

Registered number: 02962287



SUFFOLK LIFE GROUP LIMITED
FINANCIAL STATEMENTS
2014

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SUFFOLK LIFE GROUP LIMITED

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Registered office:
153 Princes Street
Ipswich
Suffolk
IP1 1QJ

Registered in England & Wales No. 02962287

SUFFOLK LIFE GROUP LIMITED

STRATEGIC REPORT

The directors present their strategic report on Suffolk Life Group Limited ("the Company") for the year ended 31 December 2014.

Business review

The principal activity of the Company is that of a holding company for a group which provides and administers Self Invested Personal Pensions (SIPPs) and similar self invested pensions.

The Company made a profit after tax of £13,000 (2013: £16,000) for the year. The shareholders' fund stood at £12,668,000 (2013: £12,655,000) at the year end.

The Company's principal operating subsidiaries are Suffolk Life Annuities Limited and Suffolk Life Pensions Limited. The Suffolk Life group's principal business is the provision and administration of Self Invested Personal Pensions.

| | Relationship | Nature of business |
|---------------------------------------|--------------------|--|
| Suffolk Life Annuities Limited | Company subsidiary | Life insurance and pension provider |
| Suffolk Life Pensions Limited | Company subsidiary | Management and administration of pension funds |
| Suffolk Life Trustees Limited | Company subsidiary | Trustee company (dormant) |
| Suffolk Life (Spartan Estate) Limited | Company subsidiary | Trustee company (dormant) |
| SLA Property Company Limited | Company subsidiary | Trustee company (dormant) |

As a wholly-owned subsidiary the Company is exempt from preparing consolidated financial statements under Section 400 of the Companies Act 2006.

The directors do not envisage any change in activities in the foreseeable future.

Principal risks and uncertainties

1) Compliance Risk

The Suffolk Life group ("The Group") operates in a highly regulated and specialist industry and therefore is susceptible to any adverse changes in regulation and taxation legislation. Regulation and government taxation policy influence the overall framework for the design, marketing and distribution of products; the acceptance and administration of business; and the prudential capital that regulated companies should hold. There is an increasing volume of regulatory and legislative change and a developing international dimension. The SIPP competitor market is consolidating as a result.

The Group regards compliance with regulation as very important and is continuously monitoring the position to ensure that it meets its regulatory obligations. Significant, unanticipated changes could impact the Group's ability to develop, market and administer its products effectively and compliantly and have a detrimental effect on the Group's strategy and profitability.

2) Market and economic conditions

The Group's principal business is the provision and administration of SIPPs and similar self invested products. Over recent years SIPPs have been growing in popularity compared to other pension products. However, the volume of new business is subject to economic conditions, individuals' propensity to save and competitor activity. The market is still increasingly competitive and products are often selected on price.

Market impacts on profitability or regulatory changes affecting the Group may lead to a requirement for Suffolk Life Group Limited to provide additional financial support to its subsidiaries, Suffolk Life Annuities Limited and Suffolk Life Pensions Limited, in order for them to maintain the necessary regulatory capital.

There is also an exposure to interest rate risk on banking deposits held in the ordinary course of business, which is continually monitored by the Company.

SUFFOLK LIFE GROUP LIMITED

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

3) Operational risk impacting

The Group faces operational risks associated with the administration of SIPPs and similar self invested pension products. Given the nature of the Group's business, maintaining its reputation for self invested pension administration is important. Operational risk cannot be completely eliminated; the Group's Management of Financial Risk Framework is set out in note 2 to the financial statements.

The loss of key personnel could impact the Group's financial and operational performance. The Group actively focuses on retaining the best personnel and ensuring that key dependencies do not arise through employee training and development programmes, remuneration strategies and succession planning. Failure to manage resource effectively, particularly during periods of significant change, may impact the Group's earnings and operational effectiveness.

4) Counterparty Credit Risk

The Group's exposure to counterparties is the risk arising from the failure of the banks that hold the Group's liquid assets. All cash deposits held by the Group are short term and are subject to pre-approval by the Suffolk Life Asset & Liability Committee (SLALCO). The failure of a significant counterparty could result in disruption, adverse media and financial loss.

The Group is potentially exposed to the failure of an insurance company with which Suffolk Life Annuities Limited has taken out a trustee investment plan to hold SIPP investments as requested by the policyholder.

5) Financial risk

The Group's exposure to financial risk through its financial assets and liabilities is not considered material to the assessment of the Group's assets, liabilities, financial position and the profit and loss of the Group.

The Group uses Internal Capital Adequacy Assessment Process (ICAAP) and Individual Capital Assessment (ICA) principles to manage its risk capital requirements and to ensure it has the financial strength and capital adequacy to support the growth of the business and to meet the requirements of policyholders and regulation.

The liquidity risk relating to the obligation Suffolk Life Annuities Limited has towards policyholders is limited by the fact that all funds being administered are held under non-participating investment contracts where the policyholders accept the liquidity risk of the assets they choose.

Financial key performance indicators

The directors utilise a range of measures in their ongoing assessment of the Company's performance. The key measure along with their full year results is detailed below:

| Key Performance Indicator | December 2014 | December 2013 | Definition |
|---------------------------------------|---------------|---------------|--|
| Profit for the financial year (£'000) | 13 | 16 | This is on a United Kingdom GAAP reported basis and is compared group wide to plan on a monthly basis. |

By order of the Board



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

24 March 2015

SUFFOLK LIFE GROUP LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of Suffolk Life Group Limited ("the Company") for the year ended 31 December 2014.

Result for the year and dividend

The results of the Company are set out on page 10. The Company's profit on ordinary activity before taxation for the year was £17,000 (2013: profit of £20,000). The directors do not recommend the payment of a dividend (2013: £ nil).

Share capital

The Company's issued share capital £3.939 million (2013: £3.939) million. There were no changes to the issued share capital during the reporting year.

Directorate

The directors of the Company, who were in office during the year are shown below:

W A Self
J M Bury
S T Lloyd

R A K Chester
C F Jones
D P Fagan

Since 31 December 2014, the following changes to the directorate were made:

R A K Chester (resigned 14 January 2015)
C F Jones (resigned 14 January 2015)

D P Fagan (resigned 14 January 2015)

Directors' insurance

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

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.

Financial risk management

Disclosure on financial risk management is included in the Strategic Report.

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

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

SUFFOLK LIFE GROUP LIMITED

DIRECTORS' REPORT (continued)

Statement of Directors' Responsibilities (continued)

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

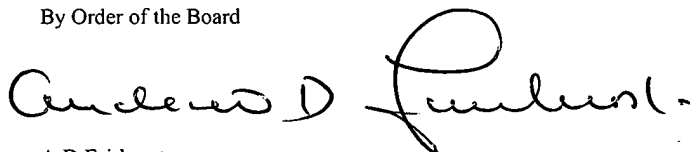
Disclosure of information to auditors

Each of the directors, who held office, at the date the Directors' Report is approved, confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware;
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

By Order of the Board

A handwritten signature in black ink, appearing to read 'A D Fairhurst', written over a horizontal line.

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

24 March 2015

SUFFOLK LIFE GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUFFOLK LIFE GROUP LIMITED

Report on the financial statements

Our opinion

In our opinion Suffolk Life Group 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 2014 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

Suffolk Life Group Limited's financial statements comprise:

- the Profit and Loss Account for the year ended 31 December 2014;
- the Balance Sheet as at 31 December 2014;
- the Reconciliation of Movements in Shareholders' Funds 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 applicable law and United Kingdom Accounting Standards (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, 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 if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

SUFFOLK LIFE GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUFFOLK LIFE GROUP LIMITED (continued)

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 pages 5-6, 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 & 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 and 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 that 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 Financial Statements 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.



Amy Ellison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

24 March 2015

SUFFOLK LIFE GROUP LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2014

| | <i>Note</i> | 2014 £'000 | 2013 £'000 |
|--|-------------|-----------------------|-----------------------|
| Continuing operations | | | |
| Administrative expenses | 3 | (7) | (4) |
| Operating Loss | | (7) | (4) |
| Interest receivable and similar income | 5 | 24 | 24 |
| Profit on ordinary activities before taxation | 4 | 17 | 20 |
| Tax on Profit on ordinary activities | 7 | (4) | (4) |
| Profit for the financial year | 13 | <u>13</u> | <u>16</u> |

There were no gains or losses in the current year or prior year other than those included in the above profit and loss account.

There is no material difference between profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The notes on pages 12 to 16 form an integral part of these financial statements.

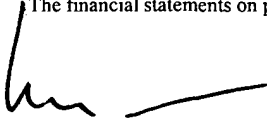
BALANCE SHEET

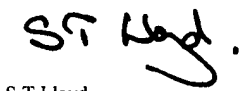
As at 31 December 2014

| | Note | 2014 £'000 | 2014 £'000 | 2013 £'000 | 2013 £'000 |
|---|------|---------------|---------------|---------------|---------------|
| Fixed assets | | | | | |
| Investments | 8 | 7,000 | | 7,000 | |
| | | | 7,000 | | 7,000 |
| Current assets | | | | | |
| Debtors | 10 | 5,123 | | 5,108 | |
| Cash at bank and in hand | | 548 | | 556 | |
| | | 5,671 | | 5,664 | |
| Creditors: amounts falling due within one year | 11 | (3) | | (9) | |
| Net current assets | | | 5,668 | | 5,655 |
| Total assets less current liabilities | | | <u>12,668</u> | | <u>12,655</u> |
| Capital and reserves | | | | | |
| Called up share capital | 12 | | 3,939 | | 3,939 |
| Share premium account | 13 | | 7,146 | | 7,146 |
| Profit and loss account | 13 | | 1,583 | | 1,570 |
| Total shareholders' funds | 13 | | <u>12,668</u> | | <u>12,655</u> |
| Reconciliation of movements in shareholders' funds | | | | | |
| Opening shareholders' funds | | | 12,655 | | 12,639 |
| Profit for the financial year | | | 13 | | 16 |
| Closing shareholders' funds | | | <u>12,668</u> | | <u>12,655</u> |

The notes on pages 12 to 16 form an integral part of these financial statements.

The financial statements on pages 10 to 16 were approved by the board of directors on 24 March 2015 and signed on its behalf by


W A Self
Director


S T Lloyd
Director

SUFFOLK LIFE GROUP LIMITED

NOTES TO FINANCIAL STATEMENTS

1 Accounting policies

The main accounting policies of the Company are as follows:

(a) Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

In accordance with FRS 1 'Cash Flow Statements' (Revised 1996) the Company has not prepared a cash flow statement as the ultimate holding company, Legal & General Group Plc, has included a group cash flow statement within its publicly available financial statements.

The Company has taken advantage of the exemptions under the terms of FRS 8 'Related Party Disclosures' from disclosing related party transactions with entities that are part of Legal & General Group Plc or investees of Legal & General Group Plc.

The directors and key management of the Company had no material transactions with the Company or any other group undertakings.

The Company is a wholly-owned subsidiary of Legal & General Retail Investments (Holdings) Limited and is included in the consolidated financial statements of Legal & General Group Plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under Section 400 of the Companies Act 2006.

(b) Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment. Loans are carried at cost less provision for impairment.

(c) Investment income

Investment income includes dividends and interest. Dividends receivable from Group companies are recognised when paid for interim dividends, and when approved by the subsidiary Board for final dividends.

(d) Taxation

The tax shown in the Profit and Loss account comprises current tax.

Current tax comprises tax payable on current year profits, adjusted for non-tax deductible or non-taxable items, and any adjustments to tax payable in respect of previous periods.

(e) 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 profit and loss account.

(f) Exceptional items

Exceptional items are those items that in the directors' view are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Company's financial performance.

2 Management of risk

The Suffolk Life group of companies (Suffolk Life Group Limited, Suffolk Life Pensions Limited, Suffolk Life Annuities Limited, together the "Group") approach to managing its principal risks is set out below.

Overall responsibility for the management of the Group's risks is vested in the Group's Board. To support it in this role, a risk framework is in place comprising a structure of committees, risk assessment and reporting processes and risk review functions. The framework seeks to provide assurance that risks are being appropriately identified and managed and that an independent assessment of risks is being performed.

Oversight of risk management across the Legal & General group is performed by the Legal & General Group Risk Committee. The committee's role is to ensure the effectiveness of the overall risk framework and that key risks to the Legal and General group are being identified and assessed relative to the appetite, and monitored and controlled in line with the Legal & General group risk appetite.

Strategic and inherent risks are reviewed on an annual basis by the Suffolk Life Risk and Compliance Committee (SLRCC) and the Suffolk Life Boards. Strategic risks are the risks and uncertainties that arise from, or are associated with, the strategy of Suffolk Life and the business environment in which it operates. Inherent risks are generally those risks that may arise from the types of products sold; the investment assets held to meet liabilities; and the overall business operating model.

The nature of strategic and inherent risks is such that it is not always possible to fully mitigate the potential for loss should the risk crystallise. Accordingly, as part of the evaluation of Suffolk Life's risk based capital requirement, consideration is given to the risk capital, to be held where appropriate, against these types of risk.

Counterparty credit risk

Counterparty credit risk is the risk of loss if another party fails to perform its financial obligations to the Company.

The Group's exposure to counterparties is the risk arising from the failure of the banks that hold the Group's liquid assets. All cash deposits held by the Group are short term and are subject to pre-approval by the Suffolk Life Asset & Liability Committee (SLALCO). The failure of a significant counterparty could result in disruption, adverse media and financial loss.

Suffolk Life Annuities Limited (SLA) is potentially exposed to the failure of an insurance company with which the company has taken out a trustee investment plan to hold SIPP investments as requested by the policyholder. This is considered when deciding on the capital reserves required by Suffolk Life Annuities Limited for regulatory Pillar I solvency purposes and amounts to a contingent credit reserve of £0.42 million (2013: £0.45 million).

Financial and liquidity risk

Financial risk is the risk that a firm will be unable to meet its financial obligations.

Suffolk Life Pensions Limited (SLP) is not significantly exposed to financial risk through its financial assets and financial liabilities.

SLP uses Internal Capital Adequacy Assessment Process (ICAAP) principles to manage the Company's risk capital requirements and to ensure that it has the financial strength and capital adequacy to support the growth of the business and to meet the requirements of policyholders and regulators.

SLA is not significantly exposed to financial risk through its financial assets and financial liabilities as these are held within non-participating investment contracts so SLA bears no insurance risk for such obligations. The financial risk on these contracts is borne by the policyholders as there is a direct link between the investments and the obligations arising from them. SLA is, therefore, not directly exposed to any market risk or currency risk for these contracts.

2 Management of risk (continued)

Financial and liquidity risk (continued)

SLA uses Individual Capital Assessment (ICA) principles to manage the Company's risk capital requirements and to ensure that it has the financial strength and capital adequacy to support the growth of the business and to meet the requirements of policyholders and regulators.

Liquidity risk is the risk that the Company, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost.

In relation to SLA's non-participating investment contracts payment obligations are dependent on sufficient liquid funds being available for each specific contract. This is managed by holding all cash in separate instant access bank accounts so that any funds required should be immediately available.

The liquidity risk relating to the obligation SLA has towards policyholders is limited by the fact that all funds being administered are held under non-participating investment contracts where the policyholder accepts the liquidity risk of the investments they choose.

Market risk

Market risk is the risk that arises from fluctuations in values of, or income from, assets or in interest or exchange rates.

There is an exposure to interest rate risk on banking deposits held in the ordinary course of business, which is continually monitored by the SLALCO.

SLA is not materially affected by market risks in respect of obligations under non-participating investment contracts as they are directly related to the investments held within them other than situations where an overdraft exists for a contract and the value of the assets (specifically property) falls to a value less than the total liabilities under the contract. SLA can try and recover the amount from the policyholder but this is reliant on the policyholder having funds to meet the liability.

Operational risk

Operational risk is the exposure to loss arising from inadequate or failed internal processes, people, systems, or from external events.

A continuous process is in place to formally identify, evaluate and manage significant operational risks to achieve the Group's objectives. A standard approach is used to assess risks. The Group maintains a risk register that is regularly discussed by the Company's directors and senior management. The risk register is updated for changes and new risks when identified either by the directors or following reviews carried out by each department within the Group.

Operational risks exists around the administration of SIPPs and similar self invested pension products. SLA insources the administration of products to a fellow Group company, SLP, under a service level agreement. SLP also administers products in its own right. Operational risk therefore spans the Suffolk Life Group.

All business managers are required to confirm monthly the performance of key controls over operational risks. There are a number of categories under which operational risk and its management across the Group can be considered as follows:

- Internal process failure
- People
- Critical supplier
- Legal
- Compliance
- Event
- Fraud and financial crime
- Technology
- Reputational risk
- Contagion

SUFFOLK LIFE GROUP LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

3 Administrative expenses

| | 2014 £'000 | 2013 £'000 |
|----------------------------|---------------|---------------|
| Audit, accountancy and tax | 6 | 4 |
| Irrecoverable VAT | 1 | - |
| | <u>7</u> | <u>4</u> |

4 Profit on ordinary activities before taxation

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Profit on ordinary activities before taxation is stated after charging: | | |
| Auditors' remuneration | | |
| - in relation to the audit of the financial statements of the company | <u>6</u> | <u>5</u> |

5 Interest receivable and similar income

| | 2014 £'000 | 2013 £'000 |
|---------------------------|---------------|---------------|
| Bank deposit interest | 5 | 5 |
| Intra group loan interest | 19 | 19 |
| | <u>24</u> | <u>24</u> |

6 Staff costs

The Company has no employees.

No emoluments were paid to any director nor were any direct pension contributions paid in respect of services to this Company (2013: £nil). All emoluments paid to the directors are borne by other group entities.

7 Tax on profit on ordinary activities

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Current tax | | |
| UK corporation tax at 21.5% (2013: 23.25%) | | |
| - Current tax for the year | <u>4</u> | <u>4</u> |
| Total current tax charge | <u>4</u> | <u>4</u> |
| Tax charge on profit on ordinary activities | <u>4</u> | <u>4</u> |

Factors affecting current tax charge for the year

The total current tax for the year differs from the standard rate of UK corporation tax and the differences are explained below:

| | 2014 £ '000 | 2013 £ '000 |
|--|----------------|----------------|
| Profit on ordinary activities before taxation | <u>17</u> | <u>20</u> |
| Tax calculated at the standard UK corporation tax rate of 21.5% (2013: 23.25%) | <u>4</u> | <u>4</u> |
| Total current tax charge | <u>4</u> | <u>4</u> |

Factors which may affect future tax charges

Tax rates

Following the 2013 Budget announcement, the rate of corporation tax is expected to reduce progressively to 20% by 1 April 2015.

To calculate the current tax on profits, the rate of tax used is 21.5% (2013: 23.25%) which is the average rate of corporation tax applicable for the year.

The Company has no unprovided deferred tax assets or liabilities as at 31 December 2014 (2013: £nil).

SUFFOLK LIFE GROUP LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

8 Fixed Asset investments

| | Shares in subsidiary undertakings 2014 £'000 | Shares in subsidiary undertakings 2013 £'000 |
|-----------------------|---|---|
| <i>Cost</i> | | |
| At 1 January 2014 | 7,000 | 7,000 |
| Additions | - | - |
| Disposals | - | - |
| At 31 December 2014 | <u>7,000</u> | <u>7,000</u> |
| <i>Net book value</i> | | |
| At 31 December 2014 | <u>7,000</u> | <u>7,000</u> |

9 Subsidiary Undertakings

The principal subsidiary undertakings of Suffolk Life Group Limited are listed below. Each undertaking operates mainly in its country of incorporation and has only one class of issued ordinary shares, all of which are held by Suffolk Life Group Limited.

All subsidiaries held directly by the Company are 100% owned and have a 31 December financial year end.

Held directly by the Company

| | Nature of business | Incorporated in |
|--------------------------------|--|-----------------|
| Suffolk Life Annuities Limited | Life insurance and pension provider | England & Wales |
| Suffolk Life Pensions Limited | Management and administration of pension funds | England & Wales |

All subsidiaries below are held indirectly by the Company, 100% owned through subsidiary undertakings, and have a 31 December financial year end.

Held indirectly through subsidiary undertakings

| | Nature of business | Incorporated in |
|---------------------------------------|--------------------|-----------------|
| SLA Property Company Limited | Trustee Company | England & Wales |
| Suffolk Life (Spartan Estate) Limited | Trustee Company | England & Wales |
| Suffolk Life Trustees Limited | Trustee Company | England & Wales |

10 Debtors

| | 2014 £'000 | 2013 £'000 |
|------------------------------------|---------------|---------------|
| Amounts owed by group undertakings | <u>5,123</u> | <u>5,108</u> |

This debtor is in respect of a loan between Suffolk Life Group Limited and another subsidiary, Legal & General Finance Plc, within the Legal & General group. The final repayment of this loan is December 2018 and interest is payable at a rate of LIBOR less 12.5 basis points and is unsecured.

SUFFOLK LIFE GROUP LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

11 Creditors: amounts falling due within one year

| | 2014 £'000 | 2013 £'000 |
|------------------------------|---------------|---------------|
| Corporation tax liability | 3 | 4 |
| Accruals and deferred income | - | 5 |
| | <u>3</u> | <u>9</u> |

12 Called up share capital

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Issued: 3,938,979 ordinary shares of £1 each fully paid | <u>3,939</u> | <u>3,939</u> |

13 Movement in reserves

| | Called Up Share Capital £'000 | Share Premium Account £'000 | Profit and Loss account £'000 | Total Shareholders' Funds £'000 |
|-------------------------------------|--|--------------------------------------|-------------------------------------|--|
| At beginning of year 1 January 2014 | 3,939 | 7,146 | 1,570 | 12,655 |
| Profit for the financial year | - | - | 13 | 13 |
| At end of year 31 December 2014 | <u>3,939</u> | <u>7,146</u> | <u>1,583</u> | <u>12,668</u> |

| | Called Up Share Capital £'000 | Share Premium Account £'000 | Profit and loss account £'000 | Total Shareholders' Funds £'000 |
|-------------------------------------|--|--------------------------------------|-------------------------------------|--|
| At beginning of year 1 January 2013 | 3,939 | 7,146 | 1,554 | 12,639 |
| Profit for the financial year | - | - | 16 | 16 |
| At end of year 31 December 2013 | <u>3,939</u> | <u>7,146</u> | <u>1,570</u> | <u>12,655</u> |

14 Related party disclosures

Certain directors have a self-invested personal pension administered by Suffolk Life Pensions Limited.

15 Ultimate parent company

The immediate parent company is Legal & General Retail Investments (Holdings) Limited.

The ultimate parent company is Legal & General Group Plc, a company incorporated in England and 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.