

Audit Committee report



Tushar Morzaria
Chair of the Audit Committee

I am pleased to present my report as Chair of the Audit Committee for the year ended 31 December 2025. The Committee continued to assist the Board in fulfilling its core responsibilities this year, including monitoring the integrity of the Group's financial reporting, the adequacy and effectiveness of the internal control environment and the performance and objectivity of both the internal and external audit functions.

During the year, the Committee continued to oversee, scrutinise and challenge key issues and management judgements as part of its monitoring and assessment of the integrity of the Group's financial and non-financial reporting. This was particularly pertinent as the Committee oversaw the accounting implications of a number of material transactions that occurred both during the year and post year-end, as well as the results of various asset valuation reviews within our Private Markets business.

The Committee continued to receive regular updates and assurance reports from management on the effectiveness of controls in place for financial and non-financial reporting and scrutinised and monitored the progress of remediation for any deficiencies identified. The Committee also received regular updates on the changing legislative and regulatory environment and the implications of this in respect of reporting. The Committee continued to oversee enhancements to the Group's internal control framework as well as preparations in readiness for the additional requirements of Provision 29 in the UK Corporate Governance Code, which came into effect for accounting periods beginning on or after 1 January 2026 and will provide increased transparency for stakeholders in terms of how the Board fulfils its responsibilities in respect of overseeing and monitoring the Group's risk management and internal control systems.

Finally, in consideration of the UK requirements for the Group to tender the external auditor every 10 years, the Committee initiated a tendering process for both the financial audit and sustainability assurance to enable the selection of an auditor in 2026 for the financial year ending 31 December 2028.

Committee membership and skills

The Board considers that the Committee, as a whole, has a balance of skills and experience to deliver its responsibilities and has competence relevant to the sector and broader financial services industry. In addition, the Board considers that I, as Chair of the Committee, have recent and relevant financial experience and am competent in accounting and auditing.

Committee overview

Committee meetings and membership

The Committee met seven times during the year. The Committee comprises only independent non-executive directors and fulfils the experience and expertise criteria required by the UK Corporate Governance Code and the FCA's Disclosure and Transparency Rules.

Meeting attendance

Member	Scheduled	Ad hoc
Tushar Morzaria (Chair)	5/5	2/2
Philip Broadley ¹	2/3	1/1
Clare Bousfield ²	2/2	1/1
Carolyn Johnson	5/5	2/2
Nilufer Kheraj OBE	5/5	2/2
George Lewis	4/5	2/2

1. Retired from the Committee with effect from 31 August 2025.
2. Appointed to the Committee with effect from 1 September 2025.

The role of the Committee

The Committee monitors the integrity of the Group's financial reporting (including climate and other ESG-related disclosures) and provides oversight of the control environment. In addition, the Committee monitors the adequacy and effectiveness of the Group's system of internal control and risk management framework as well as the Group's internal and external audit processes.

Key responsibilities

- Consider the integrity of the Group's financial and non-financial reporting, formal announcements and regulatory information in relation to the Group's financial performance.
- Assess the going concern assumption and the longer-term viability statement.
- Advise the Board on whether the Annual report and accounts is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.
- Review the Group's accounting policies, including any proposed changes and review the appropriateness of significant accounting policies and judgements.
- Review and make a recommendation to the Board on the adequacy and effectiveness of the Group's system of internal control over financial reporting and external disclosures related to internal controls and risk management.
- Oversee the appointment, reappointment, remuneration, independence and effectiveness of the external auditor.
- Oversee the work of Group Internal Audit (GIA) including the independence and effectiveness of the function.
- Oversee the audit committees of the Company's principal operating subsidiaries.

Terms of Reference

The Committee's terms of reference can be viewed on our website:

 Discover more online
group.legalandgeneral.com/groupboardcommittees

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All members of the Committee are also members of the Risk Committee, which ensures that there is appropriate identification and management of any issues that are relevant to both committees. The Committee's membership was further strengthened during the year through the appointment of Clare Bousfield, who brings deep financial services expertise from her previous non-executive and executive roles. The full biographies of all Committee members can be found on pages 52 and 53. I meet regularly with senior management across Group Finance, Risk, Actuarial and Internal Audit functions, the Audit Committee Chairs of our Insurance and Asset Management subsidiaries, as well as with the lead external audit partner and their team.

Financial and non-financial disclosures

The Committee reviewed the half year and annual financial statements, which focused on the integrity, accuracy and clarity of disclosure, application of accounting policies and judgements and compliance with legal and relevant reporting standards. As part of its review, the Committee received regular updates from management and the external auditor and was able to place reliance on the updates provided by management throughout the year on internal controls in relation to financial and non-financial reporting. For more information relating to the application of accounting policies, please refer to Note 1 of the financial statements on page 136.

As part of its review of financial disclosures, the Committee also considered whether the Annual report and accounts was fair, balanced and understandable (FBU) and whether it provided the information necessary for shareholders to assess the Company's position, performance, business model and strategy, as well as its exposure to the risks facing the business. The Committee reviewed the FBU assessment taking into consideration the impact of market volatility and the changing macroeconomic and geopolitical threat environment and giving due attention to the use of Alternative Performance Measures (APMs) in increasing the level of information available to investors on the Company's underlying performance and the effects of one-off financial events. In conjunction with verification processes, management assurance and a report from the external auditor, the Committee recommended to the Board that the Annual report and accounts, taken as a whole, is fair, balanced and understandable.

The Audit Committee, together with the Risk Committee, reviewed the key assumptions and methodologies of the risk-based capital model, Solvency UK disclosures and disclosures made in relation to internal control and risk management, as well as the principal risks and uncertainties the Group faces. The Committee can confirm that the key judgements and significant matters considered in relation to the 2025 financial statements are consistent with the disclosures of key estimation uncertainties and critical judgements as detailed in Note 1 of the financial statements. The statement is underpinned by the Committee's belief that all important information has been disclosed and that the descriptions and reviews of the Group's business and performance as set out in the Strategic report are consistent with the financial reporting in the Group's financial statements.

The Committee monitored the effectiveness of the systems of internal control over financial and non-financial reporting that support the integrity of the Group's financial and non-financial disclosures, in accordance with the requirements of the guidance on risk management, internal control and related financial and business reporting published by the FRC. During this review, the Committee did not identify any weaknesses which were determined to be significant to the preparation of the financial statements. Where areas for improvement were identified, processes and accountabilities are in place to ensure that the necessary actions are taken, and progress is monitored by the Committee.

Internal control

The Committee has the primary responsibility for the oversight of the Group's system of internal controls, including controls over financial reporting, and the work of the GIA function. The Committee, in collaboration with the Risk Committee, seeks to ensure that the Group operates within a framework of prudent and effective controls that allow risks to be identified, assessed and managed. The Committee has received regular updates on the Group's overall control environment throughout the year from GIA and first line financial reporting teams, as well as further in-depth updates from the Group's businesses and functions where areas for improvement in the control environment were identified.

Policies and manuals in relation to International Financial Reporting Standards (IFRS) and Solvency UK reporting requirements and a Financial Control Framework (FCF) are in place across the Group. FCF is a first line framework that supports the Committee in enabling it to understand and assess the design and operating effectiveness of controls over financial reporting (covering IFRS, APMs, and Solvency UK) and climate and other non-financial reporting. FCF is a risk-based approach with management identification, documentation, testing, remediation (as required), reporting and certification over key reporting-related controls.

Against the backdrop of the Group's new strategic objectives, a complex and evolving regulatory landscape and a challenging external environment, the Committee recognises the importance of a robust internal control framework underpinned by a culture that supports ongoing investment in strengthening the overall control environment.

Throughout the year, the Committee has overseen enhancements to the Group's model risk management framework to better align with best practice and the PRA's Model Risk Management Principals for Banks (SS1/23). This has included enhancements to the Group's model identification, risk assessment, life cycle management and validation policies and approaches. In addition, the Committee has had particular focus in 2025 on work being undertaken to strengthen controls relating to change management, customer operations and processes in relation to statutory and regulatory reporting.

In anticipation of the changes to Provision 29 of the Code, the Committee spent time considering management's proposals for the identification of material controls for these purposes, the framework of assurance that the Group has in place across its three lines of defence to provide evidence of the effectiveness of those material controls, and a 'dry run' of various control ineffectiveness scenarios and the associated Provision 29 disclosures. The Committee is comfortable with the direction of management's proposals, which will be implemented during 2026 ahead of the new reporting requirements in next year's Annual report and accounts.

Audit quality

It remains an important aspect of the Committee's work to keep under review the independence and effectiveness of the internal and external audit process.

Internal audit

The Committee continued to oversee and support the work of GIA during the year. The Group Chief Internal Auditor presents a report at each scheduled Committee meeting to update the Committee on the findings of audits since the previous meeting. The report also includes: GIA's assessment of the overall control environment for each of the Group's businesses; details of any significant audit reports issued; insights on significant control weaknesses and root causes; insights on areas where governance, risk management and controls are effective; updates on the status of open and overdue issues to address audit findings; and analysis of themes and trends emerging from GIA's work.

Key areas of GIA's work reported to the Committee during the year included: the Group's capacity and ability to deliver change; data, cyber and security resilience; delivering fairness and value to customers; ESG and financial crime; processes and controls supporting financial reporting; insurance risk management; processes and controls supporting liquidity, capital management and reserving; market risk management; operational risk management; model risk management; and third-party risk management. GIA also reported to the Committee on key corporate events including the disposal of the Group's US protection business, major IT change programmes and large PRT transactions.

GIA continued to evaluate the risk and control culture across the Group, as well as wider aspects of organisational culture and behaviour, and included specific reporting to the Committee on the results of this work. The Committee approved GIA's risk-based audit plan for the year and monitored the delivery of the plan throughout the year, as well as the associated key performance metrics. In addition, each year GIA conducts a mid-year review of the audit plan to ensure it remains appropriate and continues to reflect the risk profile of the Group, the results of which are presented to the Committee to review and approve. GIA retained EY as a strategic co-source partner and Deloitte for the provision of independent quality assurance (QA) over a sample of audits completed during the year. The results of the independent QA activity were reported to the Committee.

An external quality assessment (EQA) of GIA was undertaken by Deloitte in the last quarter of 2025, as required under Global Internal Audit Standards issued by the Institute of Internal Auditors. The previous EQA was undertaken in 2022, also by Deloitte. In their latest assessment, Deloitte's report concluded that GIA is at the "upper end of Mature" within their maturity assessment and at the top end of the peer benchmark. Deloitte also concluded that GIA fully conforms with the Institute of Internal Auditor's Global Internal Audit Standards; generally aligns with the UK Chartered Institute of Internal Auditors' Code on Effective Internal Audit (the highest rating); and is a highly respected function, focused on continuous improvement and delivering valuable and insightful assurance.

The Committee continued to meet with the Group Chief Internal Auditor in private throughout the year. In accordance with the Chartered Institute of Internal Auditors' Code of Practice, the Committee conducted its annual review of the independence and objectivity of the Group Chief Internal Auditor and concluded that independence and objectivity had been maintained throughout the year. In addition, the Committee undertook its annual review of, and approved, the GIA Charter, which includes GIA's mandate and its role in the organisation, which was to support the Board and executive management in strengthening L&G's ability to create, protect and sustain value by providing them with risk-based, independent and objective assurance, advice, insight and foresight. The Committee also undertook a regular review of key performance indicators, including: audit plan delivery progress; resourcing and skill levels; and progress by GIA in completion of its strategic development actions.

Based on regular internal audit reporting, private sessions with the Group Chief Internal Auditor, and taking into consideration the independent QA activities over GIA's audits and the results of the latest EQA, the Committee is satisfied with the independence of the Group Chief Internal Auditor during 2025, the effectiveness of the GIA function, its positive impact upon the effectiveness of governance, risk management and controls across the organisation; and the appropriateness of its resources.

External audit

The Committee has the primary responsibility for overseeing the relationship with, and performance of, the external auditor. This includes making recommendations for their appointment, reappointment, removal and approval of remuneration. The Committee reviews and approves the terms of engagement of the external auditor and monitors its compliance with the independence criteria in the Code.

The Committee meets regularly and privately with the external auditor. These meetings allow for regular and open dialogue of any issues relevant to the Committee's work. Audit Committee members also meet regularly with management outside of formal Committee meetings to discuss the relationship with the external auditor and the efficiency of the audit process. Throughout the year, the Committee received updates on the quality of the external audit process and continued to work with, and challenge, management and KPMG on efficiency gains and ensuring that audit fees are fair and proportionate to the audit work required for the Group.

Appointment

The Company confirms that it has complied with requirements governing the appointment of an external auditor, notably the requirements of the Competition & Markets Authority contained in the Statutory Audit Services for Large Companies Market Investigation (Mandatory Uses of Competitive Tender Process and Audit Committee Responsibilities) Order 2014, including requirements for mandatory audit firm rotation. Following a competitive tender carried out in 2016, KPMG was appointed as the Group's external auditor with effect from the financial year ended 31 December 2018. In May 2025, KPMG was reappointed as the Group's external auditor for the financial year ended 31 December 2025, which is their eighth year as the Group's external auditor.

The Committee considers the quality and effectiveness of the external audit and recommends to the Board, on an annual basis, whether to recommend the reappointment of the external auditor for shareholder approval. On the basis that KPMG continue to maintain their independence and objectivity, and the Committee continues to remain satisfied with their performance, there are no plans as at the date of this report to conduct a tender exercise for external audit services in relation to reporting periods before the end of the current required period of 10 years.

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Following UK regulatory requirements, the Company is obliged to retender the audit every 10 years and the incumbent auditors cannot be reappointed beyond 20 years. Therefore, in late 2025, the Committee initiated the tender process for the financial year ending 31 December 2028. This will ensure sufficient time to carry out the process and, in the event that a new auditor is appointed, clear any conflicts and ensure a smooth and well-governed transition. The tender process agreed by the Committee has been designed to uphold transparency, independence, and alignment with the Group's scale and complexity and, as required by the Audit Committees and the External Audit: Minimum Standard, the process will be led by the Committee with facilitation from senior management. KPMG is eligible to re-tender for the audit and has indicated its willingness to be one of the firms included in the tender. Further detail on the process will be included in next year's Annual report and accounts and the outcome of the tender will be recommended for shareholder approval at the 2027 AGM.

Assessment of independence and effectiveness

The Committee is responsible for assessing the effectiveness, objectivity and independence of the external auditor. This assessment is ongoing throughout the year and concludes with a formal, internal effectiveness review, which was conducted in December 2025. The 2025 audit effectiveness review was undertaken to assist the Committee in assessing the quality of external auditor services provided to the Group through completion of a questionnaire by the Committee, senior management, and members of the Group's Finance teams. As part of the ongoing assessment and effectiveness review, the Committee assesses the external auditor against a number of criteria, including but not limited to: delivery of an efficient and effective audit; the quality of judgements and audit findings; the ability to meet objectives within agreed time frames; provision of timely and accurate industry-specific and technical knowledge; and maintaining a professional and open dialogue with the Audit Committee Chair and members at all times. In advance of finalising the effectiveness review questionnaire, a mapping exercise was conducted to ensure that the areas of consideration specified in the Audit Committees and the External Audit: Minimum Standard had been appropriately captured.

The Committee holds regular private meetings with the external auditor to discuss the audit process and relationship with management, and the Committee and management have a regular and open dialogue with KPMG.

The audit partner regularly attends Committee meetings and the Committee also receives reports from the external auditor on the progress of its audit activities and updates on its risk assessment. The Committee reviews the content of these reports and the level of professional scepticism and challenge of management assumptions demonstrated by the external auditor and, where appropriate, requests that management respond to that challenge and tracks management responses to ensure a satisfactory outcome to the challenges raised.

The Committee was provided with the findings of the FRC's Audit Quality Review (AQR) inspection of KPMG and other large firms which largely covered the years ending between August 2023 and March 2024. No specific actions were required as a result of the AQR. The AQR provided further external evidence to the Committee of the robustness and quality of the external audit process.

Overall, the assessment of KPMG remains positive and, where opportunities for improvement were identified through the effectiveness review, KPMG were asked to consider that feedback in future audit cycles. Taking into account the result of the formal effectiveness review and the ongoing assessment throughout the year, the Committee concluded that KPMG maintained its independence and objectivity and that the audit process was effective. Upon the Committee's recommendation, the Board has recommended that KPMG be reappointed as the Company's auditor for the next financial year, by shareholders, at the 2026 AGM.

Non-audit services

In order to safeguard the auditor's independence and objectivity, the Group has in place a policy setting out the circumstances in which the external auditor may be engaged to provide services other than those covered by the audit. The policy applies to all L&G subsidiaries and other material entities over which the Group has significant influence. The core principle of the policy is that non-audit services (other than those legally required to be carried out by the Group's auditor) should be performed by the auditor only in certain controlled circumstances. The policy sets out those types of services that are permitted (permitted services) and those types of services which are not permitted. The policy pre-approves a number of the permitted services, provided the fee is below a certain threshold; all other permitted services must be specifically approved in advance by the Committee.

The policy is reviewed on an annual basis to ensure that it is fit for purpose and that it reflects applicable rules and guidelines. The policy is aligned with the FRC's requirements and includes the requirement to consider the self-review test under the International Ethics Standards Board for Accountants (IESBA) Code of Ethics, applicable for periods beginning on or after 15 December 2022, before a proposed engagement is assigned. It is also aligned with KPMG's own internal policy on non-audit services for FTSE 350 companies, which broadly restricts non-audit work to services that are 'closely related' to the audit. Any changes to the policy are required to be approved by the Committee. This is in accordance with laws applicable in the UK and FRC guidance, pursuant to which audit committees of Public Interest Entities are required to approve non-audit services provided by their auditors to such entities; and subsidiary Public Interest Entities in the UK, such as LGAS, can rely on the approval of non-audit services by the ultimate parent board's Audit Committee.

Audit fees

The Committee assesses the external auditor's fee structure, resources and terms of engagement annually. Total fees paid to the auditor for the year were £21 million (2024: £19.8 million), of which £2.5 million (2024: £2.3 million) was spent on other audit-related and non-audit other assurance services. £1.9 million (2024: £1.8 million) was spent on audit-related services required by legislation, which is excluded from any calculation of the ratio of non-audit to audit fees in accordance with the UK FRC Revised Ethical Standard for Auditors (2019). Further details can be found in Note 32 to the consolidated financial statements. The non-audit fee represents 5% of the total audit fee for 2025. The Committee continues to work with KPMG to ensure costs remain appropriate and proportionate to the services provided.

	2025 £m	2024 £m	2023 £m
Audit	16.6	15.7	19.6
Audit-related required by legislation	1.9	1.8	1.6
Other audit-related	1.5	1.2	1.0
Non-audit other assurance	1.0	1.1	0.9
Total	21.0	19.8	23.1



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Key accounting and reporting judgements

Throughout the year, the Committee was briefed at each meeting on the Group's key accounting and reporting judgements by management and KPMG. The Committee's response to each issue can be found below, and the Committee is satisfied that the financial statements appropriately address the key accounting judgements and estimates in respect of both the amounts reported and disclosures made.

Issue	Committee's response
<p>Valuation of insurance contract liabilities – retirement: The insurance liabilities for retirement products are significant in size and their estimation is inherently judgemental.</p>	<p>The Committee evaluated the significant judgements that have an impact on the valuation of insurance liabilities for retirement products. This included considering:</p> <p>Longevity assumptions – which estimate how long policyholders receiving annuity payments will live. The challenge around the setting of longevity assumptions was a particularly significant area for review as the judgements made could be expected to have a material impact on the Group's results. The Committee considered the effectiveness of the controls over the accuracy and completeness of the data used in determining the longevity assumption and the validity of independent industry data supporting those assumptions. The Committee also reviewed available data illustrating recent trends in mortality experience in the UK population and the mortality experience on different blocks of our business, focusing on the mortality assumptions for individuals purchasing annuities. The Committee reviewed judgements applied in the parameterisation of the model used for estimating future changes in mortality rates.</p> <p>Valuation interest rates – which are used to discount the liabilities. These are sensitive to judgements made, for example, on credit default of the backing assets, as well as the investment data used to calculate the internal rate of return. The Committee considered the ongoing appropriateness of management's approach to setting assumptions.</p> <p>Directly attributable expense assumptions – which determine the specific future expenses that are incorporated in the calculation of the IFRS insurance liabilities. The Committee considered the modelling refinements to the determination and application of the assumptions.</p> <p>The Committee concluded that the retirement insurance contract liabilities are appropriate for including in the financial statements, reflecting the asset risks and the available data on policyholder longevity.</p>
<p>Valuation of complex investments: Mark to model investments can involve significant judgement and can produce valuation challenges for investments in new classes.</p> <p>Mark to model valuations inherently include assumptions that lead to the existence of a range of plausible valuations for financial instruments (known as valuation uncertainty). Certain assets are subject to a higher degree of valuation uncertainty, particularly where valuations are modelled using no market inputs or the valuations are affected by other factors such as the illiquidity of the asset.</p>	<p>The Group balance sheet carries exposure to complex investments (typically classified as Level 3 in the fair value hierarchy), in line with the Group's strategy and risk appetite. The valuation of these investments, including property assets, lifetime mortgages and private credit, requires the use of complex models and management judgement. The Committee seeks to ensure that the valuation process for these investments is robust.</p> <p>Whilst 2025 has seen less market volatility, these harder to value assets remain a key area of focus, in particular those being held in the Corporate Investment Unit and Asset Management business. The valuation of a number of asset classes within these portfolios are sensitive to varying interest rates and inflation, as well as market sentiment and these have therefore remained areas of challenge and review by the Committee. A number of assets have been subject to valuation impairments during the year.</p> <p>The Committee has continued to review the processes and controls over investment valuations and in particular the valuation uncertainty policies and governance which include management's assessment of valuation uncertainty by asset type. While we do not currently see any material impact on the valuation of our asset portfolio arising from climate change, this continues to be an area of consideration in both internal and third-party valuations.</p> <p>The Committee concluded that there are appropriate controls surrounding the valuation of complex assets and that they are valued appropriately for inclusion in the financial statements.</p>
<p>Valuation of insurance liabilities – protection: The insurance liabilities for protection contracts are an important driver of the profitability for this line of business and require judgements to be made regarding the assumed rates of mortality and persistency. The Company makes extensive use of reinsurance to reduce mortality risk.</p>	<p>The Committee has reviewed the methodology for calculating reserves including the allowance made for payments to and from reinsurance counterparties. The assumptions for the rate of future mortality and morbidity (how many customers will die or become ill during the policy term) and persistency (how many customers will discontinue cover) are based on the Company's internal experience and use judgement about how experience may vary in the future. During 2025, the Committee considered the experience and judgements used to set more granular mortality assumptions and how these mortality rates are expected to change over time, focusing on the industry standard tables and tools used for expressing mortality assumptions and future mortality improvements.</p> <p>The Committee reviewed the judgements underlying the insurance liabilities and considered the effectiveness of controls in place over valuation models.</p> <p>The Committee concluded that the insurance liabilities of the Group's insurance businesses are appropriate for inclusion in the financial statements.</p>

Audit Committee report continued

Issue	Committee's response
<p>Acquisitions and disposals: Acquisitions and disposals can involve judgements in relation to classification of assets and liabilities and the recognition of deferred consideration.</p> <p>Acquisitions and disposals can involve judgements in relation to classification of assets and liabilities and the recognition of deferred consideration.</p>	<p>The Committee received reports on all material transactions undertaken across the Group and considered the relevant accounting treatments.</p> <p>In particular, the Committee considered the implications of the disposal of Legal & General America Inc. to Meiji Yasuda. This included the classification of the business as both held for sale and discontinued operations, the treatment of the retained economic exposure to the US pension risk transfer business, the hedge accounting applied to the expected proceeds and the disclosure of the post balance sheet event. The Committee also considered the presentation of the business in the Group's APMs.</p> <p>The Committee concluded that all material transactions had been appropriately presented in the Group's financial statements.</p>
<p>Alternative performance measures (APMs): APMs offer investors and stakeholders additional information on the Company's performance and the financial effect of 'one-off' events and the Group uses a range of these metrics to enhance understanding of the Group's performance.</p>	<p>As part of its consideration of whether the Annual report and accounts is fair, balanced and understandable, the Committee has paid particular attention to the use of APMs in reporting the Group's performance.</p> <p>In particular, the Committee has scrutinised the methodology and assumptions underlying the Group's adjusted operating profit metric and, where appropriate, the Committee has reviewed additional disclosures provided to enhance transparency in respect of the Group's APMs.</p> <p>The Committee concluded that the use and disclosure of APMs, including the clarity of labelling the prominence of APMs versus statutory measures, are appropriate for inclusion in the Annual report and accounts.</p>
<p>Tax: The Committee considers the Group's tax matters, including the Group's tax strategy, judgements relating to tax risk and the recognition and measurement of deferred tax assets.</p>	<p>The Committee received reports from the Group Chief Tax Officer on developments in tax matters during the year.</p> <p>The Committee monitored the Group's interaction with tax authorities, developments in tax litigation matters and material tax risks. The Committee also monitored the potential impact of US legislative changes in relation to tax on the Group.</p> <p>The Committee approved the Group's tax strategy for publication.</p> <p>The Committee considered the judgements around the recognition and valuation of deferred tax assets and in particular they concluded it appropriate to maintain the recognition of the £306 million deferred tax asset under Bermudan corporate income tax.</p>