Royal Liver Assurance Limited Superannuation Fund (ROI)

Annual Report and Financial Statements

for the year ended 31 December 2015

Scheme Registration Number: PB 153418

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for the year ended 31 December 2015

Contents

	Page
Trustee and advisers	1
Trustee's report	2
Independent auditors' report	12
Fund account	14
Statement of net assets	15
Notes to the financial statements	16
Compliance statement	31
Statement of risks	32
Further information	33
Statement of investment policy principles	34
Actuarial statement and funding certificates	39
Internal dispute resolution procedure	43

Trustee and advisers

Principal Employer	Royal Liver Trustee Services Ireland Limited	
Corporate Trustee	R. L. Pensions Trustees (R.O.I.) Limited as at 31 December 2015 (name changed to R. L. Pensions Trustees (R.O.I.) Company Limited by Guarantee from 10 March 2016)	
Trustee Directors	**Employer nominated**	**Member nominated**
	J Feely (Chairman) (I)	M Carroll (P) (resigned – 31 December 2015)
	S Blackie	J Potter (P)
	J Glen	M Murphy (P) (appointed – 1 January 2016)
	(I) *Independent trustee*	(P) *Pensioner member*
Secretary to the Trustee	Royal London Management Services Limited represented by Michael Burt	
Scheme actuary	D Hunter of Willis Towers Watson (Ireland) Limited	
Administrators	The Royal London Mutual Insurance Society Limited	
Independent auditors	PricewaterhouseCoopers LLP	
Legal advisers	Matheson DLA Piper A B Wolfe	
Investment consultant	Mercer Limited	
Property surveyor	CB Richard Ellis Limited	
Investment managers	Royal London Asset Management Limited Legal & General Assurance (Pensions Management) Limited Standard Life Investments Limited BlackRock Alternative Advisors The Royal London Mutual Insurance Society Limited	
Investment custodian	HSBC bank plc (HSBC Securities Services)	
Additional Voluntary Contribution (AVC) provider	Zurich Life Assurance plc (terminated – 15 October 2015) Irish Life Assurance plc (appointed – 15 October 2015)	
Bankers	Allied Irish Bank	
Contact for enquiries	Provided on further information page 33	

Trustee's report

Introduction

The Trustee Directors of the R. L. Pensions Trustees (R.O.I.) Company Limited by Guarantee ("the Trustee") present their annual report and financial statements of the Royal Liver Assurance Limited Superannuation Fund (ROI) ('the Scheme') for the year ended 31 December 2015.

At an Annual General Meeting of the Trustee on 10 March 2016, it was resolved that the Company adopt a new Constitution and name be changed. The Trustee's name was changed from 'R. L. Pensions Trustees (R.O.I.) Limited' to R. L. Pensions Trustees (R.O.I.) Company Limited by Guarantee from this date.

Scheme constitution and management

The Scheme is an occupational defined benefit pension scheme set up under the Pensions Act 1990 to provide retirement benefits for its members. The Scheme is a distinct legal entity separate in every respect from the Principal Employer, Royal Liver Trustee Services Ireland Limited.

The Scheme has been approved by the Revenue Commissioners as an "exempt approved scheme" under Section 774 of the Taxes Consolidation Act 1997 and as such its assets are generally allowed to accumulate free of income and capital gains taxes. In addition tax relief is given on employer and member contributions to the Scheme and certain lump sum payments to members can be paid free of tax Under the Finance (No.2) Act 2013 the Scheme is required to pay an annual levy at the rate of 0.15% on the Scheme's assets in 2015.

There were changes during the year to the Scheme information specified in Schedule C of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 which are detailed on page 1 under Additional Voluntary Contribution (AVC) providers and in note 19 of the financial statements.

The Scheme is registered with The Pensions Authority under registration number PB153418.

Trustee

The Scheme is governed by a definitive Trust Deed and Rules which members are entitled to inspect or on payment of a small charge receive a copy of the documents.

The Scheme 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 Rules and the Constitution of the Trustee within the framework of pension and trust law. The persons who acted as Trustee Directors during the year are listed on page 1.

The Trustee Directors are appointed and removed in accordance with the Trust Deed. The Member Nominated Trustee Director arrangements are determined by the Trustee. The Trustee ordinarily has five Trustee Directors, three of whom are nominated by the Principal Employer and two by Scheme members.

The right of members to select or approve the selection of Trustee Directors is set out in the Occupational Pension Schemes (Member Participation in the selection of Persons for Appointment as Trustees) (No. 3) Regulations, 1996.

There were four meetings of the Trustee Directors during the year. Voting at Trustee meetings is by simple majority except in the event of an equality of votes when the Chairman has the casting vote.

Trustee's report (continued)

Trustee Directors received training as required by Section 59AA of the Pensions Act 1990, which requires Trustee Directors of pension schemes to undergo training during the scheme year as required by the Social Welfare and Pensions Act 2008 (Section 28) (Commencement) Order 2009. Trustee training has taken place at scheduled meetings of the Trustee Board during the year. Trustee Directors have access to appropriate training on their duties and responsibilities as Trustee Directors. There were no expenses incurred by the Scheme relating to the Trustee Directors' training.

The Trustee Directors have appointed professional advisers and other organisations to support them in delivering the Scheme's objectives. These individuals and organisations are listed on page 1. The Trustee has written agreements with each of them.

The day-to-day administration of the Scheme is carried out by the Scheme Administrator, the Staff Pensions department of The Royal London Mutual Insurance Society Limited.

The Trustee and the Scheme Administrator have access at all times to the Trustee's Handbook produced by The Pensions Authority and the Guidance Notes issued by The Pensions Authority from time to time, in accordance with Section 10 of the Act.

As required by Article 5 of the Pensions Ombudsman Regulations 2003, the Scheme has an internal procedure for resolving any disputes which may arise. Any complaints should in the first instance be made in writing to the Staff Pensions Team at the address provided in the 'Further information' on page 33. If the complaint is not resolved to the member's satisfaction, they have a statutory right to raise the issue through the Internal Dispute Resolution Procedure (IDRP), by submitting a formal application in writing to the Scheme Secretary at the contact address provided in the 'Further information' on page 33. The IDRP is included at the end of this annual report and accounts on page 43.

Review of financial development of the Scheme

The financial statements included in this annual report are the accounts required by the Pensions Act 1990. They have been prepared and audited in compliance with the Occupational Pension Schemes (Disclosure of Information) Regulations 2006. The financial statements are prepared in accordance with the Financial Reporting Standard (FRS) 102 and the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pensions Schemes (Revised November 2014). In adopting FRS 102 the Trustee has adopted the provisions of "Amendments to FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland – Fair value hierarchy disclosures (March 2016)"early.

The financial statements are set out on pages 14 to 31.

The value of the Scheme's net assets decreased from €270.5 million at the start of the year to €260.5 million at the year end. This decrease was accounted for largely by €9.8 million net withdrawals from dealings with members, expenses and the pension levy as follows:

- Benefits and payments to leavers amounted to €9.0 million (2014: €9.2 million).
- Pension levy amounted to €0.4 million (2014: €1.7 million) following a reduction in the rate of the levy and
- Administration costs and professional fees amounted to €0.4 million (2014: €0.5 million).

Trustee's report (continued)

Contributions

There were no contributions payable to the Scheme during the year as the Scheme is closed to future benefits accrual. This is in accordance with the rules of the Scheme and the recommendations of the Actuary.

The Trustee is satisfied that appropriate procedures have been put in place to ensure that contributions payable are received in accordance with the legislative requirements as set out under Section 58A of the Pensions Act 1990. This legislation sets out the following requirements:

- Member contributions must be received within 21 days from the end of the month in which they were deducted from pay.
- Employer contributions must be received in accordance with the timings noted by the Actuary or stated in the Trust Deed and Rules or otherwise within 30 days of the end of the Scheme year.

Pension increases

The Trust Deed and Rules makes provision for increases in pensions in payment and deferred pensions. The increases applied depend on when the benefits were accrued. The table below summarises the most recent increases applied to pensions in payment. None of the increases was discretionary.

Pensions in payment	2015	2014	Effective increase date
Accrued before 6 April 1997	-	-	1 April
Accrued between 6 April 1997 and 1 January 2004	1.2%	2.7%	1 April
Accrued after 1 January 2004	-	-	1 April

Pensions in payment accrued before 6 April 1997 and after 1 January 2004 are increased at the discretion of the Trustee subject to the agreement of the Principal Employer.

Pension increases for pensions in payment accrued between 6 April 1997 and 1 January 2004 are subject to a Transfer Agreement which linked increases to the UK Prices Index (RPI) used for UK statutory pension increases subject to a maximum of 5.0%. The index was altered to the UK Consumer Price Index (CPI) as such increases for pensions accrued during this period are based on the UK (CPI).

There were no pensions or pension increases being paid by or at the request of the Trustee for which the Scheme would not have a liability in the event of its winding up.

Deferred pensions were revalued on 1 January 2015 in accordance with Section 33 of the Pensions Act 1990, as amended; at a rate equal to the increase in the Consumer Prices Index (CPI) or 4% per annum whichever is the lower.

The rate announced in the statutory instrument S.I. No.43 of 2015 under the Occupation Pension Schemes (Revaluation) Regulations 2014 is 0.2% per annum.

Details of members' benefits are provided in the explanatory booklet which is distributed to all members and individual details appear on each member's benefit statement.

Trustee's report (continued)

Membership

Members of the Scheme are former eligible employees of The Royal Liver Trustee Services Ireland Limited previously Royal Liver Assurance Limited. On 1 July 2011 the Scheme was closed to new members and to future benefits accrual for existing members. All active members as at 30 June 2011 became deferred.

The change in membership during the year is as follows:

	Deferred members	Pensioner members	Beneficiaries	Total
At 1 January 2015	**576**	**583**	**175**	**1,334**
Adjustments to prior year figures	(1)	-	-	(1)
At 1 January 2015 revised	**575**	**583**	**175**	**1,333**
Members retiring	(29)	29	-	-
Members leaving prior to pension age	(3)	-	-	(3)
Deaths	(2)	(20)	(12)	(34)
New spouse and dependant pensions	-	-	8	8
At 31 December 2015	**541**	**592**	**171**	**1,304**

An adjustment was made to the prior year figure to reflect an accurate position of the membership of the Scheme as at 1 January 2015 which resulted from a late notification.

Beneficiaries are those people receiving a benefit from the Scheme who are not themselves Scheme members such as those in receipt of a spouse's or dependant's pension.

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 Pension Act 1990 requires a scheme to perform an actuarial valuation at an interval of not more than 3 years. The valuation is required to be prepared in accordance with section 56 of the Act. A full actuarial valuation of the Scheme as at 31 December 2015 is currently being performed. The results of this valuation are to be available later in 2016. The results of the previous actuarial valuation as at 31 December 2012 and of a recent funding update as at 31 December 2014 are provided below.

Valuation date: 31 December	**2014**	2012
	€'000	€'000
Value of liabilities	**247,000**	226,400
Value of assets available to meet liabilities	**269,300**	236,600
Surplus / (shortfall)	**22,300**	10,200
Funding level as a percentage of liabilities	**109%**	105%

Trustee's report (continued)

The values of assets at both dates exclude Additional Voluntary Contributions. Following this valuation the Scheme Actuary indicated that there is no contribution required under the ongoing funding programme as the Scheme had a surplus at the valuation date and there is no future service accrual under the Scheme.

A minimum funding test which reflects the position if the Scheme is discontinued is set out in section 44 of the Pensions Act 1990. This test is confirmed by a scheme actuary through an Actuarial Funding Certificate (AFC).

From 1 January 2016, legislation requires that pension schemes hold additional assets above those currently required by the minimum funding test. These additional assets are to be considered as a risk reserve to allow for adverse future experience relating to the assets and liabilities of pension schemes. This requirement is confirmed by a scheme actuary through a Funding Standard Reserve Certificate (FSRC).

The Scheme Actuary's Funding Certificate confirming that the Scheme met the funding standard and the Funding Standard Reserve Certificate stating that the Scheme met the funding standard reserve as at 31 December 2012 (the effective date) have been prepared by the Scheme Actuary and were submitted to the Pensions Authority. Copies of both certificates are on pages 40 and 41.

The value of liabilities (technical provisions) is based on pensionable service to the date of closure to future accrual (1 July 2011) 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 method and significant assumptions used in the valuation as at 31 December 2012 are as follows:

Method

The actuarial method used in the calculation of the liabilities is the Projected Unit Method in accordance with Actuarial Standard of Practice ASP PEN-1 "Funding Defined Benefits – Actuarial Reports" issued by the Society of Actuaries in the Republic of Ireland.

Significant actuarial assumptions

- **Discount interest rate**: term dependent rates set by reference to Euro zone government bond curve at the valuation date which was assumed at 2.4% per annum for pensions in payment; rates of 3.4% per annum and 2.5% per annum for deferred pensions derived from a global asset model.
- **Future price inflation**: term dependent rates derived from the European Central Bank assumed at 2.0% per annum.
- **Pension increases** on pensions accrued between 6 April 1997 and 31 December 2003: derived from term dependent rates for the UK Consumer Prices Index allowing for a cap of 5.0% per annum.
- **Pension levy**: a rate of 0.6% on value of the Scheme assets applied for the years 2013 and 2014.
- **Mortality**: for the period in post-retirement standard mortality tables with a factor of 62% for male and 70% per annum with an increase to annuity value of 0.39% per annum between 2008 and the members NRA.

Next actuarial valuation

As the valuation as at 31 December 2015 is currently underway the next actuarial valuation following that will be performed as at 31 December 2018.

Trustee's report (continued)

Investment management

Investment principles and strategy

The ultimate responsibility for deciding investment policy lies with the Trustee. The investment responsibilities of the Trustee are governed by the Scheme's Trust Deed and Rules and relevant legislation.

The Trustee maintains a Statement of Investment Policy Principles (SIPP) as required by section 35 of the Pensions Act 1995. The statement also meets the requirements of the Occupational Pension Schemes (Investment) Regulations 2006.

A copy of the SIPP is included on page 34.

The Trustee's investment strategy considers the Scheme's investments in the following categories:

- **Matching assets**: these are predominantly bonds, Liability Driven Investments (LDI) funds and swaps which have the objective of securing fixed or inflation-adjusted future cash flows and the investments are generally expected to be held to maturity.
- **Growth assets**: these are predominantly equities, diversified growth funds and properties which have the objective of seeking a return within the constraints of the risk profile set by the Trustee.

The Scheme's investment types managed by each of the investment managers and their proportions are shown below:

Fund manager	Asset class	Actual holding %	Central benchmark allocation %	Control ranges %
Royal London Asset Management	Corporate bonds	**34**	35	32 – 38
Royal London Asset Management	Liability hedge portfolio (LDI)	**44**	45	42 – 48
Royal London Asset Management	Cash	**1**	-	0 – 5
	Matching assets	**79**	**80**	**77 – 83**
Legal & General	World Equity	**14**	11	8 – 14
Royal London Asset Management	Property	**1**	3	0 – 5
Standard Life Investments Limited	Diversified Growth Fund	**6**	6	3 – 9
	Growth assets	**21**	**20**	**17 – 23**
	Total	**100**	**100**	

The table above represents the allocation of assets held by each investment manager of the Scheme as at 31 December 2015 and the related benchmark and control ranges relevant as at that date. The table does not include AVC investments and other investment receivables. Asset allocations are monitored against the SIPP by using investment performance reports prepared by each investment manager.

Trustee's report (continued)

The control ranges in the table show the maximum variation from the central position that will be accepted by the Trustee. The Trustee monitors the asset allocation as at each calendar quarter end. If the control ranges have been exceeded, the Trustee will consider what rebalancing action should be taken.

More details of the Scheme's investments are given in note 12 to the financial statements.

The Trustee has considered the nature, disposition, marketability, security and valuation of the Scheme's investments and considers them to be relatively 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 a significant majority of the Scheme's investments are readily marketable. However, following the redemption of the Scheme's units in the BlackRock Fund of Hedge Funds in 2013, the Fund's Manager retained 10% of the proceeds and the fund is classified as a liquidating fund. The retained proceeds were deferred and are gradually being released upon sale of the underlying assets.

More details on investment risks are given in note 21 to the financial statements.

Management and custodial arrangements

The Trustee has appointed professional investment managers which are listed on page 1 to manage the Scheme's investments on a day-to-day basis. The managers have full discretion to invest world-wide subject to the restrictions and investment policies laid down by the Trustee in the Investment Management Agreements (IMA) which are designed to ensure that the objectives and policies set out in the SIPP are followed.

The investment managers are all authorised and regulated by the Financial Conduct Authority of the United Kingdom or the relevant authority in the domicile country.

The mandates put in place by the Trustee specify how rights attaching to the Scheme's segregated investments are acted upon. This includes active voting participation and a requirement to consider social, ethical and environmental factors when making investment decisions. The Trustee has less influence over the underlying investments within pooled investment vehicles held by the Scheme but review the manager's policies and statements of compliance in respect of these matters.

The Trustee has appointed HSBC Bank plc (HSBC Securities Services) to keep custody of the Scheme's investments other than:

- Pooled investment vehicles where the managers make their own arrangements for custody of underlying investments;
- Directly held property where titles deeds are held by the Scheme's legal adviser listed on page 1.
- Additional Voluntary Contributions where the providers listed make their own arrangements for the management and custody of the underlying investments.

Trustee's report (continued)

Investment managers fee structure

The investment managers' fees are based on a percentage per annum of the value of assets under management, details of which are included in the IMA. The fee scales are negotiated with the investment managers and are different by fund type. The Trustee periodically ensures that the fee levels remain competitive.

Review of investment performance

The Trustee assesses the performance of the Scheme's investments by reference to the asset categories consistent with the overall strategy as follows.

An analysis of the Scheme's investment performance measured against the benchmarks as at 31 December 2015 is provided below.

- **Matching assets** which mainly comprise of a combination of LDI and Credit portfolios are compared with the relevant benchmarks although the Trustee's main focus is on securing cash flows as such growth in these assets, which is normally linked to growth in liabilities and vice versa, is less relevant.
- **Growth assets** are mainly comprised of World Equity Index and Global Absolute Return Strategies funds are assessed by reference to the relevant benchmarks with set performance targets for each investment manager.

The table below shows the performance of the Scheme's investments over short and long periods relative to the appropriate benchmarks.

Annualised return over	**1 year**	**3 years**
LDI and Credit portfolio	**(1.2%)**	**7.3%**
Benchmark	*(0.9%)*	*6.4%*
World Equity Index fund	**1.5%**	**11.8%**
Benchmark	*1.4%*	*11.6%*
Global Absolute Return Strategies fund	**3.9%**	**5.8%**
Benchmark	*0.1%*	*0.2%*
Property	**9.9%**	**5.7%**
Benchmark	*25.0%*	*25.3%*
Scheme	**0.0%**	**7.4%**
Benchmark	*(1.0%)*	*9.3%*

The Scheme return was prepared by HSBC Bank plc (HSBC Securities Services).

Trustee's report (continued)

The main factors that impacted performance of major asset categories over the benchmarks measured against were as follows:

- The combined LDI and Credit portfolio underperformed against the liability cash flow as yields for Eurozone sovereign and credit bonds rose following widening of the gap between these bonds.
- The World Equity Index fund delivered a positive return and outperformed its benchmark marginally following progress in economic growth in the UK, US and emerging markets helped by expansive monetary policy from the world's major central banks.
- The Global Absolute Return Strategies fund delivered a positive return and outperformed its cash benchmark as investor confidence restored following positive performance from the European and global equity markets.
- The property investment is a single asset and is not representative of the broad market benchmark comparison.

Employer related investments

Details of employer related investments are given in note 23 to the financial statements.

Related party transactions

Details of related party transactions are given in note 26 to the financial statements.

Statement of Trustee's responsibilities

Trustees' responsibilities in respect of the financial statements

The financial statements are the responsibility of the Trustee. Irish pension legislation requires the Trustee to make available for each Scheme year the annual report of the Scheme, including audited financial statements and the report of the auditor, to Scheme members, beneficiaries and certain other parties. The financial statements are required to:

- show a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the financial transactions for the Scheme year and the assets and liabilities (other than liabilities to pay benefits in the future) at the end of the Scheme year; and

- contain the information specified in the Occupational Pension Schemes (Disclosure of Information) Regulations 2006, including a statement as to whether the financial statements have been prepared in accordance with the Financial Reporting Standard (FRS) 102 and the guidelines set out in the Statement of Recommended Practice, Financial Reports of Pensions Schemes (Revised November 2014), subject to any material departures disclosed and explained in the financial statements.

Accounting standards generally accepted in Ireland in preparing financial statements showing a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

Accordingly, the Trustee must supervise the preparation of the financial statements and ensure that:

- suitable accounting policies are selected and then applied consistently;

- reasonable and prudent judgements and estimates are made; and

- the SORP is followed, or particulars of any material departures are disclosed and explained.

Trustee's report (continued)

Trustees' responsibilities in respect of the financial statements (continued)

The Trustee is responsible for ensuring that proper membership and financial records are kept on a timely basis sufficient to enable an Annual Report to be prepared for the Scheme containing the information specified in regulation 7 of the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006. The Trustee is also responsible for safeguarding the assets of the Scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Trustees' responsibilities in respect of contributions

The Trustee is required by law to have appropriate procedures in place throughout the year under review, to ensure that:

- contributions payable during the Scheme year are received by the Trustee in accordance with the timetable set out in Section 58A of the Act where applicable to the contributions and otherwise within 30 days of the end of the Scheme year and;

- contributions payable are paid in accordance with the rules of the Scheme and the recommendations of the Actuary.

Subsequent events

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

Further information

We trust that members find this report informative and we are pleased to acknowledge the assistance received from the Principal Employer's parent company, The Royal London Mutual Insurance Society Limited, and its staff during the year as well as from our various professional advisers.

Any enquiries about the Scheme can be made by contacting the Staff Pensions Team at the address provided in the 'Further information' on page 33. A copy of this annual report and financial statements is available on the Royal London Group website.

Approval

The Trustee's report was approved by the Trustee Directors on 29 June 2016.

Signed for and on behalf of R. L. Pensions Trustees (R.O.I) Company Limited by Guarantee by:

Trustee Director

Trustee Director

Independent Auditors' report to the Trustee of the Royal Liver Assurance Limited Superannuation Fund (ROI)

We have audited the financial statements of the Royal Liver Assurance Limited Superannuation Fund (ROI) for the year ended 31 December 2015 which comprise the Fund Account, the Statement of Net Assets and the Notes to the financial statements. The financial reporting framework that has been applied in their preparation is Irish pension law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Respective responsibilities of Trustee and Auditors

As explained more fully in the Statement of Trustee's responsibilities set out on page 10, the Trustee is responsible for the preparation of the financial statements showing a true and fair view, and for ensuring that contributions are made to the Scheme in accordance with the Scheme's rules and the recommendation of the actuary. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish pension law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Scheme's Trustee as a body in accordance with Section 56 of the Pensions Act 1990 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Scheme's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- show a true and fair view of the financial transactions of the Scheme during the year ended December 2015 and of the amount and disposition of the assets and liabilities (other than liabilities to pay pensions and other benefits in the future) at that date; and
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland.

Independent Auditors' report to the Trustee of the Royal Liver Assurance Limited Superannuation Fund (ROI) (continued)

Opinions on other matters prescribed by the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006

In our opinion:

- the financial statements include the information specified in Schedule A to the Occupational Pension Schemes (Disclosure of Information) Regulations, 2006 which is applicable and material to the Scheme;
- the contributions payable to the Scheme during the year ended 31 December 2015 have been received by the Trustee within thirty days of the end of the scheme year; and
- such contributions have been paid in accordance with the rules of the Scheme and the recommendation of the Actuary.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

29 June 2016

Fund account

	Note	**2015** **€'000**	2014 €'000
Contributions and other income			
Other income	*4*	**-**	200
		-	200
Benefits and other payments			
Benefits	*5*	**8,832**	9,017
Transfers to other schemes	*6*	**147**	187
Administrative expenses	*7*	**451**	487
Pension Levy	*8*	**391**	1,711
		9,821	11,402
Net withdrawals from dealings with members		**(9,821)**	(11,202)
Returns on investments			
Investment income	*9*	**8,009**	6,915
Change in market value of investments	*12*	**(7,711)**	47,642
Investment management expenses	*10*	**(459)**	(431)
Net returns on investments		**(161)**	54,126
Net (decrease)/increase in the Scheme		**(9,982)**	42,924
Opening net assets		**270,512**	227,588
Closing net assets		**260,530**	270,512

The notes to the financial statements on pages 16 to 31 form part of these financial statements.

Statement of net assets available for benefits as at 31 December 2015

	Note	**2015**	2014
		€'000	€'000
Investment assets			
Bonds	*12*	**201,226**	207,294
Derivatives	*13*	**40,575**	1,333
Pooled investment vehicles	*15*	**51,644**	49,578
Property	*16*	**2,250**	2,250
Cash	*17*	**3,495**	7,940
Other investment balances	*18*	**3,890**	3,629
AVC investments	*19*	**983**	1,256
		304,063	273,280
Investment liabilities			
Derivatives	*13*	**(43,716)**	(3,469)
Other investment balances	*18*	**(512)**	-
		(44,228)	(3,469)
Total net investments		**259,835**	269,811
Current assets	*24*	**1,203**	1,209
Current liabilities	*25*	**(508)**	(508)
Net assets available for benefits as at 31 December 2015		**260,530**	270,512

The financial statements summarise the transactions of the Scheme and deal with the net assets available for benefits to the Scheme. Liabilities to pay pensions and other benefits which are expected to become payable after the end of the Scheme year are not dealt with in the financial statements. The actuarial position of the Scheme, which does take account of such liabilities, is dealt with in the report on Actuarial liabilities within the Trustee's report on page 5 and in the Actuarial statement, Actuarial funding standard and Funding standard reserve certificates on pages 39 to 42, and these financial statements should be read in conjunction with them.

The notes to the financial statements on pages 16 to 31 form part of these financial statements.

These financial statements were approved by the Trustee Directors on 29 June 2016.

Signed for and on behalf of R.L. Pensions Trustees (R.O.I) Company Limited by Guarantee by:

Trustee Director

Trustee Director

Notes to the financial statements

1. General information

The Scheme is an occupational pension scheme established by the Trust Deed dated 5 December 2003. The Trust Deed has been amended by a Deed of Amendment dated 29 February 2008 and by a Deed of Adherence, Amendment and Substitution dated 4 May 2011.

The Scheme is a defined benefit ("DB") scheme which was established to provide retirement benefits for its members. The members are former employees of Royal Liver Assurance Limited prior to 1 July 2011, a company which transferred its business, assets and liabilities to Royal London Mutual Insurance Limited whose subsidiary Royal Liver Trustee Services Ireland Limited became the Principal Employer. On 1 July 2011 the Scheme was closed to new members and to future benefits accrual for existing members.

The Trustee's registered office address is at Royal London House, 47 St Stephen's Green, Dublin 2, Republic of Ireland.

The Scheme is approved as an 'exempt approved Scheme' for the purposes of Section 774, part 30, Chapter 1 of the Taxes Consolidation Act 1997 and thus the Scheme's income and gains are generally exempt from taxation, except for a Stamp Duty Levy payable as a Pensions Levy of 0.15% on the value of the Scheme's assets as required under the Finance (No.2) Act 2013.

2. Statement of compliance

The financial statements of the Royal Liver Assurance Limited Superannuation Fund (ROI) have been prepared in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations 2006, the Financial Reporting Standard (FRS) 102 – 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 Pensions Schemes" (Revised November 2014) ("the SORP").

The Trustee has adopted early the provisions of "Amendments to FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland – Fair value hierarchy disclosures (March 2016)".

3. Summary of significant accounting policies

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

The Scheme has adopted FRS 102 in these financial statements for the first time and there have been no restatements as a result of the transition to FRS 102. There have been minor presentational changes in relation to this.

(a). Currency

The functional currency and presentation currency of the Scheme is the EURO (€)

(b). Foreign currency conversion

Assets and liabilities in foreign currencies are expressed in euro at the rates of exchange ruling at the year-end. Foreign currency transactions are translated into euro 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.

Notes to the financial statements (continued)

(c). 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.

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

(d). 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.

(e). Transfers in from other schemes

Transfers in values represent members' AVC benefits received during the year from a DC plan previously connected with the Scheme for members who have elected to take a pension from the Scheme. The values are accounted for upon liability being accepted by the Scheme.

(f). Administrative and other expenses

Administrative expenses are accounted for on an accruals basis by reference to the period to which they relate. Pension levy is accounted for in the period the levy is payable.

(g). Investment income

Income from equities is accounted for when stock is quoted ex-dividend and in the case of unquoted instruments, when the dividend 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 and income from other investments 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 is not distributed but is retained within pooled funds and is reflected in the market value of the units.

Receipts or payments under swap contracts representing the difference between the swapped cash flows are included in investment income.

Rent on property is earned in accordance with the terms of the lease and is accounted for on an accruals basis.

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.

Notes to the financial statements (continued)

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

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.

- Properties are valued annually by independent valuers who have recent experience of the locations and types of properties held by the Scheme, taking account, amongst other things, of the current estimate of rental values and market yields. No depreciation is provided on freehold buildings or long leasehold properties.

- Swaps are valued at the net present value of future cash flows arising therefrom.

Accrued interest is excluded from the market value of bonds but is included in investment income receivable.

(i). Other investment arrangements

The Scheme recognises assets delivered out as collateral under derivative contracts to reflect its ongoing interest in those securities. Cash delivered out as collateral under derivative contracts is recognised as an investment receivable in the financial statements.

Collateral securities received in respect of derivative contracts is disclosed but not recognised as a Scheme asset. Cash received as collateral in respect of derivative contracts is recognised as an investment asset with a corresponding liability recognised as investments payable.

Notes to the financial statements (continued)

4. Other income

	2015	2014
	€'000	€'000
Transfers in (AVC)	**-**	200

The AVC transfer in 2014 was in respect of a member transferring to the Scheme their AVC benefits on retirement from the RL Caledonian Life Pension Plan, a defined contribution scheme, as a self-annuitisation transfer.

5. Benefits

	2015	2014
	€'000	€'000
Pensions	**8,090**	8,032
Commutations and retirement lump sums	**742**	972
Lump sum on death	**-**	13
	8,832	9,017

6. Transfers to other schemes

	2015	2014
	€'000	€'000
Individual transfers out to other schemes	**147**	187

7. Administrative expenses

	2015	2014
	€'000	€'000
Administration fees	**215**	202
Actuarial fees	**90**	118
Legal fees	**42**	60
Audit fees	**22**	16
Trusteeship fees	**28**	28
Consultancy fees	**-**	4
VAT and other expenses	**54**	59
	451	487

The administration and management of the Scheme is provided by The Royal London Mutual Insurance Society Limited. The direct costs of employees involved in the administration and management are recharged to the Scheme. Indirect costs incurred by the Administrator are recharged to the Scheme on an allocation basis agreed by the Trustee.

All other administration and management costs are met by the Scheme.

Notes to the financial statements (continued)

8. Pension Levy

	2015	2014
	€'000	€'000
Pension Levy	**391**	1,711

The Scheme bears the cost of an annual Pension Levy required under the Finance (No.2) Act. The rate of the levy in 2015 is 0.15% on the value of assets held by the Scheme. In 2014 the rate was 0.75% being a combined rate of 0.6% introduced by the Finance (No.2) Act of 2011, which ceased in 2014, and a rate of 0.15% introduced by the Finance (No.2) Act of 2013.

9. Investment income

	2015	2014
	€'000	€'000
Income from bonds	**7,119**	6,655
Net receipts from swaps	**706**	-
Net rents from properties	**184**	260
	8,009	6,915

10. Investment management expenses

	2015	2014
	€'000	€'000
Administration and management	**347**	329
Custodian charges	**28**	27
Investment advisory	**74**	62
Investment performance	**10**	13
	459	431

11. 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. There were nil (2014: nil) direct transaction costs incurred during the year.

Indirect costs are incurred through the bid-offer spread on investments within the pooled investment vehicles. It has not been possible for the Scheme to quantify such indirect transaction costs.

Notes to the financial statements (continued)

12. Reconciliation of net investments

	Value as at 1 January 2015 €'000	Purchases at cost and derivative payments €'000	Sale proceeds and derivative receipts €'000	Change in market value €'000	**Value as at 31 December 2015 €'000**
Bonds	207,294	116,087	(114,871)	(7,284)	**201,226**
Derivatives	(2,136)	249,405	(247,743)	(2,667)	**(3,141)**
Pooled investment vehicles	49,578	19,567	(19,758)	2,257	**51,644**
Property	2,250	-	-	-	**2,250**
AVC investments	1,256	-	(256)	(17)	**983**
	258,242	385,059	(382,628)	(7,711)	**252,962**
Cash and cash equivalents	7,940			-	**3,495**
Other investment balances	3,629			-	**3,378**
	11,569			-	**6,873**
Total net investments	269,811			(7,711)	**259,835**

The change in market value of investments during the year comprises 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 on closed derivative contracts during the year.

13. Derivatives

			2015			2014
Over the counter contracts	**Assets €'000**	**Liabilities €'000**	**Total €'000**	Assets €'000	Liabilities €'000	Total €'000
Total return swaps	**40,552**	**(42,420)**	**(1,868)**	-	(33)	(33)
Interest rate swaps	**23**	**(1,296)**	**(1,273)**	1,333	(3,436)	(2,103)
	40,575	**(43,716)**	**(3,141)**	1,333	(3,469)	(2,136)

Objectives and policies for holding derivatives

The Trustee allows the investment managers 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.

Notes to the financial statements (continued)

13. Derivatives (continued)

For example, derivatives may be used to hedge the portfolio against adverse market movements, to manage cash flows into or out of the portfolio, to cover out of market exposure or to swap exposure between asset classes or sectors in an efficient manner.

Derivatives are not to be used for speculative purposes. Furthermore, restrictions are in place with each investment manager 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.

Swaps

Swaps 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 interest rate swaps and total return swaps as follows:

(a). Interest rate swap

An interest rate swap is a contract under which interest payments at a fixed rate are exchanged for interest payments at a variable interest rate (or vice versa) 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 within	No of contracts	Notional principal €'000	Assets €'000	Liabilities €'000	2015 Net €'000
Total return swaps						
Pay fixed interest for total return (Govt bonds)	1-10 years	4	29,500	40,552	(42,420)	(1,868)
Interest rate swaps						
Pay fixed interest for variable (6 month LIBOR)	1-10 years	9	74,860	13	(719)	(706)
Pay variable interest (6 month LIBOR) for fixed	15-50 years	5	8,670	10	(577)	(567)
				23	(1,296)	(1,273)
				40,575	(43,716)	(3,141)

Notes to the financial statements (continued)

13. Derivatives (continued)

Notional principal

The notional amount (or notional principal or notional value) on a financial instrument is the nominal or face amount that is used to calculate payments made on that instrument. This amount generally does not change hands and is thus referred to as notional.

14. Collateral arrangements

The Scheme is exposed to credit risk on the carrying value of derivatives in the same way as it is exposed to credit risk on other investment assets. To mitigate this risk, a portion of the fair value of the derivatives held by the Scheme at any point in time is matched by cash collateral received from the counterparty to the transaction.

Cash collateral received by the Scheme as at 31 December 2015 was nil (2014: nil).

The Scheme undertook derivative transactions during the year which required stock collateral to be pledged to counter parties. The stock collateral pledged in respect of the derivatives is in the form of Eurozone sovereign debt with a market value, as at 31 December 2015, of €2.6 million (2014: €2.7 million) and is included in the investment assets.

Stock collateral was also received by the Scheme in the form of Eurozone sovereign debt in respect of derivatives undertaken during the year. The market value of the stock collateral received as at 31 December 2015 is nil (2014: nil) and is not included in the Scheme's assets.

15. Pooled investment vehicles

	2015	2014
	€'000	€'000
Category		
Equity	**35,363**	33,676
Diversified growth	**16,151**	15,677
Fund of hedge fund	**130**	225
	51,644	49,578

The underlying assets held in the Fund of hedge fund consist of United States Dollar denominated liquidating shares in an investment company registered in the Cayman Islands and are managed by a company registered in the United States. The balance in the fund represents deferred proceeds that the fund manager retained following redemption of the Scheme's units in the fund in 2013. The proceeds are gradually being released upon sale of the underlying assets.

16. Property

	2015	2014
	€'000	€'000
Ireland leasehold property	**2,250**	2,250

Notes to the financial statements (continued)

16. Property (continued)

The Scheme holds a single remaining property which the Trustee has approved disposal of later in 2016. There are no legal restrictions on the realisability of the property although the Trustee recognises that it would take longer than usual to achieve a disposal on favourable terms.

The property is currently rented and the tenant is responsible for repairs and maintenance.

The property is stated at an open market value as at 31 December 2015 determined by CB Richard Ellis Limited (Chartered Surveyors), in accordance with the RICS/SCS Valuation Standards Sixth Edition.

17. Cash

	2015	2014
	€'000	€'000
Cash held by investment managers	**3,495**	7,940

18. Other investment balances

	2015	2014
	€'000	€'000
Accrued investment income	**3,879**	3,620
Investment income receivable	**11**	9
	3,890	3,629
Amounts due to brokers	**(512)**	-
	3,378	3,629

19. 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:

	2015	2014
	€'000	€'000
AVC investments	**983**	1,256

The Trustee reviewed the AVC provider during the year and decided to change from Zurich Assurance plc to Irish Life Assurance plc in October 2015.

Notes to the financial statements (continued)

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

Asset category	Hierarchy level			2015
	1	2	3	Total
Investment assets	€'000	€'000	€'000	€'000
Bonds	-	201,226	-	201,226
Derivatives	-	40,575	-	40,575
Pooled investment vehicles	-	35,363	16,281	51,644
Property	-	-	2,250	2,250
AVC investments	-	-	983	983
Cash	3,495	-	-	3,495
Other investment balances	11	3,879	-	3,890
	3,506	281,043	19,514	304,063
Investment liabilities				
Derivatives	-	(43,716)	-	(43,716)
Other investment balances	(512)	-	-	(512)
	(512)	(43,716)	-	(44,228)
Total investments	2,994	237,327	19,514	259,835

An analysis for the prior year end is as follows:

Notes to the financial statements (continued)

20. Fair value of investments (continued)

Asset category	Hierarchy level			2014
	1	2	3	Total
Investment assets	€'000	€'000	€'000	€'000
Bonds	-	207,294	-	207,294
Derivatives	-	40,324	-	40,324
Pooled investment vehicles	-	33,676	15,902	49,578
Property	-	-	2,250	2,250
AVC investments	-	-	1,256	1,256
Cash	7,940	-	-	7,940
Other investment balances	-	3,629	-	3,629
	7,940	284,923	19,408	312,271
Investment liabilities				
Derivatives	-	(42,460)	-	(42,460)
Total investments	7,940	242,463	19,408	269,811

21. 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.
- **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.

The Trustee determines 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 managers and monitored by the Trustee by regular reviews of the investment portfolio.

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

Notes to the financial statements (continued)

21. Investment risks (continued)

Investment strategy

The investment objective is to maintain a portfolio of suitable assets of appropriate liquidity which will generate investment returns to meet, together with future contributions if required, 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 agreed with the Employer. The investment strategy is set out in its Statement of Investment Policy Principles ("SIPP").

The current strategy is to hold:

- 20% in return seeking investments comprising global equities, investment property, a multi-asset fund and a small residual hedge fund allocation.

- 80% in investments that move closely in line with the long term liabilities of the Scheme. This is referred to as LDI and comprises EU government bonds, Euro corporate bonds and interest rate swaps, the purpose of which is to hedge against the impact of interest rate movement on long term liabilities.

Credit risk

The Scheme is subject to credit risk because the Scheme directly invests in bonds, over-the-counter ("OTC") derivatives and has cash balances. The Scheme also invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles. The Scheme is also indirectly exposed to credit risks arising on some of the financial instruments held by the pooled investment vehicles.

Credit risk arising on bonds held directly is mitigated by investing in government bonds where the credit risk is minimal, or corporate bonds which are rated investment grade with an average credit rating of A for the portfolio, however, up to 10% of the corporate bond portfolio may be invested in below investment grade credit. Credit risk arising on other investments is mitigated by investment mandates requiring all counterparties to be at least investment grade credit rated.

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.

Credit risk arising on derivatives depends on whether the derivative is exchange traded or OTC. OTC derivative contracts are not guaranteed by any regulated exchange and therefore the Scheme is subject to risk of failure of the counterparty. The credit risk for OTC swaps is reduced by collateral arrangements as explained in note 14.

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

Notes to the financial statements (continued)

21. Investment risk (continued)

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The Trustee carries out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitors any changes to the operating environment of the pooled manager. Pooled investment arrangements used by the Scheme comprise unit linked insurance contracts and authorised unit trusts.

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 Trustee has set a benchmark limit to overseas currency exposure of 15% of the total portfolio value. The net currency exposure at the current and previous year-ends was less than 10%.

Interest rate risk

The Scheme is subject to interest rate risk because some of the Scheme's investments are held in bonds and interest rate swaps (either as segregated investments or through pooled vehicles), and cash. The Trustee has set a benchmark for total investment in bonds and interest rate swaps of 80% of the total investment portfolio, as part of its LDI investment strategy. Under this strategy, if interest rates fall, the value of LDI investments will rise to help match the increase in actuarial liabilities arising from a fall in the discount rate. Similarly, if interest rates rise, the LDI investments will fall in value, as will the actuarial liabilities because of an increase in the discount rate. At the yearend the LDI portfolio represented 79% of the total investment portfolio (2014: 80%).

Other price risk

Other price risk arises principally in relation to the Scheme's return seeking portfolio which includes directly held equities, equities held in pooled vehicles, equity futures, hedge funds, private equity and investment properties. The Scheme has set a target asset allocation of 20% of investments being held in return seeking investments. At the year-end the return seeking portfolio represented 21% of the total investment portfolio (2014: 20%).

The Scheme manages this exposure to overall price movements by constructing a diverse portfolio of investments across various markets.

Notes to the financial statements (continued)

22. Concentration of investments

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

	2015		2014	
	€'000	**%**	€'000	%
Legal and General GPAR World Equity (NET WHT) [1]	**35,363**	**13.6**	31,873	11.8
Standard Life Global Absolute Return [2]	**16,151**	**6.2**	15,677	5.8
Federal Republic of Germany 2.5% BDS 04/07/2044	**14,722**	**5.7**	15,076	5.6
Federal Republic of Germany 4.75% BDS 4/7/2034	**16,174**	**6.2**	16,651	6.2
Federal Republic of Germany 6.25% BDS 4/1/2030	**19,449**	**7.5**	20,060	7.4
Government of France 4% STRIP PRNC 25/04/2060	**15,416**	**5.9**	16,178	6.0
	117,275	**45.1**	115,515	42.8

[1] This investment is a pooled investment vehicle which has world equities as the underlying assets none of which exceeds 5% of the net assets of the Scheme.

[2] This investment is a pooled investment vehicle which has multiple underlying assets none of which exceeds 5% of the net assets of the Scheme.

23. Employer related investments

There are no employer related investments held by the Scheme during the year.

24. Current assets

	2015	2014
	€'000	€'000
Cash balances	**469**	476
Benefits paid in advance	**571**	586
Other debtors	**163**	147
	1,203	1,209

Benefits paid in advance are pensioner benefits for January 2016 paid on 31 December 2015 in advance of the due date, 1 January 2016, due to the date falling on a public holiday.

25. Current liabilities

	2015	2014
	€'000	€'000
Amounts due to employer	**42**	45
Tax payable	**95**	110
Accrued expenses	**320**	259
Other creditors	**51**	94
	508	508

Notes to the financial statements (continued)

25. Current liabilities (continued)

Amounts due to employer represent the balance of amounts paid by the employer on behalf of the Scheme for expenses incurred by the Scheme which are recharged by the employer to the Scheme.

26. Related party transactions

(a). Transactions with key management personnel

Trustee Directors

During the year:

- Two Trustee Directors were in receipt of a pension from the Scheme.
- One Trustee Director was eligible for a subsistence allowance and travelling expenses for attendance at Trustee Meetings in 2015 but elected not to claim these (2014: nil).
- One Trustee Director was paid fees amounting to €28,290 (2014: €28,290) in respect of their trustee services. Fees amounting to €14,145 (2014: €7,072) were payable by the Scheme as at year-end. These amounts are included in notes 7 and 25 respectively.
- No other Trustee Director received remuneration in connection with the management of the Scheme.

(b). Transactions with other related parties

1. The employer

Royal Liver Trustee Services Ireland Limited, the Principal Employer, is a subsidiary company of The Royal London Mutual Insurance Society Limited. The Royal London Mutual Insurance Society Limited has provided administrative services to the Scheme during the year. Costs incurred in providing these services which are recharged to the Scheme amounted to €173,686 (2014: €186,591) of which €42,381 (2014: €45,490) was payable as at the year end. These amounts are included in notes 7 and 25 respectively.

2. The Investment Manager

Details of the basis of the Investment Managers' fees are set out in the Investment Management Agreements (IMA). The Investment Managers' fees are borne directly by the Scheme and the amounts are included in note 10.

Royal London Asset Management Limited (RLAM) is a subsidiary company of The Royal London Mutual Insurance Society Limited. RLAM is the investment manager of the corporate bond, LDI, cash deposits and property investments of the Scheme on an arm's length basis. They are remunerated in accordance with the terms of a normal commercial contract and their fees amounted to €300,148 (2014: €277,091). Fees amounting to €71,672 (2014: €73,594) were payable by the Scheme as at year-end and are included in note 25.

All of the above transactions were made in accordance with the Scheme Rules.

27. Contingent liabilities and contractual commitments

In the opinion of the Trustee, the Scheme had no contingent liabilities as at 31 December 2015 (2014: nil).

As at 31 December 2015 the Scheme had contractual commitments in the form of stock collateral arrangements which are disclosed in note 14.

Notes to the financial statements (continued)

28. Subsequent events

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

Compliance statement

The purpose of this compliance statement is to disclose some additional information required by law.

Legal status

The Scheme is a self-administered Occupational Pension Scheme and is governed by its own Rules.

The Scheme has been approved by the Revenue Commissioners as a Retirement Benefits Scheme for the purposes of Part 30, Chapter 1, Taxes Consolidation Act 1997 and will be treated as an Exempt Approved Scheme for the purposes of Section 774 of that Act, both with effect from 1 January 2004.

As such its assets are allowed to accumulate free of income and capital gains taxes. In addition, tax relief is given on employer and member contributions to the Scheme and certain lump sum payments to members can be paid free of tax.

Changes to the Scheme Rules

The definitive Trust Deed and Rules were executed on 5 December 2003. The Scheme Rules were amended with effect from 1 July 2011.

Changes in benefits

Deferred pensions were increased in accordance with the revaluation procedures of the Pensions Act 1990 and 2002.

There are no pensions or pension increases being paid by or at the request of the Trustee for which the Scheme would not have a liability should it wind up.

Scheme advisors

There are written agreements in place between either the previous Trustees or the Trustee and each of the Scheme advisers listed on page 1 of this report.

Statement of risks

Statement concerning the condition of the Scheme, in particular concerning the financial, technical and other risks associated with the Scheme and their distribution.

Under law, the Trustee Directors are required to describe the condition of the Scheme and the risks associated with the Scheme, and disclose these to members.

In a 'defined benefit' Scheme, the main risk is that there will be a shortfall in the assets (for whatever reason) and the employer will not be willing or able to pay the necessary contributions to make up the shortfall. If that occurs, members may not get their anticipated benefit entitlements. Some of the reasons why a shortfall could arise are as follows (this list may not be exhaustive):

- The assets may grow more slowly than expected, or even fall in value, depending on the performance of underlying markets and the securities chosen.

- Similarly, the liabilities may grow faster than expected due to higher salary or pension increases, or due to unfavourable movements in interest rates, or due to mortality and other elements of the Scheme's experience varying from the assumptions made.

- The administration of the Scheme may fail to meet acceptable standards. The Scheme could fall out of statutory compliance, the Scheme could fall victim to fraud or negligence or the benefits communicated to members could differ from the liabilities valued by the actuary.

If the Scheme were to wind up and the assets were insufficient to meet benefits due, the law specifies that members' AVCs and then pensioners have first call on the assets of the Scheme before benefits can be paid to those who have yet to reach normal retirement age.

The Trustee Directors are satisfied that they are taking all reasonable steps to protect the members from the effects of these risks, which include the following:

- Professional investment managers have been appointed to manage the Scheme's investments, the Scheme holds a range of diversified assets and there is regular monitoring of how these investments are performing.

- An actuarial valuation of the Scheme is carried out at least every three years to assess the financial condition of the Scheme and determine the rate of contributions likely to be required to meet the future liabilities of the Scheme. In addition, an annual review of the solvency position of the Scheme is carried out on the assumption that it is wound up. If the Scheme is found to be insolvent, the Trustee Directors and the employer are required to complete a funding proposal for submission to the Pensions Authority with the objective of returning the Scheme to solvency.

- The Trustee Directors have access to experienced professional advisers and administrators to assist with the proper running of the Scheme.

However, it is not possible to guard against every eventuality. For example, the employer or of particular relevance in this case, its holding company may cease to trade, go into liquidation or may for other reasons decide to cease its liability to contribute to the Scheme. In this event, the Scheme may be wound up, future accrual of benefits may cease and accrued entitlements would be discharged from the available assets (which may or may not be sufficient to discharge member benefit expectations, as outlined above). Also, it is necessary to take some investment risk and other risks in order to manage the affordability of the Scheme benefits and the capacity of the employer to meet this commitment.

Statement of risks (continued)

The Trustee Directors have undertaken to consider and regularly review the following key risks and associated controls, which are maintained in a risk register:

- The risk of a deterioration in the Scheme's funding level. This risk is controlled through an investment and contribution strategy, which is specific to the Scheme's liabilities and funding level.
- The risk of deterioration in the ability of the Scheme's Principal Employer to provide continuing financial support to the Scheme. This risk is controlled through regular monitoring of Royal London Group's financial position, including rating agency reports.
- The risk that the investment returns from the assets will be below that expected by the Trustee Directors. This risk of underperformance is controlled by close monitoring of the investment performance and asset managers.
- Risks surrounding the security and safe custody of Scheme assets. This is controlled by ring-fencing the assets, ensuring there is clear asset distinction by the custodian, and by reviewing the custodian's internal controls.
- The risk of the Scheme being incorrectly operated or operated outside of regulatory parameters. This risk is controlled by appointing experienced Trustee Directors, and the use of Independent Trustees and Third party advisors where appropriate.

Further information

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. Details of the internal dispute resolution procedure can be obtained by writing to the contact below. The procedure is included at the end of this annual report and accounts on page 43.

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 Liver Assurance Limited Superannuation Fund (ROI) at the following addresses.

Queries from members about their benefit entitlements:	All other queries, including complaints or requests for Scheme documentation:
c/o Staff Pensions Manager	c/o Company Secretary
Royal London House	Royal London Group
Alderley Road	55 Gracechurch Street
Wilmslow	London
SK9 1PF	EC3V 0RL
Email: RLStaffpensions@royallondon.com	Email: cosec@royallondon.com
Phone: 44(0)1625 604960	Phone: 44(0)207 506 6500

Statement of Investment Policy Principles - December 2015

1. Introduction

This document constitutes the Statement of Investment Policy Principles (the "Statement") of the Royal Liver Assurance Limited Superannuation Fund (ROI) (the "Fund") prepared by RL Pensions Trustees (ROI) Limited (the "Trustee"). The Statement has been adopted by the Trustee in order to fulfil the requirements of the Occupational Pension Schemes (Investment) Regulations 2006, which stipulate that such a Statement is put in place.

The Statement is intended to affirm the investment principles that govern decisions about the Fund's investments.

In preparing this Statement, the Trustee has consulted the Principal Employer, Royal Liver Trustee Services Ireland Limited ("the Company") and has also consulted The Royal London Mutual Insurance Society as the ultimate parent of the Principal Employer. The Trustee has also obtained and considered professional advice from its investment consultant, Mercer.

The investment responsibilities of the Trustee are governed by the Fund's Trust Deed and Rules (a copy of which is available for inspection on request) and relevant legislation. According to the law, the Trustee has ultimate power and responsibility for the Fund's investment arrangements.

2. Process For Choosing Investments

The process for choosing investments is as follows:

- Identify appropriate investment objectives
- Consider the broad level of risk consistent with meeting the objectives set
- Construct a portfolio of investments that is expected to maximise the return (net of all costs) given the Trustee's risk tolerance

In considering the appropriate investments for the Fund, the Trustee has taken advice from Mercer. Where matters described in this Statement may affect the Fund's funding policy, input has also been sought from the Fund's Actuary.

3. Investment Objectives

The Trustee's objective is to invest the Fund's assets in the best interest of the members and beneficiaries and in the case of a potential conflict of interest in the sole interest of the members and beneficiaries. Within this framework the Trustee has agreed a number of key objectives to help guide it in its strategic management of the assets and control of the various risks to which the Fund is exposed.

The Trustee's primary objectives are as follows:

- To ensure the Fund has sufficient and appropriate assets to pay members' benefits as they fall due.
- To maximise long term return subject to the appropriate management of the risks associated with pension funding.
- To limit the risk of the assets failing to meet the liabilities in relation to the Minimum Funding Standard ("MFS").

The Trustee is aware that some of these objectives may conflict and realises that a balance must be attained which is consistent with its attitude to risk and desire to maximise long term investment returns.

The Trustee pays due regard to the Company's views with respect to the potential size and incidence of contribution payments, and the degree to which the Company accepts variation in the fund's surplus or deficit as a consequence of the investment policy adopted.

Statement of Investment Policy Principles - December 2015 (continued)

4. Investment Risk Management and Measurement

There are various investment related risks to which any pension plan is exposed. The Trustee's policy on risk management with regard to the investment arrangements of the Fund's main assets is as follows:

- The primary risk upon which the Trustee focuses is that arising through a mismatch between the Fund's assets and liabilities. The Fund's assets should share similar characteristics with its liabilities, in terms of duration and nature.
- The risk associated with the non-euro denominated assets (in this case non-euro equities) fluctuating in value due to currency movements. To protect against this risk a proportion of the Fund's overseas equity exposure is hedged back to Euro.
- The Trustee recognises that whilst increasing risk is expected to increase the potential for greater returns over a long period, it also increases the risk of a shortfall in returns relative to that required to cover the Fund's liabilities as well as producing more short-term volatility in the Fund's funding position. Any deterioration in the Fund's funding level could lead to higher than expected contributions from the Company. The Trustee has taken advice on the matter and has considered carefully and comprehensively the implications of adopting different levels of risk.
- While the risk introduced through investing a proportion of the Fund's assets in growth asset classes could lead to volatility in the funding level disclosed at a subsequent actuarial valuation, it is felt that this risk is acceptable in view of the potential benefits of the expected extra returns. Meanwhile, the extra returns should work through ultimately to greater security for members of the Fund and lower costs falling on the Company.
- The Trustee recognises the risks that may arise from the lack of diversification of investments. Subject to managing the risk from a mismatch of assets and liabilities, the Trustee aims to ensure that the asset allocation and manager structure policies in place result in an adequately diversified portfolio.
- The Trustee's willingness to take investment risk is dependent on the continuing financial strength of the Company and its ability to contribute appropriately to the Fund. It is further supported by the conditional guarantee provided by The Royal London Mutual Insurance Society. The financial strength of the Company and its perceived commitment to the Fund is monitored and the Trustee will reduce investment risk relative to the liabilities should either of these deteriorate.
- The documents governing the Investment Manager appointments include a number of guidelines which, among other things, are designed to ensure that only suitable investments are held by the Fund. The Investment Managers are prevented from investing in asset classes outside of their mandate without the Trustee's prior consent.
- Within the Liability-Driven Investment ("LDI") assets, the Trustee recognises the risks associated with counterparty credit risk and is satisfied with the guidelines adopted by the LDI manager. The Trustee has sought to minimise credit risk by investing the majority of the LDI assets in high quality Eurozone government bonds and by setting a minimum average credit rating target of A for the Euro corporate bond component of the LDI assets. In addition, the Trustee understands the risks associated with needing to generate EURIBOR to support derivative instruments as may be needed from time to time within the LDI assets to closely hedge the liabilities.
- The Trustee recognises that the LDI assets will not provide a perfect match to the target liability value. Furthermore, there are different measures of the liability that will not be perfectly matched by the LDI assets.
- The Trustee is also conscious of certain additional liability risks such as inflation risk and longevity risk and will keep these risks under review to determine what mitigating action, if any, might need to be taken.
- The Trustee recognises the risks of underperformance introduced by the use of active managers but believes that active management, through the careful selection of suitable managers, can add value. Arrangements are in place to monitor the continuing suitability of the current investments. The Trustee regularly reviews the continuing suitability of the Fund's investments including the appointed managers and the balance between active and passive management. Performance is independently measured and the Trustee receives regular reports from the Investment Managers and the Scheme's Accountant (using data provided by the Scheme's Custodian). It also receives an annual report on performance from its appointed investment consultant.
- The Trustee recognises that investments in illiquid asset classes, for example hedge funds and property, may not be readily realisable. The Trustee limits the allocations to such assets to what is felt to be acceptable levels.
- The safe custody of the Fund's assets is delegated to a professional custodian either directly or via pooled vehicles. The custodian is responsible for the prompt reclaim of withholding taxes and other taxes on income due to the Fund.

Statement of Investment Policy Principles - December 2015 (continued)

Should there be a material change in the Fund's circumstances, the Trustee will review whether and to what extent the investment arrangements should be altered; in particular whether the current risk profile remains appropriate.

5. Portfolio Construction

The Trustee has adopted the following control framework in structuring the Fund's investments:

- The Trustee, together with the Fund's administrators, will ensure there is sufficient cash to meet the likely benefit outgo. The Trustee's policy is that there should be sufficient investments in liquid or easily realisable assets to meet unexpected cash-flow requirements in the majority of foreseeable circumstances so that realisation of assets will not disrupt the Fund's overall investment policy where possible.
- The Trustee ensures that the majority of the assets are invested in regulated markets and that any allocation to unregulated markets is maintained at a prudent level.
- The Trustee and Investment Managers (who have delegated discretion) exercise their powers in a manner calculated to ensure the security, quality, liquidity and profitability of the Fund. The Trustee invests the assets in a manner it believes to be appropriate to the nature and duration of the expected future retirement benefits payable under the Fund.
- The Trustee may use, or permit the Investment Managers to use, derivative instruments if they contribute to a reduction of risk or facilitate efficient portfolio management. This includes the Trustee, after taking advice, directing the Investment Manager(s) to use interest rate swaps, and inflation swaps and total return swaps to reduce risk in the Fund by reducing the interest rate and inflation mismatch between the assets and the liabilities.
- The Trustee does not permit direct investment in:
  a. Securities issued by the Employer
  b. Property leased to the Employer

6. Investment Strategy

The Trustee recognises that it is not necessarily possible, or even desirable, to select investments that exactly match the characteristics of the Fund's liabilities. Given the on- going commitment of the Company to the Fund, a degree of mismatching risk can be accepted on the basis that it is also acceptable to the Company.

Subsequent to a strategy review completed by the Trustee and its advisers in 2013, the Trustee decided on a new investment strategy as shown on the next page [below]:

Asset Class	Central Benchmark Allocation (%)	Control Ranges (%)	Benchmark
Global Equities (hedged)	14	10-20	FTSE All World Index EUR Hedged
Diversified Growth Fund	6	0 -10	6 month LIBOR
Property	0	0 -5	
Fund of hedge funds	0	0 - 1	
Return Seeking Assets	20	10-30	
Corporate Bonds	35	30-40	Merrill Lynch Non-Sovereign Index (EXOO)
Liability Driven Investments	45	40 - 50	Bespoke LDI Benchmark
Cash	0	0 - 5	
Liability Matching Assets	80	70-90	
Total	**100**		

Statement of Investment Policy Principles - December 2015 (continued)

The control ranges show the maximum variation from the central position that will be accepted by the Trustee. The Trustee monitors the asset allocation as at each calendar quarter end, using Investment Performance Reports prepared by the Scheme's Accountant (using data provided by the Scheme's Custodian). If the control ranges have been exceeded, rebalancing action will be taken.

The strategic asset allocation will evolve over time to reflect a reduced equity exposure and an increased bond exposure according to a de-risking framework to be agreed by the Trustee.

The currency of the Fund, and of the benchmark, is the Euro. The composite performance benchmark above is calculated on a quarterly basis.

7. Manager Structure and Performance Objectives

Investment Manager	Fund/Mandate	Benchmark	Performance Objective
Legal & General Investment Management Limited ("L&G")	Passive Global Equities (100% hedged)	FTSE All-World Index EUR Hedged	To track the performance of the benchmark within the tracking error tolerance range of +/- 0.5% p.a. in two years out of three
Blackrock Alternative Advisors ("Blackrock"}	Legacy Fund of Hedge Funds	n/a	n/a
Standard Life Investments ("Standard Life")	Diversified Growth	6 month LIBOR	To outperform the return of the benchmark by 5.0% p.a. gross of fees, with a tracking error range of 4.0% - 8.0% p.a.
Royal London Asset Management ("RLAM")	Legacy Property	n/a	n/a
Royal London Asset Management ("RLAM")	Liability Driven Investments	Bespoke benchmark	To match 75% of the interest rate risk of the liabilities valued using high quality Euro government bond yield curves, net of such matching provided by the corporate bond portfolio
Royal London Asset Management ("RLAM")	Corporate Bonds	Merrill Lynch Non-Sovereign Index (EXOO)	To outperform the return of the benchmark by 0.75% p.a. gross of fees over rolling 3 year Periods, with an expected tracking error of up to 3% p.a. 4.0% - 8.0% p.a.

Performance is evaluated against the above objectives on at least an annual basis, and a thorough review is carried out every three years.

Statement of Investment Policy Principles - December 2015 (continued)

8. Day-to-Day Management of the Assets

Day to day management of the assets is delegated to professional Investment Managers, who are all regulated by the Central Bank of Ireland, the Financial Services Authority or the relevant authority in the domicile country. The Investment Managers have full discretion to buy and sell investments on behalf of the Fund subject to agreed constraints and applicable legislation. The Trustee has taken steps to satisfy itself that the managers have the appropriate knowledge and experience for managing the Fund's investments. Investments are managed for the Fund to specific mandates which include performance objectives, risk parameters and timescales over which performance will be measured.

9. Expected Return

Given the investment strategy adopted, the Trustee expects to generate a return, over the long term c. 1.0% p.a. above that which would have been achieved had no investment risk been taken within the portfolio (i.e. had the assets been invested solely in a portfolio of long dated government debt which is a proxy for the growth of the Fund's liabilities). It is recognised that over the short term, performance may deviate significantly from the long term target and there are no guarantees that such a return will be achieved.

10. Additional Assets

The Trustee has established an Additional Voluntary Contributions ("AVCs") arrangement, in which members' AVCs are invested to enhance their benefits at retirement.

The Trustee reviews the investment performance of the chosen AVC provider on a regular basis and takes advice as to the providers' continued suitability.

11. Realisation of Investments

The investment managers have discretion in the timing of realisation of investments and in considerations relating to the liquidity of those investments within parameters stipulated in the relevant appointment documentation.

12. Socially Responsible Investment and Corporate Governance

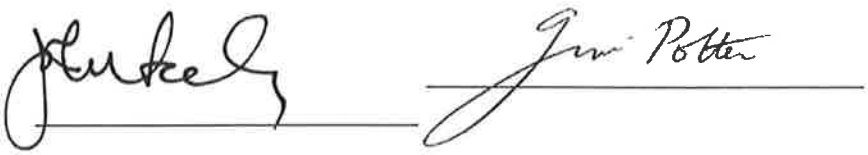
The Trustee accepts that the assets invested in pooled arrangements are subject to the managers' own policies on social, environmental and ethical investment.

Similarly, by using a pooled investment vehicle for its equity investments, the Trustee accepts that the day-to-day application of voting rights will be carried out by the investment manager in accordance with the manager's corporate governance policy. The manager has in place clear policies of normally voting on all issues on behalf of its investors' best financial interests and has provided the Trustee with a statement detailing their voting policy and practices.

13. Compliance with and Review of this Statement

The Trustee monitors compliance with this Statement annually and will review this Statement at least once every three years and without delay after any significant change in investment policy. Any change to this Statement will be made in consultation with the Company and only after having obtained and considered written advice of someone whom the Trustee reasonably believes to be qualified by their ability in and practical experience of financial matters and to have the appropriate knowledge and experience of the management of pension fund investments.

Effective Date of this Statement: 10 December 2015



Actuarial statement and funding certificates

Actuarial statement

ROYAL LIVER ASSURANCE LIMITED SUPERANNUATION FUND (ROI)

("the Scheme")

PB153418

Actuarial statement

This statement is issued in accordance with the requirements of Section 55 of the Pensions Act 1990 ('the Act').

I confirm that I have assessed the position of the above Scheme as at 31 December 2014, having regard to the requirements of the Funding Standard set out under Section 44 of the Act.

On the basis of that assessment, I am reasonably satisfied that I **would** be in a position to certify that the Scheme satisfied the Funding Standard as set out in Section 44(1), if I were required to issue an Actuarial Funding Certificate under Section 42 of the Act with an effective date of 31 December 2014.

In addition, I confirm that I am reasonably satisfied that, if I was to prepare a Funding Standard Reserve Certificate under Section 42 of the Act for the Scheme as at 31 December 2014, I would be certifying that the Scheme **would** have satisfied the Funding Standard Reserve requirements set out in Section 44(2) of the Act at that date.

In making this statement reference has been made to Actuarial Standard of Practice ASP PEN-3 issued by the Society of Actuaries in Ireland.

Derek Hunter
Fellow of the Society of Actuaries in Ireland
10 February 2015

It should be noted that satisfying the Funding Standard should not be interpreted as the Scheme being in a position to purchase benefits with an insurance company in the event of a wind up which are identical to the member's accrued pensions at the date of certification. The above Statement refers solely to the position of the Scheme at its year end date and takes no account of any events that have taken place between that date and the date of signature of the statement.

Actuarial statement and funding certificates

Actuarial funding certificate

Schedule BD – Actuarial Funding Certificate

Article 4

THIS CERTIFICATE HAS BEEN PREPARED UNDER THE PROVISIONS OF SECTION 42(1) OF THE PENSIONS ACT 1990 (the ACT) FOR SUBMISSION TO THE PENSIONS BOARD BY THE TRUSTEES OF THE SCHEME

SCHEME NAME:	**Royal Liver Assurance Limited Superannuation Fund (ROI)**
SCHEME COMMENCEMENT DATE:	**1 January 2004**
PENSIONS BOARD REFERENCE NO.	**PB 153418**
EFFECTIVE DATE OF THIS CERTIFICATE:	**31 December 2012**
EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY)	**31 December 2009**

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:-

(1) the resources of the scheme, which are calculated for the purposes of section 44(1) of the Act to be €238.340 million, **would** have been sufficient if the scheme had been wound up at that date to provide for the liabilities of the scheme determined in accordance with section 44(1) of the Act which, including the estimated expenses of administering the winding up of the scheme, amount to €204.626 million, and

(2) €0 of the resources of the scheme referred to in paragraph (1) comprise contingent assets, in accordance with and within the meaning of the guidance issued by the Board and prescribed under section 47 of the Act.

I, therefore, certify that as at the effective date of this certificate the scheme **satisfies** the funding standard provided for in section 44(1) of the Act.

I further certify that I am qualified for appointment as actuary to the scheme for the purposes of section 51 of the Act.

Signature: *Date:* 11/6/2013

Name: ***Derek S Hunter*** *Qualification:* **Fellow of Society of Actuaries in Ireland**

Name of Actuary's Employer/Firm: ***Towers Watson (Ireland) Limited***
Actuary Certificate No. **PO32**

Actuarial statement and funding certificates

Funding standard reserve certificate

Schedule BE – Funding Standard Reserve Certificate

Article 4

THIS CERTIFICATE HAS BEEN PREPARED PURSUANT TO SECTION 42(1A) OF THE PENSIONS ACT, 1990 (the ACT) FOR SUBMISSION TO THE PENSIONS BOARD BY THE TRUSTEES OF THE SCHEME

SCHEME NAME:	**Royal Liver Assurance Limited Superannuation Fund (ROI)**
SCHEME COMMENCEMENT DATE:	**1 January 2004**
PENSIONS BOARD REFERENCE NO.	**PB 153418**
EFFECTIVE DATE OF THIS CERTIFICATE:	**31 December 2012**
EFFECTIVE DATE OF PREVIOUS CERTIFICATE (IF ANY)	**N/A**

On the basis of information supplied to me, having complied with any guidance prescribed under section 42(4)(b) of the Act and, subject thereto, having regard to such financial and other assumptions as I consider to be appropriate, I am of the opinion that at the effective date of this certificate:

(1) the funding standard liabilities (as defined in the Act) of the scheme amount to €202.863 million,

(2) the resources of the scheme (other than resources which relate to contributions or a transfer of rights to the extent that the benefits provided are directly related to the value of those contributions or amount transferred (**DC resources**)), calculated for the purposes of section 44(1) of the Act amount to €236.577 million,

(3) €101.111 million of the amount referred to in paragraph (2) (subject to a maximum of an amount equal to the funding standard liabilities) is invested in securities issued under section 54(1) of the Finance Act 1970 (and known as bonds), securities issued under the laws of a Member State (other than the State) that correspond to securities issued under section 54(1) of the Finance Act 1970, cash deposits with one or more credit institutions and such other assets (if any) as are prescribed under section 44(2)(a)(iv) of the Act,

(4) the amount provided for in section 44(2)(a) of the Act (15% x ((1) minus (3)) is €15.263million,

(5) the amount provided for in section 44(2)(b) of the Act, being the amount by which the funding standard liabilities of the scheme would increase if the interest rate or interest rates assumed for the purposes of determining the funding standard liabilities were one half of one per cent less than the interest rate or interest rates (as appropriate) assumed for the purposes of determining the funding standard liabilities less the amount by which the resources of the scheme (other than DC resources) would increase as a result of the same change in interest rate or interest rates is - €3.134 million,

Actuarial statement and funding certificates

Explanatory Note to the certificate

EXPLANATORY NOTE – PROVIDED FOR INFORMATION ONLY AND NOT FORMING PART OF THE CERTIFICATE

This note is intended to provide clarification of the benefits that the actuary has valued in establishing the liabilities for the purposes of the certificate and assumes that the effective date of the certificate is after 22 September 2005. Section 44 of the Pensions Act, 1990, as amended, and the Third Schedule set out in detail the benefits valued.

If the scheme satisfies the funding standard, the actuary is of the opinion that the scheme would have had sufficient assets to meet specified benefits and expenses if it had been wound up. The opinion is based on the position at the effective date of the certificate.

The benefits can be summarised as follows:

(1) *In respect of current pensioners -*

all future benefit entitlements under rules of the scheme

(2) *In respect of members not currently receiving pensions -*

(a) all benefits secured by additional voluntary contributions or granted under the scheme by way of transfer of rights from another scheme, and

(b) the scheme benefits that are required by the Act to be preserved – this relates to all benefits accrued up to the effective date of the certificate and includes revaluation of benefits accrued from 1991, and

(c) the certified percentage of the additional benefits described in paragraph 5 of the Third Schedule. This normally relates to revaluation of benefits accrued before 1 January 1991.

Note to the Trustees

Under the Pensions Act, 1990, as amended, the trustees of a defined benefit scheme must arrange to have an actuarial valuation of the scheme carried out periodically and must obtain an Actuarial Funding Certificate.

Certificates must have an effective date of not more than 3 years after the scheme's inception or the date of the previous certificate or, where the previous certificate has an effective date before 23 September 2005, or where the scheme commenced prior to 23 September 2005 and it is the first certificate for the scheme, it must be prepared not more than 3½ years after the scheme's inception or the date of the previous certificate.

Certificates, completed by an actuary who holds a Scheme Actuary Certificate issued by the Society of Actuaries in Ireland, must be submitted to the Board within 9 months of the effective date, or, where the certificate is required as a result of a negative actuarial statement in the trustee annual report for the scheme, within 12 months of the last day of the period to which the trustee annual report relates. Certificates should be sent to:

The Pensions Board
Verschoyle House
28-30 Lower Mount Street
Dublin 2

Tel: (01) 6131900
www.pensionsboard.ie

Internal dispute resolution procedure

Objective

As required by the Pensions Acts 1990 (as amended), the Superannuation Fund has an internal procedure for resolving any disputes which may arise between the Trustee of the Fund (or its agents) and members of the Fund. A claim may be made by or on behalf of any of the following:

- Current members
- Pensioner members
- Former members
- Beneficiaries or prospective beneficiaries

Note: If you make a complaint under the procedure, you may appoint a representative to act on your behalf. The representative does not need to have any connection with the Superannuation Fund. Where a person who has made a complaint dies before the complaint has been dealt with, the application may be continued by his or her personal representatives.

This procedure relates to any complaint where the actual or potential beneficiary alleges that he has sustained financial loss caused by maladministration of the Fund, or who disputes an issue of law or fact that arises in relation to an act performed in the management of the Fund.

Exclusions

The procedure does not apply to:

- Any dispute with the employer (unrelated to the Superannuation Fund) – this should be dealt with through Royal London's grievance procedure.

- Any dispute which may be determined by the Pensions Authority (in relation to certain specified issues) or by the Director of Equality Investigations (equal treatment of employees in relation to access to a scheme)

- Where the complaint or dispute was previously examined by the Pensions Authority, the scheme is a frozen scheme or a scheme which has commenced to be wound up.

Making a Complaint

In the first instance, a complaint should be made in writing to Staff Pensions. If the matter is not resolved to your satisfaction, then you have a statutory right to have the issues giving rise to the dissatisfaction investigated through the Internal Dispute Resolution Procedure explained overleaf.

Internal dispute resolution procedure (continued)

COMPLAINT TO THE TRUSTEE

An application can be made on the standard form supplied (the form should be fully completed) and should be submitted to:

R.L. Pensions Trustees (R.O.I.) Company Limited by Guarantee
c/o Michael Burt
Royal London Group
55 Gracechurch Street
London
EC3V 0RL

R.L. Pensions Trustee (R.O.I.) Company Limited by Guarantee is the corporate Trustee of the Superannuation Fund (R.O.I.).

Following receipt of the application, the Trustee will review the details of the complaint or dispute as presented by the applicant (additional information may be requested if required) and will then make a determination in relation to the matter. The decision of the Trustee (or a Sub-Committee of the Trustee nominated for this purpose), will be made within three months of receipt of the complaint and all relevant information.

The formal determination will include the following:

- References to any legislation, legal precedent, ruling of the Pensions Authority, ruling or practice of the Revenue Commissioners or other material relied upon;

- Reference to such parts of the Rules of the Scheme relied upon and, where a discretion has been exercised, reference to the rule by which such discretion is conferred;

Where the complaint arises from the exercise of discretion, the reason for it being exercised in a certain way may not be given. However, reference will be made to the part of the Scheme documentation which authorises the Trustee to exercise the discretion.

Following receipt of the Trustee's determination, if you are not happy with the outcome, you have the right to raise the matter with the Pensions Ombudsman. The Ombudsman may be contacted at:

The Office of the Pensions Ombudsman	***Tel:***	***(01) 647 1650***
36 Upper Mount Street	Fax:	(01) 676 9577
Dublin 2	E-mail:	info@pensionsombudsman.ie
	Website:	http://www.pensionsombudsman.ie/