

Company number: 02646277

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2022



LEGAL & GENERAL INSURANCE HOLDINGS LIMITED

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LEGAL & GENERAL INSURANCE HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Principal activity

The directors present their strategic report for Legal & General Insurance Holdings Limited (the 'Company') for the year ended 31 December 2022.

The Company is a wholly owned subsidiary of Legal & General Insurance Holdings No.2 Limited and its ultimate controlling party is Legal & General Group Plc (the 'Group'). The Company's principal activity is a holding company of Legal and General Assurance Society Limited ('LGAS').

The Company's registered office is at One Coleman Street, London, EC2R 5AA. It is incorporated and registered in England and Wales under company registration number 02646277 and is domiciled in the United Kingdom.

Business review

The Company generated a profit of £784.0m for 31 December 2022 (2021: £902.5m) relating to income from shares in group undertakings. The Company held net assets of £1,982.3m at 31 December 2022 (2021: £1,981.3m).

Principal risks and uncertainties


The principal risk facing the Company is the performance of its subsidiary and their ability to support the value of the investment and to remit dividends. The Company makes an annual assessment of impairment required, if any, on its investment in subsidiaries. For the year ended 31 December 2022 no impairment was required.

The directors manage the risks of the Company and its subsidiary at the subsidiary level rather than at a business unit level. For this reason, the Company's directors believe that a discussion of the Company's risks as a holding company would not be appropriate for an understanding of the development, performance, or position of the Company's business. The principal risks and uncertainties of LGAS, which includes those of the Company, are discussed in the Directors' and Strategic Report within the Legal and General Assurance Society Limited Report and Accounts, which does not form part of this report.

Financial key performance indicators

As the principal activity of the Company is as a holding company, there are no relevant financial key performance indicators to be disclosed.

By order of the board

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L. Cornish

For and on behalf of Legal & General Co Sec Limited

Company Secretary

10 May 2023

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED

SECTION 172(1) STATEMENT AND STAKEHOLDER ENGAGEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Board of Legal & General Insurance Holdings Limited (the 'Company') 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.

General

The Legal & General Group promotes the highest standards of governance and ensures that these standards cascade throughout the Group and its subsidiaries. Guiding principles are in place for the relationship between the Group Board and the Boards of the Group's principal subsidiaries. This framework promotes full and effective interaction across all levels of the Group to support the delivery of strategy and business objectives within a framework of best corporate governance practice. A full description of the Group's governance arrangements can be found in the Group Annual Report & Accounts.

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 Act. 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.

S.172(1) Statement & Stakeholder Engagement

As part of the wider Legal & General Group (the 'Group'), taking into account the relative size and principal activities of the Company and also the centralised nature of the Group, in certain situations the Board may consider it reasonable for decision making to be handled by the Group Board.

The Company's principal activity is that of an intermediate holding company. As such, its Principal Decisions are limited to approval of the statutory accounts and dividend payments (where appropriate). It has limited direct external stakeholders and, therefore, the Board consider it appropriate that the majority of stakeholder engagement and decision making is undertaken at Group level, as follows:

Stakeholders Their importance to us	Approach to Stakeholder Engagement
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, with subsidiary performance cascaded up the Group. Value is generated for shareholders by supporting the overall Group to deliver on the business plan.
Customers Listening to our customers helps us to better understand their needs and provide suitable and reliable products and services.	Our 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 Group has appointed a Consumer Duty Champion to take the lead on providing Board oversight of the implementation of the FCA's Consumer Duty rules across L&G, with a view to ensuring we continue to act to deliver good outcomes for retail customers.

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED

SECTION 172(1) STATEMENT AND STAKEHOLDER ENGAGEMENT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Stakeholders Their importance to us	Approach to Stakeholder Engagement
<p>Workforce</p> <p>Engaging with our people enables us to create an inclusive company culture and a positive working environment.</p>	<p>Engagement with employees through the group-wide 'Voice Survey' continued. This more frequent digital listening survey gives real-time employee feedback and allows us to create a better dialogue with the workforce. The surveys also provided insight into our employees' wellbeing and cultural changes. 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 actively engages with employees.</p> <p>These methods of engagement ensure that we continue to foster an inclusive and supportive working environment for our employees, thus ensuring the sustainability of the company in the long term.</p>
<p>Suppliers</p> <p>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 positive outcomes for the environment and wider society.</p>	<p>As a Group we hold regular meetings with our 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.</p> <p>The Group approves a Modern Slavery Statement on an annual basis which describes the group's response to the risk of modern slavery in its operations and supply chain. The Statement is prepared in line with the requirements of the Modern Slavery Act 2015.</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>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>For more information on the Group Board's oversight of climate and environmental issues, and the environmental governance framework of the group, please refer to our Group Climate Report. For more information on the non-environmental aspects of our sustainability agenda, please refer to our new Social Impact Report. Both reports are publicly available on the Group corporate website.</p> <p>Since the year end 2021, the Group has donated £1,000,000 to the Disaster Emergency Committee Appeal in response to the Ukraine crisis to support refugees, as well as matching donations made by our employees.</p>

Further information on how the Legal & General Group Plc Board has engaged with stakeholders can be found in the Group s.172(1) Statement, which can be found here: legalandgeneralgroup.com/investors/results-reports-and-presentations/

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their Directors' Report together with the audited financial statements of Legal & General Insurance Holdings Limited (the 'Company') for the year ended 31 December 2022.

Future developments

The directors intend for the Company to continue carrying out activities appropriate for a financial services holding company for the foreseeable future.

Results for the year and dividend

The results of the Company are set out on page 12. The directors do not recommend the payment of a final dividend (2021: £nil). Interim dividends of £783.0m were declared and paid during 2022 (2021: £902.0m).

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 1.3.

Financial instruments

Legal & General companies use financial instruments to manage certain financial risks. The Company's exposure to financial risk through its financial assets and liabilities is not considered to be material to the assessment of the Company's assets, liabilities, financial position, and the comprehensive income of the Company.

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:

A.W. Hall
G. O'Neill
Sir N. D. Wilson

Directors' insurance

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

Directors' indemnities (S236 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.

Charitable donations

The Company did not make any charitable donations during the year (2021: £nil).

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Political donations

The Company did not make any political contributions during the year (2021: £nil).

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 slavery statement can be found at legalandgeneralgroup.com/csr/modern-slavery-statement/.

Statement of directors' responsibilities

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.

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.

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

Disclosure of information to auditors


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

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

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

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L. Cornish

For and on behalf of Legal & General Co Sec Limited
Company Secretary
10 May 2023

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

Opinion

We have audited the financial statements of Legal & General Insurance Holdings Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in Note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEGAL & GENERAL INSURANCE HOLDINGS LIMITED (continued)

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 and inspection of policy documentation as to the Legal & General Group Plc's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud and reading board minutes.

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 management judgement involved in the recognition of revenue.

We did not identify any additional fraud risks. We performed procedures including agreeing all material accounting entries in the period to supporting documentation.

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 (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

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.

This company, as a holding company, is not 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEGAL & GENERAL INSURANCE HOLDINGS LIMITED (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

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

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.

Strategic Report and Directors' Report

The directors are responsible for the Strategic Report and Directors' Report. Our opinion on the financial statements does not cover that report 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 audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEGAL & GENERAL INSURANCE HOLDINGS LIMITED (continued)

Auditor's responsibilities (continued)

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.

DocuSigned by:

S. Zaidi

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Shozab Zaidi (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL
10 May 2023

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

Company number: 02646277

	Notes	2022 £m	2021 £m
Operating profit			
Income from shares in group undertakings	1.7	784.0	902.5
Profit before income tax		784.0	902.5
Income tax charge	1.10/5	–	–
Profit and total comprehensive income for the financial year		784.0	902.5
Dividend distributions to equity holders of the Company during the year	1.8/6	783.0	902.0

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

The accompanying notes form part of these financial statements.

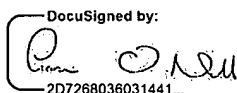
LEGAL & GENERAL INSURANCE HOLDINGS LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2022

Company number: 02646277

	Notes	2022 £m	2021 £m
Non-current assets			
Investment in subsidiaries	1.5/7	1,972.8	1,972.8
Amounts due from group undertakings		0.1	0.1
Current assets			
Amounts due from group undertakings	1.9/8	0.3	0.4
Cash and cash equivalents	1.11/9	9.5	8.5
Total assets		1,982.7	1,981.8
Current liabilities			
Amounts owed to group undertakings	10	0.4	0.5
Total liabilities		0.4	0.5
Net assets		1,982.3	1,981.3
Equity			
Share capital	11	115.2	115.2
Share premium account		1,224.9	1,224.9
Retained earnings and capital contributions		642.2	641.2
Total equity		1,982.3	1,981.3

The notes on pages 15 to 23 are an integral part of these financial statements.

The financial statements on pages 12 to 14 were authorised by the board of directors on 10 May 2023 and were signed on their behalf by

DocuSigned by:

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G. O'Neill
 Director

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

Company number: 02646277

	Share capital £m	Share premium £m	Retained earnings and capital contributions £m	Total equity £m
As at 1 January 2021	115.2	1,224.9	640.7	1,980.8
Total comprehensive income for the year	—	—	902.5	902.5
Dividends	—	—	(902.0)	(902.0)
As at 31 December 2021 and 1 January 2022	115.2	1,224.9	641.2	1,981.3
Total comprehensive income for the year	—	—	784.0	784.0
Dividends	—	—	(783.0)	(783.0)
As at 31 December 2022	115.2	1,224.9	642.2	1,982.3

The accompanying notes on pages 15 to 23 form part of these financial statements.

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Summary of significant accounting policies

The principal 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.

1.1 Basis of preparation

The financial statements of Legal & General Insurance Holdings Limited (the 'Company') have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006. The preparation of financial statements in conformity with FRS101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

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

- IFRS 7, 'Financial Instruments: Disclosures'.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows);
 - 16 (a statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

The Company has adopted the amendment to the Companies Act Regulations and the UK GAAP reduced disclosure framework (FRS101), published by the Financial Reporting Council on 29 March 2018, allowing companies to adapt the format of the primary financial statements in line with the presentation requirements of IAS 1.

1.2 Accounting estimates and judgements

The preparation of financial statements includes the use of estimates and assumptions which affect items reported in the Balance Sheet and Statement of Comprehensive Income. Although these estimates are based on management's best knowledge of current circumstances and future events and actions, actual results may differ from those estimates, possibly significantly. For the Company, this is relevant for the carrying value of investments in subsidiaries. The basis of accounting for these areas, and judgements used in determining them, are outlined in Note 1.5.

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

1.3 Going concern

As the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, the Company continues to adopt the going concern basis in preparing its financial statements.

The directors have made an assessment of the Company's going concern, considering the current performance of Company, Legal and General Assurance Society Limited and Legal & General Group Plc (the 'Group') and the Company's outlook for a period of at least, but not limited to, 12 months from the date of approval of these financial statements, using the information available up to the date of issue of the Company's financial statements.

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.

1.4 Consolidation

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

These financial statements are separate financial statements.

1.5 Investment in subsidiaries

Investment in subsidiaries is stated at cost less, where appropriate, allowances for impairment. Investments are reviewed annually to assess whether there are indicators of impairment. Where indicators of impairment exist, the carrying value of the investment in the subsidiary is compared against its recoverable amount, which is the higher of the fair value less cost to sell or the value in use, with any resulting impairment recorded in the Statement of Comprehensive Income.

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

1.6 Financial assets and impairment

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').

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 ('SPPI').

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.

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 the Statement of Comprehensive Income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the Statement of Comprehensive Income. 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 the Statement of Comprehensive Income.

Financial assets which fail the SPPI test and /or fail the business model test are classified and measured at FVTPL. Notwithstanding the criteria for financial assets to be classified at amortised cost or at FVOCI, as described above, financial assets may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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, except for debt securities that are determined to have low credit risk at the reporting date and other debt securities for which credit risk has not increased significantly since initial recognition. In these cases, ECLs are based on the 12-month ECL, which is the ECL 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 ECL.

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

1.6 Financial assets and impairment (continued)

ECLs 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 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 12-month ECL or lifetime ECL. 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.

1.7 Income from shares in group undertakings

Income from shares in group undertakings may include dividends receivable from subsidiary undertakings. Interim dividends are recognised when received and final dividends are recognised when approved by the board of the subsidiary.

1.8 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 thus are no longer at the discretion of the Company.

1.9 Loans and receivables

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

1.10 Current tax

Current tax comprises tax payable and receivable on current year 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 Statement of Comprehensive Income unless it relates to items which are recognised directly in equity.

1.11 Cash and cash equivalents

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

2 Auditor's remuneration

The audit fees of £9,000 (2021: £8,500) have been borne by the Company. The auditor received £nil (2021: £nil) for non-audit services on the Company's behalf.

3 Employees

The Company does not have direct employees since they are employed by a fellow subsidiary of the Group, Legal & General Resources Limited (2021: none).

4 Directors' emoluments

The Company has three directors as at 31 December 2022 (2021: three). Incremental emoluments of £nil (2021: £nil) were paid to directors in respect of services to this company. No incremental direct pension contributions were made (2021: £nil). The directors and key management of the Company had no transactions with the Company or any other group undertakings that require disclosure.

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

5 Income tax charge

The tax attributable to equity holders differs from the tax calculated at the standard UK corporation tax rate as follows:

	2022 £m	2021 £m
Profit before tax	784.0	902.5
Tax at 19% (2021: 19%)	149.0	171.5
Effects of:		
Income not subject to tax, such as dividends	(149.0)	(171.5)
Total tax charge	–	–

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 therefore remained at 19%.

6 Dividends

	Per share 2022 £	Total 2022 £m	Per share 2021 £	Total 2021 £m
Ordinary share dividends paid in the year				
Interim dividend	6.8	783.0	7.8	902.0
Total dividends paid in year	6.8	783.0	7.8	902.0

7 Investment in subsidiaries

	2022 £m	2021 £m
Cost as at 1 January	1,972.8	1,972.8
Cost as at 31 December	1,972.8	1,972.8

Further details in relation to the Company's investments in subsidiaries are included in Note 13.

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

8 Amounts due from group undertakings

	2022	2021
	£m	£m
Amounts due from group undertakings (loan)	0.1	0.1
Amounts due from group undertakings (non-loan)	0.3	0.4
Total amounts due from group undertakings	0.4	0.5

Amounts due from group undertakings (loan) are unsecured, interest bearing and repayable on demand.

Amounts due from group undertakings (non-loan) are unsecured, interest free and repayable on demand.

9 Cash and cash equivalents

	2022	2021
	£m	£m
Cash and cash equivalents	9.5	8.5

10 Amounts owed to group undertakings

	2022	2021
	£m	£m
Amounts owed to group undertakings	0.4	0.5

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

11 Share capital

	2022	2022	2021	2021
	Number of shares	£m	Number of shares	£m
Issued share capital				
Fully paid ordinary shares of £1 each	115,157,370	115.2	115,157,370	115.2

12 Ultimate parent undertaking

The immediate parent undertaking is Legal & General Insurance Holdings No.2 Limited.

The controlling party and ultimate parent company, of the smallest and largest group to consolidate these financial statements, is Legal & General Group Plc, a company incorporated in England 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.

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

13 Subsidiary undertakings

The subsidiary undertakings of the Company are listed below. These include both those subsidiaries held directly by the Company, as well as all subsidiaries held indirectly through subsidiary undertakings. Each undertaking operates mainly in its country of incorporation and has only one class of issued ordinary shares, unless stated otherwise.

The registered office of all subsidiaries is One Coleman Street, London, EC2R 5AA, United Kingdom unless otherwise noted. All subsidiaries have a 31 December financial year end unless stated otherwise.

Held directly by the Company	Nature of business	Incorporated in	Share class	% equity shares held
Legal and General Assurance Society Limited	Long-term business	England & Wales ¹	Ordinary	100.00
Held indirectly through subsidiary undertakings	Nature of business	Incorporated in	Share class	% equity shares held
Legal & General Affordable Homes Limited	Development of building projects	England & Wales ¹	Ordinary	100.00
Legal & General Pensions Limited	Limited Company	England & Wales ¹	Ordinary	100.00
Legal & General Trustees Limited	Fund Trustee	England & Wales ¹	Ordinary	100.00
Legal & General Science & Tech (Holdings) Limited	Holding Company	England & Wales ¹	Ordinary	100.00
Legal & General UK Solar Investments (Holdings) Limited	Holding Company	England & Wales ¹	Ordinary	100.00
Synergy Gracechurch Holdings Limited ⁷	Holding Company	Jersey ²	Ordinary	100.00
Legal & General Residential (Holdco) Limited	Holding Company	England & Wales ¹	Ordinary	100.00

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

13 Subsidiary undertakings (continued)

Held indirectly through subsidiary undertakings	Nature of business	Incorporated in	Share class	% equity shares held
LGPL No.2 Limited	Fund management activities	England & Wales ¹	Ordinary	100.00
Antham 1 Limited	Property company	England & Wales ¹	Ordinary	100.00
Stratford City Offices (No.2) LP	Limited Partnership	England & Wales ¹	Ordinary - partner owned	99.99
Stratford City Offices Jersey Unit Trust (No.2)	Unit Trust	Jersey ²	Ordinary	99.83
Legal & General Suburban BTR (Property) LLP	Development of building projects	England & Wales ¹	—	99.50
Legal & General Affordable Homes (AR) LLP	Development of building projects	England & Wales ¹	—	99.50
Court Place Gardens Holding LLP	Holding Company LLP	England & Wales ¹	—	99.50
Legal & General Affordable Homes (SO) LLP	Development of building projects	England & Wales ¹	—	99.00
Swindon (The Hub) Management Company Limited ⁶	Real estate	England & Wales ³	Ordinary	96.00
Sapphire Campus Management Company Limited	Investment vehicle	England & Wales ¹	Ordinary	9.52

¹ Registered address: One Coleman Street, London, EC2R 5AA.

² Registered address: 1st Floor, Waterloo House, Don Street, St Helier, Jersey, JE2 3BX.

³ Registered address: 6th Floor Lansdowne House, Berkeley Square, London, United Kingdom, W1J 6ER.

⁴ Registered address: Union, Albert Square, Manchester, England, M2 6LW.

⁵ Year end of 30 September 2022

⁶ Year end of 31 March 2023

⁷ Synergy Gracechurch Holdings Limited was dissolved on 17 March 2022.

LEGAL & GENERAL INSURANCE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

14 Post balance sheet events

Subsequent to the balance sheet date, there has not been any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to significantly affect the operations of the Company, the result of those operations, or the state of affairs, in future financial years.