Company No: 02334263

Legal & General Resources Limited
Report and Accounts 2015

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Registered Office:
One Coleman Street
London EC2R 5AA
Registered in England & Wales No. 02334263

Strategic Report

Principal activities

The principal activities of the Company are the provision of staff within the Legal & General Group ("the Group"), acting on behalf of the Group as a contracting company with third party suppliers and as the sponsoring company for the Group's Employee Share Ownership Trust (ESOT). The ESOT purchases ordinary shares in Legal & General Group Plc from the market and holds such shares for delivery to employees under the various employee share schemes. The address of the Company's registered offfice is One, Coleman Street, London, EC2R 5AA, United Kingdom

Review of the business

The Company's main source of income is fees for the recharge of employee costs and other costs to Group companies. As the fees exactly match the costs, the net income is largely from interest income derived from an intra-group loan as well as costs relating to the defined benefit pension scheme. The directors expect the Company to continue to carry out its principal activities, as defined above, for the foreseeable future and do not expect any future developments within the Group to have a significant impact on the Company.

This is the first year that the Company has presented its results under FRS 101. The last financial statements under UK GAAP were for the year ended 31 December 2014, with the date of transition being 1 January 2014. Shareholders were notified of, and did not object to, the use of the EU-adopted IFRS disclosure exemptions. There were no material recognition or measurement differences arising on the adoption of FRS 101, other than the inclusion of the Pension Scheme Deficit and recognition of the deferred tax asset on this deficit.

The Company is the sponsoring employer of the Group's two defined benefit pension schemes in the UK. Following the adoption of FRS101, the defined benefit pension scheme deficit has been acounted for in the Company's accounts. Employee benefit obligations of £1,126m (2014: £1,215m) are included as a liability and annuity assets backing pensions liabilities of £746m (2014: £723m) are included in the balance sheet. An expense of £50m (2014: £60m) is included in the income statement and a profit of £46m (2014: loss of £109m) is included in the statement of comprehensive income in respect of the change in employee benefit obligations. The income statement has been credited with £23m (2014: £77m) in respect of an increase in annuity assets. As a consequence of including a liability and corresponding asset in respect of the pension deficit, the company has net liabilities of £306m. In order to ensure that the company can continue to operate as a going concern, the directors have received confirmation that Legal & General Group Plc intend to support the company, as explained in note 1K.

Principal risks and uncertainties

1) Group Risk

All costs and expenses incurred by the Company, as the main employing and contracting company for the Group, are re-charged to those companies which utilise these services. However, the Company remains exposed to the risk of loss as a consequence of being a member of a group of companies, should adverse events elsewhere in the organisation cause financial pressure. The recognition of the liability for the group defined benefit pension scheme deficit in the Company's accounts exposes the Company to the risk of being unable to continue as a going concern. This risk is mitigated by seeking the support of the Group in the form of written confirmation that Legal & General Group Plc intend to support the company for at least one year after these financial statements are signed.

2) Regulation & Legislation

As the main employer within the Group, the Company is required to comply with wide ranging regulation and legislation in respect of the employment of staff and ensuring their well being at work. Activities and strategies are based upon prevailing legislation and regulation. Significant changes in legislation, and differing interpretation and application of regulation over time, may affect the profitability and liabilities of the Company if they cannot be recharged to other Group companies. The company is also exposed to the risk of non-compliance with the Pension Act and Pension Regulator.

3) Financial Market and Economic Conditions

For the purposes of fulfilling its obligations to employees, the Company has holdings in the Group's shares as the sponsoring company for the Group's Employee Share Ownership Trust (ESOT). Significant fluctuations in the stock market in general, and consequently the Group's share price, can significantly impact the profitability of the Company.

Risk Management

Risks are managed on a groupwide basis. To support this, a risk framework is in place comprising formal committees, risk assessment processes and review functions. The framework provides assurance that risks are being appropriately identified and managed and that an independent assessment of risks is being performed. Legal & General Group Plc have provided written confirmation that they intend to support the Company for at least one year after these financial statements are signed.

Key performance indicators

The directors review a range of performance indicators in monitoring the performance of the Company with the following regarded as key performance indicators:

Profit on ordinary activities before taxation £65.2m (2014 restated: £84.5m) - This gives an insight into the Company's ability to generate cash flows.

Shareholder funds £(305.6)m (2014 restated: £(390.8)m) - This represents the net assets or liabilities that remain once all the Company's liabilities have been accounted for. It also equates to the capital of the Company and losses that have been retained by the business.

Actuarial profits/(losses) on defined benefit pension schemes (£46.4m 2014: £(109.0)m) - This enables the directors to monitor movements on the defined benefit pension deficit which is very significant to the Company's balance sheet.

Further details of the Group's key performance indicators can be found in the Group's published financial statements.

By Order of the Board

Andrew D Fairhurst

A. D. Fairhurst
For and on behalf of Legal & General Co Sec Limited
Company Secretary
22 September 2016

Directors' Report

The directors present their annual report together with the audited financial statements of Legal & General Resources Limited ("the Company") for the year ended 31 December 2015.

Future developments

The directors expect the Company to continue to carry out its principal activities, as defined in the Stategic Report, for the foreseeable future and do not expect any future developments within the Group to have a significant effect on the Company.

Result for the year and dividend

The results of the Company are set out on page 7. The directors do not recommend the payment of a dividend (2014: £Nil) this year.

Directors

The directors of the Company who were in office during the year, and up to the date of signing the financial statements, are shown below:

E. M. MacLean
J. D. M. Noakes

S. J. Burke was appointed 1 April 2016
S. M. Hunter was appointed on 25 April 2016

N. J. Burnand resigned on 1 April 2016
C. J. Knight resigned on 3 November 2015
A. R. Wolny resigned on 1 March 2016

Use of financial instruments

The Company, as the sponsoring company for the ESOT, which purchases ordinary shares in Group, is exposed to market risk arising from fluctuations in market valuations.

Directors' indemnities (S236 of the Companies Act 2006)

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is 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.

Directors' Insurance

The ultimate parent company, Legal & General Group Plc, maintains an appropriate level of Directors' and Officers' liability insurance which is reviewed annually.

Independent Auditors

The Company has appointed PricewaterhouseCoopers LLP as auditors. There is no requirement under the Companies Act or the Company's Articles of Association to hold an Annual General Meeting or lay the Company's Financial Statements before the shareholders. The Company has also elected to dispense the need to appoint auditors annually and accordingly PricewaterhouseCoopers LLP will be deemed to be re-appointed and continue in office.

United Kingdom employees

It is the Company's policy to treat its employees without discrimination and to operate equal opportunity and employment practices designed to achieve this end. Furthermore, it is the Company's policy to give full and fair consideration to applications for employment made by disabled persons, to continue, wherever possible, the employment of staff who become disabled and to provide equal opportunities for the training and career development of disabled employees.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Group as a whole. Employees are remunerated with packages designed to align the interests of employees with those of shareholders, with an appropriate portion of total remuneration dependent on performance. Communication with all employees continues through the intranet and newsletters, briefing groups and the distribution of the annual report.

Branches outside the UK

The company operated a branch office in the Republic of Ireland. The branch was closed on 30th June 2015.

Directors' Report (continued)

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report, Strategic 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 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 United Kingdom Accounting Standards, including FRS 101, 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.

Disclosure of Information to Auditors

Each of the directors who held office at the date of approval of the directors' report confirms that:

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) he/she 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 auditors are aware of such information.

This confirmation is given in accordance with section 418(2) of the Companies Act 2006.

By Order of the Board

A. D. Fairhurst
For and on behalf of Legal & General Co Sec Limited
Company Secretary
22 September 2016

Independent auditors' report to the members of Legal & General Resources Limited

Report on the financial statements

Our opinion

In our opinion, Legal & General Resources Limited's financial statements (the "financial statements"):

- *give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

What we have audited

The financial statements, included within the Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the income statement and statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Thomas Robb

Thomas Robb (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 September 2016

Income Statement

For the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000 Restated*
Revenue	1(D)	**917,356**	756,843
Cost of providing services	2	**(825,640)**	(689,514)
Gross profit		**91,716**	67,329
Administrative expenses	10	**(50,052)**	(59,848)
Other operating income	8	**23,375**	77,000
Operating profit	4	**65,039**	**84,481**
Finance income	3	**155**	48
Profit on ordinary activities before taxation		**65,194**	84,529
Income tax charge	7	**(16,549)**	(16,946)
Profit for the financial year		**48,645**	67,583

* See note 20

Statement of Comprehensive Income

For the year ended 31 December 2015

	2015 £'000	2014 £'000 Restated*
Profit for the financial year	**48,645**	67,583
Items that will not be reclassified subsequently to profit or loss		
Actuarial profits/ (losses) on defined benefit pension schemes	**46,468**	(109,037)
Tax on actuarial profits/ (losses) on defined benefit pension scheme	**(9,982)**	21,807
Total items that will not be classified to profit or loss subsequently	**36,486**	**(87,230)**
Total comprehensive income/(expense) for the period	**85,131**	(19,647)

* See note 20

Balance Sheet
As at 31 December 2015

	Notes	2015 £'000	2014 £'000 Restated*
Assets			
Non-current assets			
Deferred tax assets	13	**71,836**	98,309
Financial investments	11 (a)	**24,222**	28,810
Annuity assets	11 (b)	**746,375**	723,000
Receivables	11 (c)	**9,501**	13,443
Total non-current assets		**851,934**	863,562
Current assets			
Trade and other receivables	12	**176,705**	125,896
Prepayments and accrued income		**15,803**	14,287
Cash and cash equivalents		**3,785**	3,743
Total current assets		**196,293**	143,926
Total assets		**1,048,227**	1,007,488
Liabilities			
Non-current liabilities			
Employee benefit obligations	6,14	**1,126,457**	1,214,537
Total non-current liabilities		**1,126,457**	1,214,537
Current liabilities			
Trade and other payables		**217,160**	173,093
Current tax liabilities		**10,259**	10,638
Total current liabilities	15	**227,419**	183,731
Total liabilities		**1,353,876**	1,398,268
Net assets/(liabilities)		**(305,649)**	(390,780)
Equity			
Share capital	16	-	-
Retained earnings		**(305,649)**	(390,780)
Total equity		**(305,649)**	(390,780)

* See note 20

The financial statements and notes on pages 10 to 26 were approved by the Board of Directors on 22 September 2016 and signed on its behalf by:

S. M. Hunter

S. M. Hunter
Director

Statement of Changes in Equity

As at 31 December 2015

For the year ended 31 December 2015	Note	**Share Capital £000's**	**Retained Earnings £000's**	**Total £000's**
Restated* as at 1 January 2015		-	**(390,780)**	**(390,780)**
Profit for the year		-	**48,645**	**48,645**
Actuarial gains/(losses) on defined benefit pension schemes		-	**46,468**	**46,468**
Tax on actuarial profits/ (losses) on defined benefit pension scheme		-	**(9,982)**	**(9,982)**
Total comprehensive income for the year		-	**85,131**	**85,131**
As at 31 December 2015		-	**(305,649)**	**(305,649)**

For the year ended 31 December 2014		Share Capital £000's	Retained Earnings £000's	Total £000's
Restated* as at 1 January 2014	20 (a)	-	(371,133)	(371,133)
Profit for the year		-	67,583	67,583
Actuarial losses on defined benefit pension schemes		-	(109,037)	(109,037)
Tax on actuarial profits/ (losses) on defined benefit pension scheme		-	21,807	21,807
Total comprehensive income for the year		-	(19,647)	(19,647)
As at 31 December 2014		-	(390,780)	(390,780)

* See note 20

Notes to the Financial Statements

1 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 of Legal & General Resources Ltd have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS101). The financial statements have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act 2006.

The Company has early adopted the amendment to the Companies Act Regulations and the New UK GAAP reduced disclosure framework (FRS101), published by the Financial Reporting Council on 16 July 2015, allowing companies to adapt the format of the primary financial statements in line with the presentation requirements of IAS 1.

The preparation of financial statements in conformity with FRS101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise price of share options, and how the fair value of goods or services received was determined)

- Paragraph 10(d) of IAS 1, 'Presentation of financial statements' (statement of cash flows).

- IAS 7, 'Statement of cash flows'

- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)

- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

These separate financial statements contain information about Legal & General Resources Limited as an individual company and do not contain consolidated financial information. The Company is included in the group financial statements of Legal & General Group Plc and has taken advantage of the exemption under Section 400 of the Companies' Act 2006.

B Financial investments

The ESOT investments are included at cost less impairment. Where the impairment is temporary, due to market fluctuations, reversals are recognised in the profit and loss account. The cost of shares acquired by the ESOT has been financed by an interest free loan from Legal & General Group Plc.

C Long term loans to group undertakings

Long term loans to group undertakings are held at amortised cost using the effective interest method.

D Revenue

Revenue is stated excluding Value Added Tax and represents income from Group undertakings in respect of purchases made as well as the provision of staff for day to day activities. Turnover represents the recharge of these costs to Group companies and is recognised on an accruals basis.

E Investment income

Investment income includes interest on an accruals basis. The ESOT has waived its rights to the dividends payable on the shares it holds.

F Deferred tax

The charge for taxation is based on the result for the year adjusted for disallowable items. Deferred taxation is provided in full on all timing differences at the rate at which it is expected that the tax liability or benefit will arise. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Notes to the Financial Statements

1 Summary of significant accounting policies (continued)

G Pension costs

The Group operates both defined benefit and defined contribution pension schemes for UK employees.

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current period and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to shareholders' funds in other comprehensive income in the period in which they arise.

The amount charged or credited to finance costs is a net interest amount calculated by applying the liability discount rate to the net defined benefit liability or asset.

Past-service costs are recognised immediately in the income statement.

For defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

H Share - based payments

Legal & General Group Plc operates a number of Share-based payment schemes of which a share is allocated to the Company.

The fair value at the date of the grant of the equity instrument is recognised as an expense, spread over the vesting period of the instrument. The total amount to be expensed is determined by reference to the fair value of the awards, excluding the impact of any non-market vesting conditions. At each balance sheet date, the Group revises its estimate of the number of equity instruments which are expected to become excercisable.

The Company expense arising from the employee share schemes has been allocated to reflect the amount of services received. This allocation has been based on headcount.

I Dividend recognition

A dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are authorised and are no longer at the discretion of the Company.

J Impairment

The Company reviews the carrying value of its assets at each balance sheet date. Where there has been an indication that impairment has occurred, the carrying value is reduced through a charge to the income statement.

K Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Legal & General Group Plc. The directors have received confirmation that Legal and General Group Plc intend to support the company for at least one year after these financial statements are signed.

Notes to the Financial Statements

2 Cost of providing services

The average number of persons employed by the Company during the year was as follows:

	2015	2014
	£'000	£'000
Average headcount	**7,241**	6,608

Staff costs were:

	£'000	£'000
Wages and salaries	**478,764**	365,559
Social security costs	**46,344**	35,389
Other pension costs	**2,198**	(611)
Share based payments	**10,047**	16,283
Total staff costs	**537,353**	416,620
Irish branch expenses	**6,730**	1,133
Procurement expenses[1]	**281,557**	271,761
	825,640	689,514

[1]The Company acts as a contracting company with third party suppliers on behalf of other Group companies and recharges those companies for procurement expenses incurred on their behalf.

3 Finance income

	2015	2014
	£'000	£'000
Interest receivable from group undertakings	**155**	48
	155	48

4 Operating profit

The operating profit includes fees payable to the Company's auditor of £17k (2014: £14k) for the audit of the Company financial statements. The disclosure of fees payable to the auditor and its associates for non-audit services has not been made because these have been disclosed in the consolidated financial statements of the Company's ultimate holding company.

Notes to the Financial Statements

5 Share-based payments

The Company provides the following equity settled share-based long term incentive plans for directors and eligible employees. These incentive plans are based on Legal & General Group Plc shares:

- Savings related share option scheme (SAYE);
- Company share option scheme (CSOP)/Executive share option scheme (ESOS);
- Share bonus plan (SBP);
- Performance share plan (PSP); and
- Employee share plan (ESP).

Details of the schemes are provided on pages 13 to 15.

Savings related share option scheme (SAYE)

The SAYE allows employees to enter into a regular savings contract over either 3, 5 or 7 years, coupled with a corresponding option over shares of the ultimate parent company, Legal & General Group Plc. The grant price is equal to 80% of the quoted market price of the Group shares on the invitation date. Options are normally forfeited if the employee leaves the Group before the options vest.

The weighted average remaining contractual life for the outstanding options under the SAYE scheme is 27 months (2014: 26 months). The weighted average share price at the date of exercise was 103p (2014: 43p)

Company share option scheme (CSOP)/Executive share option scheme (ESOS)

The CSOP, approved by HMRC, and unapproved ESOS are designed to provide a long term incentive to directors and managers of the Group. The number of options granted is based on the manager's grade, salary and performance. CSOP options granted until November 2003 and ESOS options granted until April 2004 have a ten-year life. In order for the options to be exercisable, Legal & General's Total Shareholder Return (TSR) must exceed the median TSR of the FTSE 100 for a period of at least 3 years commencing on the date of the grant. CSOP options granted in 2012 were provided in conjunction with awards under the Group's Share Bonus Plan (SBP). These options have an average duration of 3 years and no associated performance conditions. Options are normally forfeited if the employee leaves the Group.

The weighted average remaining remaining contractual life for the outstanding options under the CSOP and ESOS schemes is 103 months (2014: 94 months). The weighted average share price at the date of exercise was 122p (2014: 119p)

Share bonus plan (SBP)

The SBP awards restricted shares and nil-paid options. Recipients of restricted shares are entitled to both vote and receive dividends. Awards are normally forfeited if the employee leaves the Group. The fair value of the awards have been calculated as the market value on the grant date, adjusted to reflect the eligibility for dividend payments.

The weighted average remaining contractual life for the outstanding options under the SBP scheme is 97 months (2014: 101 months).

Notes to the Financial Statements

5 Share-based payments (continued)

Performance share plan (PSP)

Conditional shares can be granted to top managers under the PSP, based upon individual and Company performance. Under the PSP, the number of performance shares transferred to the individual at the end of the 3 year vesting period is dependant on the Group's relative TSR. The award will vest in full for upper quintile performance. One quarter of the award will vest for median performance. Awards will vest on a straight line prorated basis for performance between the median and upper quintile. For awards made prior to 2008, the performance condition is based upon the FTSE 100. For awards made during or after 2008, half of each award will be measured using the existing FTSE 100 test, the remaining half is measured against a bespoke group of UK and European insurance companies.

Employee share plan (ESP)

Under the Employee share plan (ESP), approved by HMRC, permanent UK employees may elect to purchase Group shares from the market at the prevailing market price on a monthly basis. The Group supplements the number of shares purchased by giving employees one free matching share for every one share purchased up to the first £20 of the employees' contributions and one free matching share for every two shares purchased with contributions between £20 and £150. From time to time, the Group may make a grant of free shares. Both the free and matching shares must be held in trust for three years before they may vest to the employee. The fair value of granted shares is equal to the market value at grant date.

The weighted average fair value of the shares issued was 259p (2014: 214p).

Total options

Options over shares are outstanding under CSOP, ESOS and SAYE at 31 December 2015 as shown below:

Option price (pence per share)	Number of shares	Option period ending in
0	105,093	2020 - 2025
30.01 - 40.00	1,920,035	2016
60.01 - 70.00	33,556	2017
70.01 - 80.00	152,617	2018-2019
80.01 - 90.00	632,527	2016-2019
100.01 - 110.00	753,329	2015-2019
110.01 - 120.00	22,431	2021-2022
130.01 - 140.00	1,601,364	2016-2018
150.01 - 160.00	1,256,376	2016-2018
160.01 - 170.00	287,310	2023
180.01- 190.00	1,705,830	2017-2019
190.01-200.00	1,764,279	2018-2020
210.01-220.00	508,421	2024
220.01-230.00	4,753,643	2018-2021
280.01-290.00	503,003	2025
Total	**16,103,196**	

Notes to the Financial Statements

5 Share-based payments (continued)

Total options (continued)

Options over shares are outstanding under CSOP, ESOS and SAYE at 31 December 2014 as shown below:

Option price (pence per share)	Number of shares	Option period ending in
0 - 30.00	109,043	2021 - 2024
30.01 - 40.00	2,098,294	2014 - 2016
50.01 - 60.00	192,239	2015 - 2017
60.01 - 70.00	314,931	2015 - 2017
70.01 - 80.00	822,039	2015 - 2019
80.01 - 90.00	280,962	2016 - 2018
90.01 - 100.00	31,220	2015
100.01 - 110.00	5,303,160	2015 - 2019
110.01 - 120.00	1,436,954	2015 - 2021
130.01 - 140.00	1,845,360	2016 - 2018
150.01 - 160.00	1,088,044	2016 - 2018
160.01 - 170.00	820,104	2016 - 2023
180.01 - 190.00	2,049,146	2017 - 2019
190.01 - 200.00	2,039,318	2018 - 2020
210.01 - 220.00	578,726	2017 - 2024
Total	19,009,540	

Notes to the Financial Statements

6 Pensions

Defined contribution plans

The Group operates the following principal defined contribution pension schemes in the UK:

- Legal & General Group Personal Pension Plan (UK)

- Legal & General Staff Stakeholder Pension Scheme

The Group pays contractual contributions in respect of defined contribution schemes. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Contributions of £51m (2014: £52m) were charged as expenses during the year in respect of defined contribution plans.

Defined benefit plans

The Company is the sponsoring employer for the following defined benefit pension schemes in the UK:

- Legal & General Group UK Pension and Assurance Fund (the Fund). The Fund was closed to new members from January 1995; the last full actuarial valuation was as at 31 December 2012.

- Legal & General Group UK Senior Pension Scheme (the Scheme). The Scheme was, with a few exceptions (principally transfers from the Fund), closed to new members from August 2000 and finally closed to new members from April 2007; the last full actuarial valuation was as at 31 December 2012.

The UK Fund and Scheme were closed to future accrual on 31 December 2015. As part of this arrangement, payments to the Fund and Scheme in respect of future accruals will cease from this date and be replaced with a company contribution payment of between 5 and 15%. In addition, as part of the closure, the company will contribute an additional £3m per annum over the next 9 years towards the deficit.

The assets of all UK defined benefit schemes are held in separate trustee administered funds to meet long term pension obligations to past and present employees. Trustees are appointed to the schemes and have a responsibility to act in the best interest of the scheme beneficiaries. The Trustees' long term objectives are to minimise the risk that there are insufficient assets to meet the liabilities of the scheme over the longer term, control the on-going operational costs of the schemes and to maximise returns for the beneficiaries within an acceptable level of risk.

The total number of members of the UK Fund and Scheme was:

	2015	2014
Active	**445**	537
Deferred	**4,013**	4,173
Pensioners	**3,493**	3,371
	7,951	8,081

The Group works closely with the trustees to develop an investment stategy for each UK scheme in order to meet the long term objectives of the trustees as noted above. Each UK scheme has a Statement of Investment Principles which governs the mix of assets and limits for each class of asset. As noted below the asset mix of the schemes is primarily split between bonds and equities. Additionally certain of the liabilities of the scheme are secured by way of annuities purchased from Legal & General Assurance Society Ltd (LGAS), a fellow group company. These annuities are not recognised as plan assets for IAS 19 purposes but as reimbursement rights. At 31 December 2015 the value of these annuities was £746m (2014: £723m).

Notes to the Financial Statements

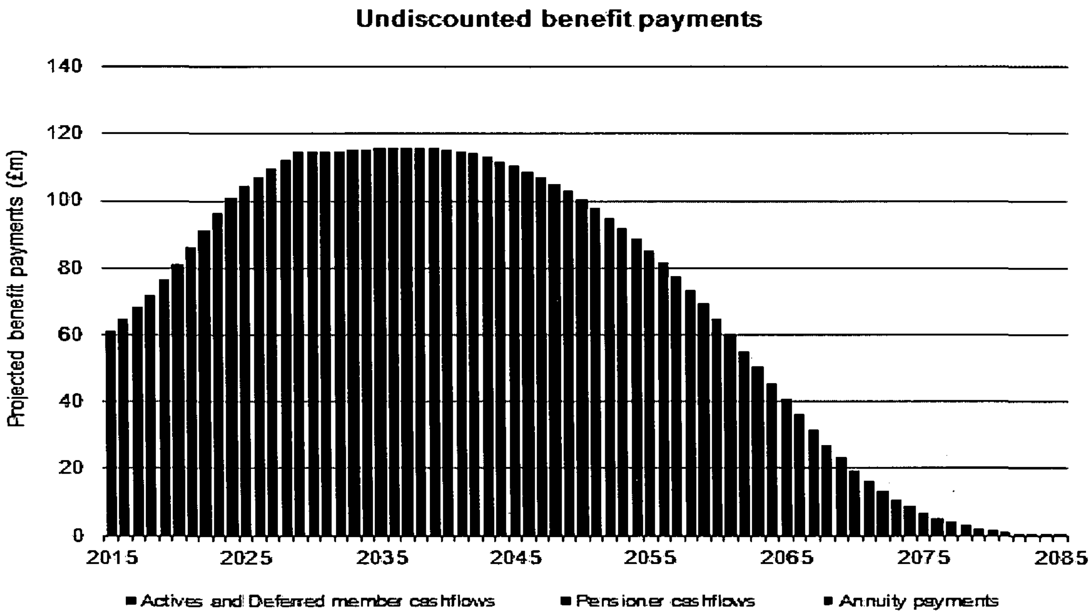
6 Pensions (continued)

Defined benefit plans (continued)

The Scheme and Fund are primarily exposed to equity price risk, interest rate risk, inflation risk and longevity risk. These risks are managed within the risk apetite of the Scheme and Fund and the sensitivity of the net obligations to changes in any of the variables are monitored and action is taken if any risk moves outside of the appetite. Annuities are purchased to mitigate these risks for certain of the pension liabilities which passes the risks from the Scheme and Fund onto the Group.

Full actuarial valuations are carried out on the Scheme and Fund every three years, updated by formal reviews at each reporting date. The actuarial assumptions used in the triennial valuation would normally be more prudent than those used for the purposes of IAS 19 reporting. Where the Scheme or Fund are in deficit following the triennial valuation, the Group and the Trustee agree a deficit recovery plan. Both the Scheme and Fund have formal deficit recovery plans which agree to make good the deficits over a certain period of time. The triennial valuation at 31 December 2012 showed a total funding deficit for both the Scheme and the Fund of £494m. As a result of this, a recovery plan was agreed of £55m a year until 2024. The latest triennial valuation at 31 December 2015 is on-going and due to be completed shortly.

The Scheme and the Fund liabilities have an average duration of 19.3 years (2014: 23.4 years) and 19.4 years (2014: 23.6 years) respectively. The expected undiscounted benefits payments to members of the Scheme and Fund, including pensions in payment secured by annuities purchased from the group, are shown in the chart below:



The liability recognised in the Balance Sheet in respect of defined benefit pension schemes is the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets, provided any surplus in the fund is not restricted. Plan assets exclude any insurance contracts issued by the Group. The defined benefit obligation is calculated actuarially each year using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows. The discount rate is based on market yields of high quality corporate bonds which are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate to those of the related pension liability.

Where the equity holders' funds are affected as a result of actuarial gains and losses on the defined benefit pension scheme, the charge or credit is not recognised in the Income Statement but through the Statement of Comprehensive Income.

Notes to the Financial Statements

6 Pensions (continued)

Defined benefit plans (continued)

The benefits paid from the defined benefit schemes are based on percentages of the employees' final pensionable salary for each year of credited service. The Group has no liability for retirement benefits other than for pensions. The Fund and Scheme account for all of the UK and over 97% of worldwide assets of the Group's defined benefit schemes.

The principal actuarial assumptions for the UK defined benefit schemes were:

	Fund and Scheme 2015 %	Fund and Scheme 2014 %
Rate used to discount liabilities	**3.80**	3.60
Rate of increase in pensionable salaries[1, 2]	**2.30**	2.30
Rate of increase in pensions in payment	**3.60**	3.40
Rate of increase in deferred pensions	**3.66**	4.30
Rate of general inflation (RPI)	**3.00**	3.10
Rate of wage inflation	**2.30**	2.30

Post retirement mortality

2015: 100% (Fund) / 85% (Scheme) of PCMA/PCFA 00 with improvement at CMI 2011 base date 2000 with long term rates 1.5% pa males and 1.0% pa females, with tapering linearly down to nil between ages 90 and 120.

2014: 100% (Fund) / 85% (Scheme) of PCMA/PCFA 00 with improvement at CMI 2011 base date 2000 with long term rates 1.5% pa males and 1.0% pa females, with tapering linearly down to nil between ages 90 and 120.

1. On 1 December 2008, the conditions of the Fund and Scheme were amended to cap future pensionable salary increases at a maximum of 2.5% each year with effect from 1 January 2009; benefits accrued before that date have an underpin of the early leaver benefits.

2. On 31 December 2015 the Fund and Scheme were closed to future accrual. This assumption will not be required after this date.

This equates to average life expectancy as follows:

	Fund and Scheme 2015 years	Fund and Scheme 2014 years
Normal retirement age	**60.0**	60.0
Male life expectancy at retirement age	**89.2**	89.0
Female life expectancy at retirement age	**90.5**	90.4
Male life expectancy at 20 years younger than retirement age	**91.7**	91.6
Female life expectancy at 20 years younger than retirement age	**92.1**	92.0

Notes to the Financial Statements

6 Pensions (continued)

	Fund and Scheme 2015 £'000	Fund and Scheme 2014 £'000
Movement in present value of defined benefit obligations		
As at 1 January	**(2,347,532)**	(2,069,180)
Current service cost	**(7,781)**	(12,259)
Interest expense	**(83,395)**	(89,779)
Actuarial remeasurement (recognised in Statement of Comprehensive Income)	**108,763**	(233,223)
Benefits paid	**70,748**	56,909
As at 31 December	**(2,259,197)**	(2,347,532)
Movement in fair value of plan assets		
As at 1 January	**1,132,995**	956,253
Expected return on plan assets at liability discount rate	**41,154**	42,288
Actuarial remeasurement (recognised in Statement of Comprehensive Income)	**(62,295)**	124,186
Employer contributions	**91,634**	67,177
Benefits paid	**(70,748)**	(56,909)
As at 31 December	**1,132,740**	1,132,995
Gross pension obligations	**(1,126,457)**	(1,214,537)
Gross pension obligations included in provisions	**(1,126,457)**	(1,214,537)
Annuity obligations insured by Society	**746,375**	723,000
Gross defined benefit pension deficit	**(380,082)**	(491,537)
Deferred tax on defined benefit pension deficit	**71,835**	98,307
Net defined benefit pension deficit	**(308,247)**	(393,230)

The mortality base assumptions are aligned with those used by the Scheme's trustees at the last valuation. The effect of assuming reasonable alternative assumptions in isolation to the gross defined benefit pension deficit are shown below. Opposite sensitivities are broadly symmetrical, but larger sensitivities are not necessarily broadly proportionate due to the existence of maxima and minima for inflation linked benefits.

	2015 £m	2014 £m
1 year increase in longevity	**(55)**	(49)
0.1% decrease in the rate used to discount liabilities	**(34)**	(38)
0.1% increase in the rate of general inflation (RPI)	**(19)**	(33)

6 Pensions (continued)

The historic funding and experience adjustments are as follows:

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Present value of defined benefit obligations	**(2,259,197)**	(2,347,532)	(2,069,180)	(1,850,873)	(1,663,085)
Fair value of plan assets	**1,132,740**	1,132,995	956,253	883,906	793,062
Gross pension obligations included in provisions	**(1,126,457)**	(1,214,537)	(1,112,927)	(966,967)	(870,023)
Experience adjustments on plan liabilities	**36,825**	(7,006)	(10,976)	(10,166)	(16,823)
Experience adjustments on plan assets	**(61,919)**	132,884	39,096	52,910	940

The fair value of the plan assets at the end of the year is made up as follows:

As at 31 December 2015	**Valuation based on quoted market price UK £'000**	**Valuation based on other than quoted market price UK £'000**
Equities	**523,031**	-
Bonds	**533,848**	-
Properties	-	**66,034**
Other investments	**9,827**	-
	1,066,706	**66,034**

As at 31 December 2014	Valuation based on quoted market price UK £'000	Valuation based on other than quoted UK £'000
Equities	501,810	-
Bonds	546,374	-
Properties	-	58,058
Other investments	26,753	-
	1,074,937	58,058

In 2015, the return on plan assets was £(21,141k) (2014: £166,474k). The average credit rating of the bond portfolio is A (2014: A).

Employer contributions of £91,634k (2014: £67,177k) include a pension deficit reduction payment of £84,409k (2014: £61,255k). Employer contributions of £70,500,000 are expected to be paid to the plan during 2016.

The following amounts have been charged to the income statement:

	2015 £'000	2014 £'000
Current service costs	**7,781**	12,259
Net interest expense	**42,241**	47,491
Total included in other expenses	**50,022**	59,750

Notes to the Financial Statements

7 Income tax

	2015 £'000	2014 £'000 Restated*
UK corporation tax at 20.25% (2014: 21.5%)		
- Current tax for the year	**45**	40
- UK tax adjustments in respect of prior periods	**(4)**	5
- Double tax relief	**-**	(12)
Overseas tax	**17**	27
Total current tax charge	**58**	60
Deferred tax		
- Movement in temporary differences	**13,160**	16,886
- Impact of reductions in UK Corporation Tax rate to 19% /18% (2014: 20%)	**3,331**	-
Total deferred tax charge	**16,491**	16,886
Tax charge on profit on ordinary activities	**16,549**	16,946

* See note 20

Factors affecting current tax charge for the year:

The tax charge for the year is higher (2014: lower) than the standard rate of corporation tax in the UK for a company (20.25%) (2014: 21.5%). The differences are explained below:

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	**65,194**	84,529
Corporation tax at 20.25% (2014: 21.5%)	**13,202**	18,174
Effects of:		
Adjustments in respect of prior periods	**(4)**	5
Other disallowable	**3**	18
Double tax relief	**-**	(12)
Overseas tax	**17**	27
Impact of reduction in UK corporate tax rate to 19%/18% (2014: 20%) on deferred tax balances	**3,331**	(1,266)
Tax charge	**16,549**	16,946

Following the 2015 Finance Act, the rate of corporation tax will reduce to 19% from 1 April 2017. There will be a further 1% reduction to 18% from 1 April 2020. The enacted rates of 20 – 18% have been used in the calculation of UK's deferred tax assets and liabilities, depending on which is the rate of corporation tax that is expected to apply when the differences as mentioned above reverse.

8 Other operating income

Other income comprises changes in the value of annuity assets as detailed below:

Income	2015 £'000	2014 £'000
Fair value movement on annuities	**23,375**	77,000

Notes to the Financial Statements

9 Directors' emoluments

	2015 £'000	2014 £'000
Short-term employee benefits	**268**	303
Post employment benefits	**24**	24
Aggregate emoluments	**292**	327

Emoluments relate to salaries and performance bonuses. Directors' emoluments for the Group during the year have been attributed to the Company and its subsidiaries on the basis of the time spent on Company business by each director.

Retirement benefits are accruing to one of the directors under a defined benefit pension scheme (2014: two). Three directors (2014: Four) are members of a defined contribution scheme and the value of the apportioned company contribution in the year is £29,813 (2014: £32,232).

Aggregate emoluments include share options vested during the year.

Highest paid director:	2015 £'000	2014 £'000
Short-term employee benefits	**188**	191
Post employment benefits	**21**	21

Directors' loans

At 31 December 2015 there were no loans to directors (2014: none).

Directors' transactions and arrangements

No director had any material interest in any contract or arrangement of significance in relation to the business of the Company in 2015 (2014: none).

No compensation for loss of office was paid to the director resigning during the year.

10 Administrative expenses

Expense	2015 £'000	2014 £'000
Group allocated expenses and other administrative expenses	**(30)**	(98)
Changes in the value of the defined benefit pension scheme deficit and annuity assets:		
Net interest expense	**(42,241)**	(47,491)
Current service cost	**(7,781)**	(12,259)
	(50,052)	(59,848)

11 Non-current assets

(a) Financial investments

	2015 £'000	2014 £'000
Investment in parent shares	**24,222**	28,810

The shares were listed on recognised investment exchanges.

The Company, being the principal UK employer within the Group, has assumed the role of sponsoring company for the Group's Employee Share Ownership Trust (ESOT) which was previously held by Legal & General Group Plc.

During 2015 5.5m (2014: 6.3m) shares were released to satisfy the share scheme requirements. As at 31 December 2015 the ESOT held 18.0m (2014: 22.5m) shares acquired at a cost of £24.2m (2014: £28.9m) and with a market value of £48.1m (2014: £55.8m), of which 1.0m were purchased at market rates between January and March 2015 at a cost of £2.8m. The ESOT's investments are included at cost in the balance sheet. The cost of shares acquired by the ESOT is being financed by an interest free loan from the Legal & General Group Plc. The ESOT has waived its rights to the dividends payable on the shares it holds.

(b) Annuity assets

In order to back certain pensions liabilities the Fund and the Scheme purchase annuities from Legal & General Assurance Society Limited. As at 31 December 2015 these annuities matched £746,375k (2014: £723,000k) of defined benefit obligations.

(c) Receivables

The receivables balance represents a loan to group undertakings of £9,501k (2014: £13,443k) and relates to a 10 year loan agreement with Legal & General Finance Plc which is due to expire in March 2018. There is no intention to cancel the agreement before the expiry date. The loan is repayable on demand

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Notes to the Financial Statements

12 Trade and other receivables

	2015 £'000	2014 £'000
Amounts owed by group undertakings	**165,534**	104,641
Other debtors	**11,171**	21,255
	176,705	125,896

All debtors fall due within one year.

13 Deferred tax asset

	2015 £'000	2014 £'000 Restated*
At 1 January	**98,309**	93,388
Amount (debited) in Income Statement for period	**(16,491)**	(16,886)
Amount (debited) in the statement of comprehensive income for period	**(9,982)**	21,807
At 31 December	**71,836**	98,309

	2015 £'000	2014 £'000 Restated *
The deferred tax asset consists of the following amounts:		
The excess of capital allowances over depreciation	**1**	2
Recognition of deferred tax asset on defined benefit pension deficit	**71,835**	98,307
	71,836	98,309

* See note 20

The enacted rates of 20 – 18% have been used in the calculation of UK's deferred tax assets and liabilities, depending on which is the rate of corporation tax that is expected to apply when the differences as mentioned above reverse.

14 Non-current Liabilities

	2015 £'000	2014 £'000 Restated *
Gross defined benefit pension deficit	**1,126,457**	1,214,537
Employee benefit obligations	**1,126,457**	1,214,537

* See note 20

Notes to the Financial Statements

15 Current liabilities

	2015	2014
	£'000	£'000
Amounts owed to group undertakings	**90,869**	88,037
Other creditors	**14,753**	24,702
Taxation and social security	**10,259**	10,638
Accruals and deferred income	**111,538**	60,354
	227,419	183,731

The amounts due to group undertakings are unsecured, interest free and repayable on demand.

There are no non-current liabilities to be settled after one year

16 Called up share capital

	2015	2014
	£	£
Allotted and fully paid: 100 ordinary shares (2014: 100) of £1 each	**100**	100

17 Holding company

The holding company is Legal & General Group Plc, a company incorporated in England & Wales - the controlling party which consolidates the financial statements of the Company. These financial statements therefore provide information about the Company as an individual undertaking. Copies of the financial statements of the ultimate holding company, Legal & General Group Plc, are available on the Group website, www.legalandgeneralgroup.com or from the Company Secretary at the Registered Office, One Coleman Street, London, EC2R 5AA.

18 Segmental disclosure

The turnover and pre-tax profit is all attributable to the Company's activities as provider of staff within the Group, as a contracting company with third party suppliers and as the sponsoring company for the Group's Employee Share Ownership Trust (ESOT) and arises wholly in the UK.

19 Investment in subsidiary undertakings

The Company is the parent company of Legal & General Pension Fund Trustee Limited and Legal & General Pension Scheme Trustee Limited. These companies act as trustee to the Legal & General Pension Fund and the Legal & General Pension Scheme respectively. Both of these subsidiaries were incorporated on 20th February 2008 in England and Wales and their registered office address is One Coleman Street, London, EC2R 5AA. They were inactive throughout the 2015 financial year.

The Company's investment in Legal & General Pension Fund Trustee Limited is included at cost of £1, and the investment in Legal & General Pension Scheme Trustee Limited is also included at cost of £1. The Company holds 100% of the nominal value of shares in both Legal & General Pension Fund Trustee Limited and Legal & General Pension Scheme Trustee Limited.

Notes to the Financial Statements

20 First time adoption of FRS 101

This is the first year that the Company has presented its results under FRS 101. The last financial statements under UK GAAP were for the year ended 31 December 2014, with the date of transition being 1 January 2014. This entity is included in the consolidated financial statements of Legal & General Group plc. There were no material recognition or measurement differences arising on the adoption of FRS 101, other than the inclusion of the Pension Scheme Deficit and recognition of the deferred tax asset on this deficit.

The following EU-adopted IFRS exemptions have been applied:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise price of share options, and how the fair value of goods or services received was determined)

- Paragraph 10(d) of IAS 1, 'Presentation of financial statements' (statement of cash flows).
- IAS 7, 'Statement of cash flows'
- *Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)*
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

(a) Reconciliation of Equity as at 1 January 2014

	As Reported UK GAAP	FRS101 Adjustments	Restated
	£000s	£000s	£000s
Retained Earnings	2,408	(373,541)	(371,133)
	2,408	(373,541)	(371,133)

(b) Analysis of adjustments to Equity as at 1 January 2014

	Adj 1	Adj 2	Adj 3	Total
	£000s	£000s	£000s	£000s
Retained Earnings	(1,112,927)	646,000	93,386	(373,541)
	(1,112,927)	646,000	93,386	(373,541)

(c) Explanation of adjustments above

Adj 1 - recognition of employee benefit obligations

Adj 2 - recognition of annuity assets

Adj 2 - recognition of deferred tax asset on defined benefit pension deficit

Notes to the Financial Statements

20 First time adoption of FRS 101 (continued)

(d) Reconciliation of Equity as at 31 December 2014

	As Reported UK GAAP £000s	FRS101 Adjustments £000s	Restated £000s
Retained Earnings	2,450	(393,230)	(390,780)
	2,450	(393,230)	(390,780)

(e) Analysis of adjustments to Equity as at 31 December 2014

	Adj 1 £000s	Adj 2 £000s	Adj 3 £000s	Total £000s
Retained Earnings	(1,214,537)	723,000	98,307	(393,230)
	(1,214,537)	723,000	98,307	(393,230)

(f) Explanation of adjustments above
Adj 1 - Recognition of employee benefit obligations

Adj 2 - Recognition of annuity assets

Adj 3 - Recognition of deferred tax asset on defined benefit pension deficit

(g) Reconciliation of Total Comprehensive Income for the period ending 31 December 2014	**£000s**
As reported under UK GAAP	42
Adj 1 - Recognition of employee benefit obligations	(101,610)
Adj 2 - Recognition of annuity assets	77,000
Adj 3 - Recognition of deferred tax asset on defined benefit pension deficit	4,921
As reported under FRS 101	(19,647)