

HBOS PLC

HBOS plc

Interim accounts

Half-year to 30 June 2015

Company number: SC218813

MONDAY



S4D0HXJS

SCT

03/08/2015

#164

COMPANIES HOUSE

COMPANY INCOME STATEMENT

Half-year to
30 June
2015
£ million

Interest and similar income	246
Interest and similar expense	(235)
Net interest income	11
Trading profits	(42)
Dividends from subsidiary undertakings	5,056
Other income	5,014
Total income	5,025
Other costs	(1)
Profit before tax	5,024
Taxation	(10)
Profit for the period	5,014

HBOS PLC

COMPANY STATEMENT OF COMPREHENSIVE INCOME

**Half-year
to
30 June
2015
£ million**

Profit for period

5,014

Other comprehensive income

Items that will not subsequently be reclassified to profit or loss:

Post-retirement defined benefit scheme remeasurements

Remeasurements before taxation

(171)

Taxation

34

(137)

Total comprehensive income for the period

4,877

COMPANY BALANCE SHEET

As at
30 June
2015
£ million

Assets

Investment in subsidiaries	22,447
Retirement benefit assets	667
Derivative financial instruments	545
Amounts due from Group undertakings	22,195
Total assets	45,854

Equity and liabilities

Capital and reserves:

Share capital	3,763
Other reserves	9,693
Retained profits	16,094
Total equity	29,550

Amounts owed to Group undertakings	9,438
Other liabilities	510
Current tax liabilities	35
Retirement benefit obligations	172
Deferred tax liabilities	133
Subordinated liabilities	6,016
Total liabilities	16,304
Total equity and liabilities	45,854

Approved by the Board on 30 July 2015 and signed on its behalf

George Culmer
Chief Financial Officer



COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital and premium £ million	Other reserves £ million	Retained profits £ million	Total £ million
Balance at 1 January 2015.	22,418	9,693	(7,520)	24,591
Comprehensive income				
Profit for the period	-	-	5,014	5,014
Other comprehensive income				
Post-retirement defined benefit scheme remeasurements, net of tax	-	-	(137)	(137)
Total comprehensive income	-	-	4,877	4,877
Transactions with owners:				
Capital restructuring	(18,655)	-	18,655	-
Capital contribution received	-	-	82	82
Total transactions with owners	(18,655)	-	18,737	82
Balance at 30 June 2015	3,763	9,693	16,094	29,550

SUPPLEMENTARY NOTES

1. Accounting policies, presentation and estimates

These interim accounts at and for the half-year to 30 June 2015 comprise the results of HBOS plc (the Company) but do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's financial statements as at and for the year ended 31 December 2014 which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Copies of the 2014 Annual Report and Accounts are available on the Lloyds Banking Group's website and are available upon request from Investor Relations, Lloyds Banking Group plc, 25 Gresham Street, London EC2V 7HN.

The interim accounts have been prepared on a going concern basis. This is considered appropriate taking into account projections for the Company's capital and funding.

The accounting policies are consistent with those applied by the Company in its 2014 Annual Report and Accounts.

Critical accounting estimates and judgements

The preparation of the Company's interim accounts requires management to make judgements, estimates and assumptions that impact the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may include 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. There have been no significant changes in the basis upon which estimates have been determined, compared to that applied at 31 December 2014.

2. Taxation

A reconciliation of the tax charge that would result from applying the standard UK corporation tax rate to the profit before tax, to the actual tax charge, is given below:

	Half-year to 30 June 2015 £m
Profit before tax	5,024
Tax charge thereon at UK corporation tax rate of 20.25 per cent	(1,017)
Factors affecting tax charge:	
Disallowed items	(11)
Non-taxable items	1,030
Adjustments in respect of previous years	(12)
Tax charge on profit on ordinary activities	(10)

SUPPLEMENTARY NOTES (continued)**3. Share capital**

Movements in share capital during the period were as follows:

	Number of shares (million)	£m
Ordinary shares of 25p each		
At 1 January and 30 June 2015	<u>15,053</u>	<u>3,763</u>
Preference shares of £1 each		
At 1 January and 30 June 2015	<u>-</u>	<u>-</u>
Total share capital		<u>3,763</u>

4. Share premium account

	£m
At 1 January 2015	18,655
Capital restructuring ¹	<u>(18,655)</u>
At 30 June 2015	<u>-</u>

¹ During the half-year to 30 June 2015 the Company reduced its share premium account by Special Resolution which was confirmed by an Order of the Court of Session, Scotland on 11 June 2015. The balance on the share premium account of £18,655 million has been transferred to retained profits.

5. Other reserves

	At 30 June 2015 £ million
Other reserves comprise:	
Merger and other reserves	9,537
Capital redemption reserve	141
Foreign currency translation reserve	<u>15</u>
At period end	<u>9,693</u>

Movements in other reserves were as follows:

<i>Merger and other reserves</i>	
At 1 January and at period end	<u>9,537</u>

SUPPLEMENTARY NOTES (continued)

5. Other reserves (continued)

Half-year
to
30 June
2015
£m

Capital redemption reserve

At 1 January and at period end

141

Foreign currency translation reserve

At 1 January and at period end

15

6. Retained profits

Half-year
to
30 June
2015
£m

At 1 January

(7,520)

Capital restructuring ¹

18,655

Profit for the period

5,014

Dividends paid

-

Capital contribution received

82

Post-retirement defined benefit scheme remeasurement

(137)

At period end

16,094

¹ During the half-year to 30 June 2015 the Company reduced its share premium account by Special Resolution which was confirmed by an Order of the Court of Session, Scotland on 11 June 2015. The balance on the share premium account of £18,655 million has been transferred to retained profits.