

Royal London Group Pension Scheme

Annual Report and Financial Statements

for the year ended 31 December 2018

Scheme Registration Number: 100154281

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Contents

	Page
Trustee and advisers	1
Trustee's report	2
Independent Auditors' report	13
Fund account	16
Statement of net assets available for benefits	17
Notes to the financial statements	18
Independent Auditors' statement about contributions	37
Summary of contributions	38
Actuarial certificate	39
Further information	40

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Trustee and advisers

Corporate Trustee	RLGPS Trustee Limited
Directors of the Corporate Trustee (“Trustee Directors”)	Employer nominated Richard Balding (retired 22 March 2018) (<i>Chairman</i>) (<i>Pensioner member</i>) Andrew Evans (appointed 23 May 2018) (<i>Chairman</i>) (<i>Independent Trustee</i>) Ewan Smith (<i>Deferred member</i>) Jon Taylor (resigned 30 May 2018) Martin Lewis (appointed 4 July 2018) The Law Debenture Pension Trust Corporation plc represented by Edward Levy (from December 2018) and Andrew Parker (to December 2018) (<i>Independent Trustee</i>) Member nominated Ian Forder (appointed 1 January 2018) (<i>Pensioner member</i>) Caroline Instance (resigned 21 September 2018) (<i>Deferred and pensioner member</i>) Paul McHardy (appointed 1 January 2019) (<i>Deferred member</i>)
Scheme actuary	Jonathan Howes FIA of Willis Towers Watson Limited
Administrators	Willis Towers Watson Limited
Independent Auditors	PricewaterhouseCoopers LLP
Legal advisers	CMS Cameron McKenna LLP Cannings Connolly Solicitors Slaughter and May DLA Piper UK LLP Thor Lion LLP (appointed 19 December 2018)
Investment consultant	Lane Clark & Peacock LLP
Investment manager	Royal London Asset Management Limited
Investment custodian	HSBC Bank plc (HSBC Securities Services)
Additional Voluntary Contribution (AVC) providers	The Royal London Mutual Insurance Society Limited Scottish Widows Limited The Equitable Life Assurance Society
Bankers	HSBC Bank plc National Westminster Bank plc
Principal employer	The Royal London Mutual Insurance Society Limited (“the Company”)
Participating employers	Royal London Asset Management Limited Royal London Management Services Limited
Contact for enquiries	Provided on “Further information” page 40

The Royal London Mutual Insurance Society Limited is the parent company of Royal London Asset Management Limited and Royal London Management Services Limited. Throughout this report the term “Royal London Group” refers to the parent and the subsidiary companies.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Trustee's report

Introduction

The Trustee Directors of RLGPS Trustee Limited ("the Trustee") present their annual report and financial statements of the Royal London Group Pension Scheme ("the Scheme") for the year ended 31 December 2018.

Scheme constitution and management

The Scheme is an occupational pension scheme established under trust to provide retirement benefits to all eligible employees of Royal London Group. The Scheme is a final salary pension scheme whereby benefits are payable to members in accordance with the Scheme Rules based on their length of service, accrual rate and their pensionable earnings as defined by the Scheme Rules prior to leaving the service of Royal London Group.

The Scheme is governed by a definitive Trust Deed and Scheme Rules and is overseen by a Corporate Trustee whose Trustee Directors are responsible for setting the strategy and for managing the Scheme. The Trustee Directors are required to act in accordance with the Trust Deed and the Scheme Rules and the Memorandum and Articles of Association of the Trustee within the framework of pension and trust law.

The Trustee Directors are appointed and removed in accordance with the Trust Deed, the Articles of Association of the Corporate Trustee and the overriding provisions in the Pensions Act 2004. The company has power under the Trust Deed to appoint or remove the Corporate Trustee. The Scheme ordinarily has six Trustee Directors, four of whom are appointed by the Company and two by the Scheme's members. The member nominated trustee arrangements are determined by the Trustee. The persons who acted as Trustee Directors are listed on page 1.

The Trustee normally meets at three monthly intervals. In addition, the Trustee held a meeting focussing entirely on the future strategy for the Scheme. Committees and working groups meet when necessary and report to the Trustee at the subsequent Trustee meeting.

In late 2018, the Trustee established two Committees of the Board, reporting to the Board, with the objective of undertaking work delegated to the Committees by the Board.

Funding and Investment Committee members are Edward Levy (Chair), Paul McHardy and Ewan Smith. The Committee met once in late 2018. Paul was co-opted to the Committee upon his appointment on 1 January 2019, therefore he did not attend the 2018 meeting as it was prior to his appointment.

Administration and Risk Committee members are Andrew Evans (Chair), Ian Forder and Edward Levy. The Committee met once in late 2018.

Financial developments and financial statements

The financial statements included in this annual report are the accounts required by the Pensions Act 1995. They have been prepared and audited in compliance with the regulations made under sections 41(1) and 41(6) of the Act.

The financial statements are provided on pages 16 to 36.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Trustee's report (continued)

Membership

Details of membership of the Scheme as at 31 December 2018 are given below:

Membership movements	Deferred members	Pensioner members	Beneficiaries	Total
At 1 January 2018	10,993	8,725	2,071	21,789
Adjustments to prior year figures	(30)	25	(3)	(8)
At 1 January 2018 revised	10,963	8,750	2,068	21,781
New beneficiaries	-	-	161	161
Transfers out	(199)	-	-	(199)
Retirements	(312)	312	-	-
Deaths	(9)	(265)	(131)	(405)
Commutations	(51)	(33)	(53)	(137)
At 31 December 2018	10,392	8,764	2,045	21,201

There were 3,388 (2017: 3,185) members with life assurance cover as at 31 December 2018 some of whom were employees who are not entitled to benefits from the Scheme.

Adjustments were made to the prior year figures to reflect an accurate position of the membership of the Scheme as at 1 January 2018 and largely arise due to late notifications.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Trustee's report (continued)

Pension increases

The Trust Deed and Rules makes provision for increases in pensions in payment and deferred pensions. Entitlement to pension increases depends on the legacy scheme and the period in which the pension is earned.

(a). Pensions accrued before 1 April 2011

Pension increases in respect of pensions accrued before 1 April 2011 in excess of the guaranteed minimum pension were awarded as provided in the table below:

Legacy scheme ⁵	Pension in excess of Guaranteed Minimum Pension accrued before 6 April 1997		Pension accrued after 5 April 1997 and before 30 November 2001		Pension accrued after 29 November 2001 and before 1 April 2011		Pension increase date
	2018	2017	2018	2017	2018	2017	
RLGPS (standard benefits members)	n/a	n/a	n/a	n/a	3.9%	2.0%	1-Jul
RASF Scheme II (members joining before 1 August 2001)	3.3% ¹	3.1% ¹	3.3% ¹	3.1% ¹	3.3% ¹	3.1% ¹	1-Jul
RASF Scheme II (members joining from 1 August 2001)	n/a	n/a	3.9%	2.0%	3.9%	2.0%	1-Jul
RLSPF	2.5%	0.5%	3.0%	1.0%	3.9%	2.0%	1-Apr
UFGPS (contracted-in before 17 September 2002 leavers)	2.5%	0.5%	3.0% ³	1.0% ³	3.6%	3.2%	1-Apr
UFGPS (contracted-out before 17 September 2002 leavers)	3.0%	3.0%	3.0% ²	3.2% ²	3.6%	3.2%	1-Apr
SLORBS	3.0% ⁴	2.2% ⁴	3.0% ⁴	2.2% ⁴	3.9%	2.0%	1-Jan
SLIORBS	3.3%	3.1%	3.3%	3.1%	3.3%	3.1%	1-Jul
SLDRBS	3.0% ⁴	2.2%	3.0% ⁴	2.2%	3.9%	n/a	1-Jan

¹ Special arrangements in first year following retirement apply. No increase was applied at 1 July in the calendar year of retirement.

² Increase of higher of (a) 3.0% (2017: 3.0%) on RPI cumulative pension from retirement date or (b) 3.0% (2017: 1.0%) on pension in payment on the pension benefits for members contracted out before 17 September 2002.

³ Increase of 3.6% (2017: 3.2%) for those contracted in after 17 September 2002.

⁴ Increase of between 3.0% (2017: 2.2%) and 3.9% (2017: 3.0%).

⁵ There are some other small categories of members within the legacy schemes whose increases differ slightly to those shown in the table above. Those affected have been communicated to separately.

(b). Pensions accrued from 1 April 2011

Pension benefits accrued from 1 April 2011 were increased at a rate equal to the Consumer Prices Index ("CPI") subject to a maximum of 2.5% (2017: maximum 2.5%). The increases were applied from the effective dates indicated in the table above.

New pensions commencing after the pensions increase date were increased on a proportional basis. The increases were applied to both guaranteed and discretionary elements as appropriate.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Trustee's report (continued)

Pension increases (continued)

During 2018, the Company granted a discretionary increase at the rate of 2.5% (2017: 0.5%) to pensions in payment with no guaranteed increases (in excess of guaranteed minimum pensions). All other pensions in payment increased in line with either the Scheme's Rules and/or pensions legislation.

(c). Pension in deferment

Pensions in deferment accrued prior to 6 April 2009 are revalued in accordance with the Pension Schemes Act 1993, at a rate equal to the increase in the CPI except for RLSPF members (whose increase remains linked to the RPI in accordance with the Scheme's Rules) or to the increase produced by the application of 5% per annum, whichever is the lower.

Pensions in deferment accrued after 5 April 2009 are revalued in accordance with the Pension Schemes Act 2008, at a rate equal to the increase in the CPI or to the increase produced by the application of 2.5% per annum, whichever is the lower.

Transfer values

Cash equivalents paid during the Scheme year with respect to transfers have been calculated and verified in the manner prescribed by the Pension Schemes Act 1993 and do not include discretionary benefits.

Guaranteed Minimum Pensions (GMP) equalisation

In October 2018, the High Court determined that certain benefits provided to members who contracted out of the State Pension between May 1990 and April 1997 must be equalised between men and women. The Trustee is now reviewing the implication of this ruling on members' benefits from the Scheme. As soon as this review is finalised then affected members will be communicated with. However, this may take several months or possibly longer.

Report on Actuarial liabilities

The Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102), does not require the financial statements to include liabilities in respect of promised retirement benefits.

The Scheme is subject to a Statutory Funding Objective as required under section 222 of the Pensions Act 2004, which requires a scheme to have sufficient and appropriate assets to cover its technical provisions. The technical provisions are calculated by projecting the benefits expected to be paid in each year after the valuation date and discounting the cash flows to obtain the present value. This assessment is carried out every 3 years using the method and assumptions agreed between the Trustee and the Company. The method and assumptions are documented in the Statement of Funding Principles dated 22 June 2017 a copy of which is available to members on request from the address set out on page 41.

A full actuarial valuation of the Scheme was carried out as at 31 December 2016. A recent annual actuarial report was carried out as at 31 December 2018. The results of the annual actuarial report as at 31 December 2018 and the full actuarial valuation as at 31 December 2016 are provided in the table below:

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Trustee's report (continued)

Report on Actuarial liabilities (continued)

Actuarial report date: 31 December	2018	2016
	£'000	£'000
Value of technical provisions	2,518,400	2,672,100
Value of assets available to meet technical provisions	2,530,600	2,611,100
Funding surplus (deficit)	12,200	(61,000)
Funding level as a percentage of technical provisions	101%	98%

The value of liabilities (technical provisions) in the above table exclude those in respect of Additional Voluntary Contributions which are fully met by matching assets and exclude any allowance for advance funding of non-guaranteed discretionary pension increases.

The value of liabilities is based on pensionable service to the valuation date and assumptions about various factors that will influence the Scheme in the future, such as the levels of investment returns, when members will retire and how long members will live.

The improvement in the Scheme's funding level (a surplus as at 31 December 2018) was mainly due to a decrease in the Scheme's liabilities which was greater than the reduction in the Schemes investment assets during the year. The decrease in the liabilities was due to an increase in the discount rate mainly driven by rising bond yields during the year.

Recovery plan

As the full actuarial valuation as at 31 December 2016 showed a funding deficit, a recovery plan was required to be agreed by the Trustee and the Company which specified how and by when the statutory funding objective was expected to be met.

The Trustee agreed that no contributions will be paid to the Scheme by the Company as it was expected that investment returns in excess of the prudent discount rates underlying the technical provisions would be sufficient to eliminate the funding deficit by 30 June 2019. This expectation was based on the assumption that the return on Scheme assets during the period from the valuation date to 30 June 2019 will be 1% per annum in excess of the average discount rate used in the calculation of the technical provisions.

The method and significant assumptions used in the calculations are as follows:

Method

The actuarial method used in the calculation of the liabilities is the Projected Unit Method.

Significant actuarial assumptions

The assumptions used to calculate the Scheme's technical provisions set out in the triennial actuarial valuation report as at 31 December 2016 are summarised in the following main categories. All percentage rates are per annum:

- Discount interest rate for pre-retirement at 4.0% and post retirement at 2.4%
- Deferred pension revaluation
 - RPI subject to a 5.0% cap at 3.4%
 - CPI subject to a 5.0%/2.5% cap at 2.3%

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Trustee's report (continued)

Report on Actuarial liabilities (continued)

- Pension increases linked to RPI but subject to:
 - a minimum of 0% and a maximum of 7.5% at 3.4%
 - a minimum of 0% and a maximum of 5.0% at 3.1%
 - a minimum of 0% and a maximum of 3.0% at 2.3%
- Pension increases linked to CPI but subject to:
 - a minimum of 0% and a maximum of 5.0% at 2.3%
 - a minimum of 0% and a maximum of 3.0% at 1.9%
 - a minimum of 0% and a maximum of 2.5% at 1.7%
- Salary increases are not applicable as the Scheme was closed to future accrual from 1 April 2016.
- Mortality for the period in retirement applying the SAPS "S2" series tables with a relevant multiplier factor.
- Mortality future improvements in longevity applying the CMI core 2016 projection model with long-term trend improvements of 1.50% pa.

The Trustee agreed a schedule of contributions for the Scheme following the actuarial valuation as at 31 December 2016 which the Scheme actuary certified on 22 June 2017. A copy of the Scheme actuary's certification of the schedule of contributions signed on 22 June 2017 is included on page 39 of this annual report and financial statements.

Investment report

Investment principles and strategy

The ultimate responsibility for deciding investment policy lies with the Trustee.

The investment objective is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with any future contributions, the benefits payable under the trust deed and rules as they fall due.

The Trustee sets the investment strategy taking into account considerations such as the strength of the employer covenant, the long term liabilities and the funding plan agreed with the employer. The investment strategy is set out in the Scheme's Statement of Investment Principles ("SIP").

The target investment strategy is to hold:

- 30% in return-seeking investments comprising UK and overseas equities, high yield debt and multi-asset credit.
- 70% in investments that are expected to move in line with the long term liabilities of the Scheme. This is referred to as matching assets and comprises UK government and corporate bonds, UK property and interest rate and inflation swaps, the purpose of which is to hedge against the impact of interest rate and inflation movements of the long term liabilities.

The Trustee maintains a SIP as required by section 35 of the Pensions Act 1995 and meets the requirements of the Occupational Pension Schemes (Investment) Regulations 2005. The Trustee reviews the SIP for appropriateness from time to time and last updated it in June 2017.

A copy of the SIP is available on request from the contact address set out on page 41 of this annual report and financial statements under 'Further information'.

Details of the Scheme's investments are given in note 14 to the financial statements.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Trustee's report (continued)

Investment report (continued)

Management of investments

The Trustee has appointed Royal London Asset Management Limited ("RLAM") to manage the Scheme's investments on a day-to-day basis. RLAM have full discretion to invest world-wide subject to the restrictions set out in the investment management agreement which is designed to ensure that the objectives and investment policies set out in the SIP are followed.

RLAM are authorised and regulated by the Financial Conduct Authority in the United Kingdom under the Financial Services and Markets Act 2000.

Custodial arrangements

The Trustee has appointed HSBC Bank plc (HSBC Securities Services) as custodian of the Scheme's investments other than pooled investment vehicles and Additional Voluntary Contributions. The Scheme's direct investment assets are held in the names of the nominees by the Scheme's custodian. The custodian operates a system of internal controls to ensure the security of the Scheme's assets.

The custody of underlying assets in pooled investment vehicles and Additional Voluntary Contributions is arranged by the manager of those investments.

Trustee's policy on voting rights and social, environmental and ethical factors

The Trustee has examined how rights, including voting rights, attached to investments should be exercised by considering and supporting the UK Stewardship Code ("the Code") issued by the Financial Reporting Council ("FRC"). The Trustee has decided that investment rights should be exercised by investment managers on its behalf in line with the investment managers' general policies on corporate governance.

The Trustee considers that it is necessary in all circumstances to act in the best financial interests of beneficiaries and, where this primary consideration is not prejudiced, the investment managers can take social, environmental and ethical issues into account.

The Trustee has less influence over the underlying investments within the pooled investment vehicles held by the Scheme but reviews the managers' policies and statements of compliance in respect of these investments.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Trustee's report (continued)

Investment report (continued)

Review of investment performance

The table below shows the performance of the Scheme investment assets over various periods relative to the appropriate benchmarks.

Annualised return by asset class over	1 year	3 years	5 years	Asset allocation
Sterling corporate bonds	(2.0%)	6.2%	6.9%	30%
<i>Benchmark</i>	2.9%	5.4%	6.1%	
Multi asset credit *	0.5%	-	-	6%
<i>Benchmark</i>	4.6%	-	-	
Global high yield bonds	(2.0%)	4.7%	3.8%	4%
<i>Benchmark</i>	(3.4%)	5.6%	3.6%	
Index linked gilts	0.1%	9.5%	9.6%	29%
<i>Benchmark</i>	(0.4%)	9.0%	9.1%	
UK equities	(9.8%)	5.6%	3.6%	7%
<i>Benchmark</i>	(9.5%)	6.1%	4.1%	
Overseas equities	(2.4%)	12.4%	10.3%	13%
<i>Benchmark</i>	(3.1%)	13.2%	11.7%	
Property	3.5%	5.0%	6.5%	10%
<i>Benchmark</i>	7.4%	7.2%	10.3%	
Cash	(3.7%)	(5.8%)	(3.0%)	1%
<i>Benchmark</i>	0.6%	0.4%	0.4%	
Scheme	(1.3%)	7.9%	7.6%	100%
<i>Benchmark</i>	(1.0%)	8.1%	7.8%	

*There are no fund returns in the 3 and 5 year periods as fund inception is under 3 years (June 2017).

The negative returns on cash reflect the impact of net losses arising on forward foreign exchange contracts related to the hedging arrangement which are included in the calculation of the cash returns. The losses are attributable to the decrease in the value of the GB Pound Sterling.

The asset allocation in all asset categories was within target weight ranges as at 31 December 2018 (2017: within target weight ranges) as set out in the 2017 SIP. The Scheme disinvested from the Overseas bonds portfolio in quarter 1 2018.

The Trustee has considered the nature, disposition, marketability, security and valuation of the Scheme's investments and considers them to be appropriate to justify the holding of each class of the investments.

The Trustee considers that the spread of investments both geographically and by investment category enables the Scheme to benefit from potentially higher rates of investment growth in different markets whilst also decreasing the effect that price fluctuations within a particular market may have on the Scheme. The proportion of the Scheme's assets invested in a particular market is determined by reference to the relative rate of return and the relative level of risk associated with that market.

The Trustee considers that all the Scheme's investments are readily marketable with the exception of the global high yield bonds, pooled investment vehicle in property, senior secured loans and private placement debts. The liquidity of senior secured loans and private placement debt is lower than the average of the Scheme investments. If there was a material disposal of units in the Royal London Property Fund, the Fund's Prospectus does provide for deferred redemption (on a normal basis, redemption requests must be received three months in advance, but this may be deferred for one further month) as the underlying assets would have to be sold in the marketplace.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Trustee's report (continued)

Investment report (continued)

Review of investment performance (continued)

The value of the Scheme's illiquid assets as at 31 December 2018 was £384.9 million (2017: £339.4 million).

Employer related investments

There were no employer related investments held directly or indirectly by the Scheme during the year (2017: None).

Risks and mitigations

The key risks facing the Scheme are set out below. There are some additional risks associated with financial instruments and these are set out in note 22 to the financial statements.

Interest rate risk

The Scheme has interest bearing assets including fixed interest securities and cash balances, which earn interest at variable rates. The value of the Scheme's liabilities is directly affected by interest rates. The asset allocation strategy is developed in consideration of these risks and a liability driven investment portfolio is held to reduce the effect of variations in interest rates.

Inflation risk

The Scheme has exposure to the impact of inflation because the majority of the benefits payable from the Scheme are inflation linked. The Trustee's investment strategy is developed in consideration of this risk and a liability driven investment portfolio is held to reduce the effect of variations in inflation.

Longevity risk

The Scheme has exposure to the impact of longevity of each member (i.e. the risk of members living longer than expected). The risk is monitored by regular actuarial input about trends in longevity. The Trustee monitors the opportunities available in the market to reduce this risk.

Covenant risk

As the sponsor of the Scheme, the Company is responsible for supporting it and ensuring there are sufficient funds to pay members' benefits. Therefore the Scheme is exposed to the risk of the Company not being able to do this. The Trustee regularly monitors the covenant of the Company.

Liquidity risk

The investment manager has discretion to maintain a positive cash position as part of the benchmark set by the Trustee and is forewarned by the Trustee if there is likely to be a need for a cash withdrawal from the Scheme assets. For the day to day needs, the Administrator monitors cash requirements and may initiate the withdrawal of monies from the investment manager to the extent required to meet immediate benefits and expenses.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Trustee's report (continued)

Expression of wish forms

The Trustee wishes to emphasise to members the importance of indicating to the Trustee the person(s) to whom they wish benefits to be paid in the event of death. The Trustee would normally take members' wishes into account, although they are not obliged to do so.

Members are urged to review their nomination of beneficiary form should their circumstances change. A change can be made on-line or through a form available from the Scheme's Administrator whose address is on page 41.

Statement of Trustee's responsibilities

Trustee's responsibilities in respect of the financial statements

The financial statements, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), are the responsibility of the Trustee. Pension scheme regulations require, and the Trustee is responsible for ensuring, that those financial statements:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including making a statement whether the financial statements have been prepared in accordance with the relevant financial reporting framework applicable to occupational pension schemes.

In discharging these responsibilities, the Trustee is responsible for selecting suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis, and for ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Scheme will continue as a going concern.

The Trustee is also responsible for making available certain other information about the Scheme in the form of an annual report.

The Trustee also has a general responsibility for ensuring that accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Trustee's responsibilities in respect of contributions

The Trustee is responsible under pensions legislation for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions showing the rates of contributions payable to the Scheme by or on behalf of employers and the active members of the Scheme and the dates on or before which such contributions are to be paid.

The Trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for adopting risk-based processes to monitor whether contributions that fall due to be paid are paid into the Scheme in accordance with the schedule of contributions.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Trustee's report (continued)

Statement of Trustee's responsibilities (continued)

Trustee's responsibilities in respect of contributions

Where breaches of the schedule occur, the Trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to The Pensions Regulator and to members.

Further information

Any enquiries about the Scheme can be made by contacting the Staff Pensions Team at the address provided in the 'Further information' on page 41. A copy of this annual report and financial statements is available on the Royal London Group website: <http://www.royallondon.com/about/annual-reports/>.

Approval

The Trustee's report was approved and signed by the Trustee Directors on 19 March 2019.

Signed for and on behalf of RLGPS Trustee Limited by:



Trustee Director



Trustee Director

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Independent Auditors' report to the Trustee of the Royal London Group Pension Scheme

Report on the audit of the financial statements

Opinion

In our opinion, Royal London Group Pension Scheme's financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 December 2018, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- 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
- contain the information specified in Regulation 3A of The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

We have audited the financial statements, included in the annual report and financial statements, which comprise: the statement of net assets available for benefits as at 31 December 2018; the fund account for the year then ended; 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 Scheme 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 responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Scheme'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 the above matters.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Independent Auditors' report to the Trustee of the Royal London Group Pension Scheme

Report on the audit of the financial statements (continued)

Conclusions relating to going concern (continued)

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Scheme's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implications on the Scheme, its operations and other organisations on which it depends and the wider economy.

Reporting on other information

The other information comprises all the information in the annual report and financial statements other than the financial statements, our auditors' report thereon and our auditors' statement about contributions. The Trustee is 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 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.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustee for the financial statements

As explained more fully in the Statement of Trustee's responsibilities, the Trustee is responsible for the ensuring that the financial statements are prepared and for being satisfied that they show a true and fair view. The Trustee is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, the Trustee is responsible for assessing the Scheme'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 Trustee either intends to wind up the scheme, or has 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. This description forms part of our auditors' report.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Independent Auditors' report to the Trustee of the Royal London Group Pension Scheme

Responsibilities for the financial statements and the audit (continued)

Use of this report

This report, including the opinion, has been prepared for and only for the Trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

19 March 2019

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Fund account for the year ended 31 December 2018

	<i>Note</i>	2018 £'000	2017 £'000
Contributions and other income			
Employer contributions		-	1,378
Total contributions	4	-	1,378
Other income	5	635	305
		<u>635</u>	<u>1,683</u>
Benefits and other payments			
Benefits	6	83,830	83,958
Transfers to other schemes	7	41,088	35,862
Administrative expenses	8	2,795	3,266
		<u>127,713</u>	<u>123,086</u>
Net withdrawals from dealings with members		<u>(127,078)</u>	<u>(121,403)</u>
Returns on investments			
Investment income	9	59,513	65,119
Change in market value of investments	14	(88,399)	133,622
Investment management expenses	10	(2,620)	(2,666)
Investment management fee rebates	11	1,723	1,822
Taxes on investment income	12	(384)	(329)
Net returns on investments		<u>(30,167)</u>	<u>197,568</u>
Net (decrease)/increase in the Scheme		<u>(157,245)</u>	<u>76,165</u>
Opening net assets		<u>2,690,088</u>	<u>2,613,923</u>
Closing net assets		<u><u>2,532,843</u></u>	<u><u>2,690,088</u></u>

The notes to the financial statements on pages 18 to 36 form part of these financial statements.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Statement of net assets available for benefits as at 31 December 2018

	<i>Note</i>	2018 £'000	2017 £'000
Investment assets			
Equities	14	406,050	453,765
Bonds	14	1,576,773	1,613,940
Derivatives assets	15	19,396	19,735
Pooled investment vehicles	17	517,008	521,474
Cash	18	40,626	86,995
Other investment assets	19	41,431	16,621
AVC investments	20	2,207	2,308
		<u>2,603,491</u>	<u>2,714,838</u>
Investment liabilities			
Derivatives liabilities	15	(10,065)	(8,690)
Other investment liabilities	19	(59,993)	(16,462)
		<u>(70,058)</u>	<u>(25,152)</u>
Total net investments		2,533,433	2,689,686
Current assets	25	3,374	4,491
Current liabilities	26	(3,964)	(4,089)
Net assets available for benefits as at 31 December 2018		<u>2,532,843</u>	<u>2,690,088</u>

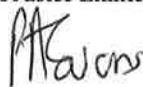
The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations, is dealt with in the Report on Actuarial liabilities on pages 5 to 7 of the annual report and these financial statements should be read in conjunction with this report.

The notes to the financial statements on pages 18 to 36 form part of these financial statements.

The financial statements on page 16 to 36 were approved and signed by the Trustee Directors on 19 March 2019.

Signed for and on behalf of RLGPS Trustee Limited by:

Trustee Director



Trustee Director



Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements

1. General information

The Scheme is an occupational pension scheme established by the Trust Deed dated 5 October 1988. The Scheme is a defined benefit (“DB”) scheme which was established to provide retirement benefits for its members. The beneficial members of the Scheme are eligible employees of the Royal London Group who commenced service on or before 1 September 2005. The benefits are payable to members in accordance with the Scheme Rules based on their length of service, accrual rate and their pensionable earnings as defined by the Scheme Rules prior to leaving the service of Royal London Group. The life cover only members do not accrue pension benefits in the Scheme.

The Trustee’s registered office address is at 55 Gracechurch Street, London, EC3V 0RL.

The Scheme is a registered pension scheme under the Chapter 2, Part 4 of the Finance Act 2004. This means that contributions by employers and employees are normally eligible for tax relief and income and capital gains earned by the Scheme receive preferential tax treatment.

2. Statement of compliance

The individual financial statements of the Royal London Group Pension Scheme have been prepared in accordance with The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council (“FRS 102”) and the guidelines set out in the Statement of Recommended Practice, “Financial Reports of Pension Schemes” (Revised November 2014) (“the SORP”).

In June 2018, a revised SORP was issued which is applicable to accounting periods commencing on or after 1 January 2019. The Trustee does not anticipate that the adoption of the revised SORP will have a material impact on the financial statements.

3. Summary of significant accounting policies

The principal accounting policies set out below have been consistently applied in the preparation of the financial statements.

a. Currency

The functional currency and presentation currency of the Scheme is the Great British Pound Sterling (GBP (£)).

b. Foreign currency conversion

Assets and liabilities in foreign currencies are expressed in GBP at the rates of exchange ruling at the year-end. Foreign currency transactions are translated into GBP at the spot rate at the date of the transaction.

Gains and losses arising on conversion are dealt with as part of change in market value of investments.

c. Contributions

Employer’s contributions (augmentations) are accounted for in accordance with the agreement under which they are being paid or in the absence of an agreement, on a receipt basis.

Other income is accounted for on a receipt basis.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

3. Summary of significant accounting policies (continued)

d. Benefit payments

Where a member can choose whether to take their benefits as a full pension or as a lump sum with reduced pension, retirement benefits are accounted for on an accruals basis in the period in which the member notifies the Trustee of their decision on the type or amount of benefit to be taken or if there is no member choice, on the date of retirement or leaving.

Pensions in payment are accounted for in the period to which they relate.

e. Transfers to other schemes

Transfer values represent the amounts payable during the year for members who have left the Scheme. All values are based on methods and assumptions determined by the Actuary advising the Trustee. The values are accounted for upon liability being accepted by the receiving scheme.

f. Administrative and other expenses

Administrative expenses are accounted for on an accruals basis by reference to the period to which they relate.

g. Investment income and expenses

Dividends from equities and any income from pooled investment vehicles which distribute income is accounted for on an accruals basis on the date when stock is quoted ex-dividend and in the case of unquoted instruments, when the income is declared.

Interest on bonds, including income bought and sold on purchases and sales of bonds, is accounted for on an accruals basis.

Interest on cash and short term deposits is accounted for on an accruals basis.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments and unrealised changes in market value. The change in market value also includes realised profits and losses on closed derivative contracts and unrealised profits and losses on open derivative contracts.

Income generated by pooled investment vehicles which are accumulation funds is retained within the funds without issue of further units and is reflected in the change in market value of the units. The tax element on the income from the property pooled investment vehicle is reclaimed and reinvested through the purchase of additional units and is reflected in the purchases.

Receipts or payments under swap contracts representing the difference between the swapped cash flows are recognised in investment income when received or paid.

Investment income includes any reclaimable tax credits. Withholding tax is accrued on the same basis as investment income. Where withholding tax is not recoverable, this is shown as a separate expense within investment returns.

Investment management expenses are accounted for on an accruals basis by reference to the period to which they relate.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

3. Summary of significant accounting policies (continued)

g. Investment income and expenses (continued)

Transaction costs are included in the cost of purchases and sales proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees. In addition there are indirect transaction costs which are incurred through the bid – offer spread on pooled investments. The amount of indirect transaction costs is not separately provided to the Scheme.

h. Valuation and classification of investments

Investment assets and liabilities are included in the financial statements at fair value. Where separate bid and offer prices are available, the bid price is used for investment assets and the offer price for investment liabilities. Otherwise, the closing single price, single dealing price or most recent transaction price is used. Where quoted or other unit prices are not available, the Trustee adopts valuation techniques appropriate to the class of investment. Details of the valuation techniques and principal assumptions are given in the notes to the financial statements where used.

The methods of determining fair value for the principal classes of investments are:

- Equities, bonds and certain pooled investment vehicles which are traded on an active market are included at the quoted price, which is normally the bid price.
- Unitised pooled investment vehicles which are not traded on an active market but where the manager is able to demonstrate that they are priced daily, weekly or at each month end, and are actually traded on substantially all pricing days are included at the last price provided by the manager at or before the year end.
- The value of other equities, bonds and pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated by the Trustee. Where the value of a pooled investment vehicle is primarily driven by the fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustment is made.
- Swaps are valued at the net present value of future cash flows arising therefrom.
- Forward exchange contracts are valued at the gain or loss that would arise from closing out the contract at the reporting date by entering into an equal and opposite contract at that date.
- The value of AVCs and other investment balances which are unquoted or not actively traded on a quoted market is driven by the fair value of its underlying assets as advised by the asset managers. Where there are restrictions or other factors which prevent realisation at the fair value an adjustment is made to value of the asset.

Accrued interest is excluded from the market value of bonds and swaps but is included in other investment balances.

- The Scheme recognises assets delivered under repurchase agreements to reflect its ongoing interest in those securities. Cash received from repurchase agreements is recognised as an investment asset and an investment liability is recognised for the value of the repurchase obligation.

The Scheme does not recognise assets received under reverse repurchase agreements. Cash delivered under such agreements is recognised as an investment receivable.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

3. Summary of significant accounting policies (continued)

i. Other investment arrangements

The Scheme recognises assets delivered out under stock-lending arrangements and as collateral under derivative contracts to reflect its ongoing interest in those securities.

Collateral securities received in respect of stock-lending arrangements and derivative contracts are disclosed but not recognised as Scheme assets.

The value of collateral received in respect of derivative contracts reflects the exposure value of the derivatives at the middle of bid and offer prices including interest accrual.

4. Contributions

	2018 £'000	2017 £'000
Employer		
Augmentation	-	1,378
	=	=

There was no employer augmentation contribution in 2018 (2017: £1.38 million) as the Scheme had sufficient surplus assets to meet the capital cost of granting discretionary pension increases and other benefit augmentations.

5. Other income

	2018 £'000	2017 £'000
VAT refund	14	24
Claims on life insurance policy	621	281
	<u>635</u>	<u>305</u>
	=	=

6. Benefits

	2018 £'000	2017 £'000
Pensions	73,746	72,339
Commutations and retirement lump sums	9,413	11,062
Lump sum death benefits	671	557
	<u>83,830</u>	<u>83,958</u>
	=	=

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

7. Transfers to other schemes

	2018	2017
	£'000	£'000
Individual transfers to other schemes	41,088	35,862

8. Administrative expenses

	2018	2017
	£'000	£'000
Administration fees	1,475	1,753
Actuarial fees	284	375
Levies paid to the Pensions Regulator	546	770
Trusteeship fees	149	143
Audit fees	72	60
Legal fees	257	159
Sundry expenses	12	6
	2,795	3,266

Some of the administration of the Scheme is provided by the Company. The direct costs of employees involved in the administration are recharged to the Scheme. Indirect costs incurred by the Company are recharged to the Scheme on an allocation methodology agreed by the Trustee. These costs are included in the administration fees and are provided in note 27 (Related party transactions).

Trusteeship fees include fees paid directly to the Trustee Directors as disclosed in note 27 (Related party transactions) to the financial statements.

9. Investment income

	2018	2017
	£'000	£'000
Dividends from equities	13,381	17,725
Income from bonds	38,955	44,942
Net receipts/(payments) on swaps	782	(2,294)
Income from pooled investment vehicles	5,942	4,516
Interest on cash deposits	224	65
Other investment income	229	165
	59,513	65,119

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

10. Investment management expenses

	2018 £'000	2017 £'000
Administration and management fees	2,109	2,232
Custodian charges	189	207
Investment advisory fees	248	195
Bank interest/charges	74	32
	<u>2,620</u>	<u>2,666</u>

11. Investment management fee rebates

	2018 £'000	2017 £'000
Investment management fee rebates	1,723	1,822
	<u>1,723</u>	<u>1,822</u>

The fee rebates represent amounts received from the Scheme's investment manager as reimbursement representing a proportion of investment management charges on pooled investment vehicles.

12. Taxes on investment income

The taxation charge within investment returns represents irrecoverable withholding tax arising on certain classes of investment income.

13. Investment transaction costs

Transaction costs relating to purchases of investments are added to the cost of investments and those relating to sales of investments are netted against proceeds of investments. These costs include fees, commissions, stamp duty and other fees. Direct transaction costs incurred during the year are analysed as follows:

Transaction fee category				2018	2017
	Equities £'000	Bonds £'000	Other £'000	Total £'000	Total £'000
Fees	5	-	305	310	102
Commissions	44	-	-	44	106
Taxes	239	-	-	239	276
Total 2018	<u>288</u>	<u>-</u>	<u>305</u>	<u>593</u>	
Total 2017	392	-	92		484

In addition to these transaction costs, indirect costs are incurred through the bid-offer spread on investments within the pooled investment vehicles and charges within those vehicles. It has not been possible for the Scheme to quantify such indirect transaction costs.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

14. Reconciliation of net investments

	Value as at 1 January 2018 £'000	Purchases at cost and derivative payments £'000	Sale proceeds and derivative receipts £'000	Change in market value £'000	Value as at 31 December 2018 £'000
Equities	453,765	120,910	(136,861)	(31,764)	406,050
Bonds	1,613,940	3,543,048	(3,529,549)	(50,666)	1,576,773
Derivatives	11,045	6,890,439	(6,894,576)	2,423	9,331
Pooled investment vehicles	521,474	108,725	(111,376)	(1,815)	517,008
AVC investments	2,308	-	(328)	227	2,207
	<u>2,602,532</u>	<u>10,663,122</u>	<u>(10,672,690)</u>	<u>(81,595)</u>	<u>2,511,369</u>
Cash	86,995			(6,804)	40,626
Other investment balances	159			-	(18,562)
	<u>87,154</u>			<u>(6,804)</u>	<u>22,064</u>
	<u>2,689,686</u>			<u>(88,399)</u>	<u>2,533,433</u>

Included in the bonds are gilts with a market value as at 31 December 2018 of £19.6 million (2017: £nil) delivered under repurchase agreements.

15. Derivatives

Over the counter contracts	2018			2017		
	Assets £'000	Liabilities £'000	Total £'000	Assets £'000	Liabilities £'000	Total £'000
Swaps	19,383	(8,841)	10,542	19,462	(8,690)	10,772
Forward foreign currency contracts	13	(1,224)	(1,211)	273	-	273
	<u>19,396</u>	<u>(10,065)</u>	<u>9,331</u>	<u>19,735</u>	<u>(8,690)</u>	<u>11,045</u>

Objectives and policies for holding derivatives

The Trustee allows RLAM the discretion to use derivatives to support the investment strategy. These are financial instruments whose value is dependent on the value of an underlying index, currency, commodity or other asset.

The Trustee authorised the use of derivatives for hedging purposes and to enhance the efficient management of the investment portfolios where they provide the opportunities to achieve the overall portfolio objective more efficiently than would be the case through direct dealing in the underlying securities.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

15. Derivatives (continued)

Derivatives are not used for speculative purposes. Furthermore, restrictions are in place with RLAM to limit the overall extent of derivatives usage and exposure to certain types of derivatives.

Derivative contracts are included in the financial statements at fair value. During the year the Scheme used swaps and forward foreign currency contracts.

Swaps

The Scheme used swaps which are over the counter contracts and fair value is the current value of future expected net cash flows arising from the swap, taking into account the time value of money. Fair value is normally calculated using discounted cash flow models and using market data at the reporting date. The Scheme participated in two types of swaps during the year, which are inflation swaps and total return swaps as follows:

(a). Inflation swap

An inflation swap is a contract under which inflation-indexed payments are exchanged for fixed payments based on an agreed principal amount. Only the net interest payments are exchanged. No exchange of principal takes place.

(b). Total return swaps

A total return swap is a contract in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. No exchange of principal takes place.

Outstanding swap contracts at the year-end are detailed as follows:

Nature of Swap	Expires	Number of Contracts	Notional principal £'000	Assets £'000	Liabilities £'000	2018 Net £'000
Total return swaps						
Pay fixed interest for total return (Gilts)	1 year	45	671,000	13,181	(5,988)	7,193
Pay total return (Gilts) for fixed interest	1 year	20	372,504	1,159	(2,853)	(1,694)
				<u>14,340</u>	<u>(8,841)</u>	<u>5,499</u>
Inflation swaps						
Pay fixed interest for variable (RPI)	1 – 5 years	5	64,500	5,043	-	5,043
				<u>19,383</u>	<u>(8,841)</u>	<u>10,542</u>

The notional principal of a swap is the amount used to determine the swapped receipts and payments.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

15. Derivatives (continued)

Forward foreign currency contracts

A forward foreign currency contract is an agreement to exchange an agreed amount of currency (contract or notional amount) at a specified exchange rate and on a specified date. The contract is used to reduce exposure to movements in exchange rates.

Outstanding forward foreign currency contracts at the year-end are detailed as follows:

Settlement date Within	Number of contracts	Currency bought	Currency Sold	Contract /notional amount £'000	Assets £'000	Liabilities £'000	2018 Net £'000
1 Month	1	GBP	JPY	12,412	-	(479)	(479)
2 Months	2	GBP	USD	62,457	13	(439)	(426)
2 Months	1	GBP	EUR	37,940	-	(286)	(286)
2 Months	1	EUR	GBP	585	-	(5)	(5)
2 Months	1	USD	GBP	1,190	-	(7)	(7)
3 Months	1	GBP	USD	1,867	-	(8)	(8)
					<u>13</u>	<u>(1,224)</u>	<u>(1,211)</u>
					==	====	====

The contract or notional amount represents the sterling value of the foreign currency amount of the contract translated at the year-end spot rate.

16. Collateral and stock lending arrangements

Stock collateral was received by the Scheme in respect of derivative contracts outstanding at the year-end in the form of gilts with a market value as at 31 December 2018 of £2.6 million (2017: £1.4 million). These assets are not included in the net investment assets.

Cash collateral of £7.5 million was received by the Scheme in respect of derivative contracts outstanding as at 31 December 2018 (2017: £4.5 million). The cash collateral is included within cash with an offset liability included within the other investment balances (liabilities).

Cash collateral of £0.03 million was pledged by the Scheme in respect of derivative contracts outstanding as at 31 December 2018 (2017: £nil). The cash collateral is included in receivables within other investment balances.

Stock collateral was pledged by the Scheme in respect of derivative contracts outstanding at the year-end in the form of gilts with a market value as at 31 December 2018 of £0.4 million (2017: £2.4 million). The pledged assets are included in the net investment assets.

Gilts with a market value as at 31 December 2018 of £0.4 million (2017: £nil) were delivered as collateral under the repurchase and reverse repurchase agreements.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

16. Collateral and stock lending arrangements (continued)

The Scheme has undertaken stock loan transactions during the year, which transfer the legal title to an asset to a third party but not the right to the income and change in market value of the asset. The Scheme retains the risks and rewards of ownership of assets under stock loan arrangements. The market value of the assets under such arrangements as at 31 December 2018 amounted to £87.7 million (2017: £57.2 million) and is included in the net investment assets.

The assets transferred under stock loan arrangements are secured by the receipt of collateral from the third party in the form of government bonds, corporate bonds and quoted equities, which may be re-pledged or sold if there is default. The market value of collateral held by the Scheme as at 31 December 2018 was £93.1 million (2017: £60.8 million) and is not included in the net investment assets.

17. Pooled investment vehicles

	2018 £'000	2017 £'000
Equities	81,458	121,198
Bonds	157,171	169,878
Property	278,377	230,396
Cash	2	2
	<u>517,008</u>	<u>521,474</u>

18. Cash

	2018 £'000	2017 £'000
UK GBP Sterling	33,433	83,723
Foreign currency	7,193	3,272
	<u>40,626</u>	<u>86,995</u>

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

19. Other investment balances

	2018 £'000	2017 £'000
Accrued interest receivable	13,317	13,733
Reverse repurchase agreement receivable	13,984	-
Investment income receivable	1,296	1,085
Trade settlements due from brokers	11,910	814
Cash collateral receivable	30	-
Tax reclaims	894	989
	<u>41,431</u>	<u>16,621</u>
Accrued interest payable	(7,352)	(8,103)
Repurchase agreements payable	(19,736)	-
Amounts due to counterparties	(13,972)	-
Trade settlements due to brokers	(11,390)	(8,351)
Cash collateral payable	(7,534)	-
Tax payable	(9)	(8)
	<u>(59,993)</u>	<u>(16,462)</u>
	<u>(18,562)</u>	<u>159</u>

Gilts with a market value as at 31 December 2018 of £14.1 million (2017: £nil) were received under a reverse repurchase agreement, these are not recognised as assets of the Scheme.

20. Additional Voluntary Contributions (AVC) investments

The Trustee holds assets invested separately from the main fund in the form of insurance policies, which secure additional benefits on a money purchase basis for those members electing to pay additional voluntary contributions. Members participating in this arrangement each receive an annual statement confirming the amounts held on their behalf and the movements in the year. The aggregate amounts of AVC investments are shown below:

	2018 £'000	2017 £'000
Scottish Widows Limited	1,244	1,435
The Royal London Mutual Insurance Society Limited	626	569
The Equitable Life Assurance Society	337	304
	<u>2,207</u>	<u>2,308</u>

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

21. Fair value of investments

The fair value of investments in the statement of net assets available for benefits has been determined using an analysis of the level in the following hierarchy:

Valuation methodology	Level
Unadjusted quoted price in an active market for identical instruments that the entity can access at the measurement date	1
Inputs (other than quoted prices) that are observable for the instrument, either directly or indirectly	2
Inputs are unobservable, i.e. for which market data is unavailable.	3

Pooled investment vehicles which are traded regularly are generally included in level (2). Where the absence of regular trading or the unsuitability of recent transaction prices as a proxy for fair value applies, valuation techniques are adopted and the vehicles are included in level (3).

The value of other pooled investment vehicles which are unquoted or not actively traded on a quoted market is estimated by the Trustee. Where the value of the pooled investment vehicle is primarily driven by fair value of its underlying assets, the net asset value advised by the fund manager is normally considered a suitable approximation to fair value unless there are restrictions or other factors which prevent realisation at that value, in which case adjustments are made. No such adjustments have been made to the valuations at 31 December 2018 or 31 December 2017.

The Scheme's investment assets and liabilities have been included at fair value within the hierarchical levels as follows:

Asset category	Hierarchy level			2018
	1	2	3	Total
Investment assets	£000	£000	£000	£000
Equities	406,050	-	-	406,050
Bonds	798,789	770,426	7,558	1,576,773
Derivatives	-	19,396	-	19,396
Pooled investment vehicles	-	238,631	278,377	517,008
Cash	40,626	-	-	40,626
Other investment balances	15,299	26,077	55	41,431
AVC investments	-	-	2,207	2,207
	<u>1,260,764</u>	<u>1,054,530</u>	<u>288,197</u>	<u>2,603,491</u>
Investment liabilities				
Derivatives	-	(10,065)	-	(10,065)
Other investment balances	(32,905)	(27,088)	-	(59,993)
	<u>(32,905)</u>	<u>(37,153)</u>	<u>-</u>	<u>(70,058)</u>
Total investments	<u>1,227,859</u>	<u>1,017,377</u>	<u>288,197</u>	<u>2,533,433</u>

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

21. Fair value of investments (continued)

An analysis for the prior year-end is as follows:

Asset category	Hierarchy level			2017
	1	2	3	Total
	£000	£000	£000	£000
Investment assets				
Equities	453,760	-	5	453,765
Bonds	782,609	828,866	2,465	1,613,940
Derivatives	-	19,735	-	19,735
Pooled investment vehicles	-	291,078	230,396	521,474
Cash	86,995	-	-	86,995
Other investment balances	3,400	13,216	5	16,621
AVC investments	-	-	2,308	2,308
	<u>1,326,764</u>	<u>1,152,895</u>	<u>235,179</u>	<u>2,714,838</u>
Investment liabilities				
Derivatives	-	(8,690)	-	(8,690)
Other investment balances	(8,359)	(8,103)	-	(16,462)
	<u>(8,359)</u>	<u>(16,793)</u>	<u>-</u>	<u>(25,152)</u>
Total investments	<u>1,318,405</u>	<u>1,136,102</u>	<u>235,179</u>	<u>2,689,686</u>

The fair value hierarchy of the pooled investment vehicles which were included in level 1 in the prior year have been reclassified to level 2 to correctly reflect the characteristics of the assets.

22. Investment risks

Types of risk relating to investments

FRS 102 requires the disclosure of information in relation to certain investment risks.

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- **Currency risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

22. Investment risks (continued)

- **Interest rate risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Investment strategy

The Trustee determine their investment strategy after taking advice from a professional investment adviser. The Scheme has exposure to these risks because of the investments it makes in following the investment strategy set out below. The Trustee manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Scheme's investment manager and monitored by the Trustee by regular reviews of the investment portfolio.

The Trustee investment strategy is provided in the Trustee report under the investment principles and strategy on page 7.

Further information on the Trustee's approach to risk management, credit and market risk is set out below. This does not include the AVC investments as these are not considered significant in relation to the overall investments of the Scheme.

Credit risk

The Scheme invests in pooled funds and is therefore directly exposed to credit risk in relation to the solvency of the investment manager and the custodian of the funds. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being "ring-fenced" from the pooled fund manager, the regulatory environments in which the manager operates and diversification of investments amongst pooled arrangements. The Trustee also carries out due diligence checks on the appointment of new pooled investment vehicles and on an ongoing basis monitors any changes to the operating environment of the pooled fund manager.

The Scheme is also subject to direct credit risk arising from investments in bonds, over-the-counter ("OTC") derivatives and cash balances.

Credit risk arising on bonds held directly (see note 14) is mitigated by investing in government bonds where the credit risk is minimal or corporate bonds where the overwhelming majority of the investments have a minimum investment-grade credit rating across a diversified exposure of different credit issuers.

The Scheme's OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Scheme is subject to the risk of failure of the counterparty. The credit risk for OTC derivatives is reduced by limits on the exposure to any single counterparty and a minimum credit rating that all counterparties must meet. In addition, the derivative positions are collateralised daily to ensure that the extent of the credit risk is limited to one day's market movements. Collateral in relation to the Scheme's OTC derivative contracts and manager stock lending activities is typically posted in the form of government bonds or cash held with investment banks that are at least investment grade credit rated.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

22. Investment risks (continued)

Where the Scheme's investment manager engages in stock lending activities, the Trustee manages the credit risk arising from such activities by restricting the amount of overall stock that may be lent, only lending to approved borrowers who are rated investment grade, limiting the amount that can be lent to any one borrower and putting in place collateral arrangements. Details of collateral arrangements held are set out in note 16.

The Trustee considers financial instruments or counterparties to be of investment grade if they are rated at BBB- or higher by Standard & Poor's or Fitch, or rated at Baa3 or higher by Moody's.

Cash is held within financial institutions which are at least investment grade credit rated.

The Scheme is also indirectly exposed to credit risks arising on some of the financial instruments held by the pooled investment vehicles. Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles (see note 17). This risk is mitigated by mainly investing in funds which hold at least investment grade credit rated investments.

The information about exposures to and mitigation of credit risk above applied at both the current and previous year-end.

Currency risk

The Scheme is subject to currency risk because some of the Scheme's investments are held in overseas markets, either as segregated investments (direct exposure) or via pooled investment vehicles (indirect exposure). The Trustees have set a benchmark limit to overseas currency exposure of 87.5% of the total portfolio value which is achieved through a currency hedging policy utilising forward foreign currency contracts (see note 15). The net currency exposure at the current and previous year-ends was:

Currency name	Code	Direct exposure £000	Indirect exposure £000	Hedging £000	2018 Net exposure after hedging £000	2017 Net exposure after hedging £000
Euros	EUR	70,979	-	(37,642)	33,337	81,407
Japanese Yen	JPY	(479)	35,769	(12,891)	22,399	44,702
US dollars	USD	256,389	-	(63,569)	192,820	260,962
Other currencies		12,481	45,689	-	58,170	79,109
		<u>339,370</u>	<u>81,458</u>	<u>(114,102)</u>	<u>306,726</u>	<u>466,180</u>

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

22. Investment risks (continued)

Interest rate risk

The Scheme is subject to interest rate risk as some of the Scheme's investments are held in bonds (either as segregated investments or through pooled investment vehicles), interest rate swaps and cash. The Scheme's liabilities are also subject to interest rate movement. The Trustee seeks to reduce the Scheme's exposure to this risk by investing some of the Scheme's assets in bonds and derivatives (such as interest rate swaps) whose values move in a similar way to the value of the liabilities. The net effect is to reduce the volatility of the funding level. As at the year end, the LDI portfolio represented 70.3% (2017: 68.2%) of the total investment portfolio.

Other price risk

Other price risk arises principally in relation to the Scheme's equity, property, high yield debt and multi-asset credit investments. This risk will vary depending on the particular market invested in.

The Trustee seeks to reduce the Scheme's exposure to overall price risk by investing in a diversified range of investments across various markets. The Scheme's exposure to other price risk will vary over time depending on any "active" asset allocation decisions taken by the investment manager to reflect its market views, or any changes to the Scheme's overall target investment strategy. As at the year end, the Scheme's return seeking assets represented 29.7% (2017: 31.8%) of the total investment portfolio.

23. Concentration of investments

The following investments are held which represent over 5% of the net assets of the Scheme:

	2018		2017	
	£'000	%	£'000	%
Royal London Property Authorised Investment Fund	223,384	8.30	230,396	8.57
Royal London Multi-Asset Credit Fund	157,171	5.84	156,349	5.81
	<u>380,555</u>		<u>386,745</u>	

24. Employer related investments

There were no employer related investments held directly or indirectly by the Scheme during the year (2017: None).

25. Current assets

	2018	2017
	£'000	£'000
Cash balances	3,216	4,254
Prepayments	115	199
Other debtors	43	38
	<u>3,374</u>	<u>4,491</u>

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

26. Current liabilities

	2018 £'000	2017 £'000
Unpaid benefits	2,009	1,943
Amounts due to employer	246	261
Accrued expenses	721	938
Other creditors	988	947
	<u>3,964</u>	<u>4,089</u>

27. Related party transactions

a. Transactions with key management personnel

The Trustee Directors

During the year four (2017: three) Trustee Directors were paid fees in respect of Trustee services amounting to £55,738 (2017: £84,000). In addition, three Trustee Directors claimed expenses including travel expenses for attendance at Trustee meetings. The fees and expenses are included in note 8.

The Law Debenture Pension Trust Corporation plc is a Corporate Trustee Director of the Scheme. They are paid a fee in respect of their services. In 2018 the fee amounted to £72,872 (2017: £53,049) and is included in note 8. Fees amounting to £24,777 (2017: £10,198) were payable by the Scheme as at the year-end and are included in note 26.

During the year three (2017: three) Trustee Directors were in receipt of a pension from the Scheme. In addition two (2017: two) Trustee Directors were life assurance cover only members on normal terms of employment.

b. Transactions with other related parties

1. The Employer

The Company provides certain administration and accountancy services to the Scheme. Costs incurred for these services are recharged to the Scheme. During the year the Scheme was recharged £0.2 million (2017: £0.4 million) in respect of these services which are included in note 8, of which £0.1 million was payable (2017: £0.1 million) at the year-end and are included in note 26.

A certain section of AVC investments is managed by The Royal London Mutual Insurance Society Limited. As at 31 December 2018, these investments which are held on behalf of the members had a market value of £0.6 million (2017: £0.6 million) and are included in note 20.

The Scheme administers the company's life cover only policy benefits for all eligible employees including non-members of the Scheme. The company is responsible for payment of the policy premiums.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

27. Related party transactions (continued)

2. The Investment manager

Royal London Asset Management Limited (RLAM) is a subsidiary of The Royal London Mutual Insurance Society Limited. RLAM manages the investments of the Scheme on an arm's length basis and is remunerated in accordance with the terms of a normal commercial contract. This covers all investment transactions for the scheme, including purchases, sales, investment income, investment management expenses, cash and receivables. Investment management expenses totalling £2.1 million (2017: £2.2 million) are in respect of this remuneration for the year ended 31 December 2018 which is included in note 10, of which £0.3 million (2017: £0.5 million) was payable at the year-end and are included in note 26.

The Scheme received investment management fee rebates of £1.5 million (2017: £1.8 million) from RLAM for the year ended 31 December 2018. The rebates are in respect of the Scheme's holdings in the Royal London Property Authorised Investment Fund and are included in note 11, of which £0.2 million (2017: £0.4 million) was receivable at the year-end and is included in note 25.

The Scheme holds units in the following funds managed by The Royal London Mutual Insurance Society Limited or Royal London Unit Trust Managers Limited (RLUTM), a subsidiary of RLAM in proportion to the total Scheme assets as shown:

Fund	Managed by:	2018		2017	
		£'000	%	£'000	%
RLPPC Global Bond Fund	The Royal London Mutual Insurance Society Limited	-	-	13,529	0.5
Royal London Japan Tracker Fund	Royal London Unit Trust Managers Limited	35,769	1.3	58,284	2.2
Royal London Asia Pacific ex Japan Tracker Z Accumulation Fund	Royal London Unit Trust Managers Limited	11,270	0.4	27,841	1.0
Royal London Property Authorised Investment Fund	Royal London Unit Trust Managers Limited	223,384	8.3	230,396	8.6
Royal London UK Real Estate Feeder Fund		54,993	2.0	-	-
Royal London Multi-Asset Credit Fund	Royal London Unit Trust Managers Limited	157,171	5.8	156,349	5.8
Royal London Emerging Markets Equity Tracker	Royal London Unit Trust Managers Limited	34,419	1.3	35,073	1.3
		517,006		521,472	

The Scheme also received investment management fee rebates of £0.3 million (2017: £0.1 million) from RLUTM for the year ended 31 December 2018 which is included in note 11.

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Notes to the financial statements (continued)

28. Contingent liabilities and contractual commitments

In the opinion of the Trustee, the Scheme had no contingent liabilities as at 31 December 2018 (2017: nil) other than GMP benefits equalisation below.

In October 2018, the High Court determined that certain benefits provided to members who contracted out of the State Pension between May 1990 and April 1997 must be equalised between men and women. The Trustee is now reviewing the implication of this ruling on members' benefits from the Scheme. A preliminary assessment of the impact of addressing this is that it will increase the Scheme's Actuarial liabilities. As soon as this review is finalised affected members will be communicated with.

As at 31 December 2018 the Scheme had contractual commitments in the form of stock collateral arrangements which are disclosed in note 16 (31 December 2017: included in note 16).

29. Subsequent events

Since the year-end, there have been no events that would require amendment to or disclosure in the financial statements.

Royal London Group Pension Scheme
Annual report and financial statements
for the year ended 31 December 2018

Independent Auditors' Statement about Contributions to the Trustee of the Royal London Group Pension Scheme

Statement about contributions

Opinion

In our opinion, the contributions required under the schedule of contributions for the Scheme year ended 31 December 2018 as reported in Royal London Group Pension Scheme's Summary of Contributions have, in all material respects, been paid in accordance with the schedule of contributions certified by the Scheme actuary on 22 June 2017.

We have examined Royal London Group Pension Scheme's Summary of Contributions for the Scheme year ended 31 December 2018 which is set out on the following page.

Basis for opinion

Our examination involves obtaining evidence sufficient to give reasonable assurance that contributions reported in the summary of contributions have, in all material respects, been paid in accordance with the relevant requirements. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme under the schedule of contributions and the timing of those payments.

Responsibilities for the statement about contributions

Responsibilities of the Trustee in respect of contributions

As explained more fully in the Statement of Trustee's responsibilities, the Scheme's Trustee is responsible for preparing, and from time to time reviewing and if necessary revising, a schedule of contributions and for monitoring whether contributions are made to the Scheme by employers in accordance with relevant requirements.

Auditors' responsibilities in respect of the statement about contributions

It is our responsibility to provide a statement about contributions and to report our opinion to you.

Use of this report

This report, including the opinion, has been prepared for and only for the Trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

19 March 2019

Royal London Group Pension Scheme
Annual report and financial statements
for the year ended 31 December 2018

Summary of Contributions

	£000
Contributions required under the schedule of contributions	-
Per the Fund account	-
	=

Approval

The Summary of Contributions was approved and signed by the Trustee Directors on 19 March 2019.

Signed for and on behalf of RLGPS Trustee Limited by:



Trustee Director



Trustee Director

Royal London Group Pension Scheme

Annual report and financial statements

for the year ended 31 December 2018

Actuarial certificate

Actuary's certification of the schedule of contributions

Actuarial certificate given for the purposes of section 58 of the Pensions Act 1995 (Certificate of Schedule of Contributions)

Name of scheme: Royal London Group Pension Scheme

Adequacy of rates of contributions

I hereby certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective on 31 December 2016 could have been expected to be met by the end of the period specified in the recovery plan dated 22 June 2017.

Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the statement of funding principles dated 22 June 2017.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were wound up.

Jonathan Howes

Scheme actuary

Fellow of the Institute and Faculty of Actuaries

22 June 2017

Royal London Group Pension Scheme

Annual report and financial statements
for the year ended 31 December 2018

Further information

The Registrar, TPAS, the Pensions Ombudsman and The Pensions Regulator

In accordance with The Occupational and Personal Pensions Schemes (Disclosure of Information) Regulations 2013, members are advised that:

- information regarding the Scheme has been given to the Registrar of Occupational Pension Schemes;
- The Pensions Advisory Service (TPAS) of 11 Belgrave Road, London, SW1V 1RB is an information service on pension matters;
- the Pensions Ombudsman of 10 South Colonnade, Canary Wharf, London, E14 4PU may investigate and determine any complaint or dispute of fact or law which they have failed to resolve with the Trustee or the Scheme administrator, in relation to pensions.

In addition to the above, The Pensions Regulator regulates company pension schemes and enforces the law as it relates to them. It has wide ranging powers which include the power to:

- suspend, disqualify and remove a trustee, or a director of a trustee company, for consistently not carrying out their duties;
- wind up schemes where necessary;
- apply for injunctions to prevent the misuse and misappropriation of scheme assets and apply for restitution where necessary.

The Auditors and Actuary have a statutory duty to make an immediate written report to The Pensions Regulator if they believe that legal duties concerned with the running of the Scheme are not being carried out.

Internal disputes resolution procedure

A disputes resolution procedure has been agreed by the Trustee to try to resolve any queries raised by beneficiaries or potential beneficiaries of the Scheme and details of this can be obtained by writing to the contact below.

The Pension Tracing Service

The Pension Tracing Service has been set up to provide a tracing service for members and other prospective beneficiaries, of previous employers' schemes, who have lost touch with earlier employers and trustees. This Scheme is registered, and its registration number is 100154281. To trace a benefit entitlement under a former employer's scheme, enquiries should be addressed to the Pension Tracing Service at The Pension Service 9, Mail Handling Site A, Wolverhampton, WV98 1LU www.gov.uk/find-pension-contact-details.

Royal London Group Pension Scheme

Annual report and financial statements
for the year ended 31 December 2018

Further information (continued)

Contact for further information

Any queries or complaints about the Scheme, including requests from individuals for information about their benefits, or for a copy of Scheme documentation, should be sent to the Trustee of the Royal London Group Pension Scheme at the following addresses.

Queries from deferred and pensioner members about their benefit entitlements:

c/o Willis Towers Watson Limited
1 Wellington Place
Wellington Street
Leeds
LS1 4AP
Email: royallondongroup@towerswatson.com
Phone: 0113 234 3222

Queries from current employee members about their benefit entitlements:

c/o Staff Pensions Team
Royal London House
Alderley Road
Wilmslow
SK9 1PF
Email: staff.pensions@royallondon.com
Phone: 01625 605 106

All other queries, including complaints or requests for Scheme documentation:

Staff Pensions Trustee Secretarial
Royal London House
Alderley Road
Wilmslow
SK9 1PF
Email: staff.pensions@royallondon.com
Phone: 01625 605 385