CANADA LIFE ASSET MANAGEMENT LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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Registered Number. 3846821

Canada Life Asset Management Limited

Report and financial statements for the year ended 31 December 2011

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Canada Life Asset Management Limited

Report and financial statements for the year ended 31 December 2011

Directors and Advisers

Directors	Prof Sir G S Bain O C Dickson I Gilmour M L Hepher D A Loney R L McFeetors D Netherton D A Nield
Company Secretary	AVG Garvin
Registered Office	Canada Life Place High Street Potters Bar Hertfordshire EN6 5BA
Bankers	National Westminster Bank plc 1 Princes Street London EC2R 8PA
Registered Number	3846821
Auditor	Deloitte LLP London, United Kingdom

Canada Life Asset Management Limited

Directors' Report for the year ended 31 December 2011

The directors of Canada Life Asset Management Limited (the "Company") present their annual report and audited financial statements for the year ended 31 December 2011

Principal Activity

The principal activity of the Company is to act as an investment fund manager

Business Review

The Company began trading on 29 November 2004 when it commenced the investment management of unit trust funds transferred to Capita Financial Group Limited, a non-group company, by Canada Life Management (U K) Limited.

The Company also manages a number of equity and bond portfolios for other group companies

Key Performance Indicators

	2011	2010	2009
	£'000	£'000	£'000
Funds under management 31 December			
Capita Financial	1,437,884	1,621,746	1,587,657
Other Group Companies	7,187,254	7,150,968	7,143,741
Total	8,625,138	8,772,714	8,731,398
Fee Income	9,757	9,830	9,223
Profit after Tax	3,518	3,867	4,285

Future Developments

The Company continues to look at further opportunities to provide investment management services to other group companies The Company is also selectively considering opportunities to expand the Capita collectives business and a new fund vehicle will be introduced in 2012

Principal Risks, Uncertainties and Financial Instruments

Financial risk management objectives
The Company is exposed to financial risk through its financial assets In particular, the key financial risk is in respect of investment management decisions outside of fund objectives or in processing deals erroneously

The Company manages these risks through a programme of controls and the operation of these controls is subject to review by independent internal audit

Credit Risk
Credit risk is the risk that a counterparty will be unable to pay amounts in full when due The key areas where the Company is exposed to credit risk are in relation to Capita Financial, in respect of investment management fees, and money market counterparties

Investment management fees are collected from Capita Financial monthly to minimise the outstanding balance

Only money market funds rated AAA and approved credit institutions authorised by the FSA are used to place deposits The money market funds diversify holdings over a large number of institutions and thereby provide a reduced level of counterparty risk Deposits with individual banks have been limited to £2.5 million

Liquidity Risk
The Company needs to be able to cover its regular expenses for a period of time even if fee income ceases It is therefore necessary for a portion of assets to be held in readily available or liquid assets The majority of the Company's expenses are paid to a group company in respect of recharges

All assets are held in money market funds and bank deposits with approved credit institutions The funds are realisable with 1 day's notice and the bank deposits are placed to provide a spread of maturities over the following 3 month period

Directors

The names of the persons who were directors during the year and up to the date of this report are set out below

W L Acton	Resigned 14 September 2011
Prof Sir G S Bain	
I Gilmour	
M L Hepher	
D A Loney	Appointed 14 September 2011
R L McFeetors	
D A Nield	
O C Dickson	Appointed 28 February 2011
D Netherton	Appointed 26 October 2011

Directors' Report for the year ended 31 December 2011 (continued)

Results and Dividends

The profit after tax for the year was £3,517,976 (2010 £3,867,336) An interim dividend of £3,500,000 was paid on 20 December 2011 (2010 £4,000,000)

Directors' Indemnities

Canada Life Financial Corporation has made qualifying third party indemnity provisions for the benefit of all of its directors These have been in force throughout the year and remain in force at the date of this report

Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis in preparing the annual financial statements

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in note 1 of the financial statements

Auditor

Each of the persons who is a director at the date of approval of this report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

Regulatory Bodies

The Company is regulated by the Financial Services Authority under reference 194570

Pillar 3 Disclosure

A memorandum including the information required to be disclosed in accordance with BIPRU11 is sent directly to our clients Details of the Pillar 3 Disclosure can be found on the Canada Life Investments website

Approved by the Board of Directors
and signed on behalf of the Board

M L Hepher
Director

19 April 2012
Canada Life Place
Potters Bar
Herts
EN6 5BA

Canada Life Asset Management Limited

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual 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 elected to prepare 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANADA LIFE ASSET MANAGEMENT LIMITED

We have audited the financial statements of Canada Life Asset Management Limited (the "Company") for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CANADA LIFE ASSET MANAGEMENT LIMITED (continued)

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

Paul Stephenson BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK
19 April 2012

Canada Life Asset Management Limited

Profit and Loss Account
for the year ended 31 December 2011

	Note	2011 £	2010 £
Turnover	**2**	9,757,348	9,829,841
Operating expenses		(5,062,550)	(4,542,600)
Operating profit	**3**	4,694,798	5,287,241
Interest receivable		91,564	84,059
Profit on ordinary activities before taxation		4,786,362	5,371,300
Tax on profit on ordinary activities	**5**	(1,268,386)	(1,503,964)
Profit on ordinary activities after taxation		3,517,976	3,867,336

The Company has no recognised gains and losses other than as stated in the Profit and Loss Account for the current or the preceding year and hence no statement of total recognised gains and losses is presented All activities are continuing

The notes on pages 13 to 16 form part of these financial statements

Canada Life Asset Management Limited

Balance Sheet
at 31 December 2011

	Note	2011 £	2010 £
Current assets			
Debtors	6	861,675	860,330
Cash at bank and cash equivalents		11,187,790	12,082,476
		12,049,465	12,942,806
Creditors amounts falling due within one year	7	(1,877,492)	(2,132,309)
Net current assets		10,171,973	10,810,497
Accruals & deferred income	8	-	(656,500)
Net assets		10,171,973	10,153,997
Capital and reserves			
Called-up share capital	9	2,250,001	2,250,001
Profit and loss account		7,921,972	7,903,996
Total shareholder's funds	10	10,171,973	10,153,997

The notes on pages 13 to 16 form part of these financial statements

The financial statements of Canada Life Asset Management Limited (registered number 3846821) were approved by the Board of Directors and authorised for issue on 19 April 2012.

Signed on behalf of the Board of Directors

M L Hepher
Director

19 April 2012

Canada Life Place
Potters Bar
Herts
EN6 5BA

Notes to the financial statements for the year ended 31 December 2011

1 Principal accounting policies

Basis of preparation
The financial statements are prepared in accordance with the historical cost convention and in accordance with applicable United Kingdom accounting standards The particular accounting policies adopted by the directors in the current and prior year are described below

Going Concern
The directors' report outlines the Company's activities, performance, principal risks, uncertainties, future outlook and financial risk management objectives and how those risks are managed Note 10 to the financial statements sets out the Company's available capital resources. Having regard to the Company's financial position, its expected performance in the future, and having made appropriate enquiries the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement
Advantage has been taken of the exemption under the revised FRS1(5)(a), Cash Flow Statements, not to present a cash flow statement as the subsidiary is 100% controlled within the Great-West Lifeco Inc group of companies The consolidated financial statements in which the subsidiary undertakings are included are publicly available (see note 11)

Transactions with related parties
Advantage has been taken under FRS8(3)(c), Related Party Disclosures, not to disclose transactions between entities, 100% of whose voting rights are controlled within the Power Corporation group of companies (see note 11)

Turnover
Turnover is made up of fee income in respect of investment management services and is recognised on an accruals basis

Interest receivable
Interest receivable is recognised on an accruals basis

Deferred income
Deferred revenue in respect of monies received is credited to a deferred income account and is released to profit over the expected term of the contract by equal annual instalments

Taxation
Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different

from those in which they are recognised in the financial statements

Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value

2 Turnover

By location of client	2011	2010
	£	£
United Kingdom	6,106,086	6,273,385
Republic of Ireland	3,517,180	3,556,456
Canada	134,082	-
	9,757,348	9,829,841

All turnover derives from the principal activity of the Company

3 Operating profit

Audit fees of £31,000 have been borne by a fellow group company (2010 £30,000)
In addition the auditor received £9,000 (2010 £9000) for audit related regulatory reporting This fee was also borne by a fellow group company

4 Employee information

The Company has no employees (2010 nil) No directors received remuneration for their services as directors of the Company during 2011 (2010 nil) The directors are remunerated by other companies within the group

5 Tax on profit on ordinary activities

	2011	2010
	£	£
Profit on ordinary activities	4,786,362	5,371,300
UK corporation tax at 26 5% (2010 28%)	1,268,386	1,503,964
Tax on profit on ordinary activities	1,268,386	1,503,964

There is no recognised or unrecognised deferred tax in either the current or prior year

6 Debtors

	2011	2010
	£	£
Trade debtors	851,588	850,644
Bank interest receivable	10,086	9,685
Unpaid share capital	1	1
	861,675	860,330

7 Creditors: Amounts falling due within one year

	2011	2010
	£	£
Amounts owed to group companies	537,323	628,345
Corporation tax payable	1,268,386	1,503,964
Accruals	71,783	-
	1,877,492	2,132,309

8 Accruals & deferred income

	2011	2010
	£	£
Balance as at 1 January	656,500	1,370,500
Received during the year	-	-
Released during the year	(656,500)	(714,000)
Balance as at 31 December	-	656,500

9 Called-up share capital

	2011	2010
	£	£
Allotted, called-up and fully paid		
2,250,000 ordinary shares of £1 each	2,250,000	2,250,000
Allotted, called-up and unpaid		
1 ordinary share of £1	1	1

10 Reconciliation of movements in shareholder's funds

	Ordinary Share Capital	Profit & Loss Account	Total Shareholder's Funds
	£	£	£
Shareholder's funds at 1 January 2011	2,250,001	7,903,996	10,153,997
Profit for the year	-	3,517,976	3,517,976
Interim dividend	-	(3,500,000)	(3,500,000)
Shareholder's funds at 31 December 2011	2,250,001	7,921,972	10,171,973

11 Parent Company and controlling party

At the balance sheet date the ultimate parent company, which is also the parent company of the largest group of companies for which group financial statements are drawn up and of which the Company is a member, Power Corporation of Canada, is incorporated in Canada In the directors' opinion Power Corporation of Canada is the controlling party The parent of the smallest such group for which group financial statements are drawn up was The Canada Life Group (U K) Limited, a company registered in England and Wales

Copies of the Group financial statements for both The Canada Life Group (U K) Limited and of Power Corporation can be obtained from the Company's registered office