

RELIANCE UNIT MANAGERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2017

Registered and Administrative Office:

Reliance House, 6 Vale Avenue, Tunbridge Wells, Kent TN1 1RG

Registered in England: No. 00724451

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Strategic Report

The directors present their strategic report of the company, Reliance Unit Managers Limited ("RUM") for the year ended 31 December 2017.

Results

The loss before taxation was £5,000 (2016(restated): loss of £1,000). The company has net assets of £90,000 (2016(restated): £94,000). The directors consider that the level of activity and the year-end financial position are satisfactory.

Following the closure of the British Life Unit Trust ('BLUT') in 2014, proceeds from the sale of assets were returned to unit holders. During the year, an amount of £288k was transferred from State Street Pension Trustees Limited ('SSTL') into Court in respect of unit holders who could not be traced, and the account at SSTL was closed.

Outstanding litigation against the Royal Bank of Scotland (RBS) may result in further proceeds being received in respect of BLUT assets. The amount and timing of any such payment remain uncertain and therefore the asset balance does not make any allowance for this amount. If an amount is received, it will be paid to unit holders in proportion to their final holdings as at the date BLUT was wound up.

The company has adopted a going concern basis until such time as the proceeds from RBS in respect of BLUT assets are recovered. Due to the nature of the assets and liabilities of the Company, preparing the financial statements on a basis other than going concern will have no impact on their valuation as at 31 December 2017.

Principal Risks and Uncertainties

The company is authorised and regulated by the Financial Conduct Authority as it was engaged in providing investment management services to the British Life Unit Trust ('Trust'). The Trust entered wind-up proceedings in 2014. The management of the wind-up of the Trust is subject to minimal financial risks and discussed on pages 2-3.

From the perspective of RUM, the principal risks and uncertainties are integrated with the principal risks of RMIS (RTW) Limited group (formerly Reliance Mutual Insurance Society Limited) and are not managed separately. Accordingly, the principal risks and uncertainties of the group, which include those of RUM, are discussed in the report of the Directors in the group's annual report.

Financial Risk Management

The company was engaged in the investment management of the British Life Office Unit Trust ('Trust') which liquidated the units and entered wind-up in 2014. Since then, the Company is engaged in the closure of the Trust and only holds cash at bank and has minimal liabilities. Accordingly, the Company is exposed to minimal financial risk through the holding of bank balances.

Market risk

The company is not exposed to market risk as it holds only cash at bank in Sterling.

Liquidity risk

Liquidity risk is the risk that cash may not be available to meet outgoing payments as and when required at a reasonable cost.

The company's policy is to have cash available to meet outgoing payments as and when required. Cash is always held in current accounts or on short term deposit and on call.

Strategic Report (continued)

Key Performance Indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Post Balance Sheet Event

RMIS (RTW) Limited ("Society"), which was the parent company of RUM until 31 March 2018 signed an agreement with Life Company Consolidation Group ("LCCG") on 3 February 2017, to transfer its business to a newly formed subsidiary of LCCG, Reliance Life Limited ("Reliance Life"). The transfer was approved by the members of The Society at the General Meeting on 14 December 2017 and by the High Court on 15 March 2018.

The effective date of the business transfer was 1 April 2018 when all assets and liabilities of the Society, other than an amount retained as cash in respect of the proceeds to be paid to its members, were transferred to Reliance Life. On 1 April 2018 as part of the transfer RUM was transferred to Reliance Life Holdings Limited (RLH) which is the parent company of Reliance Life Limited. At the time of signing these financial statements RUM is a wholly owned subsidiary of RLH.

On 17 May 2018 the Society changed its name to RMIS (RTW) Limited, and at the time of signing these and the Society's group financial statements was a wholly owned subsidiary of Reliance Life. On 28 June 2018 the Society's application for the cancellation of its permissions under Part 4A of the Financial Services and Markets Act 2000 was granted by the Prudential Regulation Authority.

Report of Directors

The directors present their report for the year ended 31 December 2017.

Directors:

Stephen Shone (appointed 1 April 2018)
Ed Gardner (appointed 1 April 2018)
Ian Maidens (appointed 1 April 2018)
Paul Thompson (appointed 1 April 2018)
Seamus Creedon (resigned 1 April 2018)
Mark Goodale (resigned 1 April 2018)
Oliver Johnson (resigned 1 April 2018)
Sophie O'Connor (resigned 1 April 2018)
Nigel Sherry (resigned 1 April 2018)

Company Secretary: Anthony Field

Dividend

A dividend of £0.70 per share is recommended totalling £35,000 (2016: £nil). During the year no interim dividends were paid (2016 - £nil).

Financial Services Act

The Company is authorised and regulated by the Financial Conduct Authority.

Directors and their Interests

The directors who held office are noted above.

No director has any beneficial interest in shareholdings in the Company. Messrs Creedon, Goodale and Sherry each held one ordinary share in RUM as nominees of the parent undertaking RMIS (RTW) Limited until 31 March 2018. Messrs Creedon, Goodale, Sherry and Johnson were policyholders of RMIS (RTW) Limited and as such were also members until 31 March 2018.

Statement of Directors' Responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Report of Directors (Continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

The directors in office at the time this report is approved, confirm:

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

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board



Anthony Field
Company Secretary
16 July 2018

Independent auditors' report to the members of Reliance Unit Managers Limited

Report on the audit of the financial statements

Opinion

In our opinion, Reliance Unit Managers Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the statement of income and retained earnings for the year ended 31 December 2017; 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

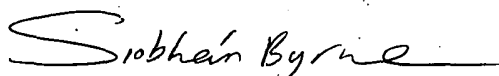
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Siobhan Byrne (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
18 July 2018

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £000	2016 £000 Restated (see note 16)
Administrative expenses	5	(5)	(2)
Loss on ordinary activities before taxation		<u>(5)</u>	<u>(2)</u>
Tax on loss	7	-	-
Loss for the financial year		<u>(5)</u>	<u>(1)</u>
Profit and loss account brought forward	10	45	45
Profit and loss account carried forward	10	<u>40</u>	<u>44</u>

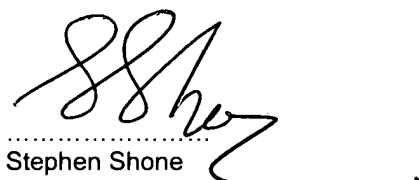
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

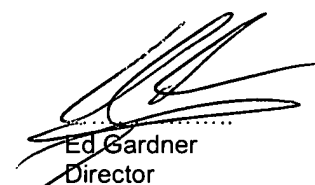
	Note	2017 £000	2016 £000 Restated (see note 16)
Current Assets			
Debtors	8	3	6
Cash at bank and in hand		87	88
Net assets		<u>90</u>	<u>94</u>
Equity			
Called up share capital	9	50	50
Profit and loss account	10	40	44
Total shareholders' funds	10	<u>90</u>	<u>94</u>

The notes on pages 9 to 13 form an integral part of these financial statements.

The financial statements on pages 7 to 13 were approved by the Board on 16 July 2018

and signed on its behalf by


 Stephen Shone
 Director


 Ed Gardner
 Director

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

1. General Information

The principal activity of Reliance Unit Managers Limited ("RUM") is to ensure that the outstanding litigation against the Royal Bank of Scotland for recovery of the British Life Unit Trust assets is resolved. The company is a private company limited by shares and is incorporated in England. The address of its registered office is Reliance House, 6 Vale Avenue, Tunbridge Wells, TN1 1RG.

2. Statement of compliance

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

3. Summary of significant accounting policies

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

(a) Basis of preparation

The financial statements are prepared on a going concern basis given the ongoing review by the Society as described in the Strategic Report on page 3, and on the basis of the accounting policies set out below. The financial statements have been prepared under the historic cost convention and in accordance with the Companies Act 2006 and the provisions of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("SI 2008/410") relating to insurance companies. The financial statements comply with applicable accounting standards.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The following accounting policies have been applied consistently:

(b) Cash flow statement

The Company has taken advantage of the exemptions under FRS 102 exemption from producing a cash flow statement as it is a member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view and the Company is included in the consolidation.

(c) Interest receivable

Interest receivable is accounted for on an accruals basis.

(d) Allocation of expenditure

Administrative expenses include amounts charged by the parent company on a basis that reasonably reflects the costs applicable to the Company and are recognised on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

(e) Taxation

Taxation expense for the period comprises current and deferred tax recognised on the reporting period.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred taxation

Deferred tax arises from timing differences that are differences between taxable profits and total profits as stated in the financial statements. These timing differences arise from inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgments 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.

Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts to the assets and liabilities within the next financial year.

5. Administrative expenses

Administrative expenses relating to RUM for the year were borne by the parent company, RMIS (RTW) Limited. No charge was levied by the parent company in respect of expenses relating to RUM.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

6. Directors, Auditors and Employees

The Company had no direct employees during the year (2016 - nil). The company's share of employee costs, including pension costs are included in the charge from RMIS (RTW) Limited as mentioned in note 5 above at £nil (2016: £nil).

The remuneration of the auditors for the year in respect of audit work was borne by RMIS (RTW) Limited. The amount allocated to RUM was £nil, (2016: £nil). There were no fees relating to non-audit services paid to the auditors during the year (2016: £nil).

None of the directors receives any remuneration from the company for their services (2016 - £nil). The amount allocated as relating to RUM, was £nil (2016: £nil).

7. Tax on loss

There were no unrecognised deferred tax assets or liabilities. No corporation tax is payable in the year (2016: £nil.)

	2017 £000	2016 £000 Restated (see note 16)
8. Debtors		
Amounts due from group company	-	4
Corporation tax refund due	1	1
Other debtors	2	1
	<u>3</u>	<u>6</u>

	2017 £000	2016 £000
9. Called up share capital		
Ordinary equity shares of £1 each:		
100,000 (2016: 100,000) Authorised	100	100
50,000 (2016: 50,000) Issued, called up and fully paid	<u>50</u>	<u>50</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

10. Reserves and reconciliation of the movement in shareholders' funds

	2017 Called up Share Capital £000	2017 Profit And Loss Account £000	2017 Total Shareholders' Funds £000	2016 Total Shareholders' Funds £000 Restated (see note 16)
At 1 January	50	45	95	95
Loss for the financial year	-	(5)	(5)	(1)
Dividends paid	-	-	-	-
At 31 December	50	40	90	94

11. Contingencies and commitments

There were no contingent liabilities or capital commitments at 31 December 2017 or 2016.

12. Transactions with related parties

As the Company is a wholly owned subsidiary undertaking it has, in accordance with FRS 102 section 33 'Related Party Disclosures', taken advantage of the exemption not to disclose transactions and year-end balances with either its parent undertaking or fellow subsidiaries.

The Company also acts as registrar of the Trust, for which it does not charge any fee.

13. Post Balance Sheet Events

The Society, which was the parent company of RUM until 31 March 2018 signed an agreement with Life Company Consolidation Group ("LCCG") on 3 February 2017, to transfer its business to a newly formed subsidiary of LCCG, Reliance Life Limited ("Reliance Life"). The transfer was approved by the members of the Society at the General Meeting on 14 December 2017 and by the High Court on 15 March 2018.

The effective date of the business transfer was 1 April 2018 when all assets and liabilities of the Society, other than an amount retained as cash in respect of the proceeds to be paid to its members, were transferred to Reliance Life. On 1 April 2018 as part of the transfer RUM was transferred to Reliance Life Holdings Limited which is the parent company of Reliance Life Limited. At the time of signing these financial statements RUM is a wholly owned subsidiary of RLH.

On 17 May 2018 The Society changed its name to RMIS (RTW) Limited, and at the time of signing these and the Society's group financial statements was a wholly owned subsidiary of Reliance Life. On 28 June 2018 the Society's application for the cancellation of its permissions under Part 4A of the Financial Services and Markets Act 2000 was granted by the Prudential Regulation Authority.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

14. Ultimate parent undertaking and controlling party

As noted above the immediate and ultimate parent company of RUM till 31 March 2018 was RMIS (RTW) Limited, a company incorporated in England and Wales. As at the year-end RMIS (RTW) Limited was the parent company of the smallest and largest group to consolidate these financial statements.

Post 31 March 2018 the immediate parent company of RUM is Reliance Life Holdings Limited. The ultimate parent undertaking in the UK of the group is LCCG UK (RL) Limited. Copies of the consolidated financial statements of the Society are available from Reliance Life Limited a fellow subsidiary of RLH at Reliance House, 6 Vale Avenue, Tunbridge Wells, Kent TN1 1RG, United Kingdom.

15. Amounts held by State Street Pension Trustees Limited

Following the closure of the British Life Unit Trust ('BLUT') in 2014, proceeds from the sale of assets were returned to unit holders. During the year, an amount of £288k was transferred from State Street Pension Trustees Limited ('SSTL') to Court in respect of unit holders who could not be traced, and the account at SSTL was closed.

16. Prior Year amounts restated

Following a review, amounts previously disclosed have been restated due to rounding differences.