

COMPANY REGISTRATION NO: 04330120

LV LIFE SERVICES LIMITED

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REPORT AND  
FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2020

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**LV LIFE SERVICES LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2020**

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**LV LIFE SERVICES LIMITED**

**DIRECTORS, OFFICERS AND REGISTERED OFFICE**

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**Directors**

A W Snow

M P Hartigan     Appointed 15 June 2020

C Walker         Appointed 23 November 2020

**Company Secretary**

M P Jones

**Registered Office**

County Gates

Bournemouth

Dorset

BH1 2NF

**LV LIFE SERVICES LIMITED**  
**COMPANY NUMBER 04330120**

**STRATEGIC REPORT**

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The Directors submit their strategic report for LV Life Services Limited (the 'Company') for the year to 31 December 2020.

**1) Results and dividends**

The profit for the year was £46,000 (2019: £54,000). The directors did not approve or pay any dividends in the current year (2019: £nil).

**2) Principal activities**

The principal activities of the Company during 2020 were that of administrator for services provided to Namulas Pension Trustees Limited (Namulas), a subsidiary of Phoenix Group Holdings PLC, and a number of Small Self Administered Schemes (SSAS).

Revenue was generated through administration of the SSAS product and provision of administration services to Namulas. The Company relies on Liverpool Victoria Financial Services Limited (LVFS), its parent company for the day-to-day administration of Namulas and revenue received from Namulas is subsequently transferred by way of management charge to LVFS.

The Company retains revenue generated from SSAS services. The SSAS services provided by the Company include:

- Draft trust deeds, rules and "start-up" documentation for schemes
- Administration of the payment of benefits, set up of new members, transfers and Additional Voluntary Contributions
- Record keeping

**3) Business Review and Future Prospects**

The SSAS scheme is closed to new business and is in run-off. The Company will continue to provide administration to Namulas although this is not expected to generate a profit. The Company has FCA permissions to establish, operate and wind-up a personal pension scheme. This allows the Company to become the provider of a new personal pension scheme, although this has not yet been implemented. The Directors do not expect this to change in the future.

On 15 December 2020, the LVFS board announced that it had reached an agreement whereby Bain Capital is expected to pay £530m, subject to contract, to acquire the LVFS Group's Savings and Retirement and Protection businesses. The acquisition is subject to regulatory approval and approval from LVFS' members. Subject to progressing as currently planned, the transaction is expected to complete during 2022.

**4) Key Performance Indicators**

The Board sets key performance indicators (KPIs) and targets, which it monitors on a regular basis throughout the year. These KPIs may change from time to time as objectives and priorities change. The Company's KPIs are:

*Solvency and Compliance*

The Company is a regulated entity and is required to hold minimum solvency capital in accordance with FCA Guidelines. Capital requirements are modelled quarterly and form an integrated part of the risk management framework of the Company. The Company undertakes regular compliance reviews of its activities and reports to the directors on observations and findings.

*Profitability*

A model is used to enable the Company to analyse and manage the key risks to profit generated from the SSAS schemes members.

The results of the Company for the year are set out in the financial statements which follow this report. The profit before tax reflects the size of the in-force portfolio and the low level of activity undertaken on behalf of clients.

**STRATEGIC REPORT**

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**5) Principal Risks and Uncertainties**

The Board monitors all risks throughout the year and other than Regulatory Risk the Board considers that the Company is not exposed to any significant risk in other areas.

*Regulatory Risk*

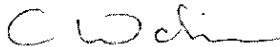
The Company operates in a regulated environment and maintains a high quality control environment over its activities. The Company maintains a review of all new regulatory material and consistently reviews its capital adequacy to ensure it holds sufficient financial resources to satisfy the regulatory requirements imposed by the FCA. During 2020, the Company managed its capital adequacy during the normal course of its business and did not require any additional increase in capital.

*Coronavirus*

The emergence of the Covid-19 pandemic has not had a material impact on the Solvency position or results of the Company during the year. The LVFS group's operational response to the pandemic was quick and effective, allowing the Company to continue its business throughout the year with negligible operational risk.

Further information detailing the company's financial risk management and control can be found in note 4.

**APPROVED BY THE BOARD OF DIRECTORS AND SIGNED ON BEHALF OF THE BOARD**



**C Walker**  
Director  
15 July 2021

**LV LIFE SERVICES LIMITED**  
**COMPANY NUMBER 04330120**

**DIRECTORS' REPORT**

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The directors submit their annual report and unaudited accounts for LV Life Services Limited (the Company) for the year to 31 December 2020.

As permitted by section 414C(11) of the Companies Act 2006, certain information is not included in the Directors' Report because it has instead been shown in the Strategic Report.

This information is:

- Results and dividends;
- Principal activities of the Company;
- Business review and future prospects;
- Principal risks and uncertainties.

**1) Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements are listed on page 3.

**2) Employees**

The Company utilised the staff and premises of Liverpool Victoria Financial Services Limited (LVFS) in carrying out its activities in the year. No staff costs have been recharged to the company as the services the staff provide are considered incidental to those provided by LVFS.

**3) Director's indemnity statement**

The Directors have the benefit of an indemnity which constitutes a "qualifying third party indemnity provision" as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. LVFS, the ultimate parent company, also purchased and maintained throughout the year on behalf of its subsidiaries Directors' and Officers' liability insurance in respect of the Company and its Directors. It is available for inspection at the registered office of the Company details of which are provided on page 3.

**4) Statement of Directors' responsibilities**

The Directors are responsible for preparing the Strategic Report, 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006 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.

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.

LV LIFE SERVICES LIMITED  
COMPANY NUMBER 04330120

**DIRECTORS' REPORT**

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**APPROVED BY THE BOARD OF DIRECTORS AND SIGNED BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read "Michael Jones".

**M P Jones**  
Company Secretary  
15 July 2021

**LV LIFE SERVICES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020	2019
	Note	£000	£000
Fee and commission income	5	985	639
Investment income	6	1	2
<b>Total income</b>		<b>986</b>	<b>641</b>
Other operating and administrative expenses	7	(929)	(574)
<b>Total expenses</b>		<b>(929)</b>	<b>(574)</b>
<b>Profit before tax</b>		<b>57</b>	<b>67</b>
Income tax expense	9	(11)	(13)
<b>Profit for the year</b>		<b>46</b>	<b>54</b>
<b>Total comprehensive income for the year</b>		<b>46</b>	<b>54</b>

All amounts are derived from continuing operations

The notes in pages 12 to 20 are an integral part of the financial statements.



**LV LIFE SERVICES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Attributable to equity holders of the Company		
		Share capital	Retained earnings	Total equity
		£000	£000	£000
Balance at 1 January 2020		100	152	252
Profit and total comprehensive income for the year	16	-	46	46
<b>Balance at 31 December 2020</b>		<b>100</b>	<b>198</b>	<b>298</b>

	Note	Attributable to equity holders of the Company		
		Share capital	Retained earnings	Total equity
		£000	£000	£000
Balance at 1 January 2019		100	98	198
Profit and total comprehensive income for the year	16	-	54	54
<b>Balance at 31 December 2019</b>		<b>100</b>	<b>152</b>	<b>252</b>

The notes in pages 12 to 20 are an integral part of the financial statements.

**LV LIFE SERVICES LIMITED**

**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2020**

		<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
<b>Assets</b>	<b>Note</b>		
Financial assets			
- Fair value through income	10	<b>302</b>	253
Loans and other receivables	11	<b>70</b>	48
Cash and cash equivalents	12	-	11
<b>Total assets</b>		<b>372</b>	<b>312</b>
<b>Liabilities</b>			
Current tax liability	13	<b>11</b>	13
Trade and other payables	14	<b>63</b>	47
<b>Total liabilities</b>		<b>74</b>	<b>60</b>
<b>Equity</b>			
Called up share capital	15	<b>100</b>	100
Retained earnings	16	<b>198</b>	152
<b>Total equity</b>		<b>298</b>	<b>252</b>
<b>Total equity and liabilities</b>		<b>372</b>	<b>312</b>

The notes on pages 12 to 20 are an integral part of the financial statements

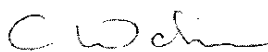
**Audit Exemption Statement**

For the year ended 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 ('Act') relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the Board of Directors on 15 July 2021 and signed on its behalf by



**C Walker**  
Director

**LV LIFE SERVICES LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Note</b>	<b>2020 £000</b>	<b>2019 £000</b>
<b>Cash and cash equivalents at 1 January</b>		<b>11</b>	<b>12</b>
<b>Cash flows arising from:</b>			
<b>Operating activities</b>			
Cash generated from/(used in) Operating activities	17	<b>45</b>	(52)
Interest income received	6	<b>1</b>	2
Group relief paid	13	<b>(13)</b>	(12)
<b>Net cash generated from/(used in) operating activities</b>		<b>33</b>	<b>(62)</b>
<b>Investing activities</b>			
Net (purchase)/sales of money market funds		<b>(49)</b>	61
<b>Net cash (used in)/generated from investing activities</b>		<b>(49)</b>	<b>61</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(16)</b>	<b>(1)</b>
<b>Cash and cash equivalents at 31 December</b>	12	<b>(5)</b>	<b>11</b>

The notes in pages 12 to 20 are an integral part of the financial statements.

## **LV LIFE SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **1. General Information**

LV Life Services Limited is a private company limited by shares, domiciled and incorporated in the United Kingdom.

#### **2. Accounting policies**

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

#### **BASIS OF PRESENTATION**

These financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 ('IFRS').

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value. The primary economic environment in which the Company operates in is the United Kingdom. The financial statements are presented in sterling, which is the Company's presentation and functional currency.

The preparation of the financial statements in conformity with IFRS requires the use of estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The Company has not used any significant estimates or judgements in preparing the financial statements in conformity with IFRS.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **Fee and commission income**

Fee and commission income comprises of fees from policy administration charges recognised as income when receivable and a management charge received from Namulas Pension Trustees Limited for administrative services provided by the Company.

##### **Investment income**

Investment income relates to interest on deposits and is accounted for on an accruals basis.

##### **Other operating and administrative expenses**

Other operating and administrative expenses are accounted for as incurred.

##### **Income taxes**

The income tax expense reflects the movement in current and deferred income tax in respect of income, gains, losses and expenses.

##### **Income tax expense**

Income tax expense recorded in the Statement of Comprehensive Income represents the current year corporation tax charge. Corporation tax is charged on trading profits arising in the year.

##### **Current income tax**

Current income tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Statement of Financial Position date.

**LV LIFE SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**Financial assets at fair value through income**

Investments classified as fair value through income relate to holdings in unit trusts and as such are required to be classified as fair value through income by nature of the investment.

Such assets are valued at market prices, or prices consistent with market ratings should no price be available. Day one gains or losses are recognised only where valuations use data from observable markets. Any unrealised or realised gains or losses are taken to the Statement of Comprehensive Income, as fair value gains or losses, or realised gains or losses respectively, as they occur.

**Loans and other receivables**

Receivables represent amounts due for services performed in the ordinary course of business. Trade receivables are initially recognised at the amount of consideration that is unconditional unless consideration includes a significant financing component, in which case it is recognised at fair value. Trade receivables are held with the objective to collect contractual cash flows and therefore are classified as subsequently measured at amortised cost.

Receivables are generally due for settlement within 30 days and therefore all are classified as current. A loss allowance is calculated in respect of receivables as explained in the accounting policy on impairment.

**Impairment of financial assets**

The Company has financial assets that are subject to the expected credit loss model. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, and short-term deposits with an original maturity of three months or less.

For the purpose of the Statement of Cash Flows, cash and cash equivalents are as defined above but are shown net of outstanding bank overdrafts.

**Trade and other payables**

Trade and other payables are recognised when they fall due. They are initially measured at fair value and subsequently at amortised cost.

**Share capital**

Shares are classified as equity when there is no obligation to transfer cash or other assets.

**LV LIFE SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**CHANGES IN ACCOUNTING POLICIES**

**(i) New and amended standards adopted in the year**

The Company has adopted the following new and amended standards which became effective for accounting periods beginning on or after 1 January 2020.

**Amendments to IAS 1 and IAS 8: Definition of Material**

IAS 1 and IAS 8 are amended to alleviate areas of potential misinterpretation of the definition of materiality. The new definition is "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." This definition is consistent with the Company's existing application of materiality and has not therefore had any impact on the Company.

**Amendments to IFRS 7, IFRS 9 and IAS 39: Interest rate benchmark reform phase 1**

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. The Company does not perform hedge accounting and therefore these amendments have no impact on the Company.

**Conceptual framework for financial reporting**

A revised conceptual framework has been implemented by the International Accounting Standards Board. The conceptual framework assists preparers to develop consistent accounting policies for transactions or other events when no standard applies or a standard allows a choice of accounting policies. The conceptual framework is also used to assist with understanding and interpretation of accounting standards. The revised conceptual framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the Company.

Other than as set out above, no new or amended accounting standards and interpretations were adopted for the 2020 financial year.

**(ii) New standards and interpretations not yet adopted**

A number of new standards and amendments to standards and interpretations have been issued and are effective for annual periods beginning after 1 January 2020. These have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company, except the following.

**Amendments to IFRS 9, IAS 39, IFRS 4, IFRS 7, IFRS 16: Interest rate benchmark reform phase 2**

Ahead of the planned withdrawal of the London Inter-bank offered rate (LIBOR) various amendments have been made to financial instruments accounting standards in order to avoid unintended accounting consequences that may be triggered by a modification of financial instrument cashflows. These changes are effective from 1 January 2021. The Company does not perform hedge accounting and holds the majority of its investment assets at Fair value through income, as a result there will be limited areas of the Company's balance sheet that will be impacted by the withdrawal of LIBOR and these amendments.

There are no other changes to accounting standards or interpretations that are not yet effective that would be expected to have a material impact on the Company.

## **LV LIFE SERVICES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **3. Capital management**

The Company retains capital to meet three key objectives:

- a) To ensure financial stability and meet all company regulatory requirements;
- b) To enable the Company's strategy to be developed; and
- c) To give confidence to consumers and other stakeholders who have relationships with the Company.

At least annually, these objectives are reviewed and benchmarks are set by which to judge the adequacy of the Company's capital. The capital position is monitored against those benchmarks to ensure that sufficient capital is available to the Company. In the event that sufficient capital is not available, plans would be developed either to raise additional capital through, for example, subordinated loans, or to reduce the quantum of risk accepted thereby reducing the capital requirement through, for example, reinsurance or a change in investment strategy. If it becomes apparent that excess capital is available to the Company above its potential needs, plans would be developed to return such excess to shareholders.

In aggregate the Company has at its disposal total surplus capital of £278,000 (2019: £232,000), representing the solvency capital of the Company. This capital is available to meet risks and regulatory requirements set by reference to regulatory guidance as prescribed by the FCA. The company has been granted extra FCA permissions to establish, operate and windup a personal pension scheme. The Company complied with all externally imposed capital requirements to which it is subject during 2020 and 2019.

## LV LIFE SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 4. Risk management and control

The Company seeks to create value for its shareholder by maintaining an appropriate balance between the capital available to support risk and the level and type of risk it takes on in order to achieve returns.

The Company recognises the critical importance of having efficient and effective risk management systems in place and these take the form of:

- Board and Executive committees with clear terms of reference;
- A clear organisational structure with documented apportionment of responsibilities;
- A uniform methodology of risk assessment, which is embedded within all companies in the LV= Group so that they operate within agreed tolerances and with appropriate controls in place;
- Regular reviews of risks by senior managers, where frequency of review is determined by the potential impact of the risk and its likelihood.

Other than that detailed below the Directors consider the Company is not exposed to any significant risk in other areas.

#### Fair value estimation

The following fair value estimation tables present the Company's assets and liabilities measured at fair value by level of the fair value measurement hierarchy at 31 December 2020.

For financial instruments held at fair value, the fair value measurements by level of the following fair value measurement hierarchy are classified as:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

There were no changes to the valuation techniques during the year.

There were no transfers between Levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

	Level 1 £000	Total fair value £000
<b>Financial assets held at fair value through income 2020</b>		
Shares, other variable yield securities and OEICs		
– UK listed	302	302
	<b>302</b>	<b>302</b>
<hr/>		
	Level 1 £000	Total fair value £000
<b>Financial assets held at fair value through income 2019</b>		
Shares, other variable yield securities and units in unit trusts		
– UK listed	253	253
	<b>253</b>	<b>253</b>
	<hr/>	



**LV LIFE SERVICES LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****4. Risk management and control (continued)**

The fair value is not materially different to the carrying value for financial assets/liabilities which are not held at fair value.

Financial assets held at fair value through income relate to Trust balances in BlackRock Sterling Liquidity First Fund. The Fund is a "Short Term Money Market Fund" as defined by the European Securities and Markets Authority. The fund is AAA rated and as such is deemed low risk.

**Liquidity risk**

Liquidity risk is the risk that the Company cannot make payments as they become due because there are insufficient assets in cash form.

Sources of liquidity risk have been identified and systems are in place to measure, monitor and control liquidity exposures. These are documented in liquidity policies.

**5. Fee and commission income**

	2020 £000	2019 £000
Administration fees	56	65
Management charge	929	574
	985	639

**6. Investment income**

	2020 £000	2019 £000
Interest on loans and receivables	1	2
	1	2

**7. Other operating and administrative expenses**

	2020 £000	2019 £000
Investment expenses and charges	929	574
	929	574

**8. Directors' emoluments**

The emoluments of the directors are paid by the ultimate parent company which makes no recharge to the Company. The directors are also directors of Liverpool Victoria Financial Services Limited (and/or a number of fellow subsidiaries) and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments. Total emoluments for the relevant directors are included in the aggregate of Directors' emoluments disclosed in the financial statements of Liverpool Victoria Financial Services Limited.

**LV LIFE SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**9. Income tax expense**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>a) Current year tax expense</b>		
<b>Current year tax expense:</b>		
Group relief	<b>11</b>	<b>13</b>
<b>Total current tax</b>	<b>11</b>	<b>13</b>
<b>Total income tax expense</b>	<b>11</b>	<b>13</b>

**b) Reconciliation of tax charge**

The tax assessed for the period is equal to the effective rate of corporation tax in the UK (19%).

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Profit before tax	<b>57</b>	<b>67</b>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	<b>11</b>	<b>13</b>
	<b>11</b>	<b>13</b>

At Budget 2021, the Government announced that the Corporation tax main rate for the years starting 1 April 2021 and 1 April 2022 would remain at 19%. The rate will increase to 25% for the year beginning 1 April 2023.

**10. Financial Assets**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Fair Value through income</b>		
Shares, other variable yield securities and OEICs		
- UK listed	<b>302</b>	<b>253</b>
	<b>302</b>	<b>253</b>

**11. Loans and other receivables**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Other receivables	<b>70</b>	<b>48</b>
	<b>70</b>	<b>48</b>

Loans and other receivables are classified as not rated.

**12. Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Bank balances	<b>-</b>	<b>11</b>
<b>Cash and cash equivalents per Statement of Financial Position</b>	<b>-</b>	<b>11</b>
Bank overdrafts	<b>(5)</b>	<b>-</b>
<b>Cash and cash equivalents per Statement of Cash Flows</b>	<b>(5)</b>	<b>11</b>

**LV LIFE SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**13. Current tax liability**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
At 1 January	<b>13</b>	12
Amounts recorded in the statement of comprehensive income	<b>11</b>	13
Group relief paid	<b>(13)</b>	(12)
<b>At 31 December</b>	<b>11</b>	13

**14. Trade and other payables**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	<b>55</b>	43
Bank overdrafts	<b>5</b>	-
Other taxes and social security costs	<b>3</b>	4
	<b>63</b>	47

All amounts are due within one year

**15. Share capital**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Ordinary shares, allotted, and fully paid</b>		
100,000 (2019: 100,000) ordinary shares of £1 each	<b>100</b>	100

**16. Retained earnings**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
At 1 January	<b>152</b>	98
Profit for the year	<b>46</b>	54
<b>At 31 December</b>	<b>198</b>	152

**17. Cash generated by/(used in) operating activities**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Profit before tax</b>	<b>57</b>	67
Investment income	<b>(1)</b>	(2)
<b>Changes in working capital</b>		
(Increase)/decrease in loans and other receivables	<b>(22)</b>	24
Increase/(decrease) in trade and other payables	<b>11</b>	(141)
<b>Cash generated by/(used in) operating activities</b>	<b>45</b>	(52)

## LV LIFE SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 18. Related party transactions

The Company enters into transactions with related parties in the normal course of business. All transactions are carried out on an arm's length basis. Details of significant transactions carried out during the year with related parties are as follows:

The following transactions have taken place between the Company and LVFS.

	2020 £000	2019 £000
Liquidity loans increase / decrease to LVFS	49	(61)
Settlements on behalf of the Company from LVFS	56	65
Management recharge to LVFS for Namulas income	(929)	(574)

Balances outstanding between the Company and Other Group Companies:

	2020 £000	2019 £000
Payable by the Company to LVFS	(55)	(43)

Key management personnel of the Group comprises all directors, executive and non-executive, and senior management (the Board and the Executive Committee). The emoluments of the key management personnel are paid by the ultimate parent company which makes no recharge to the Company.

#### 19. Ultimate parent company

The ultimate and immediate parent company and ultimate controlling party is Liverpool Victoria Financial Services Limited (LVFS), a UK private company limited by guarantee registered under the Companies Act 2006.

On 15 December 2020, the LVFS board announced that it had reached an agreement whereby Bain Capital is expected to pay £530m, subject to contract, to acquire the LVFS Group's Savings and Retirement and Protection businesses. The acquisition is subject to regulatory approval and approval from LVFS' members. Subject to progressing as currently planned, the transaction is expected to complete during 2022.

The largest and smallest company whose financial statements this company is consolidated into is LVFS. The consolidated financial statements of LVFS are available to the public and may be obtained from:

The Company Secretary  
County Gates  
Bournemouth  
Dorset  
BH1 2NF

or at [www.lv.com/about-us/company-information/annual-report](http://www.lv.com/about-us/company-information/annual-report)