



LEGAL & GENERAL PROPERTY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Company Number: 02091897

31 December 2021

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LEGAL & GENERAL PROPERTY LIMITED

CONTENTS

Page

1	Strategic Report
11	Directors' Report
14	Independent Auditor's Report to the members of Legal & General Property Limited
18	Statement of Comprehensive Income
19	Statement of Financial Position
20	Statement of Changes in Equity
21	Notes to the Financial Statements

Registered Office:
One Coleman Street
London
United Kingdom
EC2R 5AA
Registered in England & Wales No. 02091897

LEGAL & GENERAL PROPERTY LIMITED

STRATEGIC REPORT

For the year ended 31 December 2021

The directors present their Strategic report on Legal & General Property Limited ("The Company") for the year ended 31 December 2021. With effect from 14 January 2005, the Company became an authorised person under Part IV of the Financial Services and Market Act 2000. This covers property management services provided by the Company. The Company is regulated by the Financial Conduct Authority (FCA).

Business review

The principal activities of Legal & General Property Limited ("the Company") are to provide property investment management and development services to property clients. The Company has shown resilience amidst significant market volatility in 2021 associated with the emergence of the Covid-19 pandemic and the responses by national governments to contain the significant threats to public health. The Company has successfully adjusted its working practices as Covid-19 continues to impact all areas of society, ensuring it is able to continue its business operations without material disruption. The principal risks and uncertainties are noted on pages 6 to 10 for additional information.

The directors review a range of performance indicators to monitor the performance of the Company. These include;

- Operating profit for the year was £29.6m (2020: £23.4m);
- Total assets at end of the year were £78.1m (2020: £55.2m);
- Funds under management at the end of the year were £22.4bn (2020: £18.9bn).

Outlook and Future Developments

After another extraordinary year for investors, expectations are mounting that 2022 will form a turning point for the global economy and markets: in the face of rising inflation, central bankers aim to withdraw the stimulus that has provided an extremely supportive backdrop for risk assets. While the world is learning to live with Covid-19, flareups will likely continue to be disruptive; there is also the potential risk of a vaccine-resistant mutation that could have a more material impact on growth.

Politics and an increasing geo-political risk add another layer of uncertainty to the outlook. 2022 has seen a range of new geopolitical risks come to the fore, with the potential for significant disruption to global economic activity. We are carefully monitoring the impacts for our business from a range of geopolitical scenarios and to ensure we remain financially and operationally resilient to adverse events.

The Company's parent, LGIMH, and its subsidiaries (collectively, the "LGIM Division") continues to invest to achieve the resilience and agility critical to future success. It is laying the foundations for continued global growth by investing in its people, its operating platform and data capabilities and by refining its organisational structure.

The external environment is expected to remain strongly competitive, with fee pressure across the book of business as clients, consultants and regulators all focus on profitability in a low yield environment. Whilst pricing pressure is something that is being experienced across the asset management industry, we believe the Company is well placed to manage these pressures given our focus on delivering solutions that are tailored to meet client objectives in a cost efficient way.

LEGAL & GENERAL PROPERTY LIMITED
STRATEGIC REPORT
For the year ended 31 December 2021

Section 172 (1) statement of stakeholder engagement

The Board consider that they have adhered to the requirements of section 172 of the Companies Act 2006 (the “Companies Act”) and have, in good faith, acted in a way that they consider would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so, have had regard to and recognised the importance of considering all stakeholders and other matters (as set out in s.172(1)(a-f) of the Companies Act) in its decision-making.

As part of the wider Legal & General Group (the “Group”), taking into account the relative size and complexity of the Company and centralised nature of the Group, the Board may consider it reasonable, in certain situations, for decision making to be handled by its parent company, Legal & General Investment Management Holdings Ltd (“LGIMH”), or by the Group Board with recommendations from the Company as required. In such cases, this will be articulated in the statement.

The reporting legislation around stakeholder engagement is welcomed by the Board and the commentary and table below sets out our s.172(1) statement. This statement provides details of key stakeholder engagement undertaken by the Board during the year and how this helps the Board to factor potential impacts on stakeholders in the decision-making process.

General

Corporate governance underpins how we conduct ourselves as a Board, our culture, values, behaviours and how we do business. As a Board we are conscious of the impact that our business and decisions have on our direct stakeholders as well as our wider societal impact.

As part of the director induction process, directors are briefed on their duties, including their duty under s.172 of the Companies Act 2006. The directors are entitled to request from the Company all such information they may reasonably require in order to be able to perform their duties as directors, including professional advice from either the Company Secretary or from an independent advisor at the Company’s expense. On-going training is provided to the directors, as required, to ensure that their knowledge remains up to date and they continue to be able to discharge their duties as directors.

It is standard company practice to demonstrate stakeholders have been considered with details of this included in the cover sheet for each Board paper. For each transaction approved by the Board, including but not limited to material acquisitions and strategic expansion, discussion takes place around stakeholder impact. The relevance of each stakeholder group may vary by reference to the issue in question, so the Board seeks to understand the needs of each stakeholder group and any potential conflicts as part of its decision-making. Additionally, the Company Secretary is on hand to provide support to the Board in ensuring that sufficient consideration and time is given to stakeholder issues during these discussions.

Principal decisions

For the year ending 31 December 2021, the Board consider that the following are examples of principal decisions it made in the period:

- Continued Covid-19 business response and the future of work for our workforce.
- Approval to voluntarily adopt a new Sustainability Policy aligned to requirements under the EU’s Sustainable Finance Disclosure Regulation (“SFDR”).

The table below sets out our key stakeholders and provides examples of how we have engaged with them in the period, as well as demonstrating stakeholder consideration in the decision-making process.

LEGAL & GENERAL PROPERTY LIMITED
STRATEGIC REPORT (CONTINUED)
For the year ended 31 December 2021

Section 172 (1) statement of stakeholder engagement (continued)

Stakeholders Their importance to us	The Board's approach to stakeholder engagement	Stakeholder consideration in the Board's decision making
Shareholders Our shareholders are vital to the future success of our business, providing funds which aid business growth and the generation of sustainable returns.	Our ultimate shareholder is Legal & General Group Plc, whose shareholders are institutional and individual investors who own Legal & General shares or bonds. Performance metrics and updates are provided by the Board to our parent company, Legal & General Investment Management (Holdings) Ltd ("LGIM(H)").	As a Board, we aim to provide clear information to our parent company and ultimate shareholders, being honest and transparent as to the performance of the business. Value is generated for shareholders by achieving the business plan, providing a sustainable, progressive dividend (where appropriate) and through share price performance of the ultimate shareholder, Legal & General Group Plc.
Workforce Engaging with our people enables us to create an inclusive company culture and a positive working environment.	As part of the LGIM(H) and wider Group the Company's workforce are invited to complete 'Voice Surveys' to provide frequent digital listening, giving real-time feedback and allowing us to create a better dialogue with the workforce. Following these surveys, action plans at Group, divisional and local level are put into place. At Group level there is a Designated Workforce Director on the Board, who is also the LGIM(H) Chair. These methods of engagement ensure that we continue to foster an inclusive and supportive working environment for our workforce, thus ensuring the sustainability of the Company in the long term.	Whilst the Company does not have any direct employees, with LGIM(H) or a Group subsidiary being the workforce's employing entity, the Board's decisions are made with reference, as appropriate, to workforce impact.

LEGAL & GENERAL PROPERTY LIMITED
STRATEGIC REPORT (CONTINUED)
For the year ended 31 December 2021

Stakeholders Their importance to us	The Board's approach to stakeholder engagement	Stakeholder consideration in the Board's decision making
Customers Listening to our customers helps us to better understand their needs and provide suitable and reliable products and services.	Our Company's Board and teams are dedicated to making sure we constantly refine what we do – making customers feel confident that we're delivering our promises to them in everything we do.	The Company has continued to invest in recalibrating the relationship with those external parties that are involved in managing the real estate equity portfolio through the transition to a new property management and customer service delivery model. The relationship with tenants is consequently closer than prior to the pandemic. The reinvention of how the Company manages the assets it owns is reaping the rewards and will help to develop competitive advantage as a result.
Suppliers Interaction with our suppliers and treating our suppliers fairly allows us to drive high standards and reduce risk in our supply chain whilst also benefitting from cost efficiencies and generating a positive impact for the environment and wider society.	The LGIM(H) Group hold regular meetings with key suppliers ensuring risks are proactively managed and they are up to date on latest developments and best practice. We strive to work with like-minded businesses, requiring suppliers to comply with our Supplier Code of Conduct. This safeguards the relationship and establishes standards that ensure suppliers operate ethically, are environmentally responsible and that their workers are treated with respect and dignity. The Company also contracts to a number of suppliers on behalf of the fund vehicles for which it manages or operates.	The Company's key supplier is its parent, LGIM(H), which provides administrative and third-party supplier contractual services to the Company.

LEGAL & GENERAL PROPERTY LIMITED
STRATEGIC REPORT (CONTINUED)
For the year ended 31 December 2021

Stakeholders Their importance to us	The Board's approach to stakeholder engagement	Stakeholder consideration in the Board's decision making
<p>Regulators</p> <p>Active engagement with the government and regulators helps to ensure that standards across our business and across the industry are maintained in order to protect our customers.</p>	<p>As an FCA regulated entity, our engagement consists of regular scheduled meetings with senior managers, routine deep dive activity, and occasional inclusion in thematic reviews. The Company places high importance on having an open and transparent relationship with its regulators and promotes a collaborative approach through on-going regulatory interactions.</p> <p>As a Company, we recognise the value of strong regulation in the markets in which we operate where it ensures trust and confidence and can be a positive force on business. Along with LGIM(H) and the wider Group, as appropriate, we seek to actively participate with government and regulatory bodies to develop responses to developing issues that meet the needs of all stakeholders.</p>	<p>During the year, the FCA published its final consultation on the UK Investment Firm Prudential Regime (IFPR) prior to the implementation date of 1 January 2022. The Company engaged the FCA on a number of interpretation points and put in place a project to implement the requirements of the new regime.</p> <p>The Board approved the adoption of a new Sustainability Policy aligned to requirements under the EU's SFDR. Whilst the Company was not directly subject to this regulation the Board agreed to the implementation of SFDR on a voluntary basis with Entity-level Disclosures.</p>
<p>Community/wider society</p> <p>Contributing positively to wider society enables us to create stronger communities and have a positive environmental impact.</p>	<p>As a Group, our purpose is to improve the lives of our customers, build a better society for the long term and create value for our shareholders. This inspires us to use our long-term assets in an economically and socially useful way to benefit everyone in our communities. Our approach to inclusive capitalism takes our belief in responsible behaviour and extends it into investing in communities and cities to change people's lives for the better.</p>	<p>The Company received updates from LGIM throughout the year on new ESG proposals and initiatives. The Company has been supportive of LGIM's development of ESG Hubs on its websites for stakeholders to access the latest information on a range of related issues.</p>

Further information on how the Legal & General Plc Group Board have engaged with stakeholders can be found in the Group s.172(1) Statement, which can be found on the Group website, www.legalandgeneralgroup.com.

LEGAL & GENERAL PROPERTY LIMITED
STRATEGIC REPORT (CONTINUED)
For the year ended 31 December 2021

Principal risks and uncertainties

The Company's business involves the acceptance and management of risk. The Company is required to measure and monitor its capital resources on a regulatory basis and to comply with the capital requirements established by FCA. Capital is managed such that the total available own funds exceeds the Company's capital requirement calculated in accordance with the regulations with an appropriate buffer. The Company has not raised capital externally or from Group resources.

The principal risks and uncertainties facing the Company are shown below.

Markets and broader economic conditions

The Company manages investments primarily in commercial property. The performance and liquidity of the property sector, interest rate movements and inflation can impact the value of these investments. This in turn may impact the earnings, profitability and the capital requirements of the Company. Significant falls in investment asset values can impact fee income from investment management activities, whilst broader economic conditions can influence the demands for investment products and the period over which the business is retained.

Uncertainty around the global economic outlook may cause volatility in financial markets as they respond to changes in growth projections and interest rates as well as global political events, new regulatory change and interventions and the continuing Covid-19 pandemic. There is the potential for disruptive asset price shifts should markets reappraise the degree to which uncertainty in the economic outlook has been priced into asset values. Furthermore, geopolitical events also have the potential to increase market volatility and restrictions on global trade from increasing protectionism may impact productivity and incomes, and adversely affect market sentiment.

Competitor activity and changes in market product shape and client requirements would impact the Company's ability to raise new funds. The Company's principal business channel is the commercial property market and uncertainty in this market would limit investment from new and existing clients.

The Company uses a range of risk management strategies to manage volatility in returns from investment assets and the broader effects of adverse market conditions, whilst continuing to invest in line with client and fund guidelines. The effect of market and economic conditions upon fee income is mitigated through the utilisation of a low cost scalable business model combined with both the development of specialist offerings that meet specific client needs and also the maintenance of a diversified portfolio of products. This framework has operated well during the market events of recent years, and the risks inherent in renewed or extreme adverse market conditions, the reliance upon expert personnel, and the shift toward more specialist and segregated funds are considered in business plan modelling.

As in previous years, the LGIM Division models its business plans across a broad range of economic scenarios and takes account of alternative economic outlooks within its overall business strategy. Additionally, the Individual Capital Adequacy Assessment Process (ICAAP) at a Divisional level plays a key part in business planning, ensuring a clear link between capital adequacy and the nature of the risks to which the Company and LGIM Division are exposed.

LEGAL & GENERAL PROPERTY LIMITED
STRATEGIC REPORT (CONTINUED)
For the year ended 31 December 2021

Principal risks and uncertainties (continued)

Sector performance and reputation

Events in the financial services sector outside the control of the Company and the Legal & General Group ("Group") may impact earnings and profitability, due to their potential impact on the value of funds under management. The Company seeks wherever practicable to mitigate the effects of these contagion risks. Historically such events have included:

- Failings by competitors, or
- Actions by regulators within the industry, or
- Shock events such as significant market failures, or
- Adverse performance of investment markets

During recent years, investor confidence in a number of financial services institutions has wavered. Although controls within the Company have allowed the effects of uncertainty in markets to be managed, a residual lack of confidence in the sector may impact future profitability. Tightening regulation and continuing negative media coverage of the financial services sector may adversely lower consumers' confidence in the value of investment products with resulting impacts on the environment in which the Company operates.

The LGIM Division's response to climate risks has significant strategic importance to the Company's clients as the Division has set out to be a thought leader in this area. The Company could suffer reputational damage where funds are not aligned to clients' Environmental, Social and Governance ("ESG") expectations, or if the LGIM Division is not equipped for the pace of change required from client demands and regulatory changes.

Investment is being made in the LGIM Division's infrastructure to modernise processes and technology in order to mitigate these risks and improve scalability. The Company and Group actively engage with regulators as well as promoting effective governance to support understanding of the risk drivers in the relevant markets and provide clarity on areas where they believe the industry needs to change.

Regulatory and legislative changes

The markets in which the Company operates are highly regulated, with regulation and legislation defining the overall framework for the design, marketing and distribution of products, the acceptance and administration of business, and the prudential capital that regulated companies should hold. Legislation and government fiscal policy can also influence the period of retention of products and required reserves for future liabilities. The prominence of the risk increases where change is implemented without prior engagement with the asset management sector. Fundamental changes in regulation, such as those that may arise from market events, may also impact strategies.

The Company is supportive of regulation in the markets in which it operates as a means to build trust and confidence in the industry. The Company remains vigilant of the risk that future legislative and regulatory change may have unintended consequences for the sectors in which it operates. The Company seeks to actively participate with Government and regulatory bodies to assist in the evaluation of change so as to develop outcomes that meet the needs of all stakeholders. Internally, the Company evaluates the impact of all legislative and regulatory change as part of the formal risk identification and assessment processes, through the LGIM Division's Executive Risk Committees and the Company's Board. The Company cannot, however, completely eliminate the risks that controls may fail or that historic accepted practices may be reappraised by regulators, which could result in regulatory sanctions.

LEGAL & GENERAL PROPERTY LIMITED
STRATEGIC REPORT (CONTINUED)
For the year ended 31 December 2021

Principal risks and uncertainties (continued)

Counterparty and third party failure risk

The Company has reliance on several third parties which undertake or advise on transactions as part of the investment and disposal processes, or custodian services in respect of client assets. Third party risk arises with regard to reliance upon external suppliers of certain administration and IT services. The financial failure of a third party or the inability to perform obligations would impact the reputation of the Company and could adversely impact client funds under management.

The Company seeks to limit the potential exposure to loss from counterparty and third party failure through financial strength based criteria for those counterparties with which it will do business and the setting of risk based limits on concentrations. This includes defined policies and procedures covering different types of counterparty exposure.

Supplier Management Risk

The Company and the wider LGIM Division adopts a risk-based approach to the management of suppliers. An initial risk assessment directs the process subsequently followed and the levels of governance and oversight over the relationship. The Company's expectations on the supplier are codified through contractual and other service agreement documents and an understanding of the risks associated with a particular initiative is vital to ensure the legal documentation provides the right level of protection. 2021 saw additional resources bolstering the Global Supplier Governance function who have embarked on a programme of development and enhancement within supplier oversight. The LGIM Division manages supplier risk through a newly created Supplier Management function which brings oversight and governance.

In extreme conditions an event causing widespread default may impact the Company's profitability, whilst the loss of critical suppliers may impact operational effectiveness.

Failure to maximise opportunities

The markets in which the Company operates are subject to change, and significant changes require the review and realignment of elements of our business strategy. A failure to understand the business implications of an upcoming change and to develop or to effectively execute appropriate strategic realignments may impact the achievement of short- and long-term business objectives.

The nature of the products and structures in which pension and investment clients choose to invest their assets is influenced by a number of factors outside the immediate control of the Company, including government policy, taxation, competitor activity, social conditions, distribution models and the general economic environment. Uncertainty in any of these factors may have a detrimental effect on the markets in which the Company operates and potential earnings. In particular, significant changes in government policy that relate to pension provision or significant price pressure from competitors may lead to a re-assessment by clients and consultants as to how their future investment activity should be delivered and result in significant moves of assets away from the Company.

The Company continues to monitor closely government, industry and competitor activity. Many of the current strategic initiatives, including the development of a range of income generating funds are aimed at ensuring that the Company can continue to offer products demanded by its core client base.

As has been seen in other business sectors, it is possible that alternative digitally enabled providers of financial service products will emerge with lower cost business models or innovative service propositions and capital structures, disrupting the current competitive landscape.

LEGAL & GENERAL PROPERTY LIMITED
STRATEGIC REPORT (CONTINUED)
For the year ended 31 December 2021

Principal risks and uncertainties (continued)

Operational risk

The Company operates within a framework of internal controls to minimise the risk of unanticipated loss or reputation damage. However, no system of internal control can completely eliminate the risk of error and financial loss. Poor or inefficient business processing can also lead to increased cost and operational errors with associated reputational damage and loss of assets.

The Company continues to undertake significant investment in system capabilities and business processes to meet the expectations of customers and regulators as well as comply with regulatory, legal and financial reporting requirements. Emerging from the pandemic, the likelihood of the Company being impacted by resource capacity and key personnel knowledge dependencies has increased, with the pace and volume of change initiatives putting some pressure on existing specialist resources and controls, increasing the likelihood for human errors and process failure events.

The Company has a well-established risk governance structure that seeks to ensure that business management is accountable and actively engaged in ensuring the risks inherent in the business are managed. Core to this is that risk relevant information finds its way to the right level for proactive decision making. The Risk function led by the Chief Risk Officer (“CRO”) provides both expert advice and guidance on the risk framework as well as objectively challenging the way risks are being managed. 2021 saw a continuation of increased effectiveness and resourcing across the CRO function.

During 2021, a revised methodology for identifying and assessing process controls was rolled out through the Risk and Control Self Assessment process (RCSA). In addition, the LGIM Division migrated to a new risk management system, which will provide greater access to risk data and the ability for staff at all levels to review risks and controls relating to their roles.

The Global Internal Audit function, which reports to the LGIM Divisional Audit Committee, and Group Audit Committee, provides further independent assurance on the adequacy and effectiveness of controls as well as the CRO Function itself.

Operational Resilience

There is considerable regulatory focus on operational resilience and new requirements have been set by the FCA which came into force on the 31st March 2022. A framework which has been created within the LGIM Division which meets these requirements, and which will continue to evolve and be enhanced over time.

The application of this framework has allowed important business services to be identified, impact tolerances to be set, and a schedule of testing to be designed which will enhance and validate the resilience response mechanisms. As such, the approach to assessing and managing operational resilience within the Company is comprehensive and robust.

LEGAL & GENERAL PROPERTY LIMITED
STRATEGIC REPORT (CONTINUED)
For the year ended 31 December 2021

Principal risks and uncertainties (continued)

Cyber Crime

As the Company and its business partners increasingly digitalise operations, there arises inherent exposure to the risk that third parties may seek to disrupt on-line business operations, steal customer data or perpetrate acts of fraud using digital media. A significant cyber event could result in reputational damage and financial loss.

The financial services sector has seen attempts by third parties to seek and exploit perceived vulnerabilities in IT systems. Potential threats include denial of service attacks, network intrusions to steal data for the furtherance of financial crime, and the electronic diversion of funds.

The LGIM Division maintains and continually improves a cyber and information security framework, ensuring the integrity of our operations and the confidentiality of information. This consists of an overarching information security strategy, a set of policies, standards, and controls operating within the Group's structured risk management framework. Responsibilities for information security are designated across the organisation, supported by specialist teams, training, awareness campaigns, and security testing.

Our cyber incident response plans are routinely maintained and tested to validate our security posture. Additionally, the Company conducts business continuity cyber scenario testing, which considers external threat intelligence e.g. increased risk of cyber attacks due to political unrest in Russia/Ukraine.

COVID 19 Response

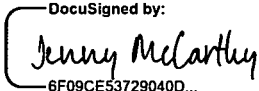
Covid-19 continues to impact all areas of society. The extent and nature of the impacts to the LGIM Division globally continues to be determined by the number of people infected, national and individual responses as well as the adaptability of the LGIM Division to change demanded of all businesses throughout the pandemic and beyond.

The LGIM Division's return to the office is being discussed as part of a Group-led initiative, with teams gradually returning to work across our global offices as allowed by relevant government advice.

The fatigue that individuals across the firm are undoubtedly feeling, coupled with the impact of the prolonged remote working environment, continues to raise concerns for possible increases in operational risk events and staff dislocation.

Throughout 2021, operation of the risk framework and standards of control have been maintained, staff can access risk management systems remotely and oversight, risk reporting and governance continues. There has been no observed deterioration of the control environment, despite the business having to adapt some controls to the new reality specifically for this situation – specific control reviews have been conducted to provide comfort around this. The business continues to actively monitor the control environment and escalate issues and events where appropriate, in accordance with the existing risk framework. The Company will continue to monitor the situation carefully and take action where necessary to ensure strong control is maintained.

By Order of the Board

J McCarthy 
 For and on behalf of Legal & General Co Sec Limited
 Company Secretary
 5 May 2022

LEGAL & GENERAL PROPERTY LIMITED
DIRECTORS' REPORT
For the year ended 31 December 2021

The directors present their annual report together with the audited financial statements of Legal & General Property Limited for the year ended 31 December 2021.

Principal activities and future developments

The principal activities of Legal & General Property Limited ("the Company") are to provide property investment management and development services to property clients. The Company does not envisage any change in its activities in the foreseeable future. Please refer to the principle risks and uncertainties set out on pages 6 to 10 for additional information.

Events after the reporting date

There are no significant events after the reporting date to disclose.

Result for the year and dividend

The results of the Company are set out on page 18. In 2021, the directors did not declare the payment of a dividend (2020: £20m).

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position in the current economic climate are set out in the Strategic Report. The financial position and performance of the Company are described in these Financial Statements. Principal risks and uncertainties are detailed on pages 6 to 10.

The Directors have made an assessment of the Company's ability to continue as a going concern, considering both the Company's current performance and the Company's outlook of at least 12 months from the date of approval of these financial statements, which takes account of the current and future impact of the Covid-19 pandemic and of reasonable plausible downside assumptions which impact the Company such as falls in assets under management, using the information available up to the date of issue of these Financial Statements.

The Company manages and monitors its capital and liquidity, and various stresses are applied to those positions to understand potential impacts from market downturns. Our key sensitivities and the impacts on our capital position from a range of stresses, including the additional considerations relating to Covid-19, do not give rise to any material uncertainties over the ability of the Company to continue as a going concern. Based upon the available information, the directors consider that the Company has the plans and resources to manage its business risks successfully and that it remains financially strong and well diversified.

Financial risk

The Company's exposure to financial risk through its financial assets and liabilities is not considered material to the assessment of the Company's assets, liabilities, financial position and the profit and loss of the Company.

The Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for an assessment of the Company's assets, liabilities, financial position, and profit or loss. No further information has therefore been provided

LEGAL & GENERAL PROPERTY LIMITED
DIRECTORS' REPORT (CONTINUED)
For the year ended 31 December 2021

Directorate

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

G Aitchison
M Barrie, MRICS
S Fuschillo
W Hughes

Directors' indemnities and insurance

The ultimate parent company, Legal & General Group Plc, maintains an appropriate level of directors and Officers' liability insurance which is reviewed annually.

Independent auditor

In accordance with section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the Company was proposed at the 2021 Legal & General Group Plc Annual General meeting, with the services of KPMG being retained for the audit of the 2021 financial statements.

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

LEGAL & GENERAL PROPERTY LIMITED
DIRECTORS' REPORT (CONTINUED)
For the year ended 31 December 2021

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

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.

Statement of disclosure of information to auditor

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

(a) so far as each director is aware, there is no relevant audit information of which the Company's auditor are unaware; and


(b) he/she has taken all the steps that he/she ought to have taken as a director in order to make him or herself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

Modern Slavery

Legal & General Group Plc and its global subsidiaries ("Legal & General") recognise that companies have an obligation to ensure that their business and supporting supply chains are slavery free.

Legal & General's full modern slavery statement can be found at www.legalandgeneralgroup.com.

By Order of the Board

DocuSigned by:

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J McCarthy
For and on behalf of Legal & General Co Sec Limited
Company Secretary
5 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEGAL & GENERAL PROPERTY LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Legal & General Property Limited ("the Company") for the year ended 31 December 2021 which comprise the statement of comprehensive income, statement of financial position, 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

- Enquiring of directors, the audit committee of the group to which the Company belongs, internal audit and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board Minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

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

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all post year end closing journal entries.

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

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

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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

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

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

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's authority to operate.

We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of Company legislation and financial services legislation recognising the financial and regulated nature of the Company's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

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

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on pages 12 and 13, 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.

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

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.

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.



Kamilla Racinska (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
6 May 2022

LEGAL & GENERAL PROPERTY LIMITED
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Revenue	3	83,261	73,629
Administrative expenses	4	(53,695)	(50,254)
Operating Profit		29,566	23,375
Profit before taxation		29,566	23,375
Tax on profit	7	(5,176)	(4,436)
Profit and total comprehensive income for the financial year		24,390	18,939

There were no gains or losses in the year other than those included in the above Statement of Comprehensive Income (2020: none).

The notes on pages 21 to 32 form an integral part of these financial statements.

LEGAL & GENERAL PROPERTY LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021 £'000	2020 £'000
Assets			
Non-current assets			
Investments	9	239	239
Total Non-current assets		239	239
Current assets			
Trade and other receivables	10	33,745	29,043
Cash and cash equivalents		44,138	25,875
Total current assets		77,883	54,918
Total assets		78,122	55,157
Liabilities Current liabilities			
Trade and other payables	11	(17,755)	(19,180)
Total current liabilities		(17,755)	(19,180)
Total liabilities		(17,755)	(19,180)
Net assets		60,367	35,977
Equity			
Called up share capital	12	-	-
Retained earnings		60,367	35,977
Total equity		60,367	35,977

The notes on pages 21 to 32 form an integral part of these financial statements.

The financial statements on pages 18 to 32 were authorised for issue by the board of directors on
5 May 2022 and were signed on its behalf by

DocuSigned by:

Michael Barrie
507D3B73303340B...

Mike Barrie - Director

Legal & General Property Limited

Registered in England & Wales No. 02091897

LEGAL & GENERAL PROPERTY LIMITED
STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Note	Called up share capital £'000	Retained earnings £'000	Other reserves £'000	Total equity £'000
Balance as at 1 January 2021		-	35,977	-	35,977
Profit for the financial year		-	24,390	-	24,390
Total comprehensive income for the year		-	24,390	-	24,390
Dividends declared	8	-	-	-	-
Balance as at 31 December 2021		-	60,367	-	60,367
Balance as at 1 January 2020		-	37,038	-	37,038
Profit for the financial year		-	18,939	-	18,939
Total comprehensive income for the year		-	18,939	-	18,939
Dividends declared	8	-	(20,000)	-	(20,000)
Balance as at 31 December 2020		-	35,977	-	35,977

The notes on pages 21 to 32 form an integral part of these financial statements.

Further information has been provided on Share Capital and Other Reserves. Please see note 12 for more information.

LEGAL & GENERAL PROPERTY LIMITED

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2021

1 Summary of significant accounting policies

(a) Reporting entity and basis of preparation

The Company is a limited company, incorporated and domiciled in the United Kingdom. The address of its registered office is One Coleman Street, London, United Kingdom, EC2R 5AA.

The principal accounting policies adopted in preparing these financial statements are set out below.

i) Significant accounting policies

The financial statements of Legal & General Property Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS101). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and financial assets and financial liabilities at fair value through profit and loss.

The Company has selected accounting policies which state fairly its financial position and financial performance for the reporting period. The accounting policies have been consistently applied to all years presented, unless otherwise stated.

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of the Company's assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Estimates and judgements 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 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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

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

- 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),

LEGAL & GENERAL PROPERTY LIMITED**NOTES TO FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 December 2021**

1 Summary of significant accounting policies (continued)

- 38B-D (additional comparative information),
- 40A-D (requirements for a third statement of financial position), and
- 111 (cash flow statement information)
- 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.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, 'Revenue from Contracts with Customers'.
- IFRS 7, 'Financial Statements: Disclosures'

All amounts have been rounded to the nearest £'000 unless otherwise indicated

The Company is a wholly owned subsidiary of LGIM Real Assets Limited and of its ultimate parent, 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.

ii) Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position in the current economic climate are set out in the Strategic Report. The financial position and performance of the Company are described in these Financial Statements. Principal risks and uncertainties are detailed on pages 6 to 10.

The Directors have made an assessment of the Company's ability to continue as a going concern, considering both the Company's current performance and the Company's outlook of at least 12 months from the date of approval of these financial statements, which takes account of the current and future impact of the Covid-19 pandemic and of reasonable plausible downside assumptions which impact the Company such as falls in assets under management, using the information available up to the date of issue of these Financial Statements.

The Company manages and monitors its capital and liquidity, and various stresses are applied to those positions to understand potential impacts from market downturns. Our key sensitivities and the impacts on our capital position from a range of stresses, including the additional considerations relating to Covid-19, do not give rise to any material uncertainties over the ability of the Company to continue as a going concern. Based upon the available information, the directors consider that the Company has the plans and resources to manage its business risks successfully and that it remains financially strong and well diversified.

LEGAL & GENERAL PROPERTY LIMITED**NOTES TO FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 December 2021****1 Summary of significant accounting policies (continued)**

Having reassessed the principal risks and uncertainties (both financial and operational) in light of the current economic climate the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for a period of, but not limited to, 12 months from the date of approval of the financial statements and therefore have considered it appropriate to adopt the going concern basis of accounting when preparing the financial statements.

iii) New standards, interpretations and amendments to published standards that have been adopted by the Company

No new standards, interpretations and amendments have been adopted by the Company.

iv) Standards, interpretations and amendments to published standards which are yet effective

No new standards, interpretations and amendments have been adopted by the Company.

(b) Investments

The group undertakings are held at cost less impairment and the unlisted investments are held at market value.

(c) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks and other short-term highly liquid investments. Cash can be withdrawn within 24 hours without penalty.

(d) Accrued income

Accrued revenue is measured at the fair value of the consideration receivable, and represents amounts receivable for services provided in the reporting period that have not yet been billed for. The Company recognises revenue in accordance with its revenue accounting policy.

(e) Revenue recognition

Revenue is stated excluding recoverable Value Added Tax and represents amounts receivable for services provided. Revenue is measured at the fair value of the consideration received or receivable and at an amount that reflects the consideration to which it expects to be entitled to in exchange for transferring goods or services to a customer in the reporting period.

Fund management fees are recognised on an accruals basis. Performance fees are recognised only when the fee is certain. Fees are derived from the following bases of agreements with clients:

- funds under management;
- out-performance of fund against benchmark;
- property rent roll under management;
- development activity; and
- advisory fees.

LEGAL & GENERAL PROPERTY LIMITED**NOTES TO FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 December 2021**

1 Summary of significant accounting policies (continued)**(f) Expense recognition**

Expenses are included on an accruals basis and comprise primarily the expenses incurred in property fund management together with corporate expenses. Other costs are accounted for as they arise.

(g) 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 directly to equity or other comprehensive income.

(h) 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 or other comprehensive income.

(i) Dividend recognition

A dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are authorised and are no longer at the discretion of the Company.

(j) Trade and other receivables

Trade receivables are amounts due from clients for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as noncurrent assets. Trade receivables are recognised initially at fair value. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method, less any impairment losses.

(k) Impairment

For financial assets held at amortised cost or FVOCI the Company reviews the carrying value of its assets at each balance sheet date. For such assets, the Company determines forward looking expected credit losses (ECL), based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Company measures loss allowance at an amount equal to lifetime ECLs. The Company uses relevant quantitative and qualitative information and analysis based on historical experience, and informed credit assessment including forward-looking information in order to evaluate the credit-worthiness of each security at each reporting date, to determine whether a significant increase in credit risk since origination occurred. Should this be the case, the allowance will be based on the lifetime ECL. ECLs are calculated by considering the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD). The PD is determined by reference to third party information on available companies, or using qualitative information available to the Company, and depends on whether a financial asset requires determination of a lifetime ECL. The LGD is determined with reference to any exposure reducing instruments such as collateral or liquid assets that the counterparty may have. The EAD is determined as the amount of the balance outstanding at the reporting date. There have been no recorded credit losses on debtors during the year or the prior year.

LEGAL & GENERAL PROPERTY LIMITED**NOTES TO FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 December 2021****1 Summary of significant accounting policies (continued)****(1) Trade and other payables**

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are initially recognised as fair value. After initial recognition, payables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

2 Critical accounting estimates and judgements

Estimates and judgements 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 Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

i) Revenue

Revenue is recognised as services are provided based on contractual agreements. Revenue is recognised on an accruals basis and measured at the fair value of the consideration received or receivable for services provided. The Company recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when the services to which the revenue relates (namely asset management) have been provided.

3 Revenue

A geographical analysis of revenue is as follows:

	2021	2020
	£'000	£'000
UK	70,311	69,435
Jersey	12,950	4,194
	<u>83,261</u>	<u>73,629</u>

An analysis of revenue by business activity is as follows:

	2021	2020
	£'000	£'000
Investment management fees	63,381	62,567
Performance fees	9,820	5,460
Development fees	8,524	4,657
Rental fees	563	547
Operator fees	477	-
Advisory fees	335	85
Other	161	313
	<u>83,261</u>	<u>73,629</u>

LEGAL & GENERAL PROPERTY LIMITED**NOTES TO FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 December 2021****4 Administrative expenses**

	2021	2020
	£'000	£'000
Audit fees payable to the Company's auditor	<u>63</u>	<u>55</u>

5 Employees

The Company has no direct employees (2020: Nil). The Company is recharged a proportion of the costs incurred from employees of either the parent company, LGIM Real Assets Limited or an affiliate, Legal & General Resources Limited.

6 Directors' emoluments

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

	2021	2020
	£'000	£'000
Short-term employee benefits	941	1,088
Social security costs	152	159
Post-employment benefits	17	35
Other long-term benefits	8	28
Share-based incentive awards	250	315
	<u>1,368</u>	<u>1,625</u>

No fees were paid by the Company to the directors; emoluments relate to salaries and performance bonuses.

During the year, retirement benefits were not accruing to any directors (2020: Nil) under the defined benefit pension scheme.

No director exercised share options in 2021 (2020: Nil).

The aggregate defined benefit amount has been calculated using the change in transfer value. This reflects the movement in gilt and corporate bonds yields, inflation and mortality assumptions within the defined benefit scheme.

Highest paid director:

The highest paid director's emoluments were as follows:

	2021	2020
	£'000	£'000
Emoluments	500	445
Other long-term benefits	-	28
Post-employment benefits	-	21
Share-based incentive awards	89	186
	<u>589</u>	<u>680</u>

LEGAL & GENERAL PROPERTY LIMITED**NOTES TO FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 December 2021****7 Tax on profit**

	2021	2020
	£'000	£'000
<u>Current tax</u>		
UK corporation tax at 19% (2020: 19%)		
- Current tax on profits for the year	5,618	4,441
- Adjustments in respect of prior years	<u>(442)</u>	<u>(5)</u>
Total current tax	<u>5,176</u>	<u>4,436</u>

Factors affecting current tax charge for the current year

	2021	2020
	£'000	£'000
Profit before taxation	29,566	23,375
Tax calculated at the standard UK	5,618	4,441
<i>Effects of:</i>		
Adjustments in respect of prior years	<u>(442)</u>	<u>(5)</u>
Total income tax expense in the income statement	<u>5,176</u>	<u>4,436</u>

Changes to UK corporation tax rates were substantively enacted by the Finance Bill 2021 (on 24 May 2021). These included an increase in the corporation tax rate from 19% to 25% from 1 April 2023. This will increase any future tax charge for the Company accordingly

8 Dividends

	Per share	Per share	Total	Total
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Dividends approved	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>20,000</u>

LEGAL & GENERAL PROPERTY LIMITED**NOTES TO FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 December 2021****9 Investments**

	Shares in Unlisted Investments £
At 1 January 2021	102,108
Revaluation charge	(632)
At 31 December 2021	<u>101,476</u>
	Group Undertakings £
Cost at 1 January and 31 December 2021	<u>137,104</u>
Total Investments at 31 December 2021	<u>238,580</u>
Total Investments at 31 December 2020	<u>239,212</u>

The directors believe that the carrying value of Unlisted Investments is supported by their fair value and the carrying value of Group Undertakings is supported by their underlying net assets.

LEGAL & GENERAL PROPERTY LIMITED**NOTES TO FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 December 2021****9 Investments (continued)****Subsidiary undertakings**

The subsidiary undertakings of Legal & General Property Limited are listed below. Each undertaking operates mainly in its country of incorporation and has only one class of issued ordinary shares, unless stated otherwise. The subsidiary undertakings are 100% owned by LGP unless otherwise stated.

Held directly by the Company	Nature of business	Incorporated in
Legal & General Property Partners (Leisure) Limited	General Partner to The Leisure Fund Limited Partnership	England & Wales
Performance Retail General Partner Limited	General Partner to the Performance Retail General Partner Limited	England & Wales
Stratford City Offices (No 2) GP Limited	General Partner to the Stratford City Offices (No 2) GP Limited	Jersey
Legal & General Property Partners (Life Fund) Limited	General Partner to the Legal & General Life Fund Limited Partnership	England & Wales
Legal & General Property Partners (UK PIF) Limited	General Partner to the Legal & General UK Property Income Ungeared Fund L.P.	England & Wales
Legal & General Property Partners (UK PIF Geared) Limited	General Partner to the Legal & General UK Property Income Geared Fund L.P.	England & Wales
LGP Newco Limited	Holds the investment in Arlington Business Parks Partnership	England & Wales
UK PIF Founder GP Limited	General Partner to the UK PIF Founder Partner LP	Scotland
UK PIF Two Founder GPLimited	General Partner to the UK PIF Two Founder Partner LP	Scotland
Legal & General Property Partners (UK PIF Two) Limited	General Partner to the Legal & General UK Property Income Ungeared Fund Two L.P.	England & Wales

LEGAL & GENERAL PROPERTY LIMITED**NOTES TO FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 December 2021****9 Investments (continued)****Subsidiary undertakings (continued)**

Held directly by the Company	Nature of business	Incorporated in
Legal & General Property Partners (UK PIF Two Geared) Limited	General Partner to the Legal & General UK Property Income Geared Fund Two L.P.	England & Wales
Legal & General Property Partners (Industrial Fund) Limited	General Partner to The Industrial Property Investment Fund Limited Partnership	England & Wales
Bishopsgate Long Term Property Fund General Partner Limited	General Partner to the Bishopsgate Long Term Property Fund	Jersey
Vantage London General Partner Limited	General Partner to the Vantage London Property Fund	Jersey
Interchange Central Square (General Partner) Limited	General Partner to the Interchange Central Square Limited Partnership	England & Wales
Access Development General Partner Limited	General Partner to the Access Development Limited Partnership	Jersey

The registered office for all subsidiaries incorporated in England & Wales is One Coleman Street, London, United Kingdom, EC2R 5AA.

The registered office for all subsidiaries incorporated in Scotland is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

The registered office for all subsidiaries incorporated in Jersey is 11-15 Seaton Place, St Helier, Jersey, JE4 0QH.

LEGAL & GENERAL PROPERTY LIMITED**NOTES TO FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 December 2021****9 Investments (continued)****Unlisted investments**

The unlisted investments of Legal & General Property Limited are listed below. Each investment operates mainly in its country of incorporation and has only one class of issued ordinary shares, of which a proportion, as listed below, are held by Legal & General Property Limited.

Held directly by the Company	Nature of business	Incorporated in
Central Saint Giles General Partner Limited (Holding 50%)	General Partner to the Central Saint Giles Limited Partnership	England & Wales

The below undertaking operates mainly in its country of incorporation and has three classes of issued ordinary shares, of which a proportion, as listed below, are held by Legal & General Property Limited.

Held directly by the Company	Nature of business	Incorporated in
245 Hammersmith Road GP (Holding 50%)	General Partner to the 245 Hammersmith Limited Partnership	England & Wales
245 HR GP LLP (Holding 50%)	General Partner to the 245 HR GP LLP Partnership	England & Wales
Bracknell GP Limited (Holding 50%)	General Partner to the Bracknell GP Limited Partnership	England & Wales
ECF (General Partner) Limited (Holding 33.3%)	General Partner to the ECF (General Partner) Limited	England & Wales

10 Trade and other receivables

	2021	2020
	£'000	£'000
Amounts owed by fellow group undertakings	19,011	14,704
VAT asset	894	2,888
Other receivables	7,888	8,771
Prepayments and accrued income	5,952	2,680
	33,745	29,043

The amounts owed by fellow group undertakings are unsecured, interest free and have no fixed date of repayment. All amounts are due to be received within 12 months.

LEGAL & GENERAL PROPERTY LIMITED**NOTES TO FINANCIAL STATEMENTS (CONTINUED)****For the year ended 31 December 2021****11 Trade and other payables**

	2021	2020
	£'000	£'000
Amounts due to fellow group undertakings	4,212	7,045
Corporation tax liability	5,562	5,374
Other creditors	7,981	6,761
	<u>17,755</u>	<u>19,180</u>

The amounts owed to fellow group undertakings are unsecured, interest free, and have no fixed date of repayment. All amounts are due to be settled in 12 months.

12 Called up share capital**Issued share capital, fully paid**

	Number of shares	Share capital £
Issued: 2 ordinary share of £1 (2020: £1) fully paid	<u>2</u>	<u>2</u>

13 Ultimate parent undertaking

The immediate parent company is LGIM Real Assets 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.

14 Subsequent Events

There have been no significant events affecting the Company since the year end.