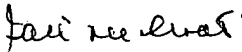
In the case of each director in office at the date the Directors' Report is approved:

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

**Independent Auditors**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with the Companies Act 2006.

On behalf of the Board



Gail A. McDermott

Director

20 August 2018

Registered number: 4019043

# ***Independent auditors' report to the members of NYL Investors (U.K.) Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, NYL Investors (U.K.) 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 result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 balance sheet as at 31 December 2017, the profit and loss account for the year then ended, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **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.

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### **Conclusions relating to going concern**

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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### **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 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.

### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the 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 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 page 4, 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.

### *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](http://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.

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## **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.

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### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Deepti Vohra (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
20 August 2018



**NYL Investors (U.K.) Limited**  
**Profit and Loss Account**  
**For the years ended 31 December 2017 and 31 December 2016**

	Note	2017 £	2016 £
Turnover	3	1,331,321	1,040,823
Administrative expenses		(1,308,607)	(1,016,088)
Foreign exchange gain/(loss)		2,109	(4,327)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	<u>24,823</u>	<u>20,408</u>
Tax on profit on ordinary activities	7	<u>(24,823)</u>	<u>(20,408)</u>
<b>RESULT FOR THE FINANCIAL YEAR</b>		<u>-</u>	<u>-</u>

The notes on pages 10 to 14 form part of these statements.

The Company has no other gains or losses in the year other than those included in the Profit and Loss Account. The Company has no other comprehensive income.

The company's turnover and expenses all relate to continuing operations.

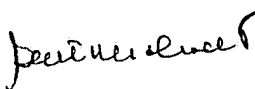
**NYL Investors (U.K.) Limited**  
**Balance Sheet**  
**As at 31 December 2017 and 31 December 2016**

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	Note	2017 £	2016 £
<b>CURRENT ASSETS</b>			
Debtors	8	38,435	38,533
Amounts owed by group undertakings		435,066	96,646
Cash at bank and in hand		82,997	337,817
<b>Creditors (amounts falling due within one year)</b>	9	<u>(556,497)</u>	<u>(472,995)</u>
<b>NET CURRENT ASSETS / LIABILITIES</b>		1	1
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1	1
<b>NET ASSETS</b>		1	1
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1	1
Profit and loss account	11	-	-
<b>TOTAL EQUITY</b>		<u>1</u>	<u>1</u>

The notes on pages 10 to 14 form part of these statements.

The financial statements on pages 7 to 14 were approved by the Directors on 20 August 2018.

  
Gail A. McDermott  
Director  
20 August 2018  
Registered Number: 4019043

**NYL Investors (U.K.) Limited**  
**Statement of Changes in Equity**  
**For the years ended 31 December 2017 and 31 December 2016**

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	Called-up share capital £	Profit and Loss Account £	Total equity £
Balance as at 1 January 2016	1	-	1
Result for the financial year	-	-	-
<b>Balance as at 31 December 2016</b>	<b>1</b>	<b>-</b>	<b>1</b>
Balance as at 1 January 2017	1	-	1
Result for the financial year	-	-	-
<b>Balance as at 31 December 2017</b>	<b>1</b>	<b>-</b>	<b>1</b>

The notes on pages 10 to 14 form part of these statements.

## **NYL Investors (U.K.) Limited**

### **Notes to the Financial Statements – 31 December 2017**

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#### **1. GENERAL INFORMATION**

The Company is a private company limited by shares and is incorporated and domiciled in England.

#### **2. ACCOUNTING POLICIES**

##### **Basis of Preparation and transition to FRS 102**

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

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

##### **Going Concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Accordingly, the financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

##### **Cash flow**

The Company is included in the consolidated financial statements of New York Life Insurance Company, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement within section 7 of FRS 102.

##### **Profit and Loss Account**

The profit and loss account includes the following items:

- a. Turnover represents intercompany revenue for the provision of services during the period excluding value added tax, carried on in the United Kingdom falling within the Company's ordinary activities. Turnover is measured at the fair value of the consideration received or receivable;
- b. Administrative expenses are recognised on an accrual basis as incurred.

##### **Foreign Exchange**

The Company's functional and presentation currency is the pound sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates or monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

All foreign exchange gains and losses are presented in the profit and loss account.

The results of the Company are translated into sterling at the average exchange rates for the year.

##### **Financial Instruments**

The Company has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

**NYL Investors (U.K.) Limited**  
**Notes to Financial Statements – 31 December 2017 (continued)**

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**2. ACCOUNTING POLICIES – CONTINUED**

Basic financial assets, including debtors, cash and bank balances and intercompany receivables, are initially recognized at transaction price. Such assets are subsequently measured at the undiscounted carrying amount.

**Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less. Trade payable are recognized initially at transaction price and subsequently measured at the undiscounted carrying amount.

**Operating lease costs**

Rentals payable and receivable under the operating lease are charged/credited to the profit and loss account as they fall due. Rental expense is charged to the profit and loss account as incurred.

**Cash at bank and in hand**

Cash at bank and in hand includes cash in hand, deposits held at banks and other short-term highly liquid investments.

**Annual bonus plan**

The Group operates a number of annual bonus plans for employees. An expense is recognized in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

**3. TURNOVER**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Intercompany fee income	1,331,321	1,040,823

**4. STAFF COSTS**

The Company had two employees during the year (2016 – two employees) who were engaged in marketing and establishing client contacts.

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	635,275	441,151
Other pension costs	59,712	53,207

Additional staff engaged in the service of the Company are employees of both NYL Investors LLC and New York Life Insurance Company. No charges were made for these services by the company (2016:£Nil).

**NYL Investors (U.K.) Limited**  
**Notes to Financial Statements – 31 December 2017 (continued)**

**5. DIRECTORS' EMOLUMENTS**

The Company paid no emoluments to either Director during the year (2016 - £Nil). Both were employed by NYL Investors LLC and remunerated by that company for their service to the group as a whole. It is not possible to apportion their remuneration in respect of the Company.

**6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2017	2016
	£	£
Profit before tax is stated after charging:		
Auditors' remuneration (including expenses)	35,848	23,010
Tax compliance services	6,000	6,000

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2017	2016
	£	£
Current Tax		
UK corporate tax on profit of the year	24,823	20,408
Total Current Tax	<u>24,823</u>	<u>20,408</u>
Deferred Tax		
Origination and reversal of timing difference	-	-
Total Deferred Tax	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>24,823</u>	<u>20,408</u>

The tax assessed for the year is different than the standard effective rate of corporation tax in the UK for years ended 31 December 2017 of 19% (2016: of 20%). The differences are explained below:

	2017	2016
	£	£
Profit on ordinary activities before tax	24,823	20,408
Profit on ordinary activities multiplied by standard rate		
of corporation tax in the UK of 19% and 20%, respectively	4,716	4,031
Effects of:		
Transfer pricing adjustment on intercompany fee income	20,107	16,377
<b>Current tax charge for the year</b>	<u>24,823</u>	<u>20,408</u>

The Company's profit on ordinary activities before tax represents the taxes due on the excess 10% of total administrative expenses and foreign exchange gain or loss. The transfer pricing adjustment reflects the amount due above the 19% tax rate. The 2016 rate was 20%. The 2017 rate was 19%.

**NYL Investors (U.K.) Limited**  
**Notes to Financial Statements – 31 December 2017 (continued)**

**8. DEBTORS**

	2017	2016
	£	£
Prepaid expenses	21,358	20,840
VAT	17,077	17,692
<b>Total Debtors</b>	<u>38,435</u>	<u>38,533</u>

**9. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)**

	2017	2016
	£	£
Corporate tax payable	(24,823)	(20,408)
Accruals	(531,674)	(472,587)
	<u>(556,497)</u>	<u>(492,995)</u>

**10. CALLED UP SHARE CAPITAL**

	2017		2016	
	Number	£	Number	£
Authorised				
Ordinary shares of £1 each	1,000	<u>1,000</u>	1,000	<u>1,000</u>
Issued and fully paid				
Ordinary shares of £1 each	1	<u>1</u>	1	<u>1</u>

**11. RESERVES**

	Called up Share Capital £	Profit and Loss Account £
Opening balance as at 1 January 2017	1	-
Result for the financial year	-	-
<b>Closing balance as at 31 December 2017</b>	<u>1</u>	<u>-</u>

**12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	2017	2016
	£	£
Opening Shareholder's funds	1	1
Result for the financial year	-	-
<b>Closing Shareholders funds</b>	<u>1</u>	<u>1</u>

## **NYL Investors (U.K.) Limited**

### **Notes to Financial Statements – 31 December 2017 (continued)**

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#### **13. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING**

On April 8, 2014 all ordinary shares of NYL Investors (U.K.) Limited, formerly New York Life Investment Management (U.K.) Limited were transferred from New York -Life Investment Management LLC to NYL Investors LLC as the immediate parent undertaking of the Company. The parent company of NYL Investors LLC is New York Life Insurance Company. The ultimate parent undertaking and controlling partner for which consolidated financial statements including the Company are prepared is New York Life Insurance Company, a mutual life insurance company. Both companies are domiciled in the United States of America. Copies of the financial statements can be requested from New York Life Insurance Company, 51 Madison Avenue, New York, NY 10010, USA.

#### **14. RELATED PARTY DISCLOSURES**

No disclosure has been made of transactions with other group companies in accordance with FRS 102 section 33.1K as the Company is a wholly owned subsidiary of New York Life Insurance Company.

#### **15. SUBSEQUENT EVENTS**

The Company performed an evaluation of subsequent events through 20 August 2018, which is the date the financial statements were available to be issued. It has been determined there were no subsequent events requiring adjustment or disclosure in the financial statements.