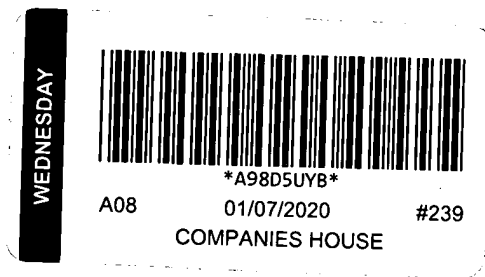




LEGAL & GENERAL (STRATEGIC LAND) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



LEGAL & GENERAL (STRATEGIC LAND) LIMITED

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Registered office:
One Coleman Street
London EC2R 5AA

Registered in England and Wales
Registered 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 year ended 31 December 2019.

Principal activities

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 1 Coleman Street, London EC2R 5AA. It is registered in England & Wales under Company registration number 09578417 and domiciled in the United Kingdom.

The Company is 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.

Business review

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 (KPIs)

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

DocuSigned by:

Andrew Fairhurst

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Andrew Fairhurst

For and on behalf of Legal & General Co Sec Limited

Company Secretary

26th June 2020

LEGAL & GENERAL (STRATEGIC LAND)LIMITED

DIRECTORS' REPORT

The Directors present their Director's Report together with the audited financial statements of the Company for the year ended 31 December 2019.

Results for the year and dividend

The results of the Company are set out on page 8. The Directors do not recommend the payment of a final dividend (2018: nil). At December 2019, the Company had net assets of £95.8 million (2018: £68 million).

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

Notwithstanding net current liabilities of £1,026,000 as at 31 December 2019, a loss for the year then ended of £560,000 and the uncertainty created by COVID-19, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. Whilst there are many unknowns at the time of writing, it is clear that the extent and nature of the impacts to the Company and wider Group will be determined by both the number of people infected, national and individual responses as well as our own preparedness for the impact on business continuity. The Group is activating business continuity plans to minimise the risk of disruption to business operations, taking account of Government advice and the need to safeguard the health of our work force.

The Directors have performed a review of anticipated cash flow for a period of at least 12 months from the date of approval of these financial statements which take account the plausible downside assumptions as a result of the impacts of COVID-19 on the Company. It indicates that the company will have sufficient funds, through funding from its intermediate parent company, Legal & General Capital Investments Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's intermediate parent company, Legal & General Capital Investments Limited not seeking repayment of the amounts currently due to them, which at 31 December 2019 amounted to £191,000, and providing additional financial support during that period. Legal & General Capital Investments Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, 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, they have 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.

Directors

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:

C. M. Jewel-Clark

J.R. Lidgate (resigned on 10 March 2020)

L.R Aitchison (resigned on 16 August 2019)

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 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.

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 <https://www.legalandgeneralgroup.com/>.

Independent auditor

KPMG LLP has been appointed as auditor and will be deemed to be reappointed as auditor pursuant to Section 489 of the Companies Act 2006. 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.

LEGAL & GENERAL (STRATEGIC LAND) LIMITED

DIRECTORS' REPORT (CONTINUED)

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements 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 United Kingdom 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 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. They are responsible for 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, and have 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.

Disclosure of information to the auditor

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

DocuSigned by:

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Andrew Fairhurst
For and on behalf of Legal & General Co Sec Limited
Company Secretary
26th June 2020

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 2019 which comprise the Income Statement, Balance Sheet, Statement of Changes 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 2019 and of its losses 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”).

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. 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. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor’s report is not a guarantee that the company will continue in operation.

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.

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

Strategic report and directors' report (continued)

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 other information;
- in our opinion the information given in the strategic report and the directors' report 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 4, 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

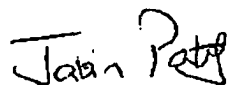
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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.

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

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
26th June 2020

LEGAL & GENERAL (STRATEGIC LAND) LIMITED
INCOME STATEMENT**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £'000	2018 £'000
Net property income		38	15
Admin expenses		(730)	(335)
Loss before income tax		<u>(692)</u>	<u>(320)</u>
Tax charge	6	132	57
Loss for the financial year		<u>(560)</u>	<u>(263)</u>

There was no other comprehensive income in the year so no statement of other comprehensive income has been presented.

The notes on pages 11 to 16 form an integral part of these financial statements.

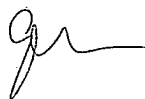
LEGAL & GENERAL (STRATEGIC LAND) LIMITED
BALANCE SHEET

As at 31 December 2019

	Note	2019 £'000	2018 £'000
Assets			
Non-current assets			
Investment in subsidiaries	9	81,441	53,335
Investment Property	8	16,129	15,846
		<u>97,570</u>	<u>69,181</u>
Current assets			
Trade and other receivables		492	13
Current tax asset		57	57
		<u>549</u>	<u>70</u>
Total assets		<u>98,119</u>	<u>69,252</u>
Liabilities			
Non-current liabilities			
Deferred tax liability		608	608
		<u>608</u>	<u>608</u>
Current liabilities			
Accruals		330	-
Trade and other payables	7	1,054	334
Amounts owed to Group undertakings	7	191	-
		<u>1,575</u>	<u>334</u>
Total liabilities		<u>2,183</u>	<u>942</u>
Net assets		<u>95,936</u>	<u>68,309</u>
Equity			
Ordinary shares		-	-
Share premium	10	90,711	53,335
Retained earnings		2,175	2,735
Other Reserves		3,050	12,239
Total equity		<u>95,936</u>	<u>68,309</u>

The notes on pages 11 to 16 form an integral part of these financial statements.

The financial statements on pages 8 to 16 were approved by the Board of Directors on 26th June 2020 and signed on its behalf by



C. M. Jewel-Clark

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

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Called-up share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
As at 1 January 2019		-	53,335	12,239	2,735	68,309
Loss for the financial year		-	-	-	(560)	(560)
Proceeds from shares issued		-	28,187	-	-	28,187
Reclassification		-	9,189	(9,189)	-	-
As at 31 December 2019	10	-	90,711	3,050	2,175	95,936

	Note	Called-up share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
As at 1 December 2018		-	-	3,050	2,998	6,048
Loss for the financial year		-	-	-	(263)	(263)
Capital contributions received		-	-	9,189	-	9,189
Proceeds from shares issued		-	53,335	-	-	53,335
As at 31 December 2018		-	53,335	12,239	2,735	68,309

The notes on pages 11 to 16 form an integral part of these financial statements.

LEGAL & GENERAL (STRATEGIC LAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

(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 financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

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 Instruments: 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)
- 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.

(b) 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. For the Company, this is relevant for the carrying value of investments properties. The basis of accounting for this area, and judgements used in determining them, are outlined in note 1(f).

LEGAL & GENERAL (STRATEGIC LAND) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****1 Accounting policies (continued)****(b) Going concern**

Notwithstanding net current liabilities of £1,026,000 as at 31 December 2019, a loss for the year then ended of £560,000 and the uncertainty created by COVID-19, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. Whilst there are many unknowns at the time of writing, it is clear that the extent and nature of the impacts to the Company and wider Group will be determined by both the number of people infected, national and individual responses as well as our own preparedness for the impact on business continuity. The Group is activating business continuity plans to minimise the risk of disruption to business operations, taking account of Government advice and the need to safeguard the health of our work force. The Directors have performed a review of anticipated cash flow for a period of at least 12 months from the date of approval of these financial statements which take account the plausible downside assumptions as a result of the impacts of COVID-19 on the Company. It indicates that the company will have sufficient funds, through funding from its intermediate parent company, Legal & General Capital Investments Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's intermediate parent company, Legal & General Capital Investments Limited not seeking repayment of the amounts currently due to them, which at 31 December 2019 amounted to £191,000, and providing additional financial support during that period. Legal & General Capital Investments Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, 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, they have 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.

(c) Consolidation

The Company is a wholly owned subsidiary of Legal & General Group Plc. It is included in the consolidated financial statements of Legal and General Group Plc, which are publically available. Therefore, the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

(d) Receivables

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

(e) Tax**Current tax**

Current tax comprises tax payable on current year profits, adjusted for non-tax deductible or non-taxable items, and any adjustments to tax payable in respect of previous years. 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) Investment property

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

Investment properties are initially measured at cost, including the purchase price and any directly attributable expenditure such as legal & brokerage fees, property transfer taxes and other transaction costs as well as borrowing costs that meet the criteria for capitalisation.

Subsequent measurement is at fair value based on latest professional valuation.

Investment properties are treated as acquired at the point the entity assumes the significant risks and returns of ownership and as disposed when the significant risks and returns of ownership are transferred to the buyer. This generally occurs on unconditional exchange or on completion if this is expected to occur significantly after exchange or the entity has significant outstanding obligations between exchange and completion. Additions to properties consist of a capital nature.

LEGAL & GENERAL (STRATEGIC LAND) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****(g) Investment in subsidiaries**

Investments in subsidiary undertakings are carried at cost and are considered for impairment at each reporting date.

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 direct employees.

4 Audit fees

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

5 Directors' emoluments

These figures represent that portion of the directors' emoluments that are estimated to relate to their services to the Company. Costs are reflected in a management charge levied by the parent.

	2019	2018
	£	£
Aggregate emoluments	71,360	112,283
Aggregate amounts (excluding shares) receivable under long term incentive schemes	-	-
Sums paid to third parties for directors' services	-	-

No fees were paid by the Company to the non-executive directors.

Retirement benefits are accruing to nil directors (2018: nil) under the defined benefit scheme.

Highest paid director:

The highest paid director's emoluments were as follows:

	2019	2018
	£	£
Emoluments	23,029	21,251
Money purchase pension scheme contributions	-	-
Defined benefit pension scheme:		
- Accrued pension at the end of the year	-	-
- Accrued lump sum at the end of the year	-	-

6 Tax on profit on ordinary activities

	2019	2018
	£'000	£'000
Current tax		
UK Corporation tax at 19%		
Current tax for the year	(132)	(61)
Adjustments in respect of prior years	-	4
Total current tax credit	<u>(132)</u>	<u>(57)</u>

To calculate the tax on profits, the rate of tax used is 19% (2018: 19%), which is the average rate of Corporation Tax applicable for the year.

LEGAL & GENERAL (STRATEGIC LAND) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6 Tax on profit on ordinary activities (continued)**

	2019 £'000	2018 £'000
<u>Deferred tax</u>		
- Movement in temporary differences	-	-
- Impact of reduction in UK corporate tax rate to 17% (2018: 17%) on deferred tax balances	-	-
Total deferred tax charge	<u>-</u>	<u>-</u>
Total tax credit on profit on ordinary activities	<u>(132)</u>	<u>(57)</u>

The tax credit for the year is lower than the standard rate of Corporation Tax in the UK for the year ended 31 December 2019 of 19%. The differences are explained below:

	2019 £'000	2018 £'000
Profit on ordinary activities before tax	<u>(692)</u>	<u>(320)</u>
Tax calculated at the standard UK corporation tax rate of 19%	(132)	(61)
Effects of:		
Differences between taxable and accounting investment gains/losses		<u>4</u>
Total tax credit	<u>(132)</u>	<u>(57)</u>

Factors which may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax liability as at 31 December 2019 has been calculated based on this rate. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. This will have a consequential effect on the company's future tax charge.

To calculate the current tax on profits, the rate of tax used is 19% (2018: 19%), 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 2019 (2018: nil).

LEGAL & GENERAL (STRATEGIC LAND) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****7 Payables**

	2019	2018
	£'000	£'000
Amounts falling due within one year:		
Trade and other payables	1,054	334
Amounts owed to group undertakings (non-loan)	191	-
	1,245	334

There are no set terms of repayment nor interest receivable on amounts owed by Group undertakings.

8 Investment property

	2019	2018
	£'000	£'000
Cost		
As at 1 January	15,846	15,846
Additions	283	-
Disposals	-	-
As at 31 December 2019	16,129	15,846
Revaluation surplus	-	-
As at 1 January	-	-
Revaluation in the year	-	-
As at 31 December	16,129	15,846

9 Investments in subsidiaries

	Shares in group undertaking £'000	Total £'000
As at 1 January 2019	53,335	53,335
Acquisitions	28,106	28,106
As at 31 December 2019	81,441	81,441

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

The undertaking of the Company is listed below. The undertaking operates mainly in its country of incorporation and has only one class of issued ordinary shares. The registered office of the undertaking is One Coleman Street, London, EC2R 5AA.

Nature of business Incorporated in**Subsidiaries held directly by the Company**

Legal & General (Strategic Land North Horsham) Limited	Investment property England and Wales company
Legal & General (Strategic Land Harpenden) Limited	Investment property England and Wales company

LEGAL & GENERAL (STRATEGIC LAND) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****10 Share capital**

	2019	2018
	£'000	£'000
Issued and fully paid: ordinary share of	-	-
Share premium	90,711	53,335
Total share capital	<u>90,711</u>	<u>53,335</u>

On 30 June 2019 1 ordinary share was issued for a share premium of £9,188,957.

On 30 June 2019 1 ordinary share was issued for a share premium of £5,658,522.

On 30 June 2019 1 ordinary share was issued for a share premium of £12,792,692.

On 31 December 2019, 1 ordinary share was issued for a premium of £127,075.

On 31 December 2019, 1 ordinary share was issued for a premium of £676,237.

On 31 December 2019, 1 ordinary share was issued for a premium of £8,932,223.

11 Ultimate parent undertaking

The immediate parent company is Legal & General Development Assets Holdings Limited 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 or from the Company Secretary at the Registered Office, One Coleman Street, London, EC2R 5AA.

12 Subsequent events

On 11 March 2020, the World Health Organisation declared the outbreak of a strain of novel coronavirus disease, COVID-19, a global pandemic. Governments in affected areas have imposed a number of measures designed to contain the outbreak, including business closures, travel restrictions, stay at home orders and cancellations of gatherings and events. The spread of COVID-19 has resulted in an economic downturn in the United Kingdom and the global economy more widely, as well as causing increased volatility and declines in financial markets. The impact of these events on the financial statements of the Company is not considered to be material.

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.

13 Related party disclosures

The Company has taken advantage of the exemption under paragraph 8 (j) and (k) of FRS 101 from certain requirements under IAS 24 Related party disclosures. These include the requirement to disclose transactions entered into by the Company with other wholly owned members of Legal & General Group Plc, and the requirement to present disclosures on compensation arrangements for key management personnel.