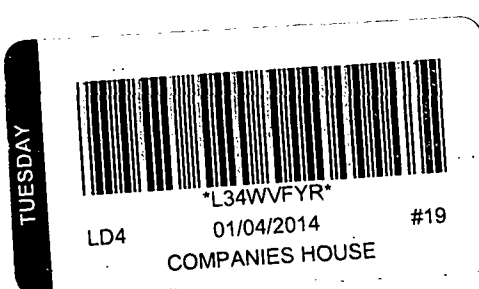


Company number: 02007164

LEGAL & GENERAL
ESTATE AGENCIES (FS) LIMITED
FINANCIAL STATEMENTS

2013



LEGAL & GENERAL ESTATE AGENCIES (FS) LIMITED

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Registered Office:
One Coleman Street
London EC2R 5AA

Registered in England & Wales No. 02007164

LEGAL & GENERAL ESTATE AGENCIES (FS) LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of Legal & General Estate Agencies (FS) Limited (the "Company") for the year ended 31 December 2013.

Principal activities

The principal activity of the Company is the arrangement of mortgages and related insurance business. The Company did not arrange any new business in the year but continued to manage existing business.

Result for the year and dividend

The results of the Company are set out on page 6. The directors do not recommend the payment of a dividend (2012: £Nil).

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:

S. C. A. Smith
V. White

Directors' Insurance

The ultimate parent company, Legal & General Group Plc 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 2006 or the articles of association to hold an Annual General Meeting or lay the Company's financial statements before the shareholders.

LEGAL & GENERAL ESTATE AGENCIES (FS) 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 directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that 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.

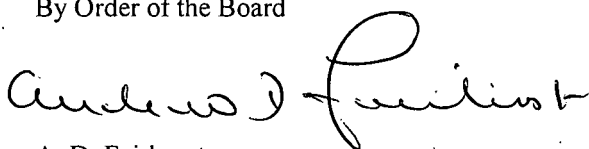
Each of the directors, who held office, at the date of the Directors' Report is approved, confirms that:

- (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.

This confirmation is given in accordance with section 418(2) of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By Order of the Board



A. D. Fairhurst

For and on behalf of Legal & General Co Sec Limited
Company Secretary

21 March 2014

LEGAL & GENERAL ESTATE AGENCIES (FS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEGAL & GENERAL ESTATE AGENCIES (FS) LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 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

This opinion is to be read in the context of what we say below.

What we have audited

The financial statements for the year ended 31 December 2013, which are prepared by Legal & General Estate Agencies (FS) Limited, comprise:

- Profit and Loss Account;
- Balance Sheet;
- Reconciliation of Movements in Shareholders' Funds and;
- related notes.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (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.

In addition, we read all the financial and non-financial information in the Legal & General Estate Agencies (FS) Limited Financial Statements 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.

Opinion on matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LEGAL & GENERAL ESTATE AGENCIES (FS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEGAL & GENERAL ESTATE AGENCIES (FS) LIMITED (continued)

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, 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 or returns; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

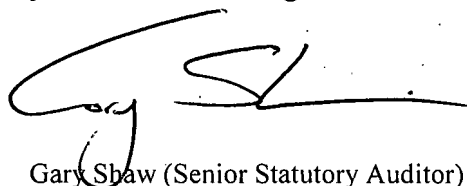
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 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.



Gary Shaw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

26 March 2014

LEGAL & GENERAL ESTATE AGENCIES (FS) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2013

		2013 £	2012 £
	Note		
Profit on continuing operations			
Turnover	1(c)	118,846	148,455
Administrative expenses/(credits)		(56,897)	223
Operating profit		61,949	148,678
Interest receivable and similar income	2	2,791	2,008
Interest payable and similar charges	3	(1,663)	(928)
Profit on ordinary activities before taxation	4	63,077	149,758
Tax on profit on ordinary activities	7	(15,473)	(37,747)
Profit for the financial year		47,604	112,011

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

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The notes on pages 8 to 12 form an integral part of these financial statements.

BALANCE SHEET

As at 31 December 2013

		2013 £	2012 £
	Note		
Current Assets			
Debtors	8	4,218,717	2,637,882
Cash at bank and in hand		57,874	1,662,675
		<u>4,276,591</u>	<u>4,300,557</u>
Creditors : Amounts falling due within one year	10	(16,930)	(70,192)
Net current assets		<u>4,259,661</u>	<u>4,230,365</u>
Provisions for liabilities	11	(27,999)	(46,307)
Net assets		<u>4,231,662</u>	<u>4,184,058</u>
Capital and reserves			
Called up share capital	12	365,000	365,000
Share premium account	13	440,000	440,000
Profit and loss account	13	3,426,662	3,379,058
Total shareholders' funds		<u>4,231,662</u>	<u>4,184,058</u>

Reconciliation of Movements in Shareholders' Funds

	2013 £	2012 £
Opening shareholders' funds	4,184,058	4,072,047
Profit for the financial year	47,604	112,011
Closing shareholders' funds	<u>4,231,662</u>	<u>4,184,058</u>

The notes on pages 8 to 12 form an integral part of these financial statements.

The financial statements on pages 6 to 12 were approved by the board of directors on 21 March 2014 and signed on its behalf by



V. White, Director

LEGAL & GENERAL ESTATE AGENCIES (FS) LIMITED

NOTES TO FINANCIAL STATEMENTS

1 Accounting policies

The main accounting policies of the Company are as follows:

(a) Basis of Preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below:

In accordance with FRS1 (Revised 1996) 'Cash Flow Statements' the Company has not prepared a cash flow statement as the ultimate holding company, Legal & General Group Plc, has included a group cash flow statement within its publicly available financial statements.

The Company has taken advantage of the exemptions under the terms of FRS8 'Related Party Disclosures' from disclosing related party transactions with entities that are part of Legal & General Group Plc or investees of Legal & General Group Plc.

The directors and key management of the Company had no material transactions with the Company or any other group undertakings.

The principal accounting policies are set out below:

(b) Taxation

The tax shown in the Profit & Loss account comprises current and deferred 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.

Deferred tax

Deferred tax is provided in full on all timing differences. Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

(c) Turnover and income recognition

Turnover is stated excluding recoverable value added tax and represents insurance commissions receivable less amounts to cover commission repayable on prospective lapses. The Company did not arrange any new business during the year but continued to manage existing business.

(d) Endowment claims

Claims in relation to endowment policies written by Legal & General Group companies are managed, recorded and provided for centrally by another group company. All other claims are provided for in the financial statements of Legal & General Estate Agencies (FS) Limited.

(e) Impairment

The Company reviews the carrying value of its assets at each balance sheet date. Where there has been an indication that an impairment has occurred, the carrying value is reduced through a charge to the profit and loss account.

LEGAL & GENERAL ESTATE AGENCIES (FS) LIMITED**NOTES TO FINANCIAL STATEMENTS (continued)**

2 Interest receivable and similar income

	2013	2012
	£	£
Bank interest	1,104	2,008
Interest receivable from group undertakings	1,687	-
	<u>2,791</u>	<u>2,008</u>

3 Interest payable and similar charges

	2013	2012
	£	£
Interest on endowment claims	1,663	928
	<u>1,663</u>	<u>928</u>

4 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2013	2012
	£	£
Auditors' remuneration (all relates to audit services)	2,000	2,000
Increase/(reduction) in provision for endowment claims (note 11)	<u>62,443</u>	<u>(9,262)</u>

5 Directors' emoluments

No emoluments were paid to any director nor were any pension contributions paid in respect of services to this Company (2012: £Nil).

6 Pensions

The Company has no direct employees and hence makes no contributions towards retirement benefits (2012: £Nil).

LEGAL & GENERAL ESTATE AGENCIES (FS) LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

7 Tax on profit on ordinary activities

	2013 £	2012 £
Current tax		
UK corporation tax at 23.25% (2012: 24.5%)		
- Current tax for the year	10,385	30,873
Total current tax charge	<u>10,385</u>	<u>30,873</u>
Deferred tax		
- Origination and reversal of timing differences (note 9)	5,088	6,874
Total deferred tax charge	<u>5,088</u>	<u>6,874</u>
Tax charge on profit on ordinary activities	<u>15,473</u>	<u>37,747</u>

Factors affecting current tax charge for the year

The total current tax for the year is lower (2012: lower) than the standard rate of UK corporation tax (23.25%) and the differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>63,077</u>	<u>149,758</u>
Tax calculated at the standard UK corporation tax rate of 23.25% (2012: 24.5%)	14,665	36,691
Effects of:		
Expenses not deductible for tax purposes	(4,257)	(5,787)
Capital allowances in excess of depreciation	<u>(23)</u>	<u>(31)</u>
Total current tax charge	<u>10,385</u>	<u>30,873</u>

Tax rates

Following the 2013 Budget announcement, the rate of corporation tax is expected to reduce progressively to 20% by 1 April 2015. To calculate the current tax on profits, the rate of tax used is 23.25% (2012: 24.5%), which is the average rate of corporation tax applicable for the year.

The rate of tax used for the calculation of deferred tax is 20% (2012: 23%), which is the rate of corporation tax that is expected to apply when the differences as mentioned above reverse. This rate will apply from 1 April 2014 (2012: 1 April 2013) onwards.

The Company has no unprovided deferred tax assets or liabilities as at 31 December 2013 (2012: £nil)

LEGAL & GENERAL ESTATE AGENCIES (FS) LIMITED

NOTES TO FINANCIAL STATEMENTS (continued)

8 Debtors

	2013 £	2012 £
Deferred tax asset (note 9)	5,691	10,779
Amounts owed by group undertakings	4,185,792	2,627,103
Other debtors	27,234	-
	<u>4,218,717</u>	<u>2,637,882</u>

The amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

9 Deferred tax asset

	£
At 1 January 2013	10,779
Amount credited in profit & loss account for year	(5,088)
At 31 December 2013	<u>5,691</u>

The balance for deferred tax consists of the following amounts:

	2013 £	2012 £
Capital allowances in excess of depreciation	91	128
Other timing differences	5,600	10,651
	<u>5,691</u>	<u>10,779</u>

10 Creditors: amounts falling due within one year

	2013 £	2012 £
Corporation tax liability	10,385	30,872
Amounts owed to group undertakings	1,266	24,680
Accruals and deferred income	5,279	14,640
	<u>16,930</u>	<u>70,192</u>

The amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

LEGAL & GENERAL ESTATE AGENCIES (FS) LIMITED**NOTES TO FINANCIAL STATEMENTS (continued)****11 Provisions for liabilities**

	2013 £	2012 £
Provision for endowment complaints		
At 1 January	46,307	69,927
Utilisation	(80,751)	(14,358)
Increase/(reduction) in provision during the year	62,443	(9,262)
At 31 December	<u>27,999</u>	<u>46,307</u>

Claims in relation to endowment policies written by Legal & General Group companies are managed, recorded and provided for centrally by another group company. All other claims are provided for in the financial statements of Legal & General Estate Agencies (FS) Limited.

12 Called up share capital

	2013 £	2012 £
Issued : 365,000 ordinary shares of £1 each fully paid	<u>365,000</u>	<u>365,000</u>

13 Movement in reserves

	Share Premium Account £	Profit and loss account £
Profit for the financial year	-	47,604
Retained profit	-	47,604
Opening reserves	440,000	3,379,058
Closing reserves	<u>440,000</u>	<u>3,426,662</u>

14 Segmental disclosure

The turnover and profit on ordinary activities before taxation is all attributable to the Company's activities as a management company and arises wholly in the UK.

14 Ultimate parent undertaking

The immediate parent company is Legal & General Assurance Society 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 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.