Royal Liver Assurance Limited Superannuation Fund

Annual Report and Financial Statements

for the year ended 31 December 2023

Scheme Registration Number: 10005559

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Contents

Trustee and advisers

Principal Employer	Royal Liver Pension Trustee Services Limited ("the Company")
Corporate Trustee	R. L. Pensions Trustees Limited
Directors of the Corporate Trustee ("Trustee Directors")	**Employer appointed** John Feely *(Chairman) (Independent Trustee)* Ronnie Morgan Nicola Welling The Law Debenture Pension Trust Corporation P.L.C represented by Edward Levy (*Independent Trustee*) **Member nominated** Stuart Hately (*Deferred member - Appointed 1 January 2023*) Fraser Inglis (*Deferred member*)
Scheme/Trustee secretary	Royal London Management Services Limited (represented by Charlotte Dalton)
Scheme Actuary	G. Connolly FIA of Towers Watson Limited
Administrators	The Royal London Mutual Insurance Society Limited
Independent Auditors	PricewaterhouseCoopers LLP
Legal advisers	DLA Piper UK LLP CMS Cameron McKenna Nabarro Olswang LLP
Covenant adviser	Penfida Limited
Investment consultant	XPS Consulting Limited Towers Watson Limited (appointed 28 June 2023 for Risk Settlement Advice)
Investment manager	Royal London Asset Management Limited
Annuity provider	The Royal London Mutual Insurance Society Limited (commenced 24 November 2023)
Investment custodian	HSBC UK Bank plc (HSBC Securities Services)
Additional Voluntary Contribution (AVC) provider	Scottish Widows Limited
Bankers	HSBC UK Bank plc
Contact for enquiries	Provided on 'Further information' page 41

The Royal London Mutual Insurance Society Limited is the parent company of Royal Liver Pension Trustee Services Limited, Royal London Asset Management Limited and Royal London Management Services Limited. Throughout this report the term "Royal London Group" refers to the parent and the subsidiary companies.

Trustee's report

Introduction

The Trustee Directors of R.L. Pensions Trustees Limited ("the Trustee") present their annual report and financial statements of the Royal Liver Assurance Limited Superannuation Fund ("the Scheme") for the year ended 31 December 2023.

Scheme constitution and management

The Scheme is an occupational pension scheme established under trust to provide retirement benefits for its members. The Scheme was closed to new members and to future benefits accrual for existing members on 1 July 2011.

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

The Company has power under the Trust Deed to appoint or remove the Corporate Trustee. The Trustee Directors are appointed and removed in accordance with the Trust Deed, the Articles of the Corporate Trustee and the overriding provisions in the Pensions Act 2004. The Member Nominated Trustee Director arrangements are determined by the Trustee. The Trustee ordinarily has six Trustee Directors, four of whom are appointed by the Principal Employer and two nominated by Scheme members. The persons who acted as Trustee Directors of the Trustee are listed on page 1. The Trustee normally meets at three monthly intervals.

Working groups are also established on an ad hoc basis; such working groups meet when necessary and report to the Trustee at the subsequent Trustee Board meeting. In January 2023, the Trustee Board formed a Joint Steering Group (JSG) with the Royal London Mutual Insurance Society Limited (the "Company") to consider a potential buy-out of the full Scheme with the Company as the Insurer. The JSG met ten times during the year.

Review of financial developments and financial statements

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

The financial statements are provided on pages 14 to 34.

Trustee's report (continued)

Membership

Details of membership of the Scheme as at 31 December 2023 are given below:

Membership movements	Deferred members	Pensioner members	Beneficiaries	Total
At 1 January 2023	**1,002**	**1,746**	**406**	**3,154**
Adjustments to prior year figures	(6)	-	4	(2)
At 1 January 2023 revised	**996**	**1,746**	**410**	**3,152**
New beneficiaries	1	-	24	25
Transfers out	(1)	-	-	(1)
Retirements	(54)	54	-	-
Deaths	(2)	(57)	(31)	(90)
Commutations	-	(1)	(1)	(2)
Benefit ceased as no longer in full time education	-	-	(1)	(1)
At 31 December 2023	**940**	**1,742**	**401**	**3,083**

An adjustment was made to the prior year figure to reflect an accurate position of the membership of the Scheme as at 1 January 2023 which resulted from late notifications. The buy-in insurance policy entered into in November 2023 covers all 3,083 members.

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 as at 1 April 2023. The increases to pensions in payment were made above the Guaranteed Minimum Pension (GMP) and were effective from 1 April.

Pension element	Increase basis	2023	2022
Pre 1988 Guaranteed Minimum Pension (Fixed GMP)	Statutory increase at nil	**0.0%**	0.0%
Post 1988 Guaranteed Minimum Pension (Indexed GMP)	Statutory increase at CPI, maximum 3%	**3.0%**	3.0%
Pension accrued before 6 April 1997 in excess of GMP	Joint discretion of Trustee and Company	**2.5%**	2.5%
Pension accrued between 6 April 1997 and 5 April 2005	Statutory increase at CPI, maximum 5%	**5.0%**	3.1%
Pension accrued after 5 April 2005	Statutory increase at CPI, maximum 2.5%	**2.5%**	2.5%
Consumer Prices Index (CPI)	Movement in year to September	**10.1%**	3.1%

Pensions in deferment are revalued in accordance with the Pension Schemes Act 1993, at a rate equal to the increase in the CPI (prior to April 2011 at Retail Prices Index ("RPI")).

During 2023, the Company granted a discretionary increase at the rate of 2.5% (2022: 2.5%) to pensions in payment with no guaranteed increases (in excess of guaranteed minimum pensions).

Transfer values

Cash equivalents paid during the Scheme year with respect to transfers have been calculated and verified in the manner prescribed by the Pension Schemes Act 1993 and no allowance has been made for discretionary increases on benefits.

Trustee's report (continued)

Guaranteed Minimum Pensions (GMP) equalisation

In October 2018, the High Court determined that certain benefits provided to members who contracted out of the State Earnings Related Pension between May 1990 and April 1997 must be equalised between men and women and a further ruling in November 2020 determined that past transfers must also be equalised. The Trustee is reviewing the implications of these rulings on members' benefits from the Scheme. Any increases to benefits are not likely to be significant. As soon as this review is finalised then affected members will be communicated with. Significant progress has been made on the project and the expectation is to be able to write out to current members who are impacted within the next year.

Report on Actuarial liabilities

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

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

The most recent completed triennial valuation of the Scheme was performed as at 31 December 2021. The results of the actuarial valuation as at 31 December 2021 and the funding update as at 31 December 2023 are provided in the table below:

Actuarial report date: 31 December	**2023**	2021
	Funding Update	Full Valuation
	£'000	£'000
Value of technical provisions	**260,600**	367,800
Value of assets available to meet technical provisions (Excluding AVCs)	**280,702**	411,100
Funding surplus	**20,102**	43,300
Funding level as a percentage of technical provisions	**108%**	112%

Over 2023, the Scheme completed a buy-in transaction which has been reflected in the 2023 results. Following the completion of the buy-in, the liabilities as at 31 December 2023 have been set equal to the value of the buy-in included as part of the assets. The surplus reflects the remaining non-buy-in assets held by the Scheme at 31 December 2023.

The buy-in transaction included an improvement to pension increases provided for some of the members and this has been reflected in the liability and asset values as at 31 December 2023. This improvement in pension increases, together with the premium paid for the buy-in transaction versus the technical provisions assumptions, led to a reduction in the funding position over the year.

Following the valuation at 31 December 2021, the Scheme Actuary indicated that there is no contribution required under the ongoing funding programme as the Scheme had a surplus at the valuation dates and there is no future service accrual under the Scheme.

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

Trustee's report (continued)

Report on Actuarial liabilities (continued)

The value of liabilities 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 calculations are as follows:

The assumptions used to calculate the Scheme's technical provisions are set out in the actuarial report as at 31 December 2021 and are summarised in the following main categories:

- Discount interest rate: single equivalent discount rate of 1.55%
- RPI inflation at 3.73%
- CPI inflation at 3.23%
- Pension increases in deferment at 3.23%
- Pension increases in payment:
    - Pensions accrued before 6 April 1997 at 0%
    - Pensions accrued between 6 April 1997 and 5 April 2005 at 3.23%
    - Pensions accrued after 5 April 2005 at 2.47%
    - GMP pensions accrued after 5 April 1988 at 2.85%
- Mortality for the period in retirement applying the SAPS S3 'Middle' pensioner tables with multipliers of 90% for male pensioners and dependants, 103% for female pensioners and dependants, 95% for male deferred members, and 104% for female deferred members.

The assumptions above have been expressed as single equivalent rates based on the overall duration of the Scheme's liabilities. The assumptions used in the valuation calculations are based on full curves. The actuarial method used in the calculation of the liabilities is the Projected Unit Method

The Scheme Actuary's certification of the schedule of contributions agreed following the 2021 valuation is on page 37.

The next actuarial valuation will be carried out as at 31 December 2024.

Investment report

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 Principles ("SIP") as required by section 35 of the Pensions Act 1995 and meets the requirements of the Occupational Pension Schemes (Investment) Regulations 2005 and the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. The SIP in place during the year was last updated July 2023. The SIP was further updated following the year end to reflect changes to the investment strategy made in November 2023.

The Scheme's Implementation Statement for 2023 can be found on pages 38 and 39 and forms an integral part of this Trustee's report.

Investment strategy prior to 24 November 2023

The SIP dated July 2023 sets out the investment strategy prior to the buy-in transaction on 24 November 2023 which targets an allocation of:

- 80% to corporate bonds
- 20% to liability driven investment (LDI) funds

which together, were intended to broadly match the interest rate and inflation sensitivities of the liabilities to ensure that the Scheme has sufficient and appropriate assets to pay members' benefits as they fall due.

Trustee's report (continued)

Investment report (continued)

Buy-in transaction

On 24 November 2023 the Trustee purchased a buy-in insurance policy with The Royal London Mutual Insurance Society Limited to guarantee all members future benefits in the Scheme. The purchase followed a significant period of investigation and negotiation between the Trustee and Royal London. The Trustee took advice from their appointed Legal, Actuarial, Investment and Specialist advisors on the suitability of the policy, the price of the transaction and the policy terms.

The policy covers all the Scheme's liabilities, so this guarantees all member's future benefit payments.

The transaction involved an in - specie transfer of assets from the Scheme to The Royal London Mutual Insurance Society Limited to pay the policy premium of £245.7m. There will be a future recalculation of the premium based on an updated data set post the Trustee completing a data cleanse exercise. It is not possible for the Trustee to quantify the impact at this stage.

The residual Scheme assets continue to be invested in line with a new investment strategy as noted below.

Investment strategy after 24 November 2023

Following the purchase of the buy-in policy the Trustee reviewed the investment strategy for the remaining Scheme assets and agreed to invest in a low risk investment strategy to meet any ongoing Scheme running costs as follows:

- 85% in a Short Term Money Market Fund
- 15% in a UK Government Bond Fund

Departures from the Statement of Investment Principles

Over the year to 31 December 2023 there was one instance where the Scheme's investment arrangements departed from the SIP.

Following the purchase of the buy-in policy with The Royal London Mutual Insurance Society Limited the remaining assets of the Scheme, after the buy-in policy was purchased, were held in a single gilt temporarily at the year end. Following the year end the remaining assets were invested in pooled funds with Royal London Asset Management and the SIP was updated to reflect the new strategy including the buy-in policy.

Aligning investment manager activity with the Trustee's investment policies

The Trustee considers the arrangements with the investment managers to be aligned with the Scheme's overall strategic objectives. Details of each specific mandate are set out in agreements with each investment manager. The amounts allocated to any individual category or security will be influenced by the overall benchmark and objectives, varied through the investment managers' tactical asset allocation preferences at any time, within any scope given to them through the allocation parameters set by the Trustee.

The Trustee encourages investment managers to make decisions in the long-term interests of the Scheme. The Trustee expects engagement with management of the underlying issuers of debt or equity and the exercising of voting rights. This expectation is based on the belief that such engagement can be expected to help investment managers to mitigate risk and improve long term returns. The Trustee also requires the investment managers to take Environmental, Social and Governance (ESG) factors including climate change risks into consideration within their decision-making as the Trustee believes these factors could have a material financial impact in the long-term.

The Trustee receives quarterly performance monitoring reports from the investment consultant which consider performance over quarterly, one- and three-year periods. In addition, any significant changes relating to the criteria below that the investment consultant is aware of will be highlighted, which may lead to a change in the investment consultant's rating for a particular mandate. These ratings help to determine an investment manager's ongoing role in implementing the investment strategy. If there are concerns, the Trustee may carry out a more in-depth review of a particular investment manager. Investment managers will also attend Trustee meetings as requested.

Trustee's report (continued)

Investment Report (continued)

Aligning investment manager activity with the Trustee's investment policies (continued)

Investment manager remuneration is considered as part of the manager selection process. It is also monitored regularly with the help of the investment consultant to ensure it is in line with the Trustee's policies and with fee levels deemed by the investment consultant to be appropriate for the particular asset class and fund type. Investment managers are incentivised to perform in line with expectations for their specific mandate as their continued involvement as investment managers as part of the Scheme's investment strategy – and hence the fees they receive – are dependent upon them doing so. They are therefore subject to performance monitoring and reviews based on a number of factors linked to the Trustee's expectations.

The Trustee requires the investment managers to report on actual portfolio turnover at least annually, including details of the costs associated with turnover, how turnover compares with the range that the investment manager expects and the reasons for any divergence.

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

The Trustee has considered its approach to ESG factors for the long term time horizon of the Scheme and believes there can be financially material risks relating to them. The Trustee has delegated the ongoing monitoring and management of ESG risks including those related to climate change to the Scheme's investment managers. The Trustee requires the Scheme's investment managers to take ESG and climate change risks into consideration within their decision-making in relation to the selection, retention or realisation of investments, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

Similarly the Trustee has delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the Investment Managers. The Trustee encourages them to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, social and environmental impact and corporate governance as part of their decision-making processes. The Trustee requires the Investment Managers to report on significant votes made on behalf of the Trustee.

The Trustee will seek advice from the Investment Consultant on the extent to which its views on ESG including climate change risks may be taken into account in any future investment manager selection exercises. Furthermore, the Trustee, with the assistance of the Investment Consultant, will monitor the processes and operational behaviour of the investment managers from time to time, to ensure they remain appropriate and in line with the Trustee's requirements as set out in this Statement. Such issues are of greatest relevance to asset managers, in particular equity managers, who are authorised in the UK.

If the Trustee becomes aware of an Investment Manager engaging with the underlying issuers of debt or equity in ways that they deem inadequate or that the results of such engagement are mis-aligned with the Trustees' expectation and the investment mandate guidelines provided, then the Trustee may consider terminating the relationship with that Investment Manager.

As investment manager of the corporate bond portfolio, Royal London Asset Management ("RLAM") will use the UK Stewardship Code as the basis for their engagement with management and will utilise any opportunities to vote as a bondholder.

When considering the selection, retention or realisation of investments, the Trustee has a fiduciary responsibility to act in the best interests of the beneficiaries of the Scheme, although they have neither sought, nor taken into account, the beneficiaries' views on matters including (but not limited to) ethical issues and social and environmental impact. The Trustee will review this policy on a regular basis.

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

Details of the Scheme's investments are given in note 11 to the financial statements.

Trustee's report (continued)

Investment Report (continued)

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 SIP 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, governance and environmental factors when making investment decisions.

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

- Additional Voluntary Contributions where the providers listed on page 1 make their own arrangements for the management and custody of the underlying investments.
- The buy-in policy as this is an insurance policy with The Royal London Mutual Insurance Society Limited.

Review of investment performance

The table below shows the performance of the Scheme's investments over short and long periods relative to the appropriate benchmarks to 24 November 2023 (being the date of the purchase of the buy-in policy). Performance of the Scheme's assets after the purchase of the buy-in policy is not available as the majority of the Scheme's assets were transferred to the Insurer at that date.

Annualised return over	**1 year**	**3 years**	**Allocation**
LDI[1] and Credit portfolio	**5.1%**	**8.6%**	**100%**
Benchmark	**8.0%**	**11.4%**	**-**

Gross of fees performance is shown unless otherwise stated

[1] LDI – Liability-Driven Investments

The combined LDI and Credit Portfolio has provided acceptable performance over the year when compared to the benchmark. The LDI portfolio remains well positioned to provide the desired level of hedging.

The Trustee has considered the nature, disposition, marketability, security and valuation of the Scheme's investments and considers them to be appropriate to justify the holding of each class of the investments. More details about investments are given in the notes to the financial statements.

Employer related investments

There were no employer related investments held directly or indirectly by the Scheme as at year-end (2022: None).

Having taken appropriate legal advice, the Trustee has concluded that the buy-in insurance policy, held with The Royal London Mutual Insurance Society Limited, is not an employer-related investment as defined in Pensions Regulations.

Trustee's report (continued)

Statement of Trustee's responsibilities

Trustee's responsibilities in respect of the financial statements

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

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

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

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

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

The Trustee is also responsible for the maintenance and integrity of the Annual Report and Financial Statements on the Royal London Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustee's responsibilities in respect of contributions

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

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

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

Trustee's report (continued)

Further information

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

Approval

The Trustee's report on pages 2 to 10 was approved by the Trustee Directors.

Signed for and on behalf of R. L. Pensions Trustees Limited by:

john Feely

Trustee Director

Date: 06-06-24

Independent auditors' report to the trustee of Royal Liver Assurance Limited Superannuation Fund

Report on the audit of the financial statements

Opinion

In our opinion, Royal Liver Assurance Limited Superannuation Fund's financial statements:

- show a true and fair view of the financial transactions of the scheme during the year ended 31 December 2023, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- contain the information specified in Regulation 3A of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.

We have audited the financial statements, included within the Annual Report and Financial Statements, which comprise: the Statement of net assets available for benefits as at 31 December 2023; the Fund account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the trustee of Royal Liver Assurance Limited Superannuation Fund (continued)

Report on the audit of the financial statements (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report and Financial Statements other than the financial statements, our auditors' report thereon and our auditors' statement about contributions. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the trustee for the financial statements

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

In the preparation of the financial statements, the trustee is responsible for assessing the scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to wind up the scheme, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Independent auditors' report to the trustee of Royal Liver Assurance Limited Superannuation Fund (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

Based on our understanding of the scheme and its environment, we identified that the principal risks of non-compliance with laws and regulations related to the administration of the scheme in accordance with the Pensions Acts 1995 and 2004 and regulations made under them, and codes of practice issued by the Pensions Regulator; and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered the direct impact of these laws and regulations on the financial statements. We evaluated incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, by the trustee and those responsible for, or involved in, the preparation of the underlying accounting records and financial statements, and determined that the principal risks were related to posting inappropriate journals to conceal misappropriation of assets and inappropriate adjustments of asset valuations.

Audit procedures performed by the engagement team included:

- Testing journal entries where we identified particular fraud risk criteria.
- Obtaining independent confirmations of material investment valuations and cash balances at the year end.
- Testing estimates and judgements made in the preparation of the financial statements for indicators of bias.
- Reviewing meeting minutes, any correspondence with the Pensions Regulator, and significant contracts and agreements.
- Holding discussions with the trustee to identify significant or unusual transactions and known or suspected instances of fraud or non-compliance with applicable laws and regulations.
- Assessing financial statement disclosures, and agreeing these to supporting evidence, for compliance with the Pensions Acts 1995 and 2004 and regulations made under them.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinion, has been prepared for and only for the trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 7|6|24

Fund account for the year ended 31 December 2023

	Note	**2023 £'000**	2022 £'000
Contributions			
Employer contributions	*4*	**-**	-
		-	-
Benefits and other payments			
Benefits paid or payable	*5*	**12,041**	12,077
Transfers out to other schemes	*6*	**36**	2,741
Administrative expenses	*7*	**1,757**	925
		13,834	15,743
Net withdrawals from dealings with members		**(13,834)**	(15,743)
Returns on investments			
Investment income	*8*	**8,366**	7,559
Change in market value of investments	*11*	**1,684**	(117,375)
Investment management expenses	*9*	**(727)**	(713)
Net returns on investments		**9,323**	(110,529)
Net (decrease) in the fund during the year		**(4,511)**	(126,272)
Opening net assets		**286,186**	412,458
Closing net assets		**281,675**	286,186

The notes to the financial statements on pages 16 to 34 form part of these financial statements.

Statement of net assets available for benefits as at 31 December 2023

	Note	**2023 £'000**	2022 £'000
Investment assets			
Bonds	*11*	**22,174**	394,378
Derivatives	*12*	-	9,389
AVC investments	*13*	**973**	1,162
Reverse repurchase agreements receivable	*11*	-	147,364
Insurance policies	*16*	**256,200**	-
Cash	*14*	-	9,037
Other investment balances	*15*	**51**	10,536
		279,398	571,866
Investment liabilities			
Bonds sold short	*11*	-	(99,895)
Derivatives	*12*	-	(11,881)
Repurchase agreements payable	*11*	-	(173,250)
Cash	*14*	**(4)**	-
Other investment balances	*15*	-	(4,059)
		(4)	(289,085)
Total net investments		**279,394**	282,781
Current assets	*22*	**3,338**	4,143
Current liabilities	*23*	**(1,057)**	(738)
Total net assets available for benefits		**281,675**	286,186

The financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations, is dealt with in the Report on Actuarial liabilities on pages 4 and 5 of the annual report and these financial statements should be read in conjunction with this report.

The notes to the financial statements on pages 16 to 34 form part of these financial statements.

The financial statements on pages 14 to 34 were approved by the Trustee Directors.

Signed for and on behalf of R.L. Pensions Trustees Limited by:

john Feely

Date: 06-06-24

Notes to the financial statements

1. General information

The Royal Liver Assurance Limited Superannuation Fund (the "Scheme") is an occupational pension scheme established by the Trust Deed dated 5 December 2003 under English law. 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 Pension Trustee Services 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 Scheme's office address is at 80 Fenchurch Street, London, EC3M 4BY.

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

2. Statement of compliance

The individual financial statements of Royal Liver Assurance Limited Superannuation Fund have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council ("FRS 102") and the guidance set out in the Statement of Recommended Practice "Financial Reports of Pension Schemes" (revised June 2018) ("the SORP").

3. Summary of significant accounting policies

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

(a). Currency

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

(b). Foreign currency conversion

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

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

(c). Contribution

Contributions are accounted for in accordance with the agreement under which they are paid or in the absence of an agreement, when received.

Notes to the financial statements (continued)

3. Summary of significant accounting policies (continued)

(d). Benefit payments

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

Tax liability arising on a member's excess annual or lifetime allowance settled by the scheme is recovered from the member.

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

(e). Transfers to other schemes

Transfer values represent the amounts payable during the year for members who have left the Scheme. All values are based on methods and assumptions determined by the Scheme Actuary advising the Trustee. The values are accounted for upon liability being accepted by the receiving scheme. In the case of individual transfers, this is normally when the payment of the transfer value is made.

(f). Administrative and other expenses

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

(g). Investment income and expenses

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

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

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

Payments under swap contracts representing the difference between the swapped cash flows are included in investment income and are accounted for on an accruals basis.

Interest paid and interest received on repurchase arrangements and reverse repurchase arrangements respectively 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.

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

Receipts from insurance policies are accounted for on an accruals basis.

Notes to the financial statements (continued)

3. Summary of significant accounting policies (continued)

(h). Investment income and expenses (continued)

Transaction costs are included in the cost of purchases and sales proceeds. Transaction costs include costs charged directly to the Scheme such as fees, commissions, stamp duty and other fees.

(i). 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:

- Bonds traded on an active market are included at the quoted price, which is normally the bid price.
- The value of other bonds which are unquoted or not actively traded on a quoted market is estimated by the Trustee.
- Swaps are valued at the net present value of future cash flows arising therefrom.
- The value of AVCs and other investment balances which are unquoted or not actively traded on a quoted market is driven by the fair value of its underlying assets as advised by the asset managers. Where there are restrictions or other factors which prevent realisation at the fair value an adjustment is made to the value of the asset.
- The Scheme recognises assets delivered under repurchase agreements to reflect its ongoing interest in those securities. Cash received from repurchase agreements is recognised as an investment asset and an investment liability is recognised for the value of the repurchase obligation including accrued interest.
- The Scheme does not recognise assets received under reverse repurchase agreements. Cash delivered under such agreements is recognised as an investment receivable.
- Accrued interest is excluded from the market value of bonds and bonds sold short but is included in other investment balances.
- Annuity (insurance) policies are valued by the Scheme Actuary at the amount of the related obligation, determined using the most recent Scheme funding valuation assumptions updated for market conditions at the reporting date.

Notes to the financial statements (continued)

3. Summary of significant accounting policies (continued)

(j). 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 are disclosed but not recognised as Scheme assets.

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

(k). Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There were no critical judgements in applying the accounting policies.

Key accounting estimates and assumptions - the Trustee makes estimate and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. For the Scheme, the Trustee believes the only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are related to the valuation of the Scheme investments and, in particular, those classified in Level 2 and 3 of the fair-value hierarchy, under which the insurance policy falls.

4. Employer Contributions

Additional Employer contributions were not required to fund discretionary pension increases this year, as per the Schedule of Contributions certified on 27 September 2022 and as explained further on page 3.

5. Benefits paid or payable

	2023	2022
	£000	£000
Pensions	**10,536**	10,276
Commutations and retirement lump sums	**1,505**	1,801
	12,041	12,077

6. Transfers out to other schemes

	2023	2022
	£000	£000
Individual transfers to other schemes	**36**	2,741

Notes to the financial statements (continued)

7. Administrative expenses

	2023	2022
	£000	£000
Administration fees	**658**	296
Trusteeship fees	**85**	71
Actuarial fees	**490**	329
Levies paid to the Pensions Regulator	**25**	31
Audit fees	**35**	27
Legal fees	**401**	143
Consultancy fees	**63**	28
	1,757	925

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.

8. Investment income

	2023	2022
	£000	£000
Income from bonds	**9,559**	11,682
Interest paid from bonds sold short	**(1,456)**	(3,452)
Payments on swaps	**(86)**	-
Receipts on swaps	**556**	-
Interest on cash deposits	**256**	53
Income from reverse repurchase agreements	**3,390**	1,728
Interest paid/payable on repurchase agreements	**(3,819)**	(2,695)
Other investment (expense) / income (net)	**(34)**	243
	8,366	7,559

9. Investment management expenses

	2023	2022
	£000	£000
Administration and management	**400**	513
Custodian charges	**26**	30
Investment advisory fees	**276**	156
Investment performance fees	**11**	11
Investment transaction fees	**14**	3
	727	713

Notes to the financial statements (continued)

10. 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 no such costs this year (2022: nil).

11. Reconciliation of net investments

	Value as at 1 January 2023 £000	Purchases at cost and derivative payments £000	Sale proceeds and derivative receipts £000	Change in market value £000	**Value as at 31 December 2023 £000**
Bonds – Net	294,483	286,586	(549,405)	(9,490)	**22,174**
Derivatives – Net	(2,492)	19,475	(17,569)	586	**-**
Insurance policies	-	245,703	-	10,497	**256,200**
AVC investments	1,162	-	(259)	70	**973**
	293,153	551,764	(567,233)	1,663	**279,347**
Cash	9,037			21	**(4)**
Other investment balances – Net	6,477				**51**
Reverse repurchase agreements receivable	147,364				**-**
Repurchase agreements payable	(173,250)				**-**
	(10,372)			21	**47**
Net investment assets	282,781			1,684	**279,394**

Bonds with a market value as at 31 December 2023 of £nil million (2022: £154.2m) were received under the reverse repurchase agreements. These bonds are not recognised as assets of the Scheme.

In the table above, bonds reflects a net position comprising £22.2 million (2022: £394.4 million) of bond assets and £ nil million (2022: £99.9 million) of bond liabilities due to short selling of bonds.

Bonds with a market value as at 31 December 2023 of £nil million (2022: £189.1 million) were delivered under the repurchase agreements. These bonds are recognised as assets of the Scheme and are included in the bonds.

Notes to the financial statements (continued)

12. Derivatives

Exchange Traded Contracts	2023 Assets £000	2023 Liabilities £000	2023 Total £000	2022 Assets £000	2022 Liabilities £000	2022 Total £000
Interest rate swaps	-	-	-	8,958	(6,821)	2,137
Inflation swaps	-	-	-	431	(5,060)	(4,629)
	-	-	-	9,389	(11,881)	(2,492)

Objectives and policies for holding derivatives

The Trustee allows Royal London Asset Management 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 authorises 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. 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 RLAM to limit the overall extent of derivatives usage and exposure to certain types of derivatives.

Derivative contracts are included in the financial statements at fair value.

Swaps

Swaps are exchange traded 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 inflation swaps as follows:

Notes to the financial statements (continued)

12. Derivatives (continued)

(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). Inflation swap

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

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.

Notes to the financial statements (continued)

13. 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 who had previously elected 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:

	2023 **£000**	2022 £000
Scottish Widows Limited (Unit Linked)	**973**	1,162
	973	1,162

14. Cash

	2023 **£000**	2022 £000
Cash held by investment managers	**(4)**	9,037
	(4)	9,037

15. Other investment balances

	2023 **£000**	2022 £000
Accrued interest receivable	**12**	3,804
Trade settlement due from brokers	**2**	440
Cash collateral receivable	**-**	6,292
Investment income receivable	**37**	-
	51	10,536
Accrued interest payable	**-**	(598)
Cash collateral payable	**-**	(3,461)
	-	(4,059)
	51	6,477

Notes to the financial statements (continued)

16. Insurance policies

On 24 November 2023, the Trustee purchased a buy-in insurance policy with The Royal London Mutual Insurance Society Limited to guarantee all members future benefits in the Scheme. The transaction involved an in - specie transfer of assets from the Scheme to The Royal London Mutual Insurance Society Limited to pay the policy premium of £245.7m.

In relation to the buy-in insurance premium, there will be a recalculation of the premium based on an updated data set post the Trustee completing a data cleanse exercise. It is not possible for the Trustee to quantify the impact at this stage.

The insurance policy is valued by the Scheme Actuary as the amount of the related obligation, determined using the most recent Funding valuation updated for market conditions at the reporting date. The actuarial assumptions used are in line with those agreed between the Trustee and Royal London for the purpose of the 31 December 2021 actuarial valuation, updated for market conditions as at 31 December 2023. The only exception to this is the future improvements in longevity assumption, which has been updated to be consistent with the estimation of typical insurer pricing built into the discount rate.

A summary of the main assumptions adopted for this valuation are shown in the table below.

Financial Assumptions	**31 December 2023**
Discount rate (non-pensioners)	WTW nominal gilt yield curve - 0.30% pa 3.79%
Discount rate (pensioners)	WTW nominal gilt yield curve + 0.20% pa 4.19%
Price Inflation (CPI)	WTW gilt-implied RPI inflation curve minus 0.7% pa up to 2030 and nil thereafter 3.46%
Pension increases	Price Inflation (CPI) with the relevant cap/floor applied to the forward rate in each year
- Fixed 2.50% pa	*2.50%*
- CPI minimum 0% pa, maximum 5% pa	3.22%
- CPI minimum 0% pa, maximum 3% pa	2.93%

Demographic Assumptions	**31 December 2023**
Mortality base tables (non-pensioners)	SAPS S3 “Middle” pensioner tables with a 95%/104% (male/female) loading to mortality rates
Mortality base tables (pensioners)	SAPS S3 “Middle” pensioner tables with a 90%/103% (male/female) loading to mortality rates
Future improvements in longevity	In line with the CMI 2022 projection model with a long-term improvement rate of 1.50% pa, the core smoothing parameter of 7.0, the core 25% weighting on 2022 mortality data, and an initial additional parameter of 0.25% pa
Allowance for commutation	No allowance
Proportion married	80% of male members, 70% of female members
Age difference	Male members are 3 years older than their spouse Female members are 3 years younger than their spouse

Notes to the financial statements (continued)

17. 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 and or stock collateral received from counterparty to the transaction.

Stock collateral was received by the Scheme in respect of derivative contracts outstanding at the year-end in the form of bonds with a market value as at 31 December 2023 of £nil million (2022: £5.1 million). These assets are not included in the net investment assets.

Stock collateral was pledged by the Scheme in respect of derivative contracts outstanding at the year-end in the form of bonds with a market value as at 31 December 2023 of £nil million (2022: £6.3 million). The pledged assets are included in the net investment assets.

Cash collateral received by the Scheme as at 31 December 2023 was £nil million (2022: £3.5 million). The prior year balance has been restated to include cash collateral received on exchange traded contracts. The cash collateral is included within cash with an offset liability included within the investment liabilities.

Notes to the financial statements (continued)

18. 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

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

Asset category		**Hierarchy level**		**2023**
	1	**2**	**3**	**Total**
Investment assets	**£000**	**£000**	**£000**	**£000**
Bonds – Net	**22,174**	**-**	**-**	**22,174**
Derivatives	**-**	**-**	**-**	**-**
Insurance policies	**-**	**-**	**256,200**	**256,200**
AVC investments	**-**	**973**	**-**	**973**
Reverse repurchase agreements receivable	**-**	**-**	**-**	**-**
Other investment balances	**51**	**-**	**-**	**51**
	22,225	**973**	**256,200**	**279,398**
Investment liabilities				
Derivatives	**-**	**-**	**-**	**-**
Repurchase agreements payable	**-**	**-**	**-**	**-**
Cash	**(4)**	**-**	**-**	**(4)**
Other investment balances	**-**	**-**	**-**	**-**
	(4)	**-**	**-**	**(4)**
Total net investments	**22,221**	**973**	**256,200**	**279,394**

The other investment balances are primarily comprised of interest accrual and other receivables or payables which are due within a year. The value of the balances is determined by the Trustee as advised by the fund manager.

Notes to the financial statements (continued)

18. Fair value of investments (continued)

An analysis for the prior year end hierarchical levels of the Scheme's investment assets and liabilities can be seen below:

Asset category	**1**	**Hierarchy level 2**	**3**	**2022 Total**
Investment assets	**£000**	**£000**	**£000**	**£000**
Bonds – Net	107,771	183,681	3,031	294,483
Derivatives	-	9,389	-	9,389
AVC investments	-	1,162	-	1,162
Reverse repurchase agreements receivable	-	147,364	-	147,364
Cash	9,037	-	-	9,037
Other investment balances	10,536	-	-	10,536
	127,344	341,596	3,031	471,971
Investment liabilities				
Derivatives	-	(11,881)	-	(11,881)
Repurchase agreements payable	-	(173,250)	-	(173,250)
Other investment balances -net	(4,059)	-	-	(4,059)
	(4,059)	(185,131)	-	(189,190)
Total net investments	123,285	156,465	3,031	282,781

19. 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 is the risk that the return on a financial instrument fluctuates because of changes in market prices. Market risk comprises three types of risk (currency risk, interest rate risk and other price risk), each of which is further detailed as follows:

- **Currency risk**: this is the risk that the return on a financial asset fluctuates because of changes in foreign exchange rates.
- **Interest rate risk**: this is the risk that the return on a financial asset fluctuates because of changes in market interest rates.
- **Other price risk**: this is the risk that the return on a financial asset fluctuates 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.

Notes to the financial statements (continued)

19. Investment risks (continued)

The Trustee determines their investment strategy after taking advice from a professional investment consultant. The day-to-day management of the asset portfolio of the Scheme, including the full discretion for stock selection, is the responsibility of the investment managers appointed by the Trustee.

The Scheme has exposure to the above risks because of the investments it makes to implement its investment strategy. The Trustee manages the investment risks within agreed risk limits which are set taking into account the Scheme's strategic investment objectives. The investment objectives and risk limits of the Scheme are further detailed in the Statement of Investment Principles ("SIP") and Investment Policy Implementation Documentation ("IPID").

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

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's primary strategic objectives are as follows:

- To ensure the Scheme has sufficient and appropriate assets to pay members' benefits as they fall due.
- To limit the risk of the assets failing to meet the liabilities in relation to the Statutory Funding Objective.

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 Principal Employer:

- The vast majority of the Scheme's assets have been used to purchase a buy-in insurance policy with The Royal London Mutual Insurance Society Limited ("RLMIS") which secures the benefits of all members. The Scheme's surplus assets - those not used to purchase the buy-in policy - are invested separately. The Trustee has no influence on the range of assets held by RLMIS which support the payments due under the buy-in policy.

- The surplus assets of the Scheme - those not used to purchase the bulk annuity policy - are invested separately by the Trustee. The Trustee seeks to invest the surplus assets of the Scheme in a very low risk manner with the aim of preserving the value of the surplus whilst meeting expenses and any unforeseen liabilities (should they arise) over the period to the wind up of the Scheme.

Notes to the financial statements (continued)

19. Investment risks (continued)

Investment strategy (continued)

To best meet the objectives set out above, the Trustee has therefore set the following investment strategy for the surplus assets:

Asset Class	Fund	Benchmark	Allocation (%)
Cash	Short Term Money Market Fund	Sterling Interbank Overnight Average (SONIA)	85.0
Government bonds	UK Government Bond Fund	FTSE UK Gilts Government Bond All Stocks Total Return GBP Index	15.0
Total	**-**	**-**	**100.0**

The allocations to the respective asset classes (held via pooled investment vehicles) were set by the Trustee at the inception of the new investment strategy following buy-in. The Trustee will not seek to rebalance the investment strategy over time.

At year end, the surplus assets of the Scheme were invested directly in the 0.125% UK Treasury Gilt 31/01/2024 awaiting investment in line with the target investment strategy agreed by the Trustee which was implemented shortly after the end of the period.

The Scheme's surplus assets are managed by Royal London Asset Management ("RLAM"). The Trustee and their advisors carry out thorough due diligence before the appointment of new managers and before any new monies are allocated to a new fund. The Trustee is also required to take appropriate investment advice from a qualified professional, XPS Investment (part of XPS Pensions Group). All decisions made by the Trustee in relation to the investment strategy are subject to and comply with Section 36 of the Pensions Act 1995.

Prior to the purchase of the bulk annuity policy, the Trustee had set an investment strategy which sought to closely mimic changes in insurance pricing. The purpose of this strategy was to reduce funding level volatility on a buy-in basis. At the beginning of the year, the Trustee targeted a 70% allocation to corporate bonds and 30% allocation to Liability Driven Investment ("LDI"). Over July 2024, the target strategy was transitioned to an 80% allocation to corporate bonds and 20% allocation to LDI to further reduce volatility relative to the RLMIS bulk annuity premium.

Notes to the financial statements (continued)

19. Investment risks (continued)

Credit risk

The Scheme is subject to credit risk because the Scheme has taken out a buy-in policy, directly invests in bonds, and has cash balances.

Credit risk in relation to the buy in policy which was valued at £256.2 million at year end (2022: nil) arises from the risk that RLMIS fails to meet the payments due to the Scheme in respect of the insured liabilities. This risk is mitigated by the Trustee taking into account the financial strength of RLMIS, and the regulatory environment in which it operates, before entering into the policy. In the highly unlikely event of default by the buy-in policy provider, the Scheme's insured benefits are protected by the Financial Services Compensation Scheme ("FSCS").

Credit risk arising on the bonds held directly (see note 11) is mitigated by investing in government bonds of £22.2 million (2022: £115.7 million) where the credit risk is minimal.

Cash is held within financial institutions which are at least investment grade credit rated (rated BBB- or higher or equivalent).

The Scheme can invest in pooled investment vehicles and can therefore be directly exposed to credit risk arising from those pooled fund investment vehicles. However no pooled investment vehicles were held at the year end.

The information about exposures to and mitigation of credit risk above applied at both the current and previous year end. See notes 11 and 12 for amounts of the above investments exposed to credit risk as described.

Currency risk

The Scheme is not exposed to currency risk as all investments are made in GBP.

Interest rate risk

The Scheme is subject to direct interest rate risk because of the direct investment in government bonds. At year end, 100% of the total investment portfolio was held in a short-dated government bond awaiting investment in line with the Trustee's agreed long term investment strategy for the surplus assets. The Trustee was satisfied that the level of interest rate risk taken by investing the surplus assets in this way was minimised by investing in the shortest dated government bond available (the 0.125% UK Treasury Gilt which matured on 31 January 2024) whilst generating a small return over the holding period.

The Scheme is also subject to interest rate risk in relation to the value of the buy-in insurance policy since the value of the insurance policy is determined by the discount rate used to value the liabilities of the Scheme. Since the insurance policy covers insured benefits in full by way of a regular annuity payment, the Trustee is comfortable with the interest rate risk taken in respect of the insurance policy.

Notes to the financial statements (continued)

19. Investment risks (continued)

Other price risk

At year end none of the Scheme's assets were considered by the Trustee to be exposed to other price risk.

20. Concentration of investments

The following investments are held which represent over 5% of the net assets of the Scheme (excluding UK government securities):

	2023		2022	
	£'000	**%**	£'000	%
Royal London Mutual Society Insurance policy	**256,200**	**91.0**	-	-
	256,200		-	

The Scheme has taken advantage of the exemption allowed by the Audited Accounts Regulations to exclude UK government securities that exceed 5% of the Scheme's net assets.

21. Employer related investments

There are no employer related investments held by the Scheme as at the year end (2022: none).

Having taken appropriate legal advice, the Trustee has concluded that the buy-in insurance policy, held with The Royal London Mutual Insurance Society Limited, is not an employer-related investment as defined in Pensions Regulations.

22. Current assets

	2023	2022
	£000	£000
Cash balances	**2,551**	3,366
Benefits paid in advance	**749**	739
Prepayments	**38**	38
	3,338	4,143

Notes to the financial statements (continued)

23. Current liabilities

	2023	2022
	£000	£000
Amounts due to investment manager	**(70)**	(72)
Amounts due to Royal London Management Services Limited	**(61)**	(53)
Tax payable	**-**	(107)
Accrued expenses	**(926)**	(506)
	(1,057)	(738)

Amounts due to Royal London Management Services Limited represent the balance of amounts paid on behalf of the Scheme for expenses incurred by the Scheme which are included in note 24 b (i).

24. Related party transactions

a. Transactions with key management personnel

Trustee Directors

During the year one Trustee Director (2022: one) was in receipt of a pension from the Scheme and this is included in note 5.

One Trustee Director (2022: one) received director's fees during the year amounting to £30,000 (2022: £30,000) which are included in note 7.

During the year two Trustee Directors (2022: two) claimed travel expenses for attendance at Trustee meetings. The expenses paid during the year amounted to £2,294 (2022: £2,283) and are included in note 7.

The Law Debenture Pension Trust Corporation P.L.C is a corporate Trustee Director of the Scheme. They are paid a fee in respect of their trustee services. In 2023 this amounted to £59,967 (2022: £38,627) and is included in note 7. Fees amounting to £11,211 (2022: £9,536) were payable by the Scheme as at year-end and are included within accrued expenses in note 23.

b. Transactions with other related parties

i) Royal London Management Services Limited

Royal Liver Pension Trustee Services 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 through its subsidiary Royal London Management Services Limited. Costs incurred in providing these services which are recharged to the Scheme amounted to £212,286 (2022: £184,333) and are included in note 7. An amount of £53,360 (2022: £44,926) was payable by the Scheme as at the year-end and is included in note 23.

ii) Royal London Mutual Insurance Society Limited

During the period the Scheme purchased an insurance policy with The Royal London Mutual Insurance Society Limited. The policy covers all the Scheme's liabilities to members and guarantees future benefit payments.

Notes to the financial statements (continued)

24. Related party transactions (continued)

b. **Transactions with other related parties (continued)**

iii) The Investment Manager

The Investment Managers and the basis of their fees are set out in the Investment Management Agreements. These fees are borne directly by the Scheme. The fees paid to the Investment Managers are included in note 9.

Royal London Asset Management Limited (RLAM) is a company within the Royal London Group. RLAM is the investment manager of the corporate bond and LDI portfolio of the Scheme on an arm's length basis. They are remunerated in accordance with the terms of a normal commercial contract and fees amounted to £339,211 (2022: £492,112) and are included in note 9. Fees amounting to £69,972 (2022: £72,355) were payable by the Scheme as at the year-end and are included in note 23.

iv) Pension Payments

Members of the Royal Liver Assurance Superannuation Fund that receive their pension payment in euros are paid via the Royal Liver Assurance Superannuation Fund (ROI) pension payroll. The Royal Liver Assurance Superannuation Fund (ROI) is reimbursed immediately after the payroll is made to reflect the correct impact to the Scheme and financial statements.

25. Contingent liabilities and contractual commitments

In the opinion of the Trustee, the Scheme had no contingent liabilities as at 31 December 2023 other than GMP benefits equalisation below (2022: nil other than GMP benefits equalisation below) and a future recalculation of the premium relating to the buy-in.

In October 2018, the High Court determined that certain benefits provided to members who contracted out of the State Pension between May 1990 and April 1997 must be equalised between men and women.

A further judgement in November 2020 extended this requirement to former members who transferred out of the scheme after 1990.

The Trustee is now reviewing the implication of these rulings on members' benefits from the Scheme. A preliminary assessment of the impact of addressing this is that it will increase the Scheme's Actuarial liabilities. As soon as this review is finalised affected members will be communicated with. No accrual has been made in these financial statements for any back payments potentially payable.

At 31 December 2023 the Scheme had no contractual commitments in the form of stock collateral arrangements. The commitments at 31 December 2022 are disclosed in note 17.

In relation to the buy-in insurance premium, there will be a recalculation of the premium based on an updated data set post the Trustee completing a data cleanse exercise. It is not possible for the Trustee to quantify the impact at this stage.

26. Subsequent events

Except as noted elsewhere in the financial statements, there were no subsequent events requiring disclosure in the financial statements.

Independent auditors' statement about contributions to the trustee of Royal Liver Assurance Limited Superannuation Fund

Statement about contributions

Opinion

In our opinion, the contributions required by the schedule of contributions for the scheme year ended 31 December 2023 as reported in Royal Liver Assurance Limited Superannuation Fund's summary of contributions have, in all material respects, been paid in accordance with the schedule of contributions certified by the scheme actuary on 27 September 2022.

We have examined Royal Liver Assurance Limited Superannuation Fund's summary of contributions for the scheme year ended 31 December 2023 which is set out on the following page.

Basis for opinion

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

Responsibilities for the statement about contributions

Responsibilities of the trustee in respect of contributions

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

Auditors' responsibilities in respect of the statement about contributions

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

Use of this report

This report, including the opinion, has been prepared for and only for the trustee as a body in accordance with section 41 of the Pensions Act 1995 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 7/6/24

Summary of Contributions: year ended 31 December 2023

Details of contribution rates are included in the Schedules of Contributions which can be made available to members on request.

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

Approval

The Summary of Contributions was approved by the Trustee.

Signed for and on behalf of R.L. Pensions Trustees Limited by:

john Feely
Trustee Director

Date: 06-06-24

Actuarial certificate

Actuary's certification of the schedule of contributions

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

Actuary's certification of the schedule of contributions

Name of scheme: Royal Liver Assurance Limited Superannuation Fund

Adequacy of rates of contributions

1 I hereby certify that, in my opinion, the rates of the contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to continue to be met for the period for which the schedule is in force.

Adherence to statement of funding principles

2 I hereby certify that, in my opinion, this schedule of contributions is consistent with the statement of funding principles dated September 2022.

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

Signature ....

Date 27/9/22

Gareth Connolly
Fellow of the Institute and Faculty of Actuaries
Towers Watson Limited, a WTW Company

Floor 6
8 First Street
Manchester
M15 4RP

Implementation Statement, covering 1 January 2023 to 31 December 2023

Purpose

This statement provides information on how, and the extent to which, the Trustee's policies in relation to the exercising of rights attached to the investments of the Royal Liver Assurance Limited Superannuation Fund (the "Scheme") and engagement activities have been followed during the year ended 31 December 2023 ("the reporting year").

This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Plans (Investment and Disclosure) (Amendment and Modification) Regulations 2018 (as amended) and the guidance published by the Pensions Regulator.

Background

During the reporting year, the vast majority of the Scheme's assets were used to purchase a buy-in insurance policy with The Royal London Mutual Insurance Society Limited ("RLMIS") which secures the benefits of all Scheme members by way of a bulk annuity. It is important to note that the Trustee has no influence over how the insurer will invest assets and the buy-in policy is irrevocable.

The Trustee has set a target investment strategy for the Scheme's surplus assets - those not used to purchase the buy-in policy - to be invested separately in pooled funds selected by the Trustee which provide exposure to a combination of cash, cash-like instruments, and government bonds. At the end of the period however, the surplus assets were invested in the 0.125% UK Treasury Gilt 31/01/2024 awaiting investment into the pooled funds which took place after the end of the period.

The Trustee's Responsible Investment Policy

The Trustee has considered its approach to environmental, social and corporate governance (ESG) factors for the long term time horizon of the Scheme and believes there can be financially material risks relating to them. The Trustee has delegated the ongoing monitoring and management of ESG risks including those related to climate change to the Scheme's investment manager. The Trustee requires the investment manager to take ESG and climate change risks into consideration within their decision-making in relation to the selection, retention or realisation of investments, recognising that how they do this will be dependent on factors including the characteristics of the asset classes in which they invest.

Similarly, the Trustee has delegated responsibility for the exercise of rights (including voting rights) attached to the Scheme's investments to the investment manager. The Trustee encourages the manager to engage with investee companies and vote whenever it is practical to do so on financially material matters such as strategy, capital structure, conflicts of interest policies, risks, social and environmental impact and corporate governance as part of their decision-making processes. The Trustee requires the Investment Managers to report on significant votes made on behalf of the Trustee.

More information on the Trustee's Responsible Investment Policy can be found in the Statement of Investment Principles ("SIP") which is published online at: https://www.royallondon.com/about-us/our-performance/regulatory-and-governance-reports/group-pension-schemes/ .

Ongoing governance

The Trustee considered Towers Watson's assessment of the ESG credentials of the UK bulk annuity provider market before purchasing the buy-in policy with RLMIS. The assessment covered the firmwide policies, annuity portfolio policies, climate risk policies and stewardship policies of the UK bulk annuity provider market. RLMIS were not included in the assessment since they were not an active provider in the UK market before the Trustee entered into the buy-in policy. However, the Trustee was comfortable with the ESG credentials of Royal London Asset Management ("RLAM") who invest assets on behalf of RLMIS and who have managed the assets of the Scheme for some time.

Implementation Statement, covering 1 January 2023 to 31 December 2023 (continued)

Ongoing governance (continued)

During the reporting year, the Trustee also selected two RLAM pooled funds in which the surplus assets of the Fund would be invested - the Royal London Short Term Money Market Fund and the Royal London UK Government Bond Fund. When selecting the pooled funds, the Trustee considered XPS' assessment of the ESG credentials of the investment manager and how they are applied to the specific pooled funds themselves.

The Trustee, with the assistance of XPS, will monitor the processes and operational behaviour of the investment manager of the surplus assets from time to time, to ensure they remain appropriate and in line with the Trustee's requirements asset out in the SIP. Such issues are of greatest relevance to asset managers, who are authorised in the UK.
During the reporting year, the Trustee commissioned a report from XPS on the extent to which ESG considerations are incorporated into the investment processes of the Scheme's investment manager. The conclusion of the report was that XPS had seen evidence of progress made by RLAM over the preceding 12 months. ESG considerations and stewardship are embedded into their processes but the extent to which this is done successfully varies within their approach, which continues to evolve. The Trustee recognises that the level of ESG integration within the investment processes is dependent on the asset class in question.

Adherence to the Statement of Investment Principles

During the reporting year the Trustee is satisfied that it followed the policy on the exercise of rights and engagement activities to an acceptable degree.

Voting activity

The main asset class where the investment managers will have voting rights is equities. The Scheme had no investments in equities as part of the strategy over the reporting year. Therefore, there are no voting activities to report in this section.

Further information

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

In accordance with The Occupational and Personal Pensions Schemes (Disclosure of Information) Regulations 2013 and subsequent (Amendment) Regulations 2015, members are advised that:

- information regarding the Scheme has been given to the Registrar of Occupational Pension Schemes;

- MoneyHelper, sponsored by the Department for Work and Pensions provides impartial money and pensions guidance and information (https:// www.moneyhelper.org.uk/en). MoneyHelper joins up money and pensions guidance to make it quicker and easier to find the right help. MoneyHelper brings together the support and services of three government-backed financial guidance providers: the Money Advice Service, the Pensions Advisory Service and Pension Wise.

- the Pensions Ombudsman of 10 South Colonnade, Canary Wharf, London, E14 4PU (https://www.pensions-ombudsman.org.uk) may investigate and determine any complaint or dispute of fact or law which they have failed to resolve with the Trustee or the Scheme administrator, in relation to pensions.

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

- suspend, disqualify and remove a trustee, or a director of a trustee company, for consistently not carrying out their duties;

- wind up schemes where necessary;

- apply for injunctions to prevent the misuse and misappropriation of scheme assets and apply for restitution where necessary.

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

Internal disputes resolution procedure

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

The Pension Tracing Service

The Pension Tracing Service has been set up to provide a tracing service for members and other prospective beneficiaries, of previous employers' schemes, who have lost touch with earlier employers and trustees. This Scheme is registered, and its registration number is 10005559. To trace a benefit entitlement under a former employer's scheme, enquiries should be addressed to the Pension Tracing Service at The Pension Service, Post Handling Site A, Wolverhampton, WV98 1AF www.gov.uk/find-pension-contact-details.

Further information (continued)

Contact for further information

Any queries or complaints about the Scheme, including requests from individuals for information about their benefits, or for a copy of Scheme documentation, should be sent to the Trustee of the Royal Liver Assurance Limited Superannuation Fund at the following addresses.

Queries from deferred and pensioner members about their benefit entitlements:

c/o Colleague Pensions Team
Royal London Group
Alderley Park
Congleton Road
Nether Alderley
Macclesfield
SK10 4EL
Email: rlpensions@royallondon.com
Phone: 01625 717 936

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

Company Secretary - Pensions
Royal London Group
Alderley Park
Congleton Road
Nether Alderley
Macclesfield
SK10 4EL
Email: charlotte.dalton@royallondon.com
Phone: 01625 717 188