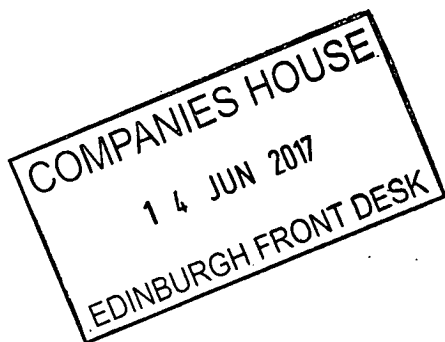


ST ANDREW'S LIFE ASSURANCE PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2016



Member of Lloyds Banking Group plc

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COMPANY INFORMATION

Board of Directors

S Lowther*
R J McIntyre*
J C S Hillman*

* denotes Executive Director

Company Secretary

A D Yuille

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Glass Wharf
Bristol
BS2 0FR

Registered Office

33 Old Broad Street
London
EC2N 1HZ

Company Registration Number

03104670

STRATEGIC REPORT

The Directors present their strategic report on St Andrew's Life Assurance Plc ("the Company") for the year ended 31 December 2016.

Principal Activities

On 31 December 2015, the business of the Company was transferred to Scottish Widows Limited (formerly Clerical Medical Investment Group Ltd) under an 'Insurance Business Transfer Scheme'. Prior to the transfer, the principal activity of the Company was the undertaking of ordinary long-term insurance and savings business and associated investment activities in the UK. The Company managed a wide range of life insurance products such as protection type products including whole life and investment type products through the Lloyds Banking Group plc ("LBG") network. The Company also reinsured business with other LBG companies and with insurance entities external to the LBG.

The Company was de-authorised on 7 September 2016. The Company's principal activity is holding investments.

Insurance Business Transfer Scheme

On 26 November 2015, the High Court of Justice approved the transfer of the long-term insurance business of the Company, to Scottish Widows Limited, a fellow LBG undertaking, pursuant to an insurance business transfer scheme, under Part VII of the Financial Services and Markets Act 2000.

All of the business assets and liabilities of the Company were transferred, save for a minimum of assets which were held back to cover the regulatory minimum capital requirements. The transfer was effective 31 December 2015 and therefore income and expenses relating to the business transferred remained within the Company for the last year of trading. At a future point, management expect to transfer the remaining assets to Scottish Widows Limited. Further details can be found in note 16.

Key Performance indicator*Result for the Year*

The result of the Company for the year ended 31 December 2016 is a profit after tax of £14k (2015: loss after tax of £472,000k, which includes a loss before tax of £512,000k on transfer out of insurance business under the Insurance Business Transfer scheme, see note 16).

Capital Resources

Following de-authorisation there is no minimum capital requirement (2015: Pillar I £3,000k required capital, no excess capital held over requirement). The Company should aim to continue to contribute capital to the Insurance division Solvency II returns.

Other Sources

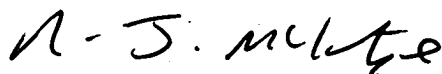
The Directors consider that the above is the key performance indicator which is appropriate to the principal activity of the Company. The Directors are of the opinion the information presented in the financial statements as a whole, provide the management information necessary for the Directors to understand the development, performance and position of the business of the Company. Along with fellow direct and indirect subsidiaries of the ultimate insurance parent undertaking, the Company is included in the calculation of the Scottish Widows Group Limited capital surplus. This is calculated in accordance with the Insurance Groups Directive, and is reported in the LBG annual report.

STRATEGIC REPORT (CONTINUED)

Risk Management - principal risks and uncertainties

Risks associated with the business were transferred to Scottish Widows Limited under the Insurance Business Transfer Scheme in 2015. Limited business risk remains in the Company at 31 December 2016, in relation to liquidity, operational and financial risks as set out in note 14.

On behalf of the Board of Directors



R J McIntyre
Director
3 May 2017

DIRECTORS' REPORT**Principal activities**

The Directors present the audited financial statements of the Company. The Company is a limited liability company domiciled and incorporated in the United Kingdom. The Company's principal activity is holding investments.

Results and dividend

The result of the Company for the year ended 31 December 2016, is a profit after tax of £14k (2015: loss after tax of £472,000k). The 2015 results included a loss before tax of £512,000k on transfer out of insurance business under the Insurance Business Transfer scheme, see note 16.

During the year, £nil of interim dividends (2015: £nil) were paid. The Directors recommend no payment of a final dividend in respect of the year ended 31 December 2016 (2015: £nil).

Directors

The names of the current Directors are listed on page 3. Changes in directorships during the year (and since the end of the year) are as follows:

J C S Hillman	(appointed 09 December 2016)
R J McIntyre	(appointed 09 December 2016)
S Lowther	(appointed 09 December 2016)
V Maru	(resigned 09 December 2016)
R L M Wohanka	(resigned 09 December 2016)
M G Culmer	(resigned 09 December 2016)
J E M Curtis	(resigned 09 December 2016)
N E T Prettejohn	(resigned 09 December 2016)
A M Parsons	(resigned 01 September 2016)
A M Blance	(resigned 09 December 2016)
M Christophers	(resigned 09 December 2016)
K A Cook	(resigned 09 December 2016)
J F Hylands	(resigned 09 December 2016)
C J Thornton	(resigned 07 November 2016)
M Harris	(appointed 01 September 2016, resigned 09 December 2016)
A Lorenzo	(appointed 02 March 2016, resigned 09 December 2016)

Particulars of the Directors' emoluments are set out in note 15.

LBG has granted to the Directors of the Company a deed of indemnity through deed poll which constituted 'qualifying third party indemnity provisions' for the purposes of the Companies Act 2006. The deed was in force during the whole of the financial year and at the date of approval of the financial statements. Directors no longer in office but who served on the Board of the Company at any time in the financial year had the benefit of this contract of indemnity during that period of service. The indemnity remains in force for the duration of a Director's period of office.

The deed indemnifies the Directors to the maximum extent permitted by law. The Deed for existing Directors is available for inspection at the registered office of LBG. In addition, the Company has in place appropriate Directors and Officers Liability Insurance cover which was in place throughout the financial year.

Disclosure of information to auditors

Each person who is a Director at the date of approval of this report confirms that, so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that 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, and should be interpreted in accordance with, the provisions of the Companies Act 2006.

Political contributions

During the year, the Company made no political contributions (2015: £nil).

Financial risk management

Disclosures relating to financial risk management are included in note 14 to the accounts and are therefore incorporated into this report by reference.

DIRECTORS' REPORT (CONTINUED)**Going Concern**

The going concern of the Company is dependent on successfully maintaining adequate levels of liquidity. Having consulted on these, the Directors conclude that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors' to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

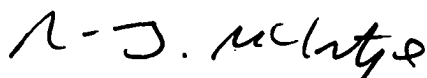
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial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

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

Each of the Directors whose names are listed on page 3 confirms that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Directors' Report on pages 6 to 7 and the Strategic Report on pages 4 to 5 includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board of Directors



R J McIntyre
Director
3 May 2017

Independent auditors' report to the members of St. Andrew's Life Assurance plc**Report on the financial statements****Our opinion**

In our opinion, St. Andrew's Life Assurance plc's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

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

- Balance Sheet as at 31 December 2016;
- Statement of Comprehensive Income for the year then ended;
- Statement of Cash Flows for the year then ended;
- 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 IFRSs as adopted by the European Union, and applicable law.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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 7, 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.

Independent auditors' report to the members of St. Andrew's Life Assurance plc (continued)

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

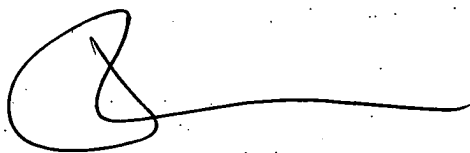
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Joanne Leeson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
3 May 2017

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 December 2016

	Note	2016 £000	2015 £000
Revenue			
Gross earned premiums		-	119,000
Premiums ceded to reinsurers		-	(38,000)
Premiums net of reinsurance		-	81,000
Fee and commission income	3	-	1,000
Investment income	4	17	278,000
Net losses on assets and liabilities at fair value through profit or loss	5	-	(132,000)
Total revenue		17	228,000
Expenses			
Gross claims and benefits paid		-	1,201,000
Claims recoveries from reinsurers		-	(35,000)
		-	1,166,000
Change in liabilities arising from insurance contracts		-	(1,037,000)
Change in assets arising from reinsurance contracts held		-	7,000
		-	(1,030,000)
Operating expenses	6	-	39,000
Expenses for asset management services received		-	24,000
		-	63,000
Loss on transfer of business	16	-	512,000
		-	512,000
Total expenses		-	711,000
Profit/(Loss) before tax		17	(483,000)
Taxation (charge)/credit	8	(3)	11,000
Profit/(Loss) for the year		14	(472,000)

There are no items of comprehensive income which have not already been presented in arriving at the profit for the year. Accordingly, the profit for the year is the same as total comprehensive income for the year.

The notes set out on pages 14 to 27 are an integral part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2016

		31 December 2016	31 December 2015
	Note	£000	£000
ASSETS			
Current Assets			
Investments at fair value through profit or loss	9	3,173	3,157
Cash and cash equivalents		1	-
Total assets		3,174	3,157
EQUITY AND LIABILITIES			
Capital and reserves attributable to Company's equity shareholder			
Share capital	10	360,000	360,000
Accumulated losses		(356,829)	(356,843)
Total equity		3,171	3,157
Current Liabilities			
Current tax liabilities	11	3	-
Total liabilities		3	-
Total equity and liabilities		3,174	3,157

The financial statements on pages 10 to 27 and notes set out on pages 14 to 27 were approved by the Board on 23 March 2017.

R-J. McIntyre

R J McIntyre
Director
3 May 2017

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Profit/(Loss) before tax		17	(483,000)
Adjusted for:			
Net movements in operating assets and liabilities	13	(16)	782,000
Transfer of cash to fellow group undertaking		-	37,000
Taxation paid		-	(11,000)
Net cash flows from operating activities		1	325,000
Net cash inflows from investing activities			
Transfer of cash to fellow group undertaking		-	(37,000)
Net cash outflows from investing activities		-	(37,000)
Cash flows from financing activities			
Dividends paid	12	-	(330,000)
Net cash outflows from financing activities		-	(330,000)
Net increase/(decrease) in cash and cash equivalents		1	(42,000)
Cash and cash equivalents at the beginning of the year		-	42,000
Net cash and cash equivalents at the end of the year		1	-

The notes set out on pages 14 to 27 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Share Capital £000	Retained Earnings/ Accumulated losses £000	Total equity £000
Balance at 1 January 2015		360,000	445,157	805,157
Loss for the year and total comprehensive expense		-	(472,000)	(472,000)
Dividends paid	12	-	(330,000)	(330,000)
Balance as at 31 December 2015		360,000	(356,843)	3,157
Profit for the year and total comprehensive income		-	14	14
Balance as at 31 December 2016		360,000	(356,829)	3,171

The notes set out on pages 14 to 27 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

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

(a) Basis of preparation

The financial statements of the Company have been prepared:

- (1) in accordance with the International Accounting Standards ("IASs") and International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board and the Standards and Interpretations ("SICs") and International Financial Reporting Interpretations issued by its IFRS Interpretations Committee ("IFRS IC"), as endorsed by the European Union;
- (2) in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs;
- (3) under the historical cost convention, as modified by the revaluation of investment properties and certain financial assets and financial liabilities at fair value through profit or loss, as set out in the relevant accounting policies; and

The financial statements and its associated notes have been presented in £000's. The comparative period figures in the Statement of Comprehensive Income, the Statement of Cashflows and the Statement of Changes in Equity and their associated notes have been rounded to the nearest £000's. They have been presented in £millions in prior period financial statements.

The Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future. Accordingly, the financial statements of the Company have been prepared on a going concern basis.

In accordance with IAS 1 "Presentation of Financial Statements", assets and liabilities in the balance sheet are presented in accordance with management's estimated order of liquidity.

Standards and interpretations effective in 2016

There are no new standards and interpretations adopted in 2016 that will impact the financial statements.

(b) Financial assets

Management determines the classification of its financial assets at initial recognition. Management's policies for the recognition of specific financial assets are set out under the relevant accounting policies.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has transferred substantially all of the risks and rewards of ownership.

The Company's investment strategy is to invest in equity and to evaluate the Company's investments with reference to their fair values. All financial assets are designated at fair value through profit or loss. No assets are classified as held-to-maturity or available-for-sale. For further details on the Company's fair value methodology see policy (c).

The Company's management, through a fair value pricing committee, review information on the fair value of the Company's financial assets and financial liabilities and the sensitivities to these values on a regular basis.

Transaction costs incidental to the acquisition of a financial asset are expensed through the statement of comprehensive income, within net realised gains and losses on assets and liabilities at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**1. Accounting policies (continued)****(c) Fair value methodology**

All financial instruments carried at fair value, or for which a fair value measurement is disclosed are categorised into a "fair value hierarchy" as follows:

(i) Level 1

Valued using quoted prices (unadjusted) in active markets for identical assets and liabilities to those being valued. An active market is one in which similar arm's length transactions in the instrument occur with both sufficient frequency and volume to provide pricing information on an ongoing basis. Examples include listed equities, listed debt securities, Open Ended Investment Companies ("OEICs") and unit trusts traded in active markets and exchange traded derivatives such as futures.

(ii) Level 2

Valued using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability.

Examples of these are securities measured using discounted cash flow models based on market observable swap yields and listed debt or equity securities in a market that is inactive.

(iii) Level 3

Valued using inputs for the asset or liability that include significant unobservable inputs (inputs not based on observable market data). Unobservable inputs may have been used to measure fair value where observable inputs are not available. This approach allows for situations in which there is little, if any, market activity for the asset or liability at the measurement date (or market information for the inputs to any valuation models). Unobservable inputs reflect the assumptions the Company considers that market participants would use in pricing the asset or liability.

Further analysis of the Company's instruments held at fair value is set out at note 14.

Transfers between different levels of the fair value hierarchy are deemed to have occurred at the next reporting date after the change in circumstances that caused the transfer.

(d) Revenue recognition**Fee and commission income**

Fee and commission income is recognised in the statement of comprehensive income in the period in which it is earned. Fee and commission received that relates to the provision of future services is deferred and recognised as the services are provided.

Investment income

Interest income for all interest-bearing financial instruments is recognised in the statement of comprehensive income as it accrues, within investment income.

Dividends receivable in respect of listed shares or collective investment vehicles are recognised on the date that these are quoted ex-dividend; other dividend income is recognised when received. All dividends received are recognised through the statement of comprehensive income, within investment income.

Net gains and losses on assets and liabilities at fair value through profit or loss

Net gains and losses on assets and liabilities at fair value through profit or loss includes both realised and unrealised gains and losses. Movements are recognised in the statement of comprehensive income in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**1. Accounting policies (continued)****(e) Expense recognition****Operating expenses**

Commission paid in respect of the business written by the Company is recognised through the statement of comprehensive income, within operating expenses. Where certain criteria are met, commission and other acquisition costs may be deferred.

Other operating expenses are recognised in the statement of comprehensive income as incurred, within operating expenses.

Expenses for asset management services received

Expenses for asset management services received are recognised in the statement of comprehensive income as they accrue, within expenses for asset management services received.

(f) Investments at fair value through profit or loss

Investments at fair value through profit or loss comprise equity securities.

Classification

A financial asset is classified in this category at inception if acquired principally for the purpose of selling in the short-term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if designated as such.

Recognition

Purchases and sales of financial assets are recognised on the trade date, i.e. the date the Company commits to purchase the asset from, or deliver the asset to, the counterparty. Investments are initially recognised at fair value, being the fair value of the consideration given, and are subsequently remeasured at fair value.

Measurement

The fair values of investments are based on current bid prices. If the market for a financial asset is not active, and also for unlisted securities, the Company establishes fair value by using valuation techniques. These include the use of similar arm's length transactions and reference to other instruments that are substantially the same, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

For equity investments that are quoted and actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the final pricing point on the reporting date. Prices are provided by vendors such as Reuters or Bloomberg or by direct reference to the Stock Exchange.

The fair value of holdings in OEICs and Unit Trusts is determined as the last published price applicable to the OEIC sub-fund or the Unit Trust at the reporting date.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash at bank, short-term highly liquid investments with original maturities of three months or less (excluding such investments as otherwise meet this definition but which are held for investment purposes rather than for the purposes of meeting short-term cash commitments) and bank overdrafts where a legal right of set-off exists.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**1. Accounting policies (continued)****(h) Impairment****Financial assets**

The carrying value of all financial assets held at amortised cost is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The identification of impairment and the determination of recoverable amounts is an inherently uncertain process involving various assumptions and factors, including the financial condition of the counterparty, expected future cash flows, observable fair prices and expected net selling prices. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Non-financial assets

Assets that have an indefinite useful life are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is charged to the relevant line in the statement of comprehensive income in the period in which it occurs. Non-financial assets for which impairment was recognised in prior periods are reviewed for possible reversal of the impairment at each reporting date.

Impairment process

Objective evidence that an asset or group of assets is impaired includes observable data that comes to the attention of the Company about the following events:

- (i) significant financial difficulty of the issuer or debtor;
- (ii) a breach of contract;
- (iii) the disappearance of an active market for that asset because of financial difficulties; or
- (iv) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of assets since the initial recognition of those assets, even where the decrease cannot yet be identified with the individual assets of the Company, including:
 - adverse changes in the payment status of issuers or debtors; or
 - national or local economic conditions that correlate with defaults on the assets in the Company.

The Company first assesses whether objective evidence of impairment exists individually for assets that are individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed asset, whether significant or not, it includes the asset in a group of assets with similar credit risk characteristics and collectively assesses them for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

(i) Taxes

Tax on the profit or loss for the year is recognised in the statement of comprehensive income within taxation and comprises current and deferred tax.

Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates and legislation enacted or substantively enacted at the reporting date, together with adjustments to estimates made in prior years.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates and legislation enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**1. Accounting policies (continued)****(i) Taxes (continued)**

Deferred income tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

(j) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Dividends payable

Dividends payable on ordinary shares are recognised in equity in the period in which they are approved.

(k) Provisions for other liabilities and changes

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, when it is probable that the obligation will result in an outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

The Company recognises provision for onerous contracts when the expected benefits to be derived from contracts are less than the unavoidable costs of meeting the obligations under the contracts.

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or those present obligations where the outflows of resources are uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed unless the likelihood of possible obligations arising is remote.

(l) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in pounds sterling, rounded to the nearest £000, which is the Company's presentation and functional currency.

Monetary items denominated in foreign currencies are translated into sterling at the exchange rates ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated at the exchange rates ruling at the date when the current fair value is determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rates ruling at the date of the transaction. Revenue transactions and those relating to the acquisition and realisation of investments have been translated at average rates of exchange (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case revenue transactions are translated at the dates of the transactions). Any exchange differences are dealt with in that part of the statement of comprehensive income in which the underlying transaction is reported.

(m) Transfer of Insurance business under Part VII of Financial Services and Markets Act 2000

For insurance business transferred to other LBG undertaking under the Insurance Business Transfer Scheme, the following accounting policy is adopted. Financial assets and liabilities were transferred at fair value and insurance and investment contract liabilities were transferred at a value consistent with IFRS 4. Non financial assets and liabilities were transferred at carrying value, in accordance with the predecessor accounting policy. Resultant gains or losses were recognised in the statement of comprehensive income.

2. Critical accounting estimates and judgments in applying accounting policies**Fair value of financial instruments**

In accordance with IFRS 7, the Company categorises financial instruments carried on the balance sheet at fair value using a three level hierarchy. Financial instruments categorised as level 1 are valued using quoted market prices and therefore there is minimal judgement applied in determining fair value. Further details of these valuations are described in note 14.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

3. Fee and commission income

	2016 £000	2015 £000
Fund management and policy administration fees	-	1,000
Total	-	1,000

4. Investment income

	2016 £000	2015 £000
Net income on investments designated at fair value through profit or loss	17	268,000
Rental income	-	10,000
Total	17	278,000

5. Net losses on assets and liabilities at fair value through profit or loss

	2016 £000	2015 £000
Derivative financial instruments at fair value through profit or loss	-	(4,000)
Investments at fair value through profit or loss	-	(138,000)
Investment properties at fair value through profit or loss	-	10,000
Total	-	(132,000)

6. Operating expenses

	2016 £000	2015 £000
Acquisition and origination costs in respect of insurance and investment contracts	-	9,000
Expenses for administration	-	15,000
Change in deferred acquisition costs	-	24,000
Total	-	15,000

The administration of the Company was undertaken by other LBG companies. A recharge was levied from these undertakings to the Company in respect of those costs incurred on behalf of the Company.

The Company had nil direct employees during the year (2015: nil). The employee costs, including pension costs and share-based payment costs, are included in the recharges noted above.

7. Auditors' remuneration

	2016 £000	2015 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	2	85
Fees payable to the Company's auditor and their associates for other services:		
Audit related assurance services	-	5
Total	2	90

Audit fees for 2016 and 2015 were borne by another company within the LBG.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

8. Taxation (charge)/credit

(a) Current year tax (charge)/credit

	2016 £000	2015 £000
Current tax (charge)/credit:		
UK Corporation Tax	(3)	-
Adjustment in respect of prior years	-	(1,000)
Transfer of tax assets and liabilities for nil consideration (note 16)	-	5,000
Total current tax	(3)	4,000
Deferred tax:		
Origination of temporary differences	-	2,000
Changes in tax rates	-	1,000
Transfer of assets and liabilities for nil consideration (note 16)	-	4,000
Total deferred tax	-	7,000
Total income tax (charge)/credit	(3)	11,000

(b) Reconciliation of tax (charge)/credit

	2016 £000	2015 £000
Profit/(loss) before tax	17	(483,000)
Tax at 20% (2015: 20.25%)	(3)	98,000
Effects of:		
Dividend income not taxable	-	9,000
Policyholder tax	-	(3,000)
Change in tax rate	-	2,000
Loss on transfer of assets not deductible	-	(104,000)
Transfer of tax assets and liabilities for nil consideration (note 16)	-	9,000
Total	(3)	11,000

Finance Act 2013 reduced the standard rate of Corporation Tax from 21% to 20% with effect from 1 April 2015.

In addition, Finance (No. 2) Act 2015 reduced the rate of Corporation Tax from 20% to 19% with effect from 1 April 2017 and Finance Act 2016 reduced the rate of Corporation Tax from 19% to 17% with effect from 1 April 2020. The impact of these reductions in tax rate, which are applicable to the calculation of deferred tax assets and liabilities at the reporting date, is reflected in the above table.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

9. Investments at fair value through profit or loss

	2016 £000	2015 £000
At fair value:		
Interest bearing and other variable yield securities	3,173	3,157
Total investments at fair value	3,173	3,157

At the year end 2015 the majority of investments at fair value through profit or loss, with a total value of £8,329m, were transferred to fellow LBG undertaking, see note 16.

Due to the nature of interest bearing and other variable yield securities, there is no fixed-term associated with these securities.

10. Share capital

	2016 £000	2015 £000
Allotted, called up and fully paid share capital: 360,000,000 (2015: 360,000,000) ordinary shares of £1 each	360,000	360,000

11. Current tax liabilities

	2016 £000	2015 £000
Current tax liabilities	3	-
Total tax liabilities	3	-

12. Dividends paid

	2016 £000	2015 £000
Total dividends paid on equity shares	-	330,000

The dividend paid in the year ending 31 December 2016 amounted to nil pence per share (2015: 91.67).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

13. Change in operating assets and liabilities

	2016 £000	2015 £000
(Increase)/Decrease in operating assets:		
Deferred costs	-	116,000
Investment properties	-	163,000
Assets arising from reinsurance contracts held	-	119,000
Derivative financial instruments	-	54,000
Financial Assets:		
Loans and receivables	-	278,000
Investments at fair value through profit or loss	(16)	9,603,000
Net (increase)/decrease in operating assets	(16)	10,333,000
Decrease in operating liabilities:		
Liabilities arising from insurance contracts and participating investment contracts	-	(9,353,000)
Liabilities arising from non-participating investment contracts	-	(8,000)
Financial Liabilities:		
Derivative financial instruments	-	(22,000)
Other financial liabilities	-	(168,000)
Net decrease in operating liabilities	-	(9,551,000)
Net (increase)/decrease in operating assets and liabilities	(16)	782,000

14. Risk management

The principal activity of the Company is the holding of investments.

This note summarises the way in which the Company manages the associated risks.

(a) Governance framework

The Company is part of LBG, which has established a risk management function with responsibility for implementing the LBG risk management framework within the Company.

The Company is part of the Insurance Division. LBG's Insurance Division comprises all legal entities involved in the sale or management of insurance, pension and investment products as well as the related holding and service companies. As part of the Insurance Division, the Company is overseen by the Insurance Board and Insurance Audit Committee. Use of the terms "the Board" and "the Audit Committee" throughout this note refers to the responsibilities and actions carried by the Insurance Division Board and Audit Committee with involvement of the Company Board where required.

Responsibility for the setting and management of risk appetite and risk policy resides with the Board who manage risks in line with LBG and Insurance Division risk policies. The Board has delegated operational implementation to the Insurance Risk Committee.

The approach to risk management aims to ensure that there is effective independent checking or "oversight" of key decisions through the operation of a "three lines of defence" model. The first line of defence is line management who have direct accountability for risk decisions. Risk provides oversight and challenge and form the second line of defence. Internal Audit constitutes the third line of defence, whose objective is to provide the required independent assurance to the Audit Committee and the Board that risks within the Company are recognised, monitored and managed within acceptable parameters.

An enterprise-wide risk management framework for the identification, assessment, measurement and management of risk is in place. The framework is in line with LBG's risk management principles and covers the full spectrum of risks that the Company is exposed to. Under this framework, risks are categorised according to an approved LBG risk language which has been adopted across the Company. This covers the principal risks faced by the Company including the exposures to market, insurance, credit, financial soundness, and operational risk. The performance of the Company, its continuing ability to write business and the strategic management of the business depend on its ability to manage these risks.

Policy owners, identified from appropriate areas across the business, are responsible for drafting the Insurance Division risk policies, for ensuring that they remain up-to-date and for facilitating any changes. These policies are subject to at least an

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

14. Risk management (continued)

(a) Governance framework (continued)

annual review, or earlier if deemed necessary. Limits are prescribed within which those responsible for the day to day management of the Company can make decisions. Line management are required to follow prescribed reporting procedures to the bodies responsible for monitoring compliance with policy and controlling the risks.

(b) Risk appetite

Risk appetite is the amount and type of risk that the Board is prepared to seek, accept or tolerate and is fully aligned to LBG strategy. The Board has defined the methodology for the management of risk appetite and approved a set of risk appetite statements. The risk appetite statements set limits for exposures to the key risks faced by the business. Risk appetite is reviewed at least annually by the Board. Risk appetite is set at Insurance Division level.

(c) Financial risks

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, as set out below.

1) Market risk

Market risk is the risk of reductions in earnings and/or value, through financial or reputational loss, from unfavourable market movements. This risk typically arises from fluctuations in market interest rates (interest rate risk), market prices, (equity and property risk), and foreign exchange rates (foreign exchange risk), whether such changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

At 31 December 2016 investment holdings were limited to an investment in a diversified fund. Investment holdings within the Company are diversified across markets and, within markets, across sectors. Holdings of individual assets are diversified to minimise specific risk and large individual exposures are monitored closely.

Below is an analysis of assets and liabilities at fair value through profit or loss and assets and liabilities for which a fair value is required to be disclosed, according to their fair value hierarchy (as defined in note 1 (c)).

As at 31 December 2016

	Fair value hierarchy			Total £000
	Level 1 £000	Level 2 £000	Level 3 £000	
Equity securities, debt securities and holdings in OEICS	3,173	-	-	3,173
Total	3,173	-	-	3,173

At the year end 2015, the majority of all investments and financial assets less financial liabilities were transferred to fellow LBG undertaking (see note 16).

As at 31 December 2015

	Fair value hierarchy			Total £000
	Level 1 £000	Level 2 £000	Level 3 £000	
Equity securities, debt securities and holdings in OEICS	3,157	-	-	3,157
Total	3,157	-	-	3,157

(i) Equity risk

The exposure of the Company's business to equity risk relates to financial assets whose values will fluctuate as a result of changes in market prices other than from interest and foreign exchange fluctuations. This is due to factors specific to individual instruments, their issuers or factors affecting all instruments traded in the market. Accordingly, the Company monitors exposure limits both to any one counterparty and any one market.

There is no material sensitivity due to fluctuations in market prices at the reporting date to the fair value of future cash flows in respect of equities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**14. Risk management (continued)****(c) Financial risks (continued)****(ii) Foreign exchange risk**

Foreign exchange risk relates to the effects of movements in exchange markets including changes in exchange rates. The overall risk to the Company is minimal due to the Company's principal transactions being carried out in pounds sterling.

(iii) Interest rate risk

The Company is exposed to interest rate risk to the extent that investments in investment funds are subsequently reinvested in interest bearing investments.

2) Credit risk

Credit risk is the risk of reductions in earnings and/or value, through financial or reputational loss, as a result of the failure of the party with whom the Company has contracted to meet its obligations.

Investment counterparty default risk arises primarily from holding invested assets.

(i) Concentration risk*Credit concentration risk*

Credit concentration risk relates to the inadequate diversification of credit risk.

Credit risk is managed through the setting and regular review of counterparty credit and concentration limits on asset types which are considered more likely to lead to a concentration of credit risk. For other asset types, such as UK government securities or investments in funds falling under the Undertakings for Collective Investment in Transferable Securities "UCITS" Directive, no limits are prescribed as the risk of credit concentration is deemed to be immaterial.

At 31 December 2016 investment holdings were limited to an investment in a diversified fund. The Company had no credit risk with a single counterparty or group of counterparties where limits apply.

Liquidity concentration risk

Liquidity concentration risk arises where the Company is unable to meet its obligations as they fall due or do so only at an excessive cost, due to over-concentration of investments in particular financial assets or classes of financial asset. However the Company has no financial liabilities and so has no exposure to liquidity concentration risk.

4) Financial soundness risk

Financial soundness risk covers the risk of financial failure, reputational loss or loss of earnings and/or value arising from a lack of liquidity, funding or capital and/or the inappropriate recording, reporting or disclosure of financial, taxation and regulatory information.

(i) Financial, tax and disclosure risks

The Company is exposed to the risk that policies and procedures are not sufficient to maintain adequate books and records to support statutory, regulatory and tax reporting and to prevent and detect financial reporting fraud.

The Company has developed procedures to ensure that compliance with both current and potential future requirements are understood and that policies are aligned to its risk appetite. The Company has established a system of internal controls, the objective of which is to provide reasonable assurance that transactions are recorded and undertaken in accordance with delegated authorities that permit the preparation and disclosure of financial statements, regulatory reporting and tax returns in accordance with IFRSs, statutory and regulatory requirements.

The Company undertakes a programme of work designed to support an annual assessment of the effectiveness of internal controls over financial reporting, to identify tax liabilities and to assess emerging legislation and regulation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

14. Risk management (continued)

(c) Financial risks (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its financial commitments as they fall due, or can secure them only at an excessive cost. However the Company has no financial liabilities and so has no exposure to liquidity concentration risk.

(iii) Capital risk

Capital risk is defined as the risk that:

- the Company has insufficient capital to provide a stable resource to absorb all losses up to a confidence level defined in the risk appetite;
- the Company loses reputational status by having capital that is regarded as inappropriate, either in quantity, type or distribution; and/or
- the capital structure is inefficient.

Within the Insurance Division, capital risk is actively monitored by the Insurance Finance Capital Committee. The Company was deauthorised on 7th September. Up until that date, the Company complied with all capital requirements.

The Company's objectives when managing capital are to have sufficient capital to safeguard the Company's ability to continue as a going concern.

15. Related Party Transactions

(a) Ultimate parent and shareholding

The Company's immediate parent undertaking is Halifax Life Limited, a Company registered in the United Kingdom. Halifax Life Limited has taken advantage of the provisions of the Companies Act 2006 and has not produced consolidated financial statements.

The Company's ultimate parent Company and ultimate controlling party is Lloyds Banking Group plc, which is also the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member.

Scottish Widows Limited is the parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member.

Copies of the LBG financial statements in which the Company is consolidated can be obtained from the Group Secretary's Department, Lloyds Banking Group plc, 25 Gresham Street, London, EC2V 7HN.

(b) Transactions and balances between the Company and other companies in the LBG

The Company has not entered into transactions with related parties during the year other than items disclosed below and there are no outstanding amounts due from or to related parties as at year end. In 2015 transactions and balances with related parties are shown in the table below:

Relationship	2015			
	Income during year £000	Expenses during year £000	Payable at year end £000	Receivable at year end £000
Parent	-	(330,000)	-	-
Subsidiary	-	-	-	-
Other related parties	3,000	(20,000)	-	-

Key Management Personnel

A management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity must disclose as related party transaction the amounts incurred for the service paid or payable to the management entity that provides the key management personnel services.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**15. Related Party Transactions (continued)**

As at 31 December 2016, the value of such services was £nil (2015: £18m).

Other transactions

During 2015, the Aberdeen Global Liquidity Fund plc ("GLF") was a managed investment fund (Collective Investment Scheme) investing in short term highly liquid investments and was managed by Aberdeen Asset Management plc. LBG held a controlling interest in the fund at 31 December 2015, and consolidated it as a subsidiary under IFRS 10. As a fellow LBG undertaking, the GLF was therefore a related party of the Company.

On the 15 July 2016 the GLF was transferred into the Aberdeen Liquidity Fund (Lux) ("ALF"). At 31 December 2016 the Company's ultimate parent company held a controlling interest in the ALF. Under IFRS 10, the ALF is a fellow LBG undertaking and therefore a related party of the Company.

At 31 December 2016 the Company held investment in the liquidity fund of £3,173k (2015: £3,157k). Investment income of £15k (2015: £3,889k) received from the liquidity fund is included in investment income.

(c) Transactions between the Company and key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company which, for the Company, are the Executive Directors.

Key management personnel, as defined by IAS 24, are employed by a management entity, transactions with this entity are as follows:

Key management compensation:

The Directors consider that they received no remuneration in 2016 for their services to the Company.

	2016 £000	2015 £000
Salaries and other short-term benefits	-	362
Post-employment benefits	-	9
Share-based Payments	-	191
Total	-	562

During 2016 no services were provided by members of key management of the Company to other companies within the LBG, no Directors accrued retirement benefits under defined contribution pension schemes, no money or assets accrued to Directors and key management under long term incentive schemes and no Directors exercised share options or received qualifying services shares under long term incentive schemes.

During 2015, certain members of key management in the Company, including the highest paid Director, provided services to other companies within the LBG. In such cases, for the purposes of this note, figures have been included based on an apportionment to the Company of the total compensation earned.

During 2015 retirement benefits accrued for two Directors and key management personnel under defined benefit pension schemes and seventeen Directors and key management personnel were paying into a defined contribution scheme.

During 2015 the aggregate value of contributions paid to a pension scheme for qualifying services was £9,000.

During 2015 the aggregate amount of money receivable by Directors and key management, and the net value of assets received by directors and key management, under long term incentive schemes in respect of qualifying services was £191,000.

During 2015 two Directors exercised share options and eighteen Directors' received qualifying services shares under long term incentive schemes.

Detail regarding the highest paid Director is as follows:

	2016 £000	2015 £000
Apportioned aggregate emoluments	-	116

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)**15. Related Party Transactions (continued)**

During 2015 the highest paid Director did not exercise share options, however he was granted shares in respect of qualifying service).

In addition, during 2015 amounts of £50,000 became payable to the highest paid Director in relation to his retirement from office.

16. Insurance Business Transfer Scheme

On 26 November 2015, the High Court of Justice approved the transfer of the long-term insurance business of the Company to Scottish Widows Limited, the Company's immediate parent, pursuant to an insurance business transfer scheme under Part VII of the Financial Services and Markets Act 2000.

All of the assets, liabilities and reserves of the Company were transferred; save for a minimum of assets which were held back to cover the regulatory minimum capital requirements.

The overall impact on IFRS retained profits of the Company was as follows:

	2016	2015
	£000	£000
Loss on transfer of business to fellow group undertaking (gross of tax)	-	512,000
Transfer of tax assets and liabilities at nil consideration.	-	(9,000)
Total	-	503,000

The effect of this Transfer In on the Company's statement of financial position is as follows:

	2016	2015
	£000	£000
Assets		
Deferred costs	-	101,000
Deferred tax asset	-	15,000
Investment properties	-	158,000
Assets arising from reinsurance contracts held	-	112,000
Derivative financial instruments	-	46,000
Loans and receivables	-	250,000
Investments at fair value through profit / loss	-	8,329,000
Cash and cash equivalents	-	37,000
Total Assets	-	9,048,000
Liabilities		
Liabilities arising from insurance contracts and participating investment contracts	-	8,316,000
Deferred tax liabilities	-	19,000
Current tax liabilities	-	5,000
Liabilities from non-participating investment contracts	-	8,000
Derivative financial liabilities	-	18,000
Other financial liabilities	-	179,000
Total Liabilities	-	8,545,000
Net asset transferred under the Insurance Business Transfer Scheme	-	503,000

Financial assets and liabilities were transferred at fair value, and insurance / investment contract liabilities were transferred at a value consistent with IFRS4. Non financial assets and liabilities were transferred at carrying value in accordance with the predecessor accounting policy. The transfer was for £nil consideration and in accordance with the Insurance Business Transfer Scheme.