Company number 02338444

Legal & General Finance PLC
Report and Accounts
Year ended 31 December 2024

Contents

Strategic Report

The directors present their Strategic report on Legal & General Finance PLC (the Company) for the year ended 31 December 2024.

Principal activities

Legal & General Finance PLC is a public limited company incorporated in England and Wales, whose ultimate controlling party is Legal & General Group Plc (the Group). The Company's registered office is at One Coleman Street, London, EC2R 5AA, United Kingdom. It is registered in England and Wales under company registration number 02338444 and domiciled in the United Kingdom. The principal activity of the Company throughout the year was to operate as a finance company.

The Company's prime objective is to provide funding to the Group and its global subsidiaries (the L&G group), by raising funds from debt and capital markets and investing in liquid assets. In fulfilling this role, the Company issues listed debt through the Group's £5bn Euro Medium Term Note Programme and the Company's US $2bn Commercial Paper Programme. All of the Company's issued listed debt under these programmes is guaranteed by the Group.

The Directors' report and financial risk management note are on pages 5 and 25 respectively.

Business review

The Company continued to provide funding to the L&G group throughout the year. During the year the Company issued and repaid operational borrowings under the commercial paper programme noted above.

Principal risks and uncertainties

The Company's business involves the acceptance and management of risk. A detailed review of the Company's exposure to risks, including market risk, credit risk and liquidity risk, together with the framework for the management and analysis of the exposure of the Company's financial instruments to risk, is set out in note 16. The principal risks and uncertainties facing the Company are:

a) Market risk
The Company is exposed to fluctuations in exchange rates which may impact income from, or the value of, assets denominated in foreign currencies. Interest rate movements can affect profits as well as potentially impacting investment and fund raising activities. The global economic outlook remains uncertain, with the potential for external shocks to knock economies and markets off course. Central bank interest rates were cut during 2024, however there remains uncertainty around the pace and timing of any further cuts. Asset values remain susceptible to reappraisal should the current economic outlook deteriorate, as well as from a range of geo-political factors including the on-going conflicts in Ukraine and the Middle East. The Company may use derivative instruments to limit exposure to market risks, as deemed necessary.

b) Market infrastructure risk
The Company's investment and fund raising activities are reliant upon the availability of market infrastructure. Disruption to trading in markets may have a significant effect on the Company's operation and profitability.

c) Credit risk
A number of major banks operate as counterparties for the investments of the Company. Whilst the Company ensures that it only transacts with strongly rated counterparties, and it regularly reviews its level of exposure, the financial failure of a significant counterparty could result in disruption and financial loss.

d) Liquidity risk
Liquidity risk is the risk that the Company, though solvent, either does not have sufficient liquid financial resources available to enable it to meet its obligations as they fall due, or can only secure such liquid financial resources at an excessive borrowing cost relative to that achieved in the recent past by a comparably rated borrower or through the sale of illiquid assets at a price significantly below the fair value of such assets in the recent past. This risk can arise from adverse market conditions or an unexpected event that causes liquidity stress in other entities within the group.

e) Climate risk
The Company is exposed to climate risk through the move to a low-carbon economy and the impact this has on asset valuation and the economy.

Key performance indicators

The directors review a range of performance indicators to monitor the performance of the Company. Profit before income tax, total assets and net assets are regarded as the principal key performance indicators.

Profit before income tax of the Company increased to £66.2m (2023: £32.1m) mainly reflecting increased income from loans to other group companies and investment return, partially offset by a rise in interest paid to other group companies. Total assets as at 31 December 2024 were £3,827.8m (2023: £3,571.9m) and net assets were £130.0m (2023: £80.5m).

By Order of the Board:

DocuSigned by:
Leanne Cornish
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L. Cornish
For and on behalf of Legal & General Co Sec Limited
Company Secretary
10 March 2025

Section 172(1) Statement & Stakeholder Engagement

The Board considers that it has adhered to the requirements of section 172 of the Companies Act 2006 (the Act) and has, in good faith, acted in a way that it considers 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 Act) in its decision-making.

The Legal & General Group Board (the Group Board) promotes the highest standards of governance and ensures that these standards cascade throughout the Group and its subsidiaries, and 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 wider L&G group, taking into account the relative size and principal activities of the Company, and the centralised nature of the L&G group, in certain situations the Board may consider it reasonable for decision making to be handled by the Group Board.

Stakeholder engagement
Stakeholder considerations are integral to the Board's decision-making across the L&G group. While not all decisions impact every stakeholder, the Board endeavours to balance the, sometimes conflicting, needs of its stakeholders to ensure that all groups are treated consistently and fairly. For each decision, the Board carefully considers stakeholders' views, priorities, and issues. When appropriate, the Board will sometimes engage directly with stakeholders on certain issues, but the size and distribution of our stakeholders and the wider L&G group means that stakeholder engagement often takes place at an operational level, whilst certain matters of L&G group-wide significance are dealt with at Group Board level.

Shareholders
Our ultimate shareholder is Legal & General Group Plc, whose shareholders are institutional and individual investors. Performance metrics and updates are provided by the Board to the parent company which supports the Group to achieve its business plan and continue to generate long-term sustainable value for shareholders.

Employees
Open communication fosters an inclusive culture and positive work environment. The Group Board has a Designated Workforce Director who engages with employees and provides insights to the Board. Employee feedback is gathered through the group-wide 'Voice Survey' and town halls, promoting engagement and communication.

Suppliers
Frequent interaction with and fair treatment of suppliers helps us maintain high standards, reduce supply chain risks, and achieve cost efficiencies, benefitting the environment and society. We regularly meet with key suppliers to proactively monitor risks. Suppliers must comply with our Supplier Code of Conduct. Annually, the Group approves a Modern Slavery Statement detailing our response to modern slavery risks in operations and the supply chain.

More information on who the Group's key stakeholders are, and how the Group Board has engaged with them and considered their interests when making major decisions in 2024, can be found in the Group's Annual report and accounts 2024, which can be found here: https://group.legalandgeneral.com/en/reporting-hub

Directors' report

The directors present their Directors' report together with the audited financial statements of the Company for the year ended 31 December 2024.

Future developments

The directors do not envisage any changes in activity for the foreseeable future.

Results for the year and dividend

The results of the Company are set out on page 13. The directors do not recommend the payment of a final dividend (2023: £nil) and no interim dividends were declared during the year (2023: £nil).

Post balance sheet events

There were no adjusting or non-adjusting post balance sheet events between 31 December 2024 and the approval of the report and accounts of the Company that require disclosure.

Going concern

No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern for the foreseeable future have been identified by the directors. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the reasons set out in note 1.2.

Financial instruments

L&G companies use financial instruments to manage certain financial risks. The Company's exposure to financial risk through its financial assets and liabilities is provided in detail in note 16 to the financial statements.

Details of the Company's exposure to market risk, market infrastructure risk, credit risk, liquidity risk and climate risk can be found within the Principal risks and uncertainties section of the Strategic report.

Directors

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

S. J. Davies
M. Moore
G. O'Neill
C. Wright

Directors' insurance

The Group maintains an appropriate level of Directors' and Officers' liability insurance which is reviewed annually.

Directors' indemnities (s.236 of the Companies Act 2006)

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Modern slavery

The Group and its global subsidiaries recognise that companies have an obligation to ensure that their business and supporting supply chains are slavery free. Legal & General's full modern slavery statement can be found at https://group.legalandgeneral.com/en/reporting-hub.

Internal control and risk management framework

The Board of directors has overall responsibility for the Company's systems of risk management and internal controls. The Company operates within the risk management framework and under the policies, procedures and internal controls maintained by its parent company.

The Group Audit Committee, in conjunction with the Group Risk Committee, assists in ensuring that the Group operates within a framework of prudent and effective controls which allows risk to be identified, assessed and managed. The Group's control policies and procedures are in accordance with the Financial Reporting Council's guidance on risk management, internal control and related financial and business reporting. The Group's system of internal control is designed to manage rather than eliminate risk and can only provide reasonable and not absolute assurance against material loss.

Internal control and risk management framework (continued)

Accordingly, the Company adheres to the practices set out in the Financial Reporting Council's guidance on risk management, internal control and related financial and business reporting through a system of timely preparation of management and financial statements, internal review of the statements by suitably qualified finance professionals and periodic reviews by Group Internal Audit.

The day to day operations of the Company are managed by the Group's treasury function.

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic report, 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, 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 its profit or loss for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable and prudent;
- state whether they have been prepared in accordance with 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.

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 its 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.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic report and Directors' report that complies with that law and those regulations. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and

- the Strategic report / Directors' report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

Disclosure of information to auditors

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

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

b) they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By Order of the Board:

DocuSigned by:

Leanne Cornish

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L. Cornish
For and on behalf of Legal & General Co Sec Limited
Company Secretary
10 March 2025

Company number
02338444

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEGAL & GENERAL FINANCE PLC

1 Our opinion is unmodified

We have audited the financial statements of Legal & General Finance PLC (the Company) for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, Balance Sheet and Statement of Changes in Equity, and the 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 2024 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 believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Board of Directors.

We were first appointed as auditor by the directors on 17 May 2018. The period of total uninterrupted engagement is for the seven financial years ended 31 December 2024. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter (unchanged from 2023), in arriving at our audit opinion above, together with our key audit procedures to address this matter and, as required for public interest entities, our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

	The risk	*Our response*
Recoverability of intercompany balances due from group companies *(Amounts owed by group undertakings £2.7 billion; 2023: £2.5 billion).* *Refer to page 18 (accounting policy) and page 22 (financial disclosures).*	***Low Risk, High Value:*** *The carrying amount of the intercompany group balance represents 69% (2023: 70%) of the Company's total assets.* *Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the Company's financial statements, this is considered to be the area that had the greatest effect on our overall Company audit and as such is reported as a Key Audit Matter.*	*We have performed the tests below rather than seeking to rely on any of the Company's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.* *Our procedures included:* • ***Tests of detail**: Assessing 100% of intercompany debtors to identify, with reference to the relevant debtors' financial information, whether they have a positive net asset value and therefore coverage of the debt owed, as well as assessing whether those debtor companies have historically been profit-making and consider group support mechanisms if necessary.* ***Our results:*** *We found the conclusion that there is no impairment of the intercompany balances due from group companies to be acceptable. (2023: acceptable).*

3 Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £24m (2023: £14.3m), determined with reference to a benchmark of Total Assets (2023: Total assets), of which it represents 0.63% (2023: 0.44%). The increase in materiality reflects our overall assessment of the risks inherent in the business.

In addition, we applied materiality of £1,000 (2023: £1,000) for the directors remuneration balance for which we believe misstatements of lesser amounts than materiality for the financial statements as a whole could be reasonably expected to influence the Company's members' assessment of the financial performance of the Company.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2023: 75%) of materiality for the financial statements as a whole, which equates to £18m (2022: £10.7m). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to those charged with governance any corrected or uncorrected identified misstatements exceeding £1.2m (2023: £715k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality and performance materiality levels specified above and was performed by a single audit team.

The scope of the audit work performed was predominately substantive as we placed no reliance upon the Company's internal controls over financial reporting.

4 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, as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the going concern period).

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Company's available financial resources over this period was:

- The ability of the Company to recover the amounts due from Group entities. The recoverability of these balances is inextricably linked to the performance of Legal & General Group PLC (the 'Group') intergroup companies to which it lends money.

As the entity may need financial support from other Group entities if these risks crystallise, we assessed the risk that this support would not be available. We inspected the Group's intention to provide this support, examined the parent company's financial statements to assess its ability to provide this support over the period of the audited entity's going concern assessment, and assessed the business reasons why the Group may or may not choose to provide this support.

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks, and dependencies.

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; and

- we found the going concern disclosure in note 1 to be acceptable.

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.

5 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:

- Enquiring of directors, the Group Financial Crime Director and the Group Head of Internal Audit as to the Group and Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;

- Reading Company Board and Group Risk Committee minutes; and

- 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, 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 there is no judgement involved in the recognition of revenue.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries and other adjustments to test based on high-risk criteria and comparing the identified entries to supporting documentation. These included journal entries containing key words, e.g., correction, restatement, error, journal entries made by individuals who typically do not make journal entries, journal entries posted without a user ID, journal entries recorded at the end of the period or as post-closing entries that have little or no explanation or description, any unusual or unexpected debit or credit to cash, borrowings or revenue accounts, journal entries posted and approved by the same individual, and unbalanced journal entries.

Identifying and responding to risks of material misstatement related to 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), 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.

Firstly, 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 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. We identified the following area as those most likely to have such an effect: Compliance with the Disclosure guidance and transparency rules sourcebook issued by FCA. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors 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.

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 fraud 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.

6 We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report

Based solely on our work on the other information:

- 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.

7 We have nothing to report on the other 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 by the Company, 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.

8 Respective responsibilities

Directors' responsibilities
As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9 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.

Company number
02338444

Signed by:

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Philip Smart (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London, E14 5GL
10 March 2025

Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	**2024 £m**	2023 £m
Finance income			
Income received from loans to group undertakings	6	**189.4**	123.9
Investment return	6	**72.0**	50.7
Total finance income		**261.4**	174.6
Finance costs			
Interest paid to group undertakings		**(152.9)**	(100.3)
Other finance costs	12	**(37.9)**	(37.9)
Total finance costs		**(190.8)**	(138.2)
Administrative expenses	3	**(4.4)**	(4.3)
Profit before income tax		**66.2**	32.1
Income tax expense	7	**(16.7)**	(7.6)
Profit for the financial year and total comprehensive income		**49.5**	24.5

There were no gains or losses in the year other than those included in the above Statement of Comprehensive Income.

The accompanying notes form an integral part of these financial statements.

Company number 02338444

Balance Sheet

As at 31 December 2024

	Note	2024 £m	2023 £m
Non-current assets			
Financial investments	8	**601.2**	601.2
Receivables	10	**1,701.4**	1,767.4
Current assets			
Financial investments	9	**1,160.9**	1,058.3
Receivables	10	**357.4**	135.0
Cash and cash equivalents	11	**6.9**	10.0
Total assets		**3,827.8**	3,571.9
Non-current liabilities			
Borrowings	12	**598.6**	598.5
Other payables and financial liabilities	13	**1,251.0**	1,021.0
Current liabilities			
Borrowings	12	**60.5**	59.9
Other payables and financial liabilities	13	**1,787.7**	1,812.0
Total liabilities		**3,697.8**	3,491.4
Net assets		**130.0**	80.5
Equity			
Share capital	14	**-**	-
Retained earnings and capital contributions		**130.0**	80.5
Total shareholders' equity		**130.0**	80.5

The notes on pages 16 to 26 form an integral part of these financial statements.

The financial statements on pages 13 to 26 were approved by the Board of directors on 10 March 2025 and were signed on their behalf by:

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G. O'Neill
Director

Company number 02338444

Statement of Changes in Equity

For the year ended 31 December 2024	Called up share capital £m	Retained earnings and capital contributions £m	Total equity £m
As at 1 January	**-**	**80.5**	**80.5**
Total comprehensive income for the year	**-**	**49.5**	**49.5**
As at 31 December 2024	**-**	**130.0**	**130.0**
For the year ended 31 December 2023			
As at 1 January	-	56.0	56.0
Total comprehensive income for the year	-	24.5	24.5
As at 31 December 2023	-	80.5	80.5

The accompanying notes form an integral part of these financial statements.

1. Basis of preparation and accounting policies

1.1. Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial assets and financial liabilities measured at fair value through profit and loss, and in accordance with the Companies Act 2006.

The preparation of financial statements, in conformity with FRS 101 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 material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
    - 10(d), (statement of cash flows),
    - 16 (a statement of compliance with all IFRS),
    - 38A (requirement for minimum of two primary statements, including cash flow statements),
    - 38B-D (additional comparative information),
    - 111 (cash flow statement information),
- IAS 7, 'statement of cash flows'
- Paragraphs 91 to 99 of IFRS 13 Fair Value Measurement to the extent they do not apply to financial instruments
- 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)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

1.2. Going concern

Notwithstanding a net current liability as at 31 December 2024 of £323.0m, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

Both the Company's performance and outlook have been assessed using the information available up to the date of issue of these financial statements. In the extreme event that all current liabilities became due, actions can be put in place to enable the Company to meet those commitments, such as drawing upon funding from Legal & General Group Plc. Legal & General Group Plc existing and past practice indicates an intent to continue to make available such funds as are needed by the Company during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3. New standards, interpretations and amendments to published standards that have been adopted by the Company

The Company has applied the following standards and amendments for the first time in its annual reporting period commencing 1 January 2024.

Amendments to IAS 1 – Presentation of Financial Statements: 'Classification of Liabilities as Current or Non-Current'

From 1 January 2024, the Company adopted Classification of Liabilities as Current or Non-Current (Amendments to IAS 1). These amendments, issued in January 2020, clarify the existing requirements for classifying liabilities as current or non-current. The amendments did not give rise to a material impact on the Company's financial statements.

Amendments to IAS 1 – Presentation of Financial Statements: 'Non-current Liabilities with Covenants'

From 1 January 2024, the Company adopted Non-Current Liabilities with Covenants (Amendments to IAS 1). These amendments, issued in October 2022, clarify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current. The amendments did not give rise to a material impact on the Company's financial statements.

1.4. Standards, interpretations and amendments to published standards which are not yet effective

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates': 'Lack of Exchangeability'

These amendments, issued In August 2023, specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments are effective for annual reporting periods beginning on or after 1 January 2025. Work is currently being undertaken to identify all impacts, if any, the amendments will have on the primary financial statements and notes.

Amendments to IFRS 9, 'Financial Instruments' and IFRS 7, 'Financial Instruments: Disclosures': 'Amendments to the Classification and Measurement of Financial Instruments'

These amendments, issued in May 2024, provide the following:

- Clarification around the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- Clarification and guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- New disclosure requirements for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- An update to the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, subject to UK endorsement. Work is currently being undertaken to identify all impacts, if any, the amendments will have on the primary financial statements and notes.

IFRS 18, 'Presentation and Disclosure in Financial Statements'

IFRS 18, issued in April 2024, will replace IAS 1, 'Presentation of Financial Statements'. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals, which aim at help achieving comparability of the financial performance of similar entities, as well as provide more relevant information and transparency to users. The standard is effective for reporting periods beginning on or after 1 January 2027, with earlier application permitted, subject to UK endorsement. Work is currently being undertaken to identify all impacts the amendments will have on the primary financial statements and notes.

IFRS 19, 'Subsidiaries without Public Accountability: Disclosures'

IFRS 19, issued in May 2024, allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027, with early application permitted, subject to UK endorsement. The Company is not eligible to apply IFRS 19.

Annual Improvements to IFRS Accounting Standards—Volume 1

Annual Improvements to IFRS Accounting Standards – Volume 11 (Amendments to IFRS 1, 7, 9, 10 and IAS 7) were approved by the UK Endorsement Board on 11 February 2025 and are effective for reporting period beginning on or after 1 January 2026. These amendments are not expected to give rise to a material impact on the Company's financial statements.

1.5. Critical accounting judgements and use of estimates

The preparation of financial statements includes the use of estimates and assumptions which affect items reported in the Balance Sheet and Statement of Comprehensive Income. Although these estimates are based on management's best knowledge of current circumstances and future events and actions, material adjustments could be made to the carrying value of assets and liabilities within the next financial year. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are the determination of fair value for unquoted or illiquid financial instruments.

1.6. Material accounting policies

Finance income
Finance income comprises interest receivable, which is recognised using the effective interest rate method, and dividend income which is recognised when the right to receive payment is established. It also includes investment return arising on fair value gains and losses on financial investments measured at fair value through profit or loss.

1.6. Material accounting policies (continued)

Dividend recognition

Interim dividends on ordinary shares are deducted from retained earnings in the period in which they are paid. Final dividends on ordinary shares are recognised as a liability in the period in which they have been approved by shareholders.

Foreign currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which it operates. The financial statements are presented in sterling which is also the Company's functional currency.

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date. All exchange gains or losses are recognised in profit or loss.

Taxation

Current tax comprises tax payable on current period profits, adjusted for non-tax deductible or non-taxable items and any adjustment to tax payable in respect of previous periods.

Financial Investments

On initial recognition, financial assets are measured at fair value. Subsequently, they can be measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification depends on two criteria:

(i) the business model within which financial assets are managed; and
(ii) their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principal and interest' (SPPI)).

Financial assets are measured at amortised cost if the following conditions are met:

(i) it is held within a business model that has an objective to hold financial assets to collect contractual cash flows; and
(ii) the contractual terms of the financial asset result in cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are measured at FVOCI if the following conditions are met:

(i) it is held for collection of contractual cash flows and for selling the financial assets; and
(ii) the asset's cash flows represent solely payments of principal and interest.

All other financial assets are measured subsequently at FVTPL.

Movements in the carrying amount of financial assets measured at FVOCI are recognised in other comprehensive income except for the recognition of impairment gains or losses and interest revenue which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment expenses are presented as separate line item in profit or loss.

Notwithstanding the above, on initial recognition the Company may irrevocably designate to FVTPL a financial asset that would otherwise be measured at amortised cost or FVOCI if doing so eliminates or greatly reduces an accounting mismatch.

Assets that are held at FVTPL include derivative assets which are held for trading and not designated as effective hedging instruments, and financial assets designated at FVTPL.

Loans to Group undertakings are subsequently measured at amortised cost. All other financial investments are measured at FVTPL.

A gain or loss on a financial asset that is subsequently measured at FVTPL is recognised in profit or loss within finance income.

Receivables are initially measured at fair value plus acquisition costs, and subsequently measured at amortised cost using the effective interest method.

The Company reviews the carrying value of its financial assets held at amortised cost or FVOCI at each balance sheet date. For such assets, the Company determines forward looking expected credit losses, 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.

1.6. Material accounting policies (continued)

Financial Investments (continued)

The Company measures loss allowance at an amount equal to lifetime credit losses, except for financial assets that are determined to have low credit risk at the reporting date and other financial assets for which credit risk has not increased significantly since initial recognition. In these cases, expected credit losses are based on the 12-month expected credit loss, which is the expected credit loss that results from a possible default up to 12 months after the reporting date. 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 expected credit loss.

Expected credit losses (ECL) are calculated by considering the probability of default, the loss given default and the exposure at default. The probability of default is determined by reference to available third party information, or using qualitative information available to the Company, and depends on whether a financial asset requires determination of a 12-month expected credit loss or lifetime credit loss.

The loss given default is determined with reference to any exposure reducing instruments such as collateral or liquid assets that the counterparty may have. The exposure at default is determined as the amount of the loan balance outstanding at the reporting date.

Generally, the Company considers a financial instrument defaulted, and therefore credit-impaired for ECL calculations, in cases when the counterparty becomes 90 days past due on its contractual payments. The Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full.

Cash and cash equivalents

Cash and cash equivalents represents deposits held at call with banks.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs, and subsequently measured at amortised cost. The difference between the proceeds and the redemption value is recognised in profit or loss over the borrowing period as part of the effective interest method.

Derivative assets and liabilities

The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The Company uses derivatives such as foreign exchange forward contracts and interest rate swap contracts to hedge these exposures, as deemed necessary.

Changes in the fair value of these derivative instruments, which are held for trading and do not qualify for hedge accounting, are recognised immediately in profit or loss.

Cash inflows and outflows are presented on a net basis where the Company is required to settle net or has a legally enforceable right of offset and the intention is to settle on a net basis.

Exchange rates

	United States dollar	**Euro**	United States dollar	Euro
Principal rates of exchange used for translation are:	**2024**	**2024**	2023	2023
Closing exchange rates at 31 December	1.25	1.21	1.27	1.15
Average exchange rates for the year ended 31 December	1.28	1.18	1.24	1.15

2. Segmental disclosure

The Company has not made any segmental disclosure as its income is wholly attributable to its principal activity and is generated in the UK.

3. Administrative expenses

Administrative expenses include £0.2m (2023: £0.5m) of expected credit losses and auditors' remuneration of £42.6k (2023: £41.4k) wholly in relation to audit work. The auditor did not perform any non-audit services for the Company (2023: none).

4. Employee costs and pension

The Company does not have direct employees since they are employed by a fellow subsidiary of the Group, Legal & General Resources Limited (2023: nil). The Company is recharged a proportion of the staff costs incurred by the parent.

5. Directors' emoluments

	2024 **£'000**	2023 £'000
Short-term employment benefits	**333.5**	305.6
Compensation to directors for loss of office	**-**	48.6
Aggregate emoluments [1]	**333.5**	354.2

1 Director's emoluments have been attributed to the Company on the basis of the time spent on Company business by each director.

These figures represent the portion of the directors' emoluments allocated in respect of their services to the Company. No fees were paid by the Company to the directors. Directors are not employees of the Company, but their services are reflected in a management charge levied by Legal & General Resources Limited. Emoluments relate to salaries, performance bonuses and amounts paid in cash to directors for loss of office.

Retirement benefits are not accruing to any of the directors under a defined benefit pension scheme (2023: no directors). Two directors accrued retirement benefits under a defined contribution scheme (2023: three directors). Retirement benefits in respect of services to the Company totalled £32.3k.

Two directors exercised share options under the Group's share schemes during the year (2023: four directors).

Highest paid director:	**2024** **£'000**	2023 £'000
Aggregate emoluments (incl. retirement benefits)	**331.1**	135.7

The highest paid director has accrued retirement benefits in 2024.

Directors' loans, transactions and arrangements

At 31 December 2024 there were no loans to directors (2023: none).

No director had any material interest in any contract or arrangement of significance in relation to the business of the Company during 2024(2023: none).

6. Finance income

Income from loans to group undertakings of £189.4m (2023: £123.9m) relates to interest income from loans to fellow Group subsidiaries and the Company's parent, including £0.6m (2023: £2.6m) of foreign exchange revaluation losses.

Included within investment return is £70.9m (2023: £47.3m) of income from investments in managed funds, £0.5m (2023: £0.5m) of income from reverse repurchase agreements and bank interest, and fair value gains of £0.6m (2023: £2.9m) from financial instruments held at FVTPL.

7. Tax on profit on ordinary activities

	2024 **£m**	2023 £m
Profit before tax	**66.2**	32.1
UK corporation tax at 25% (2023: 23.5%)	**16.6**	7.5
Effects of:		
Disallowable expenses	**-**	0.1
Adjustments in respect of prior periods	**0.1**	-
Total income tax expense	**16.7**	7.6

Finance Act 2021 increased the rate of corporation tax from 19% to 25% from 1 April 2023. The prevailing rate of UK corporation tax for the year was therefore 25% (2023: 23.5%).

8. Financial investments, non-current

	2024 £m	2023 £m
Amounts owed by Group undertakings	**601.2**	601.2

The investments above are neither past due nor impaired. The loans to Group undertakings are held at amortised cost. The terms of the loans, interest rates and maturity dates are based on the sterling medium term notes set out in note 12. The fair value of the loans is £632.5m (2023: £665.8m). The loans are classified as level 2 in the fair value hierarchy.

9. Financial investments, current

All of the financial investments classified as current assets are measured at fair value through profit or loss, including derivative assets which are held for trading.

Financial investments at fair value

The fair values of quoted financial investments are based on current bid prices. If the market for a financial investment is not active, the Company establishes fair value by using valuation techniques such as recent arm's length transactions, consensus market pricing, reference to similar listed investments or discounted cash flow models.

	2024 £m	2023 £m
Financial investments at fair value:		
Managed funds	**1,150.0**	1,044.1
Derivative assets	**0.9**	4.1
Reverse repurchase agreements	**10.0**	10.1
Total financial investments at fair value	**1,160.9**	1,058.3

None of the financial investments above are past due or impaired. The managed funds investments are holdings in Legal & General Investment Management Limited managed funds which invest solely in cash, cash equivalents and debt securities.

Financial investments by hierarchy levels

Fair value measurements are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's view of market assumptions in the absence of observable market information. The Company utilises techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

The table that follows presents an analysis of the investments held at fair value in accordance with the measurement technique, defined below:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: fair values measured using valuation techniques for all inputs significant to the measurement other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3: fair values measured using valuation techniques for any input for the asset or liability significant to the measurement that is not based on observable market data (unobservable inputs).

All of the Level 2 investments have been valued using either standard market pricing sources or observable market prices.

As at 31 December 2024	**Carrying value £m**	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**
Managed funds	**1,150.0**	**1,150.0**	**-**	**-**
Derivative assets	**0.9**	**-**	**0.9**	**-**
Reverse repurchase agreements	**10.0**	**-**	**10.0**	**-**
Total financial investments	**1,160.9**	**1,150.0**	**10.9**	**-**

The Company's policy is to re-assess the categorisation of financial investments at the end of each year and to recognise transfers between levels at that point in time.

There were no transfers between levels during the period.

9. Financial investments, current (continued)

As at 31 December 2023	Carrying value £m	Level 1 £m	Level 2 £m	Level 3 £m
Managed funds	1,044.1	1,044.1	-	-
Derivative assets	4.1	-	4.1	-
Reverse repurchase agreements	10.1	-	10.1	-
Total financial investments	1,058.3	1,044.1	14.2	-

10. Receivables

	2024 £m	2023 £m
Amounts owed by Group undertakings	**2,061.2**	1,904.6
Allowance for expected credit loss	**(2.4)**	(2.2)
Total amounts owed by Group undertakings	**2,058.8**	1,902.4

None of the receivables above are past due and £0.2m of expected credit losses has been recognised in the year (2023: £0.5m).

11. Cash and cash equivalents

	2024 £m	2023 £m
Cash and cash equivalents	**6.9**	10.0

12. Borrowings

	Carrying amount 2024 £m	**Weighted average coupon rate 2024 %**	**Fair value 2024 £m**
Core borrowings			
Sterling medium term notes 2031 - 2041	**598.6**	**5.87**	**632.5**
Operational borrowings			
Euro commercial paper	**49.8**	**5.26**	**49.8**
Total borrowings [1]	**648.4**	**-**	**682.3**

1. Total borrowings excludes accrued interest of £10.7m (2023: £10.7m) on sterling medium term notes

	Carrying amount 2023 £m	Weighted average coupon rate 2023 %	Fair value 2023 £m
Core borrowings			
Sterling medium term notes 2031 - 2041	598.5	5.87	665.8
Operational borrowings			
Euro commercial paper	49.2	4.73	49.2
Total borrowings	647.7	-	715.0

12. Borrowings (continued)

Between 2000 and 2002 the Company issued £600m of senior unsecured sterling medium term notes at coupons between 5.75% and 5.875%. These notes have various maturity dates between 2031 and 2041. The fair value of the Company's core borrowings includes £548.6m that reflects quoted prices in active markets which have been classified as Level 1 in the fair value hierarchy. The remaining fair value of core borrowings is derived using prices from an external, publicly available pricing model by a standard market pricing source and have been classified as Level 2 in the fair value hierarchy. The inputs for this model include a range of factors which are deemed to be observable, including current market prices for comparative instruments, period to maturity and yield curves.

The fair value of the operational borrowings is derived using observable market information and have been classified as level 2 in the fair value hierarchy.

Analysis by nature and maturity

As at 31 December 2024	Carrying amount £m	Maturity profile of undiscounted cash flows Within 1 year £m	1-5 years £m	5-15 years £m	15-25 years £m	Total £m
Core borrowings						
Sterling medium term notes 2031 - 2041	**598.6**	**-**	**-**	**590.0**	**10.0**	**600.0**
Operational borrowings						
Euro commercial paper	**49.8**	**49.8**	**-**	**-**	**-**	**49.8**
	648.4	**49.8**	**-**	**590.0**	**10.0**	**649.8**
Contractural undiscounted interest payments		**35.2**	**140.8**	**102.0**	**1.2**	**279.2**
Total contractual undiscounted cash flows		**85.0**	**140.8**	**692.0**	**11.2**	**929.0**

Other finance costs consist of £37.9m (2023: £37.9m) of interest expenses on core and operational borrowings issued. All interest expenses have been paid in the year.

As at December 2023	Carrying amount £m	Maturity profile of undiscounted cash flows Within 1 year £m	1-5 years £m	5-15 years £m	15-25 years £m	Total £m
Core borrowings						
Sterling medium term notes 2031 - 2041	598.5	-	-	590.0	10.0	600.0
Operational borrowings						
Euro commercial paper	49.2	49.2	-	-	-	49.2
	647.7	49.2	-	590.0	10.0	649.2
Contractural undiscounted interest payments		35.2	140.8	136.6	1.7	314.3
Total contractual undiscounted cash flows		84.4	140.8	726.6	11.7	963.5

13. Other payables and financial liabilities

	2024 £m	2023 £m
Amounts owed to Group undertakings	**3,019.7**	2,813.8
Other payables	**1.6**	7.4
Income tax payable	**16.5**	7.6
Derivative liabilities	**0.9**	4.2
Total other payables and financial liabilities	**3,038.7**	2,833.0

Derivative liabilities are held for trading and measured at fair value through profit or loss. Derivative liabilities are classified as level 2 in the fair value hierarchy. All other financial liabilities are held at amortised cost.

Included within amounts owed to Group undertakings are those due within 12 months, totalling £1,768.7m (2023: £1,792.8m), the fair value of which is equivalent to their carrying values. Amounts owed to Group undertakings of £1,251.0m (2023: £1,021.0m) are due after 12 months and have a fair value of £1,349.0m (2023: £954.0m). Amounts owed to Group undertakings are unsecured.

14. Share capital

	2024 Number of shares	2024 £	2023 Number of shares	2023 £
Alloted and partly paid:				
Ordinary shares of £1 each partially paid of 25p each	**50,000**	**12,500**	50,000	12,500

There is one class of ordinary shares of £1 each. All shares issued carry equal voting rights. The holders of the Company's ordinary shares are entitled to receive dividends as declared. There were no changes to the issued share capital during the financial year.

15. Parent and ultimate holding company

The immediate and ultimate parent company, and the smallest and largest group to consolidate these financial statements, is Legal & General Group Plc, a company incorporated in England and Wales. 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, legalandgeneralgroup.com or from the Company Secretary at the Registered Office, One Coleman Street, London, EC2R 5AA, United Kingdom.

16. Financial risk management

Management of risk

The Company, in the course of its business activities, is exposed principally to market infrastructure, credit and liquidity risks. As part of the Legal & General Group, the Company operates within a formal risk management framework to ensure that all significant risks are identified and managed.

A risk identification and assessment process is operated to formally evaluate and manage significant risks to the achievement of the Company's objectives. A standard approach is used to assess risks. Senior management and the risk review functions (see below) review the output of the assessments.

Control framework

The Company manages its exposure to financial instruments by maintaining an appropriate control structure. Dealing authority is formally approved by the Group Investment Committee. The Group Treasurer directs dealing operations and reports regularly to the Liquidity and Treasury Oversight Group and to the Board of this Company. The activities of the Group Treasury department are subject to review via periodic independent reviews and audits by internal auditors. The internal control framework within the Group Treasury department includes segregation of duties between dealing and settlement. Settlement is outsourced to Legal & General Investment Management Limited, part of the Legal and General Group.

Risk review function

The Group's risk review function provides oversight of the risk management processes of the Legal & General Group companies. Its responsibilities include the evaluation of changes in the business operating environment and business processes, the assessment of these changes on risks to business and the monitoring of mitigating actions.

Details of the categories of risk to the Company and high-level management processes are set out below.

Market risk

A Currency

Currency risk is the risk arising from fluctuations in exchange rates which may affect assets, liabilities and any mismatch between the two.

The Company is also potentially exposed to loss as a result of fluctuations in the value of, or income from, assets denominated in foreign currencies. The Company's objective is to have minimal residual foreign exchange risk on its assets and liabilities. It achieves this by matching the currency of its assets with those of its borrowings. Where an opportunity exists to borrow in a different currency on an advantageous basis to that for which funding is actually required, cross currency swaps or forward foreign exchange contracts are used to convert to the desired currency.

During the year there were no material net exposures.

B Interest rate risk

Interest rate risk is the risk arising from fluctuations in interest rates which may affect assets, liabilities and any mismatch between the two. The Company's borrowings comprise the current and non current liabilities set out in note 12. All of the Company's borrowings were fixed rate loans under the medium term note and commercial paper programmes throughout the year and at 31 December 2024. The fixed rate loans in operation were lent to another group company on a fixed rate basis with the same maturities on an arm's length basis.

16. Financial risk management (continued)

B Interest rate risk (continued)

All floating interest rate intra-group liabilities have interest rates based on either SONIA or the relevant currency equivalents.

A sensitivity analysis performed showed that +100 / - 100 basis points movement in interest rates would (decrease) / increase profit before income tax by £(2.4m) / £2.4m (2023: (£1.9m) / £1.9m). The impacts may arise from asset and/or liability movements under the sensitivities.

C Exposure to worldwide equity markets

The only equity security investments held are in funds managed by Legal & General Investment Management Limited and are solely invested in cash, cash equivalents and debt securities. The funds are unlisted and based in the UK. Therefore, there is no underlying exposure on these funds to equity price risk.

Market infrastructure risk

Market infrastructure risk is the risk that the infrastructure supporting market trading in any of the major global financial centres fails or is impaired. Any subsequent inability to invest or raise funds in capital markets may cause significant disruption to the Company's principal activities and operations, potentially creating a strain on liquidity.

The risk of significant disruption to investment and capital markets is considered low, however there are actions management may take if the risk increases such as temporarily increasing cash reserves.

Credit risk

Credit risk is the risk that the Company is exposed to loss if another party fails to perform its financial obligations to the Company.

The investment of shareholder money requires some credit risk to be taken. Credit risk is managed through the setting and regular review of detailed counterparty credit and concentration limits. Compliance with these limits for treasury investments is monitored. The limits apply to cash deposits, money market investments, foreign exchange and interest rate management transactions. The Credit Risk Committee oversees this process.

The credit risk of the external financial assets based on long term ratings is outlined below. Ratings are provided by independent rating agencies and the average of these is used.

As at 31 December 2024	AAA £m	AA £m	A £m	B £m	Total £m
Reverse repurchase agreements	-	-	10.0	-	10.0
Derivative assets	-	-	0.8	0.1	0.9
Cash and cash equivalents	-	3.0	3.9	-	6.9
Managed funds	1,150.0	-	-	-	1,150.0
Total	**1,150.0**	**3.0**	**14.7**	**0.1**	**1,167.8**

As at 31 December 2023	AAA £m	AA £m	A £m	B £m	Total £m
Reverse repurchase agreements	-	-	10.1	-	10.1
Derivative assets	-	-	2.8	1.3	4.1
Cash and cash equivalents	-	-	10.0	-	10.0
Managed funds	1,044.1	-	-	-	1,044.1
Total	1,044.1	-	22.9	1.3	1,068.3

Amounts owed by Group undertakings have been considered in note 10, please also refer to note 1 for further details.

Liquidity risk

Liquidity risk is the risk that the Company either does not have sufficient financial resources available to enable it to meet its obligations as they fall due or can secure them only at excessive cost. A degree of liquidity risk is implicit in the activities of the Company. Liquidity risk arises as a consequence of the uncertainty surrounding the value and timing of cash flows.

16. Financial risk management (continued)

Liquidity risk (continued)

The Group's treasury function manages liquidity and the Company's net current liability position to ensure that it maintains sufficient liquid assets which are able to be realised (see note 9), as well as standby facilities to meet a prudent estimate of its net cash outflows. The Group's formal governance structure oversees the management of liquidity risk. See note 12 for maturity profile of undiscounted cash flows.

Climate risk

Climate risk is the risk that asset valuations and the wider economy are negatively impacted by the transition to a low-carbon economy, as well as the physical risk to asset holdings as a result of severe weather events and longer-term shifts in climate.

The Group has integrated climate risk management into its governance framework and has carried out a detailed assessment of how it might expect climate risk to emerge across its business model. The Group risk mitigation strategy includes setting portfolio carbon intensity targets, integrating carbon controls into the investment processes through stock exclusions and corporate engagement.

Capital management

The Company's capital is determined with reference to the requirements of the Company's stakeholders. In managing capital, we seek to maintain sufficient, but not excessive, financial strength to support funding of the Legal & General Group, payment of dividends and the requirements of other stakeholders. The sources of capital used by the Company are equity shareholders' funds and retained earnings arising from the Company's operations. At 31 December 2024 the Company had £12,500 of ordinary share capital and £130.1m of retained earnings and capital contributions.

17. Commitments

The Company has six loan agreements under which it is committed to provide funding of £679.0m at 31 December 2024 (2023: £749.0m) to fellow Group subsidiaries. Of this, £522.0m was drawn as at 31 December 2024 (2023: £749.0m). The agreements expire as follows: £150.0m on 31 December 2027, £30.0m on 30 June 2028, £70.0m on 17 June 2029, £29.3m on 24 October 2029, £100.0m on 5 December 2029 and £300.0m on 28 February 2031.

18. Post balance sheet events

There were no adjusting or non-adjusting post balance sheet events between 31 December 2024 and the approval of the report and accounts of the Company.