

DEVA LEASE 3 LIMITED

31 December 2014

Member of Lloyds Banking Group

Registered Number: 05493460

MONDAY



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DEVA LEASE 3 LIMITED

DIRECTORS

C G Dowsett
R O Williams

COMPANY SECRETARY

Lloyds Secretaries Limited

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

REGISTERED OFFICE

Charterhall House
Charterhall Drive
Chester
Cheshire
CH88 3AN

COUNTRY OF INCORPORATION

England and Wales

REGISTERED COMPANY NUMBER

05493460

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 December 2014.

REVIEW OF BUSINESS

During the year, the principal activity of the company was the management of financial assets and liabilities and this is likely to continue for the foreseeable future.

The results of the company show a result before taxation of £nil (2013: £139 loss) for the year as set out in the statement of comprehensive income on page 6.

The company has shareholder's equity of £3,738 (2013: £3,738).

DIVIDENDS

The directors did not authorise or pay any dividends during the year (2013: £nil).

DIRECTORS

The names of the directors of the company who were in office during the year and up to the date of the signing of financial statements are shown on page 1. The following changes in directors has taken place during the year:

	Appointed	Resigned/ceased to be a director
A J Smith		10th September 2014
R O Williams	10th October 2014	

No director had any interest in any material contract or arrangement with the company during or at the end of the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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;
- 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.

In accordance with Section 418 of the Companies Act 2006, in the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the 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.

DIRECTORS' INDEMNITIES

Lloyds Banking Group plc has granted to the directors of the company, including former directors who resigned during the year, 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 (or from the date of appointment in respect of directors who joined the board of the company during the financial year). 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 Lloyds Banking Group plc. In addition, the group has in place appropriate directors' and officers' liability insurance cover which was in place throughout the financial year.

DIRECTORS' REPORT (CONTINUED)

INDEPENDENT AUDITORS' APPOINTMENT

PricewaterhouseCoopers LLP are deemed to be re-appointed as auditors under section 487(2) of the Companies Act 2006.

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. For further details please refer to note 8 'Risk management of financial instruments' in these financial statements.

KEY PERFORMANCE INDICATORS ('KPIs')

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

On behalf of the board



R O Williams
Director

Date: 31 JULY 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEVA LEASE 3 LIMITED

Report on the Financial Statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its result 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.

The opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Deva Lease 3 Limited, comprise:

- Statement of Comprehensive Income for the year ended 31 December 2014;
- Balance Sheet as at 31 December 2014;
- Statement of Changes in Shareholder's Equity for the year then ended;
- Cash Flow Statement 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 their preparation is applicable law and IFRSs as adopted by the European Union.

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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

In addition, we read all the financial and non-financial information in the Financial Statements (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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial year is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEVA LEASE 3 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 page 2, 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 ISAs (UK and 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.



Mark Hoskyns-Abraham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Edinburgh

Date:

30 July 2015

DEVA LEASE 3 LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2014

	Note	2014 £	2013 £
Administration expenses		-	(139)
Result/(loss) before taxation	2	-	(139)
Taxation result	3	-	-
Result/(loss) after taxation and total comprehensive result/(loss) for the year attributable to owners of the parent		-	(139)

The accompanying notes are an integral part of the Financial Statements.

DEVA LEASE 3 LIMITED

BALANCE SHEET
As at 31 December 2014

	Note	2014 £	2013 £
Assets			
Current assets			
Amounts owed by group companies	4	44,496	44,496
Total current assets		44,496	44,496
Total assets		44,496	44,496
Liabilities			
Current liabilities			
Amounts owed to group companies	5	40,758	40,758
Total current liabilities		40,758	40,758
Equity			
Share capital	6	1	1
Retained earnings	7	3,737	3,737
Total equity		3,738	3,738
Total liabilities and equity		44,496	44,496

The financial statements on pages 6 to 15 were approved by the Board of Directors on **31 JULY 2015** and signed on its behalf by:



R O Williams
Director

Registered Number: 05493460

The accompanying notes are an integral part of the Financial Statements.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	Note	Share capital £	Retained earnings £	Total equity £
Balance at 31 December 2012	7	1	3,876	3,877
Total comprehensive loss for the year				
Loss for the year	7	-	(139)	(139)
Balance at 31 December 2013	6, 7	1	3,737	3,738
Total comprehensive income for the year				
Result for the year	7	-	-	-
Balance at 31 December 2014	6, 7	1	3,737	3,738

The accompanying notes are an integral part of the Financial Statements.

CASH FLOW STATEMENT
For the year ended 31 December 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	9	6,352	-
Net movement in cash and cash equivalents		6,352	-
Cash and cash equivalents at beginning of the year		38,144	38,144
Cash and cash equivalents at end of the year		44,496	38,144
Cash and cash equivalents are comprised of:			
Cash at bank	4	44,496	38,144
		44,496	38,144

The accompanying notes are an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

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

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, under the historical cost convention.

The financial statements have been prepared in accordance with Companies Act 2006 applicable to companies reporting under IFRSs.

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continuing financial support provided by Bank of Scotland plc. After making appropriate enquiries, the directors believe that it is appropriate for the financial statements to be prepared on the going concern basis.

In preparing these financial statements the company has adopted the amendments to IAS 1 Presentation of Financial Statements - 'Presentation of Items of Other Comprehensive Income'. The amendments to IAS 1 require entities to group items presented in other comprehensive income on the basis of whether they may potentially be reclassified to profit or loss subsequently. The statement of other comprehensive income in these financial statements has been revised to reflect the new requirements.

Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The accounting policies deemed critical to the company's results and financial position, based upon materiality and significant judgements and estimates, are discussed below.

- Impairment

The company regularly reviews the portfolio of financial assets for impairment. In determining whether an impairment has occurred at the balance sheet date the company considers whether there is any observable data indicating that there has been a measurable decrease in the estimated future cash flows or their timings; such observable data includes whether there has been an adverse change in the payment status of borrowers or changes in economic conditions that correlate with defaults on repayments or values of underlying assets. Where this is the case, the impairment loss is measured in accordance with note 1(a) below.

1(a) Impairment

At each balance sheet date the company assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a financial asset or group of financial assets has become impaired.

The criteria that the company uses to determine that there is objective evidence of an impairment loss include:

- Delinquency in contractual payments of principal and/or interest;
- Indications that the borrower or group of borrowers is experiencing significant financial difficulty;
- Restructuring of debt to reduce the burden on the borrower;
- Breach of loan covenants or conditions; and
- Initiation of bankruptcy.

If there is objective evidence that an impairment loss has been incurred, a provision is established which is calculated as the difference between the balance sheet carrying value of the asset and the present value of the estimated future cash flows discounted at the asset's implicit rate in the lease.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, such as an improvement in the borrower's credit rating, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as a credit to the statement of comprehensive income.

1(b) Taxation

Current income tax which is payable on taxable profits is recognised as an expense in the period in which the profits arise.

Deferred 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 in the financial statements. However, deferred tax is not accounted for if it 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. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting policies (continued)**1(b) Taxation (continued)**

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised. Income tax payable on profits is recognised as an expense in the period in which those profits arise. The tax effects of losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised. Deferred tax related to fair value re-measurement of financial assets and liabilities, which are charged or credited directly to equity, is also credited or charged directly to equity and is subsequently recognised in the statement of comprehensive income together with the deferred gain or loss.

Deferred and current tax assets and liabilities are offset when they arise in the same tax reporting group and where there is both a legal right of offset and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1(c) Dividends

Dividends are recognised in equity only when the company has the obligation to pay the ordinary shareholder.

1(d) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash and amounts due from banks with original maturities of less than three months.

1(e) Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in sterling, which is the company's functional and presentation currency.

2 Result/(loss) before taxation

Audit fees for the company are borne by the ultimate parent company.

The company has no employees (2013: nil).

The directors, who are considered to be key management, received no remuneration in respect of their services to the company. The emoluments of the directors are paid by a fellow group undertaking on behalf of the ultimate parent, Lloyds Banking Group plc, which makes no recharge to the company. The directors are also directors of a number of other subsidiaries of the Group and are also substantially engaged in managing their respective business areas within the Group. Given this, it is not possible to make an accurate apportionment of directors' emoluments in respect of their services to each of the subsidiaries. Accordingly, these financial statements include no emoluments in respect of the directors.

3 Taxation result

	2014 £	2013 £
The taxation result for the year comprises:		
Total current tax result for the year	-	-

Where taxation on the company's result/(loss) for the year differs from the taxation result that would arise using the standard rate of corporation tax of 21.5% (2013: 23.25%), the differences are explained below:

	2014 £	2013 £
Result/(loss) before taxation	-	(139)
Tax at standard rate of corporation tax	-	32
VAT Inter company write off	-	(32)
Total taxation result	-	-

The Finance Act 2013 (the Act) was substantively enacted on 2 July 2013. The Act further reduced the main rate of corporation tax to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 Taxation result (continued)

On 8 July 2015, the Government announced that the corporation tax rate applicable from 1 April 2017 would be 19% and from 1 April 2020 would be 18%. The proposed reductions in the rate of corporation tax are expected to be enacted during 2015.

4 Amounts owed by group companies

	2014 £	2013 £
Cash at bank	44,496	38,144
Group relief receivable	-	6,352
	<u>44,496</u>	<u>44,496</u>

For further details please refer to note 10.

5 Amounts owed to group companies

	2014 £	2013 £
Amounts due to parent undertakings	40,758	40,758
Group relief payable	-	-
	<u>40,758</u>	<u>40,758</u>

For further details please refer to note 10.

6 Share capital

	2014 £	2013 £
Allotted, issued and fully paid 1 ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

The company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, provide an adequate return to its shareholder through pricing products and services commensurately with the level of risk and, indirectly, to support the group's regulatory capital requirements.

The company's parent manages the company's capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company's parent may adjust the amount of dividends to be paid to the shareholder, return capital to the shareholder, issue new shares, or enter into debt financing.

The company's capital comprises all components of equity, movements in which appear in the statement of changes in shareholder's equity.

7 Retained earnings

	2014 £	2013 £
At beginning of the year	3,737	3,876
Result/(loss) after taxation for the year	-	(139)
	<u>3,737</u>	<u>3,737</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Risk management of financial instruments

The primary financial risks affecting the company are: credit risk, liquidity risk and market risk (which include interest rate risk and foreign currency risk). Information on the management of these financial risks and further disclosures is given below.

In accordance with IAS 39 "Financial instruments: Recognition and measurement", all financial assets are designated as held at amortised cost. The accounting policies in note 1 describe how different classes of financial instruments are measured, and how income and expenses are recognised.

Credit risk management:

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum credit risk exposure of the company in the event of other parties failing to perform their obligations is detailed below. The maximum exposure to loss is considered to be the balance sheet carrying amount as at 31 December.

	2014 £	2013 £
Financial assets which are neither past due nor impaired for credit risk:		
Amounts owed by group companies	44,496	44,496
Total credit risk exposure	44,496	44,496

Credit risk management is performed by various committees established by its ultimate parent, Lloyds Banking Group plc. Each exposure is assessed for credit risk prior to approval and assigned a credit rating based on the credit risk rating methodology and management policy of the Lloyds Banking Group plc. The company has no credit risk to a third party, all assets are recoverable from the company's ultimate parent, Lloyds Banking Group plc being a A (2013: A) credit rated financial institution.

At the balance sheet date the company assesses if there is objective evidence that the financial assets have become impaired. Evidence of impairment may include indications that the counterparty is experiencing financial difficulty, default or delinquency in settlements of amounts due or debt restructurings to reduce the financial burden on the counterparty.

At 31 December 2014 and 2013 there were no impairments relating to credit risk against any financial assets.

Liquidity risk management:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The liquidity profile of financial liabilities at year end was as follows:

At 31 December 2014	Other liabilities £	Total Liabilities £
On demand	40,758	40,758
Up to 1 month	-	-
1-3 months	-	-
3-12 months	-	-
1-5 years	-	-
Over 5 years	-	-
Total	40,758	40,758
At 31 December 2013	Other liabilities £	Total Liabilities £
On demand	40,758	40,758
Up to 1 month	-	-
1-3 months	-	-
3-12 months	-	-
1-5 years	-	-
Over 5 years	-	-
Total	40,758	40,758

The fair value of current liabilities approximates their carrying values.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Risk management of financial instruments (continued)

Interest rate risk management:

Interest rate risk is the risk that the future cash flows and fair values of a financial instrument may fluctuate because of changes in market interest rates.

The company has no exposure to variable rate financial assets and liabilities.

Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company's transactions are all denominated in British Pounds as such the company has no exposure to foreign currency risk.

9 Notes to the cash flow statement

	2014 £	2013 £
Result/(loss) before taxation	-	(139)
Cash generated by operations	-	(139)
Group relief received	6,352	-
Net cash flow from operations	6,352	(139)

10 Related parties

The company's immediate parent company is Bank of Scotland plc. The company regarded by the directors as the ultimate parent company and ultimate controlling party is Lloyds Banking Group plc, a limited liability company incorporated and domiciled in Scotland, 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. Bank of Scotland plc is the parent company of the smallest such group of undertakings. Copies of the group financial statements may be obtained from the company secretary's office, Lloyds Banking Group plc, 25 Gresham Street, London EC2V 7HN or downloaded via www.lloydsbankinggroup.com.

The company's related parties include other companies in the Lloyds Banking Group and the company's key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, which is determined to be the company's directors, who are listed on page 1 of these financial statements.

In respect of related party transactions, the outstanding balances receivable/(payable) at 31 December were as follows:

Nature of transaction	Related party	Related party relationship	2014 £	2013 £	Terms and conditions	
Cash at bank	Bank of Scotland plc	Immediate parent undertaking	44,496	38,144	No fixed date	N/A
Amounts payable to parent company	Capital Bank	Fellow subsidiary undertaking	(40,758)	(40,758)	No fixed date	N/A
Group relief receivable	Bank of Scotland plc	Immediate parent undertaking	-	6,352	No fixed date	N/A

There were no doubtful debts or bad debt expenses relating to the above balances incurred during the year.

The company received group relief of £6,352 (2013: £nil) during the year from fellow subsidiary undertakings.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Adopted accounting standards

The following accounting standard changes were adopted by the company during the year.

<u>Pronouncement</u>	<u>Nature of change</u>	<u>Adoption date</u>
Amendment to IAS 32 Financial Instruments: Presentation – 'Offsetting Financial Assets and Financial Liabilities'	Inserts application guidance to address inconsistencies identified in applying the offsetting criteria used in the standard. Some gross settlement systems may qualify for offsetting where they exhibit certain characteristics akin to net settlement.	1 January 2014
Amendments to IAS 39 Financial Instruments: Recognition and Measurement – 'Novation of Derivatives and Continuation of Hedge Accounting'	Provides relief from discontinuing hedge accounting in circumstances where a derivative designated as a hedging instrument is novated to a central counterparty as a consequence or introduction of laws or regulations.	1 January 2014

12 Future developments

The following accounting standard changes will impact the company in the future financial years. Save as disclosed below, the initial view is that none of these pronouncements are expected to cause any material adjustments to reported numbers in the Financial Statements.

<u>Pronouncement</u>	<u>Nature of change</u>	<u>IASB effective date</u>
IFRS 9; 'Financial Instruments' ¹	Replaces those parts of IAS 39 Financial Instruments: Recognition and Measurement relating to the classification, measurement and derecognition of financial assets and liabilities and hedge accounting. IFRS 9 requires financial assets to be classified into two measurement categories, fair value and amortised cost, on the basis of the objectives of the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments and eliminated the available-for-sale financial asset and held-to-maturity investment categories in IAS 39. The requirements for derecognition are broadly unchanged from IAS 39. The standard also retains most of the IAS 39 requirements for financial liabilities except for those designated at fair value through profit or loss whereby that part of the fair value change attributable to the entity's own credit risk is recorded in other comprehensive income. The hedge accounting requirements are more closely aligned with risk management practices and follow a more principle-based approach.	Annual periods beginning on or after 1 January 2018

¹ As at the date of signing, this pronouncement is awaiting EU endorsement.