

Royal London (CIS) Limited

Annual PRA Insurance Returns for the period ended

30 December 2014

IPRU(INS) Appendices 9.3, 9.6

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Long-term insurance business : Revenue account

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **Summary**
 Financial period ended **30 December 2014**
 Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	(524837)	526722
Investment income receivable before deduction of tax	12	569046	574507
Increase (decrease) in the value of non-linked assets brought into account	13	1009591	(1242678)
Increase (decrease) in the value of linked assets	14	16130	82954
Other income	15	285	151867
Total income	19	1070215	93371

Expenditure

Claims incurred	21	1041369	1235461
Expenses payable	22	95991	166312
Interest payable before the deduction of tax	23	99	796
Taxation	24	104627	13200
Other expenditure	25	478286	
Transfer to (from) non technical account	26		
Total expenditure	29	1720372	1415770

Business transfers - in	31		
Business transfers - out	32	10613774	
Increase (decrease) in fund in financial year (19-29+31-32)	39	(11263932)	(1322398)
Fund brought forward	49	11263932	12586331
Fund carried forward (39+49)	59	1	11263932

Long-term insurance business : Revenue account

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **Ordinary and Industrial Life**
 Financial period ended **30 December 2014**
 Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	(538386)	511316
Investment income receivable before deduction of tax	12	561139	565195
Increase (decrease) in the value of non-linked assets brought into account	13	996691	(1282056)
Increase (decrease) in the value of linked assets	14	16130	82954
Other income	15	285	152045
Total income	19	1035858	29454

Expenditure

Claims incurred	21	1023483	1217661
Expenses payable	22	95004	160712
Interest payable before the deduction of tax	23	99	796
Taxation	24	104627	13200
Other expenditure	25	479383	65
Transfer to (from) non technical account	26		
Total expenditure	29	1702597	1392435

Business transfers - in	31		
Business transfers - out	32	10295335	
Increase (decrease) in fund in financial year (19-29+31-32)	39	(10962073)	(1362981)
Fund brought forward	49	10962073	12325054
Fund carried forward (39+49)	59	0	10962073

Long-term insurance business : Revenue account

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **With-Profits Stakeholder**
 Financial period ended **30 December 2014**
 Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	13201	14758
Investment income receivable before deduction of tax	12	7779	9143
Increase (decrease) in the value of non-linked assets brought into account	13	12463	36357
Increase (decrease) in the value of linked assets	14		
Other income	15	570	65
Total income	19	34013	60323

Expenditure

Claims incurred	21	16837	16946
Expenses payable	22	154	2907
Interest payable before the deduction of tax	23		
Taxation	24		
Other expenditure	25		
Transfer to (from) non technical account	26		
Total expenditure	29	16992	19853

Business transfers - in	31		
Business transfers - out	32	314361	
Increase (decrease) in fund in financial year (19-29+31-32)	39	(297340)	40470
Fund brought forward	49	297340	256870
Fund carried forward (39+49)	59		297340

Long-term insurance business : Revenue account

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **With-Profits Pension**
 Financial period ended **30 December 2014**
 Units **£000**

Financial year	Previous year
1	2

Income

Earned premiums	11	348	648
Investment income receivable before deduction of tax	12	128	169
Increase (decrease) in the value of non-linked assets brought into account	13	436	3020
Increase (decrease) in the value of linked assets	14		
Other income	15	528	
Total income	19	1440	3837

Expenditure

Claims incurred	21	1049	854
Expenses payable	22	832	2693
Interest payable before the deduction of tax	23		
Taxation	24		
Other expenditure	25		178
Transfer to (from) non technical account	26		
Total expenditure	29	1881	3725

Business transfers - in	31		
Business transfers - out	32	4078	
Increase (decrease) in fund in financial year (19-29+31-32)	39	(4519)	113
Fund brought forward	49	4519	4407
Fund carried forward (39+49)	59	1	4519

Long-term insurance business : Analysis of premiums

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **Summary**
 Financial period ended **30 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Regular premiums	11	94782	91914		186695	216219
Single premiums	12	112933	146060		258993	322382

Reinsurance - external

Regular premiums	13	10806			10806	11879
Single premiums	14		959719		959719	

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17	83976	91914		175890	204340
Single premiums	18	112933	(813659)		(700726)	322382

Total

Gross	19	207715	237973		445688	538600
Reinsurance	20	10806	959719		970525	11879
Net	21	196909	(721746)		(524837)	526722

Long-term insurance business : Analysis of premiums

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **Ordinary and Industrial Life**
 Financial period ended **30 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Regular premiums	11	94782	79553		174335	202128
Single premiums	12	112933	144870		257803	321066

Reinsurance - external

Regular premiums	13	10806			10806	11879
Single premiums	14		959719		959719	

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17	83976	79553		163529	190250
Single premiums	18	112933	(814849)		(701916)	321066

Total

Gross	19	207715	224424		432139	523195
Reinsurance	20	10806	959719		970525	11879
Net	21	196909	(735295)		(538386)	511316

Long-term insurance business : Analysis of premiums

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **With-Profits Stakeholder**
 Financial period ended **30 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Regular premiums	11		12035		12035	13442
Single premiums	12		1166		1166	1316

Reinsurance - external

Regular premiums	13					
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17		12035		12035	13442
Single premiums	18		1166		1166	1316

Total

Gross	19		13201		13201	14758
Reinsurance	20					
Net	21		13201		13201	14758

Long-term insurance business : Analysis of premiums

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **With-Profits Pension**
 Financial period ended **30 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Regular premiums	11		325		325	648
Single premiums	12		23		23	

Reinsurance - external

Regular premiums	13					
Single premiums	14					

Reinsurance - intra-group

Regular premiums	15					
Single premiums	16					

Net of reinsurance

Regular premiums	17		325		325	648
Single premiums	18		23		23	

Total

Gross	19		348		348	648
Reinsurance	20					
Net	21		348		348	648

Long-term insurance business : Analysis of claims

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **Summary**
 Financial period ended **30 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Death or disability lump sums	11	147188	20931		168119	157222
Disability periodic payments	12	5132			5132	6581
Surrender or partial surrender	13	170589	436222		606811	720812
Annuity payments	14		189934		189934	182289
Lump sums on maturity	15	233965	38709		272674	341922
Total	16	556874	685795		1242669	1408825

Reinsurance - external

Death or disability lump sums	21	6948	458		7406	9325
Disability periodic payments	22	28			28	39
Surrender or partial surrender	23		32484		32484	40446
Annuity payments	24		161383		161383	123555
Lump sums on maturity	25					
Total	26	6976	194325		201300	173364

Reinsurance - intra-group

Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34					
Lump sums on maturity	35					
Total	36					

Net of reinsurance

Death or disability lump sums	41	140241	20473		160713	147897
Disability periodic payments	42	5104			5104	6542
Surrender or partial surrender	43	170589	403738		574327	680366
Annuity payments	44		28551		28551	58734
Lump sums on maturity	45	233965	38709		272674	341922
Total	46	549898	491470		1041369	1235461

Long-term insurance business : Analysis of claims

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **Ordinary and Industrial Life**
 Financial period ended **30 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Death or disability lump sums	11	147188	20078		167266	156772
Disability periodic payments	12	5132			5132	6581
Surrender or partial surrender	13	170589	419189		589778	703461
Annuity payments	14		189934		189934	182289
Lump sums on maturity	15	233965	38709		272674	341922
Total	16	556874	667909		1224783	1391025

Reinsurance - external

Death or disability lump sums	21	6948	458		7406	9325
Disability periodic payments	22	28			28	39
Surrender or partial surrender	23		32484		32484	40446
Annuity payments	24		161383		161383	123555
Lump sums on maturity	25					
Total	26	6976	194325		201300	173364

Reinsurance - intra-group

Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34					
Lump sums on maturity	35					
Total	36					

Net of reinsurance

Death or disability lump sums	41	140241	19620		159860	147447
Disability periodic payments	42	5104			5104	6542
Surrender or partial surrender	43	170589	386705		557294	663015
Annuity payments	44		28551		28551	58734
Lump sums on maturity	45	233965	38709		272674	341922
Total	46	549898	473584		1023483	1217661

Long-term insurance business : Analysis of claims

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **With-Profits Stakeholder**
 Financial period ended **30 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Death or disability lump sums	11		853		853	449
Disability periodic payments	12					
Surrender or partial surrender	13		15984		15984	16497
Annuity payments	14					
Lump sums on maturity	15					
Total	16		16837		16837	16946

Reinsurance - external

Death or disability lump sums	21					
Disability periodic payments	22					
Surrender or partial surrender	23					
Annuity payments	24					
Lump sums on maturity	25					
Total	26					

Reinsurance - intra-group

Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33					
Annuity payments	34					
Lump sums on maturity	35					
Total	36					

Net of reinsurance

Death or disability lump sums	41		853		853	449
Disability periodic payments	42					
Surrender or partial surrender	43		15984		15984	16497
Annuity payments	44					
Lump sums on maturity	45					
Total	46		16837		16837	16946

Long-term insurance business : Analysis of claims

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **With-Profits Pension**
 Financial period ended **30 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Death or disability lump sums	11				
Disability periodic payments	12				
Surrender or partial surrender	13		1049	1049	854
Annuity payments	14				
Lump sums on maturity	15				
Total	16		1049	1049	854

Reinsurance - external

Death or disability lump sums	21				
Disability periodic payments	22				
Surrender or partial surrender	23				
Annuity payments	24				
Lump sums on maturity	25				
Total	26				

Reinsurance - intra-group

Death or disability lump sums	31				
Disability periodic payments	32				
Surrender or partial surrender	33				
Annuity payments	34				
Lump sums on maturity	35				
Total	36				

Net of reinsurance

Death or disability lump sums	41				
Disability periodic payments	42				
Surrender or partial surrender	43		1049	1049	854
Annuity payments	44				
Lump sums on maturity	45				
Total	46		1049	1049	854

Long-term insurance business : Analysis of expenses

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **Summary**
 Financial period ended **30 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Commission - acquisition	11	10045	1		10046	10052
Commission - other	12					
Management - acquisition	13	2854	346		3201	4172
Management - maintenance	14	43088	38812		81899	152084
Management - other	15	500	345		845	5
Total	16	56487	39504		95991	166312

Reinsurance - external

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26					

Reinsurance - intra-group

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36					

Net of reinsurance

Commission - acquisition	41	10045	1		10046	10052
Commission - other	42					
Management - acquisition	43	2854	346		3201	4172
Management - maintenance	44	43088	38812		81899	152084
Management - other	45	500	345		845	5
Total	46	56487	39504		95991	166312

Long-term insurance business : Analysis of expenses

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **Ordinary and Industrial Life**
 Financial period ended **30 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Commission - acquisition	11	10045	1		10046	10052
Commission - other	12					
Management - acquisition	13	2854	32		2886	2712
Management - maintenance	14	43088	38139		81227	147943
Management - other	15	500	345		845	5
Total	16	56487	38517		95004	160712

Reinsurance - external

Commission - acquisition	21					
Commission - other	22					
Management - acquisition	23					
Management - maintenance	24					
Management - other	25					
Total	26					

Reinsurance - intra-group

Commission - acquisition	31					
Commission - other	32					
Management - acquisition	33					
Management - maintenance	34					
Management - other	35					
Total	36					

Net of reinsurance

Commission - acquisition	41	10045	1		10046	10052
Commission - other	42					
Management - acquisition	43	2854	32		2886	2712
Management - maintenance	44	43088	38139		81227	147943
Management - other	45	500	345		845	5
Total	46	56487	38517		95004	160712

Long-term insurance business : Analysis of expenses

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **With-Profits Stakeholder**
 Financial period ended **30 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Commission - acquisition	11				
Commission - other	12				
Management - acquisition	13				
Management - maintenance	14		154	154	2907
Management - other	15				
Total	16		154	154	2907

Reinsurance - external

Commission - acquisition	21				
Commission - other	22				
Management - acquisition	23				
Management - maintenance	24				
Management - other	25				
Total	26				

Reinsurance - intra-group

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
Total	36				

Net of reinsurance

Commission - acquisition	41				
Commission - other	42				
Management - acquisition	43				
Management - maintenance	44		154	154	2907
Management - other	45				
Total	46		154	154	2907

Long-term insurance business : Analysis of expenses

Name of insurer **Royal London (CIS) Limited**
 Total business / subfund **With-Profits Pension**
 Financial period ended **30 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

Gross

Commission - acquisition	11				
Commission - other	12				
Management - acquisition	13		315	315	1459
Management - maintenance	14		518	518	1234
Management - other	15				
Total	16		832	832	2693

Reinsurance - external

Commission - acquisition	21				
Commission - other	22				
Management - acquisition	23				
Management - maintenance	24				
Management - other	25				
Total	26				

Reinsurance - intra-group

Commission - acquisition	31				
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
Total	36				

Net of reinsurance

Commission - acquisition	41				
Commission - other	42				
Management - acquisition	43		315	315	1459
Management - maintenance	44		518	518	1234
Management - other	45				
Total	46		832	832	2693

Long-term insurance business : Revenue account for internal linked funds

Name of insurer **Royal London (CIS) Limited**
 Total business
 Financial period ended **30 December 2014**
 Units **£000**

Financial year	Previous year
1	2

Income

Value of total creation of units	11	9098	27027
Investment income attributable to the funds before deduction of tax	12	4822	6189
Increase (decrease) in the value of investments in the financial year	13	16130	82954
Other income	14		
Total income	19	30049	116170

Expenditure

Value of total cancellation of units	21	40961	24289
Charges for management	22	(637)	4869
Charges in respect of tax on investment income	23		
Taxation on realised capital gains	24		
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25		
Other expenditure	26	437489	
Total expenditure	29	477813	29158

Increase (decrease) in funds in financial year (19-29)	39	(447764)	87013
Internal linked fund brought forward	49	447764	360751
Internal linked funds carried forward (39+49)	59	0	447764

Long-term insurance business : Summary of new business

Name of insurer **Royal London (CIS) Limited**
 Total business
 Financial period ended **30 December 2014**
 Units **£000**

UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
1	2	3	4	5

**Number of new policyholders/
scheme members for direct
insurance business**

Regular premium business	11	5062	1014		6076	5533
Single premium business	12	33507	4839		38346	42262
Total	13	38569	5853		44422	47795

**Amount of new regular
premiums**

Direct insurance business	21	22803	1498		24301	25614
External reinsurance	22					
Intra-group reinsurance	23					
Total	24	22803	1498		24301	25614

**Amount of new single
premiums**

Direct insurance business	25	112933	146060		258993	322382
External reinsurance	26					
Intra-group reinsurance	27					
Total	28	112933	146060		258993	322382

Long-term insurance business : Analysis of new business

Name of insurer **Royal London (CIS) Limited**
 Total business
 Financial period ended **30 December 2014**
 Units **£000**
 UK Life / Direct Insurance Business

Product code number 1	Product description 2	Regular premium business		Single premium business	
		Number of policyholders / scheme members 3	Amount of premiums 4	Number of policyholders / scheme members 5	Amount of premiums 6
365	Income protection non-profit (reviewable premiums)		20		
500	Life UWP single premium			33507	112295
500	Life UWP single premium (ISA)				638
505	Life UWP whole life regular premium	5062	22783		

Long-term insurance business : Analysis of new business

Name of insurer **Royal London (CIS) Limited**
 Total business
 Financial period ended **30 December 2014**
 Units **£000**
 UK Pension / Direct Insurance Business

Product code number 1	Product description 2	Regular premium business		Single premium business	
		Number of policyholders / scheme members 3	Amount of premiums 4	Number of policyholders / scheme members 5	Amount of premiums 6
185	Group conventional pensions endowment with-profits	29	126	9	258
190	Group conventional pensions endowment with-profits - increments		153		15
400	Annuity non-profit (CPA)			4800	143071
435	Miscellaneous non-profit	177	5		
525	Individual pensions UWP	352	421	17	473
530	Individual pensions UWP - increments		77		657
535	Group money purchase pensions UWP				5
540	Group money purchase pensions UWP - increments				5
725	Individual pensions property linked	445	468	13	166
730	Individual pensions property linked - increments		235		1173
735	Group money purchase pensions property linked	11	1		
740	Group money purchase pensions property linked - increments		12		237

Returns under the Accounts and Statements Rules

Supplementary Notes

Name of insurer Royal London (CIS) Limited

Global business

Financial period ended 30 December 2014

***4002* Other income and other expenditure**

Amounts included in other income at line 15 represent commission received of £128,000 and interest received of £157,000.

In addition to the above the following items are included within other income and other expenditure in the Sub-fund Form 40s relating to movements between the Sub-funds of the long-term fund. As these relate to movements between Sub-funds they have been excluded from the total Form 40.

	Sub-fund	Line 15 £000	Line 25 £000
Funding of With-profits	With-Profits Stakeholder	570	
Stakeholder negative surplus	Ordinary and Industrial Life		570
Funding of With-profits	With-Profits Pension	528	
Pension negative surplus	Ordinary and Industrial Life		528

Amounts included in other expenses at line 25 represent the movement in the fair value of a liability held in respect of a reinsurance arrangement of £478,286,000

***4004* – Transfers of contracts from or to other funds or other insurers**

On 30 December 2014 all of the long-term business of the company was transferred to the company's parent undertaking, The Royal London Mutual Insurance Society Limited, by way of a transfer sanctioned by an Order of the High Court. Line 32 of Form 40 includes £10,610,374,000 in respect of this transfer. Consequently the company has produced a reduced PRA Insurance Return in accordance with IPRU (INS) 9.3(5).

***4005* Basis of foreign currency translation**

Assets and liabilities in currencies other than sterling have been translated into sterling at the rates of exchange ruling at the balance sheet date. For income and expenditure, transactions are translated at the exchange rate ruling when the transaction took place.

***4006* Apportionment of long term funds**

Gross investment income receivable from non-linked assets held within the long term business fund is allocated to the three classes of non-linked long term business according to the size of their mean funds (the mean of the opening and closing funds excluding the current year's investment income, taxation, transfers to reserves and the appreciation of investments brought into the revenue accounts).

Realised capital profits arising on non-linked assets are allocated to the non-linked ordinary and industrial funds according to their respective needs. In each of the funds unrealised appreciation is brought into account of an amount sufficient to establish the mathematical reserves after the distribution of surplus.

All investment return arising upon linked assets is applied for the sole benefit of linked life policyholders.

Expenses are, where appropriate, allocated directly to a particular class of business. Those expenses which cannot be directly attributed are allocated on bases considered to be appropriate having regard to the particular types of expenses and the purposes for which they were incurred.

Taxation is computed separately for both ordinary and industrial business based on the activities during the year.

Returns under the Accounts and Statements Rules

Supplementary Notes

Name of insurer Royal London (CIS) Limited

Global business

Financial period ended 30 December 2014

***4008* Provision of management services**

The company's parent undertaking, The Royal London Mutual Insurance Society Limited provided administration and other services to the company until the date of the Part VII transfer. Management charges were levied on a tariff basis.

***4009* Material connected party transactions**

- i) The company's parent undertaking, The Royal London Mutual Insurance Society Limited, recharged to the company administration fees during the year totalling £49,482,000.
- ii) Royal London Asset Management Limited, a wholly owned subsidiary of the Royal London Group, recharged to the company investment management fees during the year totalling £19,436,000.

***4010* Linked asset investment income**

Included within Line 12 is £4,822,000 of investment income relating to linked assets.

***4302* With-Profits Stakeholder and With-Profits Pension**

Expenses borne by the With-Profits Stakeholder fund are limited by stakeholder pension regulations and are currently insufficient to meet the costs incurred. Those expenses which have been charged to the fund have been allocated as maintenance costs.

Expenses borne by the With-Profits Pension fund are limited by policyholder literature and are currently insufficient to meet the costs incurred. Those expenses which have been charged to the fund have been allocated as maintenance costs

***4502* – Particulars of Other Income and Other Expenditure**

Form 45, line 26, includes £437,489,000 in respect of the transfer of the long-term business of the company to the company's parent undertaking, The Royal London Mutual Insurance Society Limited.

***4601* Classification of business**

Some Life UWP contracts are sold with a premium paying term of up to 5 years. These have been classed as regular premium business.

***4704* Classification of business**

Some Life UWP contracts are sold with a premium paying term of up to 5 years. These have been classed as regular premium business.

***5702* Restatement of Form 57**

An error has been identified with the calculation of the risk adjusted yield on equity assets resulting in the earnings yield calculation not being consistent with the calculation specified in INSPRU 3.1.38R. While the valuation interest rates used within the Peak 1 valuation at 31 December 2013 remain supportable, the risk adjusted yields on matching assets reported in the Form 57 published in the Annual PRA Insurance Returns were inaccurate.

The table below, in the format of Form 57, shows the published and restated column 5 entries.

Returns under the Accounts and Statements Rules

Supplementary Notes

Name of insurer Royal London (CIS) Limited

Global business

Financial period ended 30 December 2014

Long-term insurance business: Analysis of valuation interest rate Form 57Name of insurer **Royal London (CIS) Limited**Subfund **Ordinary and Industrial Life**Financial year ended **31 December 2013**Units **£000**

Product group	Risk adjusted yield on matching assets As Reported	Risk adjusted yield on matching assets Restated
1	5	5
UK Life Form 51 WP assurances (product codes 100,105,130,120,125,380)	4.43	4.07
UK Life Form 51 additional reserves with-profits IB (Product Code 215)	4.43	4.07
UK Life Form 51 additional reserves non-profit IB (Product Code 445)	3.56	3.56
UK Pensions Form 51 WP deferred annuities premium paying (product code 165)	4.43	4.07
UK Pensions Form 51 WP deferred annuities non-premium paying (product code 165)	4.43	4.07
UK Pensions Form 51 WP deferred pension bond (product code 165)	3.60	3.60
UK Pensions Form 51 WP pure endowments premium paying (product code 155)	4.43	4.07
UK Pensions Form 51 WP pure endowments non-premium paying (product code 155)	4.43	4.07
UK Pensions Form 51 Group conventional with-profits (product codes 175,185)	4.43	4.07
UK Pensions Form 51 Annuity non-profit (CPA) (product code 400)	3.56	3.56
UK Life Form 52 Life UW/P single and regular premium (non-ISA) (product codes 500,505)	4.74	4.00
UK Life Form 52 Life UW/P single and regular premium (ISA) (product codes 500,506)	4.43	4.07
UK Forms 51-54 Misc (all remaining product codes)	3.82	3.80
Total		

Returns under the Accounts and Statements Rules

Directors' certificate pursuant to Rule 9.34 and Appendix 9.6 of the Interim Prudential Sourcebook for Insurers

Name of insurer Royal London (CIS) Limited

Global business

Financial period ended 30 December 2014

The following certificate and the statement required by IPRU (INS) Rule 9.3(5)(c) are made in accordance with IPRU (INS) Rule 9.3(5).

We certify that:

- (a) the return has been properly prepared in accordance with the requirements in IPRU (INS), GENPRU and INSPRU;
- (b) we are satisfied that:
 - (i) throughout the financial period, the insurer has complied in all material respects with the requirements in SYSC as well as the provisions of IPRU(INS), GENPRU and INSPRU;
 - (ii) from the beginning of the financial period in question until 18 June 2014, the insurer has complied in all material respects with the requirements of PRIN;
 - (iii) from 19 June 2014 until the end of the financial period in question, the insurer has complied in all material respects with the Fundamental Rules.

Statement pursuant to IPRU(INS) Rule 9.3(5)(c)

The entire long-term insurance business of the company was transferred to another insurer on 30 December 2014. No long-term business has been carried out by the company since that date and there is no intention to carry on further such business. The company is not carrying on general insurance business.

Phil Loney
Director

Tim Harris
Director

Royal London Management Services Limited
Company Secretary

30th March 2015

Returns under the Accounts and Statements Rules

Independent auditors' report to the directors pursuant to Rule 9.35 of the Interim Prudential Sourcebook for Insurers

Name of insurer	Royal London (CIS) Limited
Global business	
Financial period ended	30 December 2014

We have audited Forms 40, 41, 42, 43 and 45 (including the supplementary notes) on pages 1 to 17 and 21 to 23 ("the Forms") prepared by the insurer pursuant to the Accounts and Statements Rules set out in Part I and Part IV of Chapter 9 to IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Prudential Sourcebook for Insurers ("the Rules") made by the Financial Services Authority under section 137G of the Financial Services and Markets Act 2000.

We are not required to audit and do not express an opinion on:

- Forms 46 and 47, (including the supplementary notes) on pages 18 to 20;
- the statement required by IPRU(INS) rule 9.3(5) on page 24;
- the certificate required by IPRU(INS) rule 9.3(5) on page 24.

Respective responsibilities of the insurer and its auditor

The insurer is responsible for the preparation of the Forms under the provisions of the Rules. Under IPRU(INS) rule 9.11 the Forms are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules.

It is our responsibility to form an independent opinion as to whether the Forms meet these requirements, and to report our opinion to you. We also report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the Forms are not in agreement with the accounting records and returns; or
- we have not received all the information we require for our audit.

This report has been prepared for the directors of the insurer to comply with their obligations under IPRU(INS) rule 9.3 (6) and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose save where expressly agreed by our prior consent in writing.

Basis of opinion

We conducted our work in accordance with Practice Note 20 "The audit of insurers in the United Kingdom (Revised)" issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms. The evidence included an assessment of the significant estimates and judgments made by the insurer in the preparation of the Forms.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms are free from material misstatement, whether caused by fraud or other irregularity or error and comply with IPRU(INS) rule 9.11.

Returns under the Accounts and Statements Rules

Independent auditors' report to the directors pursuant to Rule 9.35 of the Interim Prudential Sourcebook for Insurers (continued)

Name of insurer Royal London (CIS) Limited

Global business

Financial period ended 30 December 2014

Opinion

In our opinion the Forms fairly state the information provided on the basis required by the Rules as modified and have been properly prepared in accordance with the provisions of those Rules.

PricewaterhouseCoopers LLP
Chartered Accountants

30th March 2015

Note:

- (a) The maintenance and integrity of the Royal London Mutual Insurance Society website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the insurance annual return since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of insurance annual returns may differ from legislation in other jurisdictions.