



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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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# LEGAL & GENERAL (STRATEGIC LAND) LIMITED

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Registered office:  
One Coleman Street  
London EC2R 5AA

Registered in England and Wales Number 09578417

# LEGAL & GENERAL (STRATEGIC LAND) LIMITED

## STRATEGIC REPORT

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The directors present their Strategic Report for Legal & General (Strategic Land) Limited ("the Company") for the year ended 31 December 2016.

### Principal activities

The Company is a holding company for land assets. 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 to invest in land assets and it made two acquisitions in 2015.

In September 2016, the Company acquired two further land assets, one near Cardiff airport (cost of £3.9m) and the other in Ickenham (cost of £5.0m).

The Company's strategy is to add value through planning and infrastructure with synergies for the Group's 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 Legal & General Group Plc 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.

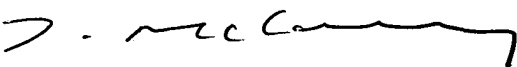
The Company has amounts payable to Group undertakings. The liquidity in the Company is monitored and actively managed at the Parent company level to ensure it is able to meet its obligations to mitigate potential liquidity risks.

The Company is also affected by market risk, as this could cause losses due to factors that affect the overall property and land values. These are mitigated by getting regular valuations carried out by external experts.

### Key performance indicators (KPI)

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.

By order of the Board



Jenny McCarthy  
For and on behalf of Legal & General Co Sec Limited  
Company secretary  
30 March 2017

## LEGAL & GENERAL (STRATEGIC LAND) LIMITED

### DIRECTORS' REPORT

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The directors present their annual report together with the audited financial statements of Legal & General (Strategic Land) Limited ("the Company") for the year ended 31 December 2016.

#### **Directorate**

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

J.R. Lidgate (appointed 17/10/16)

L.R. Aitchison (appointed 17/10/16)

P.R. Stanworth (resigned 17/10/16)

K. Jeffery (resigned 17/10/16)

#### **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.

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

The results of the Company are set out on page 7. The directors do not recommend the payment of a final dividend (2015: nil). At 31 December 2016, the Company had net assets of £3.1 million (2015: £3.1m).

#### **Likely future developments**

The directors continually assess 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, regulator 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.

#### **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.

## LEGAL & GENERAL (STRATEGIC LAND) LIMITED

### DIRECTORS' REPORT (CONTINUED)

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#### Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 (FRS101).

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 FRS101, 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 FRS101 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.

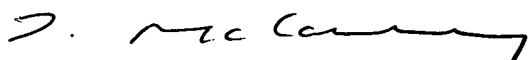
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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' 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  
30 March 2017

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

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

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#### **Report on the financial statements**

##### **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 2016 and of its profit for the year 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 2016;
- the Income Statement for the year 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 in note 1, 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.

##### **Opinions on other matters 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 year for which the financial statements are prepared is consistent with the financial statements; and
- 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)

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#### 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 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

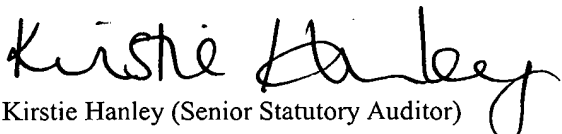
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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



Kirstie Hanley (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

30 March 2017

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

**For the year ended 31 December 2016**

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	Note	2016 £'000	7 May to 31 December 2015 £'000
Investment income	3	131.1	-
Administrative expenses		(48.0)	(8.6)
<b>Operating profit/(loss)</b>		<b>83.1</b>	<b>(8.6)</b>
<b>Profit/(Loss) before income tax</b>		<b>83.1</b>	<b>(8.6)</b>
Income tax (charge)/credit	7	(69.3)	9.2
<b>Profit for the financial year</b>	12	<b>13.8</b>	<b>0.6</b>

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



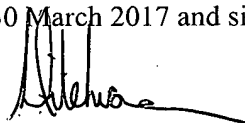
**LEGAL & GENERAL (STRATEGIC LAND) LIMITED**  
**BALANCE SHEET**

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As at 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investment property	6	12,046.5	3,050.0
Deferred tax asset	8	-	7.5
<b>Current assets</b>			
Current tax asset	9	3.4	1.7
<b>Total assets</b>		<u>12,049.9</u>	<u>3,059.2</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liability	8	(65.2)	-
<b>Current liabilities</b>			
Trade and other payables	10	(8,920.2)	(8.5)
<b>Total liabilities</b>		<u>(8,985.4)</u>	<u>(8.5)</u>
<b>Net assets</b>		<u>3,064.5</u>	<u>3,050.7</u>
<b>Equity</b>			
Share capital	11	0.1	0.1
Retained earnings	12	3,064.4	3,050.6
<b>Total equity</b>		<u>3,064.5</u>	<u>3,050.7</u>

The financial statements on pages 7 to 15 were approved by the board of directors on 30 March 2017 and signed on its behalf by



L.R. Aitchison

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**

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**For the year ended 31 December 2016**

<b>For the year ended 31 December 2016</b>	<b>Share Capital £'000</b>	<b>Other reserves £'000</b>	<b>Retained Earnings £'000</b>	<b>Total Equity £'000</b>
<b>As at 1 January 2016</b>	<b>0.1</b>	<b>3,050.0</b>	<b>0.6</b>	<b>3,050.7</b>
Ordinary shares	-	-	-	-
Profit for the financial year	-	-	<b>13.8</b>	<b>13.8</b>
Total comprehensive income for the year	-	-	<b>13.8</b>	<b>13.8</b>
Capital contributions	-	-	-	-
<b>As at 31 December 2016</b>	<b>0.1</b>	<b>3,050.0</b>	<b>14.4</b>	<b>3,064.5</b>

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

# LEGAL & GENERAL (STRATEGIC LAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

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### 1 Accounting policies

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

#### (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).

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)
  - 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.

#### (b) Critical accounting estimates and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The land bank assets held by the Company are valued by external valuers on a regular basis and the Company relies on their expertise for these valuations.

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.

**1 Accounting policies (continued)**

**(c) Investments**

Investment land/properties:

Land is shown at fair value, based on valuations by external independent valuers. Revaluations are reported through the income statement.

**(d) 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.

**(e) 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.

**(f) Dividend and finance income**

Dividends receivable from Group companies are recognised when paid for interim dividends, and when approved by the subsidiary Board for final dividends. Finance income is recognised on an accruals basis.

**(g) Trade and other payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. These are classified within creditors falling due within one year if payment is due within one year or less. If not, they are presented as within creditors falling due in greater than one year. These are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2 Audit fees**

Audit fees of £16,900 (2015: £11,500) attributable to the Company have been borne by other companies in the Group.

**3 Investment income**

	2016 £'000	2015 £'000
Rents received	31.1	-
Unrealised gain on investment property	100.0	-
	<u>131.1</u>	<u>-</u>

## LEGAL & GENERAL (STRATEGIC LAND) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 4 Directors' emoluments

The Company has two directors as at 31 December 2016 (2015: two).

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.

	2016 £'000	2015 £'000
Short-term employee benefits	40.8	30.6
Social security costs	7.0	7.8
Post employment benefits	1.4	2.3
Share-based incentive awards	8.5	17.0
	<u>57.7</u>	<u>57.6</u>

For the year ended 31 December 2016, 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 (2015: none).

For the year ended 31 December 2016, 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.

	2016 £'000	2015 £'000
Highest paid director:		
Short-term employee benefits	15.5	28.3
Social security costs	2.5	7.5
Post employment benefits	0.2	2.1
Share-based incentive awards	2.5	16.8
	<u>20.6</u>	<u>54.6</u>

#### 5 Pensions

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

LEGAL & GENERAL (STRATEGIC LAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Investment property

	Investment in Land £'000	Total £'000
At 1 January 2016	3,050.0	3,050.0
Acquisitions	8,896.5	8,896.5
Fair value gain	100.0	100.0
At 31 December 2016	<u>12,046.5</u>	<u>12,046.5</u>
At 7 May 2015	-	-
Acquisitions	3,050.0	3,050.0
At 31 December 2015	<u>3,050.0</u>	<u>3,050.0</u>

7 Tax on loss on ordinary activities

	2016 £'000	2015 £'000
<b>Current tax</b>		
UK Corporation tax at 20% (2015: 20.25%)		
Current tax for the year/period	(3.4)	(1.7)
<b>Total current tax credit</b>	<u>(3.4)</u>	<u>(1.7)</u>
<b>Tax credit on profit/(loss) on ordinary activities</b>	<u>(3.4)</u>	<u>(1.7)</u>
<b>Deferred tax</b>		
- Movement in temporary differences	85.0	(8.4)
- Impact of reduction in UK corporate tax rate to 17% (2015: 20-18%) on deferred tax balances	(12.3)	0.9
<b>Total deferred tax charge/(credit)</b>	<u>72.7</u>	<u>(7.5)</u>
<b>Total tax charge/(credit) on profit/(loss) on ordinary activities</b>	<u>69.3</u>	<u>(9.2)</u>

Tax expense (2015: credit) for the year is higher (2015: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2016 of 20%. The differences are explained below:

	2016 £'000	2015 £'000
Profit/(loss) on ordinary activities before tax	<u>83.1</u>	<u>(8.6)</u>
Tax calculated at the standard UK corporation tax rate of 20% (2015: 20.25%)	16.6	(1.7)
Effects of:		
Differences between taxable and accounting investment losses (Current tax)	(20.0)	-
Differences between taxable and accounting investment losses (Deferred tax)	85.0	(8.4)
Impact of reduction in UK corporate tax rate to 17% (2015: 20-18%) on deferred tax balances	(12.3)	0.9
<b>Total tax charge/(credit)</b>	<u>69.3</u>	<u>(9.2)</u>

**7 Tax on loss on ordinary activities (continued)**

Factors which may affect future tax charges

Following the 2016 Finance Act, the rate of Corporation Tax is expected to reduce progressively to 17% by 1 April 2020. The 19% rate will apply from 1st April 2017 and the 17% rate from 1st April 2020 onwards. The enacted rate of 17% have been used in the calculation of UK's deferred tax assets and liabilities, depending on which is the rate of corporation tax that is expected to apply when the differences as mentioned above reverse.

To calculate the current tax on profits, the rate of tax used is 20% (2015: 20.25%), which is the average rate of Corporation Tax applicable for the year.

The Company has no unprovided deferred tax assets or liabilities as at 31 December 2016 (2015: £nil).

**8 Deferred tax asset/(liability)**

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 or other comprehensive income.

The net movement in deferred tax assets and liabilities during the year is as follows:

	Net Tax assets/(liabilities) as at 1 January 2016	Tax debited to the income statement	Net Tax assets as at 31 December 2016
	£'000	£'000	£'000
Unrealised (gains) on investments	7.5	(72.7)	(65.2)
	<u>7.5</u>	<u>(72.7)</u>	<u>(65.2)</u>

	Net Tax assets/(liabilities) as at 7 May 2015	Tax credited to the income statement	Net Tax assets as at 31 December 2015
	£'000	£'000	£'000
Unrealised losses on investments	-	7.5	7.5
	<u>-</u>	<u>7.5</u>	<u>7.5</u>

**9 Current assets**

	2016 £'000	2015 £'000
Corporation tax recoverable	3.4	1.7
	<u>3.4</u>	<u>1.7</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10 Current liabilities**

	2016 £'000	2015 £'000
Amounts payable to Group undertakings	(8,920.2)	(8.5)
	<u>(8,920.2)</u>	<u>(8.5)</u>

The above are payable to Group undertakings and are repayable on demand.

**11 Called up share capital**

	2016 £	2015 £
Issued and fully paid: 100 ordinary share of £1 each	<u>100</u>	<u>100</u>

**12 Movements in reserves**

	Retained earnings 2016 £'000	Retained earnings 2015 £'000
Profit for the financial year	13.8	0.6
Receipt of capital contribution from an intermediary parent company	-	3,050.0
Net addition to reserves	<u>13.8</u>	<u>3,050.6</u>
At 1 January	3,050.6	-
At 31 December	<u>3,064.4</u>	<u>3,050.6</u>

**13 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](http://www.legalandgeneralgroup.com) or from the Company Secretary at the Registered Office, One Coleman Street, London, EC2R 5AA.