



The FTSE 350 and their pension disclosures

An Annual Summary and Trends Report from Pension Capital Strategies

October 2009

In association with [CAZENOVE](#)



- The total deficit in FTSE 350 pension schemes at 30 June 2009 is estimated to be £102 billion.
- Over the last 3 years the total deficit in FTSE 350 pension schemes has increased from £34 billion to £102 billion despite FTSE 350 companies paying £19 billion of deficit funding into their pension schemes. Five FTSE 350 companies (Unilever, BAE Systems, Lloyds Banking Group, National Grid and British Airways) have each paid more than £1 billion of deficit funding into their pension schemes over the last three years.
- Pension scheme funding positions have seen huge volatility in the last few years, with swings in the total surplus/deficit of up to £100 billion in just 12 months. The largest swing saw Royal Dutch Shell move from the position of having the largest pension surplus in the FTSE 350 at £6.85 billion in 2008 to having the largest pension deficit in the FTSE 350 at £5.8 billion in 2009 - a staggering swing of £12.6 billion in just 12 months.
- The pace at which companies and trustees are switching pension assets out of equities into bonds is accelerating. Over the past three years, 25 FTSE 350 companies have switched more than a third of their assets from equities into bonds. Premier Foods has seen the greatest switch, moving from 1% of assets in bonds in 2006 to 71% of assets and bonds in 2009. Overall, the average pension scheme asset allocation to bonds has increased from 35% to 49% in just three years.
- The total disclosed pension liabilities of the FTSE 350 companies have fallen slightly from £448 billion in 2007 to £433 billion in 2009. 12 companies have disclosed pension liabilities of more than £10 billion, whilst 120 FTSE 350 companies have no defined benefit pension scheme at all.
- If pension liabilities were to be measured on a risk-free basis rather than using a AA bond discount rate, we estimate that it would increase the total disclosed pension liabilities of the FTSE 350 from £433 billion to around £650 billion and the total deficit at 30 June 2009 would be approximately £280 billion.
- 39 FTSE 350 companies have disclosed pension liabilities greater than the total equity value of the company, and 12 FTSE 350 companies now have disclosed pension liabilities valued at over double the company equity value.
- Companies are reacting to the combination of difficult economic conditions, rising pension costs and increasingly aggressive pension regulations by closing pension schemes to future and even current employees. Already, more than a third of all FTSE 350 companies do not have a DB pension scheme. The decline in DB pension provision is reflected in the total service cost in the latest FTSE 350 accounts of £8.0 billion, which compares to £9.4 billion in 2007. PCS believes that the majority of FTSE 350 companies will cease DB pension provision to all employees within 2 to 3 years.

Published in association with

CAZENOVE

Cazenove is part of the UK's leading investment bank, J.P. Morgan Cazenove. The bank provides corporate and institutional clients with a wide range of services from sales and research to corporate broking and financial advice. It is corporate broker to more companies in the FTSE 100 and FTSE 250 than any other bank with 37 FTSE 100 clients, 83 FTSE 250 clients and 148 other clients.

Cazenove combines outstanding research with highly competitive sales and execution services for institutional investors worldwide. It has been consistently voted number one for UK sales and UK country analysis in the Thomson Extel Survey. It has also been voted first for UK research for the fourth year running in the Institutional Investor 2008 All Europe Research Team Survey.

www.cazenove.com



Charles Cowling
Pension Capital Strategies
0161 242 5388
charles_cowling@pensionstrategies.co.uk



Rob Dales
Pension Capital Strategies
0113 203 5883
rob_dales@pensionstrategies.co.uk

Funding Position

The overall funding position of pension schemes of FTSE 350 companies has seen some major swings over the past three years. Most astounding of all is Royal Dutch Shell, which reported the largest surplus in the FTSE 350 in 2008 at £6.85 billion. However, in 2009 this had turned into the largest deficit in the FTSE 350 at £5.8 billion - a staggering swing of £12.6 billion in just 12 months.

Including all pension arrangements, both UK and overseas, whether funded or unfunded, the FTSE 350 companies with the largest pension scheme surpluses over the past three years were as follows:

2007			2008			2009		
Name	Surplus £m	Funding level	Name	Surplus £m	Funding level	Name	Surplus £m	Funding level
Royal Dutch Shell	3,688	112%	Royal Dutch Shell	6,850	122%	Rolls-Royce	900	114%
BP	384	102%	BT	2,779	108%	Prudential	644	114%
Associated British Foods	163	107%	BP	1,430	107%	RSA	530	112%
AMEC	93	108%	British Airways	722	105%	AMEC	156	115%
Resolution	80	108%	Barclays	551	103%	Henderson Group	148	158%
Old Mutual	78	110%	Marks & Spencer	502	111%	Rentokil Initial	135	115%
Rank Group	76	111%	Sainsbury	495	113%	WH Smith	131	120%
Prudential	65	101%	Prudential	447	109%	Standard Life	116	108%
United Utilities	62	102%	Cable & Wireless	391	120%	Associated British Foods	96	104%
RSA	56	101%	Associated British Foods	310	114%	Friends Provident	91	108%
Babcock International	53	105%	Smiths Group	248	108%	Provident Financial	51	114%
Experian	53	111%	AMEC	237	122%	Babcock International	51	103%
Cable & Wireless	51	102%	Imperial Tobacco	205	107%	Old Mutual	50	106%
Northumbrian Water	43	106%	RSA	184	104%	Inchcape	50	107%
Premier Farnell	35	121%	Old Mutual	180	127%	Smiths Group	49	102%

The FTSE 350 companies with the largest pension scheme deficits over the past three years were as follows:

2007			2008			2009		
Name	Deficit £m	Funding level	Name	Deficit £m	Funding level	Name	Deficit £m	Funding level
Barclays	(644)	96%	Atkins (WS)	(213)	79%	GKN	(834)	71%
National Grid	(659)	96%	British Energy	(216)	93%	Barclays	(1,119)	93%
HBOS	(857)	89%	Taylor Wimpey	(216)	87%	National Grid	(1,203)	92%
AstraZeneca	(925)	82%	Unilever	(225)	98%	Lloyds Banking Group	(1,392)	94%
Tesco	(950)	81%	Diageo	(251)	95%	Tesco	(1,494)	70%
Aviva	(973)	90%	TUI Travel	(283)	78%	GlaxoSmithKline	(1,692)	85%
Rolls-Royce	(993)	86%	Balfour Beatty	(286)	88%	AstraZeneca	(1,760)	69%
GlaxoSmithKline	(1,097)	89%	HBOS	(294)	96%	Rio Tinto	(1,826)	80%
ICI	(1,159)	87%	GKN	(331)	88%	Royal Bank of Scotland	(1,996)	93%
British Airways	(1,294)	91%	Lloyds TSB	(683)	96%	HSBC	(2,164)	87%
Unilever	(1,455)	89%	Rio Tinto	(741)	92%	Unilever	(2,591)	82%
Royal Bank of Scotland	(1,992)	90%	Tesco	(838)	83%	BP	(3,941)	82%
Lloyds TSB	(2,099)	88%	HSBC	(953)	94%	BT	(3,973)	88%
HSBC	(2,313)	86%	AstraZeneca	(982)	82%	BAE Systems	(4,155)	76%
BAE Systems	(3,167)	82%	BAE Systems	(1,999)	88%	Royal Dutch Shell	(5,763)	84%

Commentary

Adjusting all these figures to 30 June in each year, we estimate that the total pension deficit in the FTSE 350 as at 30 June 2009 was £102 billion. This compares to an estimated deficit of £14 billion at 30 June 2008, a surplus of £7 billion at 30 June 2007, and a deficit of £34 billion at 30 June 2006.

Investment Mismatching

Legislation over a number of years has clarified that pension liabilities are a form of corporate debt. Inevitably, analysis of mismatching is limited to the information disclosed in the annual report and accounts. Given the bond-like nature of pension liabilities, the allocation of pension assets to bonds gives an indication of the level of investment mismatching that exists.

The FTSE 350 companies with the highest allocation to bonds over the past three years were:

2007		2008		2009	
Name	% Assets in bonds	Name	% Assets in bonds	Name	% Assets in bonds
WH Smith	94%	Lonmin	100%	Morgan Sindall	100%
London Stock Exchange	82%	Hunting	95%	Hunting	97%
Resolution	82%	WH Smith	94%	WH Smith	96%
Hunting	82%	Morgan Sindall	89%	Fresnillo	91%
ICI	80%	Invensys	87%	Invensys	91%
Invensys	77%	Sage Group	83%	Misys	88%
Rentokil Initial	77%	Fresnillo	83%	ICAP	88%
Lonmin	75%	Euromoney Institutional Investors	83%	London Stock Exchange	86%
ICAP	73%	London Stock Exchange	82%	Sage Group	84%
Wimpey (George)	70%	Rentokil Initial	78%	Rolls-Royce	83%

The FTSE 350 companies with the lowest allocation to bonds over the past three years were:

2007		2008		2009	
Name	% Assets in bonds	Name	% Assets in bonds	Name	% Assets in bonds
Cookson Group	10%	Inmarsat	11%	International Power	16%
Inmarsat	10%	Caledonia Investments	11%	Tullett Prebon	14%
Provident Financial	9%	Chaucer Holdings	10%	Chaucer Holdings	13%
Tullett Prebon	9%	BSS Group	8%	Inmarsat	12%
Premier Foods	8%	Tullett Prebon	8%	Northumbrian Water	11%
BSS Group	7%	Melrose PLC	3%	BSS Group	9%
RIT Capital Partners	3%	RIT Capital Partners	2%	RIT Capital Partners	4%
Caledonia Investments	2%	Renishaw	2%	Renishaw	3%
Renishaw	2%	Hammerson	1%	Homeserve	0%
Homeserve	0%	Homeserve	0%	Hammerson	0%

The FTSE 350 companies with the greatest three-year change in equity-to-bonds allocation were:

Name	% Assets in bonds				Switch to bonds
	2006	2007	2008	2009	
Premier Foods	1%	8%	64%	71%	70%
Misys	23%	19%	71%	88%	65%
Rolls-Royce	32%	32%	74%	83%	51%
Friends Provident	28%	39%	59%	77%	50%
Drax	5%	30%	35%	52%	47%
Berkeley Group Holdings	20%	56%	58%	66%	46%
Weir Group	32%	33%	67%	77%	46%
Provident Financial	13%	9%	46%	57%	44%
Morrison Supermarkets	19%	17%	41%	62%	43%
JLT	29%	32%	48%	72%	43%
All Companies	35%	37%	41%	49%	14%

Commentary

The pace at which companies and trustees are switching pension assets out of equities into bonds is accelerating. Over the past three years, 25 FTSE 350 companies have switched more than a third of their assets from equities into bonds. Premier Foods has seen the greatest switch, moving from 1% of assets in bonds in 2006 to 71% of assets and bonds in 2009. Overall the average pension scheme asset allocation to bonds has increased from 35% to 49% in just three years.

93 FTSE 350 companies now have more than 50% of assets in bonds. Moreover, company disclosures reveal little of the extensive activity there has been by a number of companies to reduce mismatching risk by LDI (liability-driven investment) strategies, which frequently make use of derivatives and other financial instruments.

Size of Pension Scheme

In recent years, pension schemes have grown significantly. Attempts by many companies to stem the growth of their pension liabilities by closing defined benefit pension schemes to new entrants have had little impact. Changes in economic conditions and increasing life expectancy have contributed to the spiralling growth in pension liabilities. More recently, persistent problems in the credit markets have maintained a high spread on corporate bonds (although this is now beginning to unwind). This has countered the effects of rising inflation and increasing life expectancy, stifling the growth in pension liabilities over the last year.

Not surprisingly, the table of the largest pension schemes in the FTSE 350 has remained fairly stable. It is sobering to note given all the recent problems in the banking sector that four of the top 10 largest pension schemes belong to banks. The FTSE 350 companies with the largest pension scheme liabilities over the past three years are as follows:

2007		2008		2009	
Name	Total pension liabilities £m	Name	Total pension liabilities £m	Name	Total pension liabilities £m
BT	38,779	BT	34,669	Royal Dutch Shell	36,374
Royal Dutch Shell	30,774	Royal Dutch Shell	31,318	BT	33,326
Royal Bank of Scotland	20,951	Royal Bank of Scotland	27,547	Royal Bank of Scotland	27,752
BP	19,985	BP	19,997	Lloyds Banking Group	22,326
Barclays	18,150	Barclays	17,476	BP	22,004
BAE Systems	17,456	BAE Systems	17,109	BAE Systems	17,133
Lloyds TSB	17,378	Lloyds TSB	16,795	HSBC	16,494
HSBC	16,414	National Grid	16,391	National Grid	16,000
National Grid	16,127	HSBC	16,128	Barclays	15,615
British Airways	14,610	British Airways	13,550	Unilever	14,038
Unilever	13,040	Unilever	12,879	British Airways	12,806
GlaxoSmithKline	10,345	GlaxoSmithKline	10,338	GlaxoSmithKline	10,980
Aviva	10,196	Aviva	10,017	Aviva	9,951
ICI	9,198	Rio Tinto	8,856	Rio Tinto	9,121
HBOS	7,501	HBOS	7,623	Rolls-Royce	6,546
Rolls-Royce	6,899	Rolls-Royce	6,912	AstraZeneca	5,674
Marks & Spencer	5,488	AstraZeneca	5,337	Diageo	5,401
Diageo	5,286	Diageo	5,270	Tesco	4,914
Prudential	5,210	RSA	5,060	Invensys	4,814
Invensys	5,170	Prudential	5,015	British American Tobacco	4,752

Commentary

The total disclosed pension liabilities of the FTSE 350 companies have fallen slightly from £448 billion in 2007 to £439 billion in 2008 and then to £433 billion in 2009. 12 companies have disclosed pension liabilities of more than £10 billion, whilst 120 companies have no defined benefit pension scheme at all.

The possibility of measuring pension liabilities on a risk-free basis (i.e. using gilt-based discount rates rather than AA bond discount rates) has been debated at length, including in the detailed discussion paper from the Accounting Standards Board last year. In the UK, a company can no longer default on its promises to pension scheme members unless it goes into liquidation (in which case it is likely there is no value left for shareholders). It is therefore difficult to see that shareholders get any value out of their (very limited) ability to default on pension promises, and so applying a discount rate which allows for a probability of default is illogical.

If pension liabilities were to be measured on a risk-free basis rather than using a AA bond discount rate, we estimate that it would increase the total disclosed pension liabilities of the FTSE 350 from £433 billion to around £650 billion and the total deficit at 30 June 2009 would be approximately £280 billion.

Significance of the Pension Scheme in the Boardroom

The impact of the pension liabilities on corporate decision-making and its importance in the boardroom depends on the relative size of the pension scheme. In the analysis below, the pension scheme liabilities are expressed as a percentage of the equity market value (as at 30 June) of the company. The FTSE 350 companies with the most significant pension scheme liabilities over the past three years are as follows:

2007			2008			2009		
Name	Pension Liabilities £m	Liabilities as a % of EMV*	Name	Pension Liabilities £m	Liabilities as a % of EMV*	Name	Pension Liabilities £m	Liabilities as a % of EMV*
British Airways	14,610	304%	British Airways	13,550	547%	British Airways	12,806	893%
Invensys	5,170	170%	Premier Foods	2,709	337%	BT	33,326	425%
Carillion	1,589	141%	Taylor Wimpey	1,651	252%	Invensys	4,814	346%
BT	38,779	140%	Northern Foods	718	242%	GKN	2,843	325%
Northern Foods	805	138%	Invensys	4,913	237%	Northern Foods	705	289%
Balfour Beatty	2,375	125%	Galiform	617	229%	Premier Foods	2,540	288%
ICI	9,198	124%	BT	34,669	222%	Smith (DS)	747	286%
BAE Systems	17,456	123%	Rank Group	613	196%	Go-Ahead Group	1,306	257%
GKN	2,976	106%	Kier Group	662	189%	Galiform	569	255%
RSA	4,814	104%	GKN	2,826	180%	Interserve	534	244%
Stagecoach Group	1,325	103%	Smith (DS)	798	179%	Kier Group	716	211%
Atkins (WS)	1,058	99%	Mitchells & Butlers	1,310	159%	Melrose PLC	940	205%
Interserve	557	95%	ITV	2,603	150%	National Express Group	929	197%
Babcock International	1,148	93%	Dairy Crest Group	653	150%	Morgan Crucible Co	446	174%
WH Smith	674	92%	Daily Mail & General Trust	1,777	144%	ITV	2,339	172%
Rank Group	638	88%	Go-Ahead Group	1,059	135%	Carillion	1,684	169%
Kier Group	647	86%	Babcock International	1,842	131%	Atkins (WS)	1,003	168%
FirstGroup	2,476	85%	Carillion	1,591	122%	Mouchel Group	308	167%
Smith (DS)	757	83%	RSA	5,060	122%	FirstGroup	2,634	153%
Reexam	2,639	82%	Debenhams	465	121%	Babcock International	1,652	150%

*equity market value as at 30 June

A further sign of the significance of pensions in the boardroom is the extent of continuing DB provision to employees. This can be measured by looking at the ongoing spend on DB pensions (the service cost) before any allowance for deficit spending. The FTSE 350 companies with the highest ongoing spending over the past three years are as follows:

2007		2008		2009	
Name	Service cost £m	Name	Service cost £m	Name	Service cost £m
Royal Dutch Shell	699	Royal Bank of Scotland	684	Royal Bank of Scotland	705
Royal Bank of Scotland	645	Royal Dutch Shell	594	Royal Dutch Shell	655
BT	600	BT	576	Lloyds Banking Group	469
Tesco	466	Tesco	461	BT	459
BP	428	BP	425	BP	442
HSBC	413	HSBC	401	Tesco	428
Barclays	378	Barclays	332	HSBC	405
Lloyds TSB	325	Lloyds TSB	302	Barclays	299
British Airways	294	GlaxoSmithKline	255	GlaxoSmithKline	246
GlaxoSmithKline	257	Unilever	224	Rio Tinto	227
Unilever	252	HBOS	222	Unilever	214
HBOS	219	British Airways	197	Aviva	162
Aviva	196	Aviva	173	Rolls-Royce	154
BAE Systems	189	BAE Systems	168	British Airways	150
AstraZeneca	153	AstraZeneca	137	BAE Systems	139
Centrica	143	Rio Tinto	131	National Grid	136
Rolls-Royce	130	Centrica	127	AstraZeneca	124
National Grid	115	National Grid	127	Centrica	106
Marks & Spencer	114	Rolls-Royce	125	Diageo	94
Rio Tinto	107	Marks & Spencer	106	Reed Elsevier	75

39 FTSE 350 companies have disclosed pension liabilities greater than the total equity value of the company, and 12 FTSE 350 companies now have disclosed pension liabilities valued at over double the company equity value.

The pace of pension scheme closure is accelerating. Already, more than a third of all FTSE 350 companies do not have a DB pension scheme. The decline in DB pension provision is reflected in the total service cost in the latest FTSE 350 accounts of £8.0 billion, which compares to £8.6 billion in 2008 and £9.4 billion in 2007. PCS believes that the majority of FTSE 350 companies will cease DB pension provision to all employees within 2 to 3 years.

Contributions Paid Into Pension Schemes

This analysis compares the pension scheme contributions actually paid by companies with the cost of pension benefits accrued during the year. Surplus pension contributions paid in excess of the cost of benefits will reduce pension scheme deficits. But where the contributions paid are less than the cost of benefits, this will increase pension scheme deficits (or reduce pension scheme surpluses).

The increases in pension scheme contributions seen in recent years seem to be slowing, with the amount contributed in the most recent accounting year being £1.3 billion lower than the amount contributed the previous year.

Only contributions actually paid in the relevant accounting year are included in the analysis below.

The FTSE 350 companies who have made the largest surplus contributions to their pension schemes over the past three years were as follows:

Name	Pension contributions			Cost of benefits			Surplus contributions £m
	2007 £m	2008 £m	2009 £m	2007 £m	2008 £m	2009 £m	
Unilever	744	790	594	52	201	195	1,680
BAE Systems	1,097	487	486	196	178	139	1,557
Lloyds Banking Group	1,407	738	762	584	555	504	1,264
National Grid	276	465	799	115	132	136	1,157
British Airways	543	944	331	333	199	154	1,132
Aviva	554	297	620	199	173	163	936
GlaxoSmithKline	606	504	443	288	249	258	758
Rolls-Royce	153	707	279	132	258	162	587
Marks & Spencer	611	111	92	114	106	72	522
BT	926	708	441	600	576	459	440
Compass	329	110	56	36	26	21	412
Sainsbury	362	82	128	87	78	53	354
Morrison Supermarkets	95	193	141	53	44	38	294
ITV	225	59	52	23	15	12	286
Royal Dutch Shell	712	630	891	699	594	655	286
RSA	203	168	123	75	64	71	284
Centrica	164	218	243	143	127	103	252
Whitbread	110	56	55	6	5	5	214
GKN	235	37	37	40	25	38	206
Kingfisher	122	103	48	40	29	23	182

Commentary

In total, the amount contributed to FTSE 350 company pension schemes was £13.4 billion in the latest accounting year (cf. £8.2 billion cost of benefits), down from £14.5 billion in the previous accounting year (cf. £8.9 billion cost of benefits), and £17.3 billion the year before that (cf. £9.1 billion cost of benefits). Surplus contributions paid to reduce pension scheme deficits are decreasing. But over the last three years a total of £19 billion has been paid into the pension schemes of FTSE 350 companies. Five FTSE 350 companies have each paid more than £1 billion of deficit funding into their pension schemes. Despite this additional funding the total pension deficit in FTSE 350 companies has increased from an estimated £34 billion at 30 June 2006 to £102 billion at 30 June 2009

Widening deficits and perhaps weaker perceived sponsor covenants will inevitably lead to trustees requesting larger deficit-correcting contributions from sponsoring employers. This year we expect to see a trend towards companies looking at alternative sources to fund their pension schemes. Recently, Tesco and Whitbread have utilised prime properties to create £500 million and £150 million worth of contingent assets respectively.

Notes

- All of the analysis contained in this report is based on the IAS19 numbers disclosed in companies' annual report and accounts.
- No adjustment is made for the fact that companies have applied different interpretations of IAS19 and have used different actuarial assumptions (for example, different mortality assumptions can make a significant difference to a company's pension liabilities).
- No adjustment is made in the individual analysis for the fact that companies have different year-ends. Inevitably, different market conditions applying at different year-ends will affect the comparisons.
- The assets and liabilities shown are the total global pension assets and liabilities, not just the UK figures.
- The figures shown in this report are before adjustment for IFRIC14 (and before adjustment for any other unrecognised pension surpluses).
- For full details of all the FTSE 350 companies and their relevant pension disclosures please see the corresponding PCS reports "The FTSE 100 and their pension disclosures" and "The FTSE 250 and their pension disclosures"

Whilst all reasonable care has been taken in the preparation of this publication, no liability is accepted under any circumstances by Jardine Lloyd Thompson for any loss or damage occurring as a result of reliance on any statement, opinion, or any error or omission contained herein. Any statement or opinion reflects our understanding of current or proposed legislation and regulation, which may change without notice. The content of this document should not be regarded as specific advice in relation to the matters addressed.

This publication has been prepared for information purposes only and is not a solicitation, or an offer, to buy or sell any security or to participate in any trading strategy, and should not be regarded as specific or investment advice in relation to the matters addressed. It has been prepared without regard to the individual financial objectives and circumstances of the recipients. It does not purport to be a complete description of the securities, markets or developments referred to in it. The information on which this publication is based has been obtained from sources which we believe to be reliable, but we have not independently verified such information and we do not warrant that it is accurate or complete. All expressions of opinion are subject to change without notice. Third party data providers make no warranty relating to the accuracy, completeness or timeliness of their data and shall have no liability whatsoever for losses that may arise from reliance upon such data. Jardine Lloyd Thompson and J.P. Morgan Cazenove Limited shall have no responsibility or liability whatsoever for loss or damage that may arise from reliance upon any statement or opinion in, or any error or omission from, this publication (including, without limitation, such third party data). Each of Jardine Lloyd Thompson, J.P. Morgan Cazenove Limited and their respective connected companies, and the directors, officers and employees of each of them, may from time to time have a long or short position, or other interest, in the securities of the companies referred to and may sell or buy such securities and interests and may trade them in ways that may be inconsistent with any discussion in this publication.



PENSION CAPITAL STRATEGIES

Innovative Alternatives

Pension Capital Strategies Ltd
6 Crutched Friars, London, EC3N 2PH
Telephone: 020 7528 4892
Fax: 020 7309 8330
solutions@pensionstrategies.co.uk
www.pensionstrategies.co.uk

Pension Capital Strategies Ltd.
Authorised and regulated by the Financial Services Authority.
A member of the Jardine Lloyd Thompson Group.
Registered Office: 6 Crutched Friars, London EC3N 2PH.
Registered in England No 5651461. VAT No. 244 2321 96