

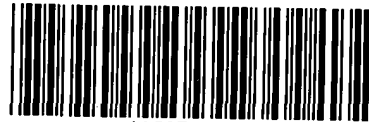


LEGAL & GENERAL (STRATEGIC LAND) LIMITED

FINANCIAL STATEMENTS

FOR THE 8 MONTH PERIOD ENDED 31 DECEMBER 2015

SATURDAY



A58F8M2Q

A09

04/06/2016

#33

COMPANIES HOUSE

LEGAL & GENERAL (STRATEGIC LAND) LIMITED

CONTENTS

Page

2	Strategic Report
3	Directors' Report
5	Independent Auditors' Report
7	Income Statement
8	Statement of Financial Position
9	Statement of Changes in Equity
10	Notes to Financial Statements

Registered office:
One Coleman Street
London EC2R 5AA

Registered in England and Wales Number 09578417

LEGAL & GENERAL (STRATEGIC LAND) LIMITED

STRATEGIC REPORT

The directors present their strategic report for Legal & General (Strategic Land) Limited ("the Company") for the 8 month period ended 31 December 2015.

Principal activities

The Company is a holding company. Considering the nature of the Company's activities, we expect to continue carrying out these activities in the future.

The Company is incorporated and domiciled in England & Wales.

Review of the Business

The Company was incorporated in May 2015 and is preparing short period financial statements for eight months under FRS 101.

In July 2015, the Company acquired two pieces of land, one near Gatwick airport and the other in Tadworth, for a total of £3.1m.

Results for the period and dividend

The results of the Company are set out on page 7. The directors do not recommend the payment of a dividend. At 31 December 2015, the Company held net assets of £3.1 million.

Principal risks and uncertainties

The Company's directors believe that a discussion of the Company'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 Group, and financial risks, which include those of the Company, are discussed in the Directors' Report and notes to the Group's financial statements which does not form part of this report.

Key performance indicators (KPI)

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

By order of the Board



Jenny McCarthy

For and on behalf of Legal & General Co Sec Limited

Company secretary

11 May 2016

LEGAL & GENERAL (STRATEGIC LAND) LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of Legal & General (Strategic Land) Limited ("the Company") for the 8 month period ended 31 December 2015.

Directorate

The directors of the Company, who were in office during the period and up to the date of signing the financial statements are shown below:

P.R. Stanworth (appointed 07/05/15)

K. Jeffery (appointed 07/05/15)

Directors' Indemnities and Insurance

As permitted by the Articles of Association, the Directors have 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 period and is currently in force. The ultimate parent company, Legal & General Group Plc ("the Group"), maintains an appropriate level of Directors' and Officers' liability insurance which is reviewed annually.

Independent auditors

The Company has appointed PricewaterhouseCoopers LLP as auditors.

There is no requirement under the Companies Act or the Company's articles of association to hold an Annual General Meeting or lay the Company's Report and financial statements before the shareholders.

Financial risk management

The Company's directors believe that a discussion of the Company'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 Group, which include those of the Company, are discussed in the Directors' Report of the Group's financial statements which does not form part of this report.

Going concern

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

Dividend

Information on dividends can be found in the Strategic report of the Company on page 2 of these financial statements.

LE LEGAL & GENERAL (STRATEGIC LAND) LIMITED

DIRECTORS' REPORT (CONTINUED)

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the directors, who held office at the date the Directors's report is approved, confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



Jenny McCarthy
For and on behalf of Legal & General Co Sec Limited
Company secretary
11 May 2016

LEGAL & GENERAL (STRATEGIC LAND) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEGAL & GENERAL (STRATEGIC LAND) LIMITED

Our opinion

In our opinion, Legal & General (Strategic Land) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the 8 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the income statement for the period then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements;
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

LEGAL & GENERAL (STRATEGIC LAND) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEGAL & GENERAL (STRATEGIC LAND) LIMITED (CONTINUED)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Amy Ellison

Amy Ellison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 May 2016

LEGAL & GENERAL (STRATEGIC LAND) LIMITED
INCOME STATEMENT

For the 8 months ended 31 December 2015

	Note	2015 £'000
Administrative expenses		(8.6)
Operating loss		<u>(8.6)</u>
Loss before income tax		<u>(8.6)</u>
Income tax credit	6	9.2
Profit for the financial period	11	<u>0.6</u>

There were no gains or losses in the period other than those included in the above profit and loss account.

LEGAL & GENERAL (STRATEGIC LAND) LIMITED
BALANCE SHEET

09578417

As at 31 December 2015

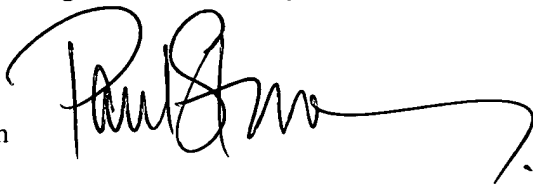
	Note	2015 £'000
Assets		
Non-current assets		
Investment property	5	3,050.0
Deferred tax asset	7	7.5
Current assets		
Current tax asset	8	1.7
Total assets		<u>3,059.2</u>
Liabilities		
Current liabilities		
Trade and other payables	9	(8.5)
Total liabilities		<u>(8.5)</u>
Net assets		<u>3,050.7</u>
Equity		
Share capital	10	0.1
Retained earnings	11	<u>3,050.6</u>
Total equity		<u>3,050.7</u>

The financial statements on pages 7 to 14 were approved by the board of directors on 11 May 2016 and signed on its behalf by

P.R. Stanworth
Director

Registered office:
One Coleman Street
London EC2R 5AA

Registered in England and Wales Number 09578417



LEGAL & GENERAL (STRATEGIC LAND) LIMITED
STATEMENT OF CHANGES IN EQUITY

09578417

For the 8 months ended 31 December 2015

For the 8 months ended 31 December 2015	Share Capital £'000	Other reserves £'000	Retained Earnings £'000	Total £'000
As at 7 May 2015	-	-	-	-
Ordinary shares	0.1	-	-	0.1
Profit for the period	-	-	0.6	0.6
Total comprehensive income for the period	0.1	-	0.6	0.7
Capital contributions	-	3,050.0	-	3,050.0
As at 31 December 2015	0.1	3,050.0	0.6	3,050.7

LEGAL & GENERAL (STRATEGIC LAND) LIMITED

NOTES TO FINANCIAL STATEMENTS

1 Accounting policies

The principal accounting policies are set out below and have been applied consistently throughout the period.

The company is a wholly-owned subsidiary of Legal & General Group Plc ("the Group") and is included in the consolidated financial statements of the Group Plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

(a) Basis of preparation

The financial statements of Legal & General (Strategic Land) Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS101).

Legal & General (Strategic Land) Limited has early adopted the amendment to the Companies Act Regulations and the New UK GAAP reduced disclosure framework (FRS101), published by the Financial Reporting Council on 16 July 2015, allowing companies to adapt the format of the primary financial statements in line with the presentation requirements of IAS 1.

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:

- IFRS 7, 'Financial Statements: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 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),
 - 40A-D (requirements for a third statement of financial position)
 - 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 FINANCIAL STATEMENTS

1 Accounting policies (continued)

(b) Investments

Investment land/properties:

Land is shown at fair value, based on valuations by external independent valuers. Revaluations go through profit and loss.

(c) Going Concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

(d) Tax

Current tax

Current tax comprises tax payable on current period profits, adjusted for non-tax deductible or non-taxable items, and any adjustments to tax payable in respect of previous periods. Current tax is recognised in the income statement unless it relates to items which are recognised in other comprehensive income.

Deferred tax

Deferred tax is calculated on differences between the accounting value of assets and liabilities and their respective tax values. Deferred tax is also recognised in respect of unused tax losses to the extent it is probable that future taxable profits will arise against which the losses can be utilised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity.

2 Audit fees

Audit fees of £11,500 attributable to the Company have been borne by other companies in the Group.

LEGAL & GENERAL (STRATEGIC LAND) LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3 Directors' emoluments

The Company has two directors as at 31 December 2015.

These figures represent the portion of the directors' emoluments that are estimated to relate to their services to the Company. Directors are not employees of the Company. Costs are reflected in a management charge levied by the parent.

	2015
	£'000
Short-term employee benefits	30.6
Social security costs	7.8
Post employment benefits	2.3
Share-based incentive awards	17.0
	<u>57.6</u>

For the period ended 31 December 2015, 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.

For the period ended 31 December 2015, 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.

	2015
	£'000
Highest paid director:	
Short-term employee benefits	28.3
Social security costs	7.5
Post employment benefits	2.1
Share-based incentive awards	16.8
	<u>54.6</u>

4 Pensions

The Company has no direct employees and hence makes no contributions towards retirement benefits.

LEGAL & GENERAL (STRATEGIC LAND) LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5 Investment property

	Investment in Land £'000	Total £'000
At May 2015	-	-
Acquisitions	3,050.0	3,050.0
At 31 December 2015	<u>3,050.0</u>	<u>3,050.0</u>

6 Tax on loss on ordinary activities

	2015 £'000
Current tax	
UK Corporation tax at 20%	
Current tax for the period	(1.7)
Total current tax credit	<u>(1.7)</u>
Tax credit on loss on ordinary activities	<u>(1.7)</u>
Deferred tax	
- Differences between taxable and accounting investment losses	(8.4)
- Impact of reduction in UK corporate tax rate on deferred tax balances to 18%	0.9
Total deferred tax charge/(credit)	<u>(7.5)</u>
Total tax charge/(credit) on profit/(loss)	<u>(9.2)</u>

Tax expense for the period is lower than the standard rate of corporation tax in the UK for the period ended 31 December 2015 of 20%. The differences are explained below:

	2015 £'000
Loss on ordinary activities before tax	<u>(8.6)</u>
Tax calculated at the standard UK corporation tax rate of 20%	(1.7)
Effects of:	
Differences between taxable and accounting investment losses	(8.4)
Impact of reduction in UK corporate tax rate on deferred tax balances to 18%	0.9
Total tax credit	<u>(9.2)</u>

Factors which may affect future tax charges

Finance Act 2015, substantively enacted in July 2015, included progressive reductions in the UK corporation tax rate to 18% by 1 April 2020. To calculate the current tax on profits, the rate of tax used is 20% for the year.

The rate of tax used for the calculation of deferred tax is 18%, which is the rate of corporation tax that is expected to apply when the differences as mentioned above reverse.

The Company has no unprovided deferred tax assets or liabilities as at 31 December 2015.

The Company is a UK member of the Legal & General Group, which is projected to make profits in future. Tax losses arising in this Company in future years as a result of the reversal of timing differences will therefore be utilised by other profitable companies within the UK Group. The Group policy is to pay for such surrendered tax losses at the prevailing corporation tax rate.

LEGAL & GENERAL (STRATEGIC LAND) LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7 Deferred tax asset

Deferred tax assets have been recognised for the following types of temporary differences and unused tax losses. The recognition of tax losses has been based on management projections to support the availability of taxable profits to absorb the losses in future years. The net movement in deferred tax assets and liabilities during the period is as follows:

	Net Tax assets/(liabilities) as at 7 May 2015	Tax credited to the income statement	Net Tax assets as at 31 December 2015
	£	£	£
Unrealised losses on investments	-	7.5	7.5
	-	7.5	7.5

8 Current assets

	2015 £'000
Corporation tax recoverable	1.7
	<u>1.7</u>

9 Current liabilities

	2015 £'000
Amounts payable to group undertakings	(8.5)
	<u>(8.5)</u>

10 Called up share capital

	2015 £
Issued and fully paid: 100 ordinary share of £1 each	100
	<u>100</u>

11 Movements in reserves

	Profit and loss account 2015 £'000
Profit for the financial period	0.6
Receipt of capital contribution from an intermediary parent company	3,050.0
Net addition to reserves	<u>3,050.6</u>
At 7 May	-
At 31 December	<u>3,050.6</u>

12 Ultimate parent undertaking

The immediate parent company is Legal & General Development Assets Holdings Limited.

The ultimate parent company is Legal & General Group Plc, a company incorporated in England & Wales - the controlling party which consolidates the financial statements of the Company. These accounts therefore provide information about the Company as an individual undertaking. Copies of the accounts of the ultimate holding company, Legal & General Group Plc, are available on the Group website, www.legalandgeneralgroup.com or from the Company Secretary at the Registered Office, One Coleman Street, London, EC2R 5AA.