

Registered number: 09578417

**LEGAL & GENERAL (STRATEGIC LAND) LIMITED**

**FINANCIAL STATEMENTS**

**For the year ended 31 December 2020**



# **Legal & General (Strategic Land) Limited**

## **Financial Statements for the year ended 31 December 2020**

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# **Legal & General (Strategic Land) Limited**

## **Directors and advisers**

### **Directors**

NP Twine (appointed 28 July 2020)  
K Whitaker (appointed 28 July 2020)  
NJ Stoddart (appointed 28 July 2020)  
AB McPhillips (appointed 9 March 2021)  
JR Lidgate (resigned 10 March 2020)  
CM Jewel-Clark (resigned 28 July 2020)

### **Company secretary**

LC Secretaries Limited  
Johnstone House  
52-54 Rose Street  
Aberdeen  
AB10 1HA

### **Registered office**

Cala House  
The Causeway  
Staines Upon Thames  
TW18 3AX

### **Independent auditor**

KPMG LLP  
15 Canada Square  
London  
E14 5GL

# Legal & General (Strategic Land) Limited

## Strategic Report

The Directors present the report and audited financial statements of Legal & General (Strategic Land) Limited ("the Company") for the year ended 31 December 2020.

Legal & General (Strategic Land) Limited (the "Company") is a private company limited by shares, incorporated in England & Wales, whose ultimate controlling party is Legal & General Group plc (the "Group"). The Company's registered office is Cala House, The Causeway, Staines upon Thames TW18 3AX. It is registered in England & Wales under Company registration number 09578417 and domiciled in the United Kingdom.

### Principal activities

The principal activity is as a holding company for land assets. Considering the nature of the Company's activities, it expects to continue carrying out these activities in the future.

The Company's strategy is to add value through planning and infrastructure with synergies for the Legal & General Group Plc's ("the Group") wider business by establishing a land bank for other parts of the Group. It seeks opportunities to acquire land and create JVs with landowners and the public sector to create medium term land diversity in land bank alongside the existing, predominantly long-term portfolio.

### Principal risks and uncertainties

The Directors of the Group manage the Group's risk at a group level, rather than at an individual business unit level. For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Legal & General Group, which includes those of the Company, are discussed in the Strategic Report of the Group's annual report, which does not form part of this report.

The Company has made investments in assets that are engaged in commercial and residential property development and is exposed to the operational risks associated with this activity. The Company seeks to mitigate these risks by partnering with management teams with appropriate technical skills and experience in the relevant sectors.

The Directors have considered the impact of COVID-19 on the principal risks and uncertainties on the Company and have concluded that no additional principal risks have arisen.

### Key Performance Indicators (KPI's)

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

The Strategic Report was approved by the board on 15<sup>th</sup> September 2021.



Neil Stoddart  
Director

# **Legal & General (Strategic Land) Limited**

## **Director's Report**

The Directors present the report and audited financial statements of the Company for the year ended 31 December 2020.

### **Results for the year and dividend**

The results of the Company are set out on page 10. The Directors do not recommend the payment of a final dividend (2019: nil). At 31 December 2020, the Company had net assets of £99.5 million (2019: £95.9 million).

### **Directors**

The Directors of the Company at 31 December 2020 and who served throughout the year and up to the date of this report, unless where stated, are shown on page 1.

### **Modern slavery**

The Group and its global subsidiaries recognise that companies have an obligation to ensure that their business and supporting supply chains are slavery free. Legal & General's full modern slavery statement can be found at [www.legalandgeneralgroup.com](http://www.legalandgeneralgroup.com).

### **Future outlook**

The Directors are continually assessing the long-term strategy of the Company to ensure it can adapt to changing market conditions, changes in regulations and changes in client and operational demands. When assessing and setting the Company's long-term strategy, the Directors take into consideration client, regulatory and legal requirements, its shareholders and other stakeholders. The Directors are considering other land assets that would be a natural fit within this Company and expect to acquire more assets in the coming year.

### **Dividends**

The Directors do not recommend the payment of a dividend.

### **Going Concern**

Notwithstanding a loss for the year ended 31 December 2020 of £8,185,000 the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through Group financial support, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the Company's intermediate parent company, LGCIL not seeking repayment of the amounts currently due to the Group, which at 31 December 2020 amounted to £3,689,000. LGCIL has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, there was no reason to believe that it will not do so.

# **Legal & General (Strategic Land) Limited**

## **Director's Report (continued)**

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### **Directors' insurance and indemnities**

The Group maintains an appropriate level of Directors' and Officers' liability insurance which is reviewed annually. As permitted by the Articles of Association, the Directors have had the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

### **Disclosure of information to auditor**

The Director who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and the Directors have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Independent auditor**

In accordance with section 487 of the Companies Act 2006, an elective resolution has been passed by shareholders in order to dispense with the need to hold annual general meetings and to appoint an auditor annually. KPMG LLP shall therefore continue as auditor to the Company.

By order of the board



For and on behalf of LC Secretaries Limited  
Company secretary  
15<sup>th</sup> September 2021

# **Legal & General (Strategic Land) Limited**

## **Director's responsibilities statement**

The Directors are responsible for preparing the Director's 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 it has been elected that the financial statements be prepared in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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.

The Directors are responsible for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEGAL & GENERAL (STRATEGIC LAND) LIMITED

## Opinion

We have audited the financial statements of Legal & General (Strategic Land) Limited ("the company") for the year ended 31 December 2020 which comprise the income statement, balance sheet, statement of changed in equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

## Fraud and breaches of laws and regulations – ability to detect

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring senior management as to the Company's policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading the Company's board minutes.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEGAL & GENERAL (STRATEGIC LAND) LIMITED**

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the determination of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: GDPR compliance, health and safety, anti-bribery, anti-money laundering, and certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEGAL & GENERAL (STRATEGIC LAND) LIMITED**

## **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## **Matters on which we are required to report by exception**

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

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

## **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities**

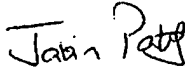
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEGAL & GENERAL (STRATEGIC LAND) LIMITED**

## **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Jatin Patel (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
15<sup>th</sup> September 2021

## Legal & General (Strategic Land) Limited

### Profit and loss account

For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Net Property income		5	38
Valuation loss on land	8	(4,341)	-
Impairment of Investments	7	(4,860)	-
Administration Expenses		(233)	(730)
<b>Loss before income tax</b>		<b>(9,429)</b>	<b>(692)</b>
Tax	6	1,244	132
<b>Loss for the financial period</b>		<b>(8,185)</b>	<b>(560)</b>

All activities are continuing.

The notes on pages 13-19 form an integral part of these financial statements

The Company has no recognised gains or losses other than those included in the profit and loss account above, and therefore no separate statement of other comprehensive income has been presented.


# Legal & General (Strategic Land) Limited

## Balance sheet As at 31 December 2020

	Note	2020 £'000	2019 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in subsidiaries	7	88,233	81,441
Investment property	8	11,454	16,129
Deferred tax asset	9	146	-
<b>Current assets</b>			
Trade and other receivables	10	3,462	549
<b>Total assets</b>		<b>103,295</b>	<b>98,119</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	(3,787)	(2,183)
<b>Total liabilities</b>		<b>(3,787)</b>	<b>(2,183)</b>
<b>Net assets</b>		<b>99,508</b>	<b>95,936</b>
<b>Equity</b>			
Ordinary shares	12	-	-
Share premium	12	102,468	90,711
Retained earnings		(6,010)	2,175
Other Reserves		3,050	3,050
<b>Total equity</b>		<b>99,508</b>	<b>95,936</b>

The notes on pages 13-19 form an integral part of these financial statements.

The financial statements of Legal & General (Strategic Land) Limited, company registration number 09578417, were approved by the Board on 15<sup>th</sup> September 2021 and signed on its behalf by



NJ Stoddart  
Director

## Legal & General (Strategic Land) Limited

### Statement of changes in equity As at 31 December 2020

	Note	Called-up share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
<b>As at 1 January 2020</b>		-	90,711	3,050	2,175	95,936
Share capital issued in the year	12	-	11,757	-	-	11,757
Profit for the year		-	-	-	(8,185)	(8,185)
<b>As at 31 December 2020</b>		<b>-</b>	<b>102,468</b>	<b>3,050</b>	<b>(6,010)</b>	<b>99,508</b>
<b>As at 1 January 2019</b>		-	53,335	12,239	2,735	68,309
Share capital issued in the year		-	28,187	-	-	28,187
Loss for the year		-	-	-	(560)	(560)
Reclassification		-	9,189	(9,189)	-	-
<b>As at 31 December 2019</b>		<b>-</b>	<b>90,711</b>	<b>3,050</b>	<b>2,175</b>	<b>95,936</b>

The notes on pages 13-19 form an integral part of these financial statements.

# Legal & General (Strategic Land) Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 1. Accounting Policies

#### General information

Legal & General (Strategic Land) Limited (the "Company") is a private limited company incorporated in England & Wales, whose ultimate controlling party is Legal & General Group plc (the "Group"). The Company's registered office is Cala House, The Causeway, Staines upon Thames TW18 3AX, It is registered in England & Wales under Company registration number 09578417 and domiciled in the United Kingdom.

#### Basis of accounting

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS101:

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79 (a) (iv) of IAS 1
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows)
  - 16 (a statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

## **Legal & General (Strategic Land) Limited**

### **Notes to the financial statements for the year ended 31 December 2020 (continued)**

#### **Accounting Policies (continued)**

##### **Critical accounting estimates and assumptions**

The preparation of financial statements includes the use of estimates and assumptions which affect items reported in the balance sheet and statement of comprehensive income. Although these estimates are based on management's best knowledge of current circumstances and future events and actions, actual results may differ from those estimates, possibly significantly. There are no critical accounting estimates and judgements for the Company.

##### **Going concern**

Notwithstanding a loss for the year ended 31 December 2020 of £8,185,000, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through Group financial support, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the Company's intermediate parent company, LGCIL not seeking repayment of the amounts currently due to the Group, which at 31 December 2020 amounted to £3,689,000. LGCIL has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, there was no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

##### **Taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



# Legal & General (Strategic Land) Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### Accounting Policies (continued)

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### Investment Property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value.

In applying the fair value model in IAS 40 Investment Property:

- i. investment properties are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

### Receivables

Receivables are initially recognised at fair value and subsequently held at amortised cost, using the effective interest method.

## 2. Segmental disclosure

The Company has not made any segmental disclosure as its income is wholly attributable to its principal activity and this arises wholly in the United Kingdom.

## 3. Employees

The Company does not have any direct employees.

## 4. Directors remuneration

The Company has 3 Directors as at 31 December 2020.

During 2020, no fees were paid by the Company to the Directors. Emoluments relate to salaries, performance bonuses receivable, and amounts receivable under long term incentive schemes. No retirement benefits are accruing to the Directors under the defined benefit scheme.

## Legal & General (Strategic Land) Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 4. Directors remuneration (cont.)

For the year ended 31 December 2020, no incremental emoluments were paid to any Director, nor were any incremental pension contributions paid in respect of services to the Company. The Directors and key management of the Company had no material transactions with the Company or any other group undertakings that are required to be disclosed.

#### 5. Audit Fess

Audit fees of £11,000 are attributable to the Company and have been borne by LGCIL. The auditor received £nil for non-audit services on the Company's behalf.

#### 6. Tax on profit

	2020	2019
	£000	£000
<b>(a) Recognised in the profit &amp; loss account</b>		
<u>Current tax</u>		
Current year credit	(43)	(132)
Adjustments in respect of prior years	(448)	-
Total current tax	(491)	(132)
<u>Deferred tax</u>		
Movement in temporary differences	(825)	-
Impact of the revaluation of deferred tax balances to 19% (2019: 17%)	72	-
Total deferred tax (note 9)	(753)	-
Total tax credit	(1,244)	(132)

#### (b) Reconciliation of effective tax rate

	2020	2019
	£'000	£'000
Loss for the year	(8,185)	(560)
Total tax credit	(1,244)	(132)
Loss before tax	(9,429)	(692)
Tax at 19% (2019: 19%)	(868)	(132)
Effects of:		
Adjustments in respect of prior years	(448)	-
Impact of the revaluation of deferred tax balances to 19% (2019: 17%)	72	-
<b>Total tax (credit)/ charge for the year</b>	(1,244)	(132)

## Legal & General (Strategic Land) Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### (b) Reconciliation of effective tax rate (cont.)

The UK Budget on 3 March 2021 included an announcement that the corporation tax rate will increase to 25% from 1 April 2023 for certain companies. This increase has not yet been substantively enacted.

Under IAS 12, deferred tax is required to be calculated using rates that have been substantively enacted at the balance sheet date.

Consequently, deferred tax should continue to be calculated at 19% until the 25% tax rate has been substantively enacted, which we expect to occur during summer of 2021.

In the meantime, the 25% tax rate announcement is a non-adjusting post balance sheet event.

#### 7. Investment in subsidiaries

	2020 £'000	2019 £'000
Opening balance 1 January	81,441	53,335
Additions	11,652	28,106
Impairment of Investment in subsidiaries	(4,860)	-
<b>As at 31 December</b>	<b>88,233</b>	<b>81,441</b>

The Directors believe that the carrying value of the investments is supported by the underlying realisable values of their subsidiaries.

The investment in Legal & General (Strategic Land North Horsham) Limited was not supported by the underlying net assets of the entity, as such an impairment of £4.8m has been recognised to ensure the investment equates to the carrying value of the underlying net assets of Legal & General (Strategic Land North Horsham) Limited as at 31 December 2021

#### 8. Investment Property

	2020 £'000	2019 £'000
As at 1 January	16,129	15,846
Additions	-	283
Reclassification	(334)	-
Revaluation	(4,341)	-
<b>As at 31 December</b>	<b>11,454</b>	<b>16,129</b>

At 30 June the company revalued the land at Cardiff airport to include potentially higher infrastructure costs.

At 31 December 2019 the carrying value of the land was £8.9m and at 31 December 2020 the value was £4.5m

## Legal & General (Strategic Land) Limited

### Notes to the financial statements for the year ended 31 December 2020 (continued)

#### 9. Deferred tax asset

Deferred tax liabilities are attributable to the following:

	<b>2020</b>
	<b>£'000</b>
As at 1 January 2020	-
Investment property	146
As at 31 December 2020	<u>146</u>

#### 10. Trade and other receivables

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Trade and other receivables	795	492
Current tax	225	57
Amounts owed from group undertakings	2,442	-
<b>Total Receivables</b>	<u>3,462</u>	<u>549</u>

The Directors consider that the carrying value of receivables approximates their fair. There are no set terms of repayment nor interest receivable on amounts owed from group undertakings.

#### 11. Trade and other payables

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Trade and other payables	98	1,054
Deferred tax	-	608
Accruals	-	330
Amounts owed by group undertakings	3,689	191
<b>Total Payables</b>	<u>3,787</u>	<u>2,183</u>

The Directors consider that the carrying value of payables approximates their fair. There are no set terms of repayment nor interest receivable on amounts owed by group undertakings.

# Legal & General (Strategic Land) Limited

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 12. Share Capital and Share Premium

	2020	2019
	£	£
Ordinary shares issued 110 for £1	110	107
Share premium	<u>102,467,565</u>	<u>90,710,534</u>
<b>Total</b>	<b><u>102,467,675</u></b>	<b><u>90,710,641</u></b>

30 June 2020, 1 ordinary share was issued for a premium of £2,843,681

22 December 2020, 1 ordinary share was issued for a premium of £4,376,850

31 December 2020, 1 ordinary share was issued for a premium of £4,536,503

All shares issued carry equal voting rights. The holders of the Company's ordinary shares are entitled to receive dividends as declared.

### 13. Ultimate Parent Undertaking

The immediate parent company is Legal & General Development Assets Holdings Limited. The controlling and ultimate parent company of the smallest and largest group to consolidate these financial statements is Legal & General Group Plc, a company incorporated in England & Wales and is the controlling party which consolidates the financial statements of the Company. These financial statements, therefore, provide information about the Company as an individual undertaking. Copies of the financial statements of the ultimate holding company, Legal & General Group Plc, are available on the Group website, [www.legalandgeneralgroup.com](http://www.legalandgeneralgroup.com) or from the Company Secretary at the Registered Office, One Coleman Street, London, EC2R 5AA.

### 14. Subsequent events

Subsequent to the balance sheet date, there has not been any other item, transaction or event of a material and unusual nature likely, in the opinions of the Directors, to affect significantly the operations of the Company, the result of those operations, or the state of affairs, in future financial years.