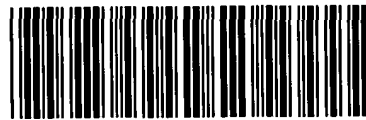


Company Number: 05935873

**LEGAL & GENERAL PENSIONS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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LEGAL & GENERAL PENSIONS LIMITED
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Registered Office:
One Coleman Street
London EC2R 5AA

Registered in England & Wales No. 05935873

LEGAL & GENERAL PENSIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Directors' Review

The principal activity of Legal & General Pensions Limited (the "Company") is the investment in, and development of property in the real estate sector, with the principal objective of creating capital growth, realising capital gains and deriving rental income.

The Company is a wholly owned subsidiary of Legal & General Assurance Society ("the Parent"). The Directors consider the ultimate controlling party to be Legal & General Group Plc ("the Group").

In 2015 the Company issued rental income and residual value notes secured on its investment properties and entered into a Liquidity and Expenses Risk Agreement ("LERA") with its immediate parent company, Legal & General Assurance Society Limited ("LGAS"). LERA remains effective as at 31 December 2022.

Principal risks and uncertainties

Risks relating to credit worthiness, liquidity, climate, inflation and interest rates arise in the Company's normal course of business. The Company addresses these risks and defines strategies to limit the economic impact on its performance in accordance with its financial risk management policy. The Directors of the Company are responsible for overseeing compliance with the Company's risk management policies and procedures.

Credit risk is the risk of financial loss to the Company if a tenant fails to meet its contractual obligations and arises principally from the Company's receivables from tenants. The Company's exposure is impacted by the individual characteristics of each tenant, its industry and the region where it operates. The Company has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. This risk ultimately lies with LGAS. Credit evaluations are performed on all tenants.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Liquidity and Expenses Risk Agreement ("LERA") enables the Company to have sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

Climate risk is the obligation to manage the asset requirements towards a low carbon future, to avoid physical, financial and reputational risks arising. To this end transitional assessments are being undertaken by the business.

Financial key performance indicators

As at 31 December 2022, the property portfolio consisted of 47 properties (31 December 2021: 47 properties) and was valued at £3,798m (2021: £4,335m).

The results of the Company are set out on page 13. The Directors do not recommend the payment of a dividend (2021: £nil).

The Company forms part of a wider group of assets known collectively as the Annuity Property Fund. Analysis of investments is performed at the Annuity Property Fund level rather than at the Company level.

SECTION 172(1) STATEMENT & STAKEHOLDER ENGAGEMENT

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

LEGAL & GENERAL PENSIONS LIMITED

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

General

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

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

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

Principal decisions

For the year ending 31 December 2022, the Board consider that the following are examples of principal decisions it made in the year:

- The future of work for our workforce

LEGAL & GENERAL PENSIONS LIMITED

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

Stakeholders and their importance to us	The Board's approach to stakeholder engagement	Stakeholder consideration in the Board's decision making
Shareholders Our shareholders are vital to the future success of our business, providing funds which aid business growth and the generation of sustainable returns.	Our ultimate shareholder is Legal & General Group Plc, whose shareholders are institutional and individual investors who own Legal & General shares or bonds. Performance metrics and updates are provided by the Board to our parent company, LGAS.	As a Board, we aim to provide clear information to our parent company and ultimate shareholders, being honest and transparent as to the performance of the business. Value is generated for shareholders by achieving the business plan, providing a sustainable, progressive dividend (where appropriate) and through share price performance of the ultimate shareholder, Legal & General Group Plc.
Customers Listening to our customers helps us to better understand their needs and provide suitable and reliable products and services.	Our Company's Board and teams are dedicated to making sure we constantly refine what we do – making customers feel confident that we're delivering our promises to them in everything we do.	The principal activity of the Company is an investment SPV. As such, it has no direct external customers and, therefore, the Board consider it appropriate that customer engagement and decision making is undertaken at Group level.
Workforce Engaging with our people enables us to create an inclusive company culture and a positive working environment.	<p>As part of the LGAS and wider Group the Company's workforce are invited to complete 'Voice Surveys' to provide frequent digital listening, giving real time feedback and allowing us to create a better dialogue with the workforce. Following these surveys, action plans at Group, divisional and local level are put into place.</p> <p>These methods of engagement ensure that we continue to foster an inclusive and supportive working environment for our workforce, thus ensuring the sustainability of the Company in the long term.</p>	Whilst the Company does not have any direct employees, with LGAS or a Group subsidiary being the workforce's employing entity, the Board's decisions are made with reference, as appropriate, to workforce impact.

LEGAL & GENERAL PENSIONS LIMITED
STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Stakeholders and their importance to us	The Board's approach to stakeholder engagement	Stakeholder consideration in the Board's decision making
Suppliers Interaction with our suppliers and treating our suppliers fairly allows us to drive high standards and reduce risk in our supply chain whilst also benefitting from cost efficiencies and generating a positive impact for the environment and wider society.	As a Group, we hold regular meetings with key suppliers ensuring risks are proactively managed and they are up to date on latest developments and best practice. We strive to work with like-minded businesses, requiring suppliers to comply with our Supplier Code of Conduct. This safeguards the relationship and establishes standards that ensure suppliers operate ethically, are environmentally responsible and that their workers are treated with respect and dignity.	Due to the centralised nature of the Group, the Board consider it appropriate that supplier engagement and decision making is undertaken at Group level.
Community/wider society Contributing positively to wider society enables us to create stronger communities and have a positive environmental impact.	As a Group, our purpose is to improve the lives of our customers, build a better society for the long term and create value for our shareholders. This inspires us to use our long-term assets in an economically and socially useful way to benefit everyone in our communities. Our approach to inclusive capitalism takes our belief in responsible behaviour and extends it into investing in communities and cities to change people's lives for the better.	The Company forms part of our LGAS business which uses our own capital and our policyholder's assets to make long term investments in real assets. This allows us to create value for shareholders, provide stability for pension customers and benefit communities right across the UK.

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

By order of the Board

DocuSigned by:

Michael Barrie

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M Barrie

Director

6 September 2023

LEGAL & GENERAL PENSIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their annual report together with the audited financial statements of the Company for the year ended 31 December 2022.

Principal activities

Legal & General Pensions Limited is a property investment Company. The principal activities are detailed on page 3 within the Strategic Report.

Future developments

The Company intends to continue to hold and let the portfolio of properties for investment purposes.

Results for the year and dividend

The results of the Company are set out on page 13. No dividends were paid in the year (2021: £nil).

Post balance sheet events

There have been no significant events affecting the Company since the year end and up to the date of signing these financial statements.

Modern slavery

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

Legal & General 's full modern slavery statement can be found at <https://www.legalandgeneralgroup.com>.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

M Barrie
J Caley
J Malpas

Directors' Insurance

Legal & General Group Plc, the ultimate parent undertaking and controlling party, maintains an appropriate level of Directors and Officers' liability insurance which is reviewed annually.

Going concern

The Directors consider the going concern to be appropriate based on the support from its ultimate parent company. This is disclosed further in note 2.1.

LEGAL & GENERAL PENSIONS LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

Disclosure of information to auditor

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

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given in accordance with section 418(2) of the Companies Act 2006.

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.

By order of the Board

DocuSigned by:

Michael Barrie

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M Barrie

Director

6 September 2023

LEGAL & GENERAL PENSIONS LIMITED

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

Opinion

We have audited the financial statements of Legal & General Pensions Limited ("the Company") for the year ended 31 December 2022, which comprise the income statement, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 2.

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 result 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 of 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.

LEGAL & GENERAL PENSIONS LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LEGAL & GENERAL PENSIONS 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 management as to the Company's policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading minutes of meetings of those charged with governance; and
- Using analytical procedures to identify any usual or unexpected relationships.

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

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as valuation of investment property. On this audit we do not believe there is a fraud risk related to revenue recognition because the nature of the industry and Company's operations provide limited opportunities to engage in fraudulent revenue recognition given the simple revenue stream of rental income given that rental income is based on tenant agreements.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying and selecting certain journal entries made at the end of the reporting period and post-closing entries for testing and comparing the identified entries to supporting documentation.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors (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.

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 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.

LEGAL & GENERAL PENSIONS LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LEGAL & GENERAL PENSIONS LIMITED (continued)

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

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

Secondly, the Company is subject to many other laws and regulations where the consequences of noncompliance 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 areas as those most likely to have such an effect: (health and safety, data protection laws, anti-bribery, landlord and tenant legislation, property laws and building legislation, and certain aspects of company legislation, recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

Strategic report and Directors' report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

LEGAL & GENERAL PENSIONS LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LEGAL & GENERAL PENSIONS LIMITED (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 8, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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.



Bano Sheikh (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
Date: 6 September 2023

LEGAL & GENERAL PENSIONS LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Revenue	3	170,275	146,982
Gross profit		170,275	146,982
Administrative expenses		(1,968)	(1,898)
Other operating income		3,291	4,927
Operating profit	4	171,598	150,011
Unrealised (loss)/gain on revaluation of investment properties	11	(872,384)	457,633
Unrealised (loss)/gain on revaluation of financial investments	12	(113,752)	22,031
Realised loss on disposal of financial investments	12	(5,850)	(6,138)
Unrealised gain/(loss) on revaluation of financial liabilities	19	1,063,148	(488,045)
Realised loss on disposal of loan notes	19	(64,247)	(2,880)
Investment income	5	15,402	10,377
Interest payable and similar expenses	6	(193,915)	(142,989)
Profit before taxation		–	–
Tax on result	9	–	–
Profit for the financial year		–	–

There were no other comprehensive income in the year (2021: £nil), so no statement of other comprehensive income is presented.

All income is generated from continuing operations.

The notes on pages 16 to 30 form are an integral part of these financial statements.

LEGAL & GENERAL PENSIONS LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Assets			
Non-current assets			
Investment properties	11	3,634,101	4,167,084
Financial investments	12	411,629	583,651
Accounts receivable	13	159,078	165,614
Total non-current assets		4,204,808	4,916,349
Current assets			
Accounts receivable	13	263,920	87,797
Cash and cash equivalents		19,814	31,107
Total current assets		283,734	118,904
Total assets		4,488,542	5,035,253
Liabilities			
Non-current liabilities			
Deferred tax liability	18	1,032	1,032
Payables and other financial liabilities	19	4,083,697	4,800,208
Lease liability	15	3,360	3,360
Total non-current liabilities		4,088,089	4,804,600
Current liabilities			
Payables and other financial liabilities	19	197,901	142,027
Accounts payable	14	202,552	88,626
Total current liabilities		400,453	230,653
Total liabilities		4,488,542	5,035,253
Net assets		–	–
Capital and reserves			
Called up share capital	16	–	–
Retained earnings		–	–
Total shareholders' funds		–	–

The financial statements on pages 13 to 30 were approved by the board of Directors on 6 September 2023 and signed on its behalf by:

DocuSigned by:

Michael Barrie

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M Barrie

Director

Legal & General Pensions Limited

Registered in England & Wales No. 05935873

The notes on pages 16 to 30 form are an integral part of these financial statements.

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

	Called up share capital £000	Retained earnings £000	Total shareholders ' funds £000
At 1 January 2021	–	–	–
Total comprehensive income for the year	–	–	–
At 31 December 2021	–	–	–
Total comprehensive income for the year	–	–	–
At 31 December 2022	–	–	–

The notes on pages 16 to 30 form are an integral part of these financial statements.

LEGAL & GENERAL PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Reporting entity

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

2 Summary of significant accounting policies

The main accounting policies of the Company are as follows:

2.1 Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have performed a going concern assessment for a period of at least 12 months from the date of approval of the financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds and in downside cases through funding from its immediate parent to meet its liabilities as they fall due for that period. As a result of the Solvency II structuring, the Company is not permitted to hold any retained earnings and therefore its total net assets is £1. In order to maintain liquidity within the Company, it has entered into a LERA agreement whereby Legal & General Assurance Society Limited ("LGAS") (its immediate parent) will provide unlimited financial support if necessary.

Those forecasts are therefore dependent on LGAS providing additional financial support during that period. LGAS has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts via the LERA agreement. 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.

2.2 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, financial investments and loan notes, 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 Company's financial statements are presented in Sterling.

The Company is a wholly owned subsidiary of Legal & General Group Plc and is included in the consolidated financial statements of Legal & General Group Plc which are publicly available.

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of investment property, financial investments and loan notes and in accordance with the Companies Act 2006 as applicable to companies using FRS101 and applicable accounting standards in the United Kingdom.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2022.

LEGAL & GENERAL PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (continued)

2.2 Basis of preparation (continued)

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraphs 76 and 79(d) of IAS 40 Investment Property;
- the requirements of IFRS 7 Financial Instruments;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The Company accounts for revenue using the guidance laid out in IFRS15 and accounts for the head lease asset using IFRS16 as disclosed in note 1(p).

2.3 Significant estimates and management judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following estimates have had the most significant effect on amounts recognised in the financial statements.

Investment property is stated at fair value, being market value determined by professionally qualified external valuers. Changes in fair value are included in the Income Statement. Investment properties are valued by adopting the 'investment method' of valuation. This approach involves applying capitalisation yields to current and future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and future rental values are based on comparable property and leasing transactions in the market using the valuers' professional judgement and market observation. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions.

LEGAL & GENERAL PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (continued)

2.4 Investment properties

Investment property comprises land and buildings which are held for long term rental yields and capital growth. Investment properties are initially measured at cost, including the purchase price and any directly attributable expenditure such as legal and brokerage fees, property transfer taxes and other transaction costs as well as borrowing costs that meet the criteria for capitalisation. It is carried at fair value with changes in fair value recognised in the Income Statement within fair value adjustment on investment property. Investment property in the UK is valued quarterly by independent valuers on the basis of open market value as defined in the appraisal and valuations manual of the Royal Institute of Chartered Surveyors. Valuation techniques may include discounted cash flow calculations using net current rent, and estimated and terminal values; they may also include yield methodology calculations using market rental values capitalised with a market capitalisation rate. Both of these are then further validated against actual market transactions to produce a final valuation.

Investment properties are treated as acquired when the entity enters into an unconditional purchase contract and as sold when subject to an unconditional contract for sale. Additions to properties consist of costs of a capital nature. The valuation of properties at market value is in accordance with the Deed of the Company. Surpluses and deficits arising on the valuation of investment properties are reflected in the Income Statement.

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

2.5 Accounts receivable

Receivables are recognised in the balance sheet, when and only when, the Company becomes party to the contractual provisions of the contract. Receivables are initially recognised at fair value adjusted for any directly attributable transaction costs. After initial recognition, receivables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

2.6 Financial investments

The Company's financial investments includes investments in subsidiaries and unlisted investments. The Company measures its financial investments at their net asset value as an approximation of fair value with gains for losses recognised in the income statement.

LEGAL & GENERAL PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (continued)

2.7 Payables and other financial liabilities

Liabilities are classified as financial liabilities at fair value through the income statement or other liabilities, as appropriate. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Financial liabilities also include loan notes which comprise rental value notes, residual value notes and the LERA. The rental income notes, residual value notes and the LERA are recognised at fair value and subsequently remeasured. Fair value gains and losses are reflected in the Income Statement.

Loan notes are stated at fair value. The fair values of the residual value notes are based on the residual value of the underlying property relating to that residual value note, as calculated by the Calculation Agent (a Party appointed by LGAS) when a payment is due to be made in respect of such residual value notes, in accordance with the agreed valuation methodology. Changes in the fair value of the residual value notes, in accordance with the agreed valuation methodology.

2.8 Tax and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

LEGAL & GENERAL PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (continued)

2.9 Dividend recognition

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

2.10 Cash and cash equivalents

Cash comprises cash in hand and bank deposits that can be withdrawn immediately or within twenty four hours without penalty.

2.11 Revenue

The Company's revenue comprises rental income and other recoveries from tenants of its investment property. Property income is recognised on an accruals basis, including a best estimate for unsettled rent reviews and surrender premiums received. Rental income received in advance is deferred and recognised as income in the period to which it relates.

In accordance with FRS101, rental income from properties which have been let subject to a rent free period or lease inducement, is accounted for on a straight line basis from the rent commencement date to the lease end date, unless the rental payments are structured to increase in line with expected general inflation, in which case the Company recognises annual rental income equal to amounts due from the lessee. The valuation of investment properties is reduced by all unamortised lease incentives. Any remaining unamortised lease incentive in respect of properties disposed of is included in the calculation of profit or loss arising on disposal.

2.12 Investment income

Investment income includes distribution income and interest. Distribution income is recognised when the Company's right to receive payment is established. Interest income is recognised using the effective interest method.

2.13 Expenses

Expenses are recognised on an accrual basis.

2.14 Consolidated financial statements

The Company is exempt from the requirement to prepare consolidated financial statements under Section 400 of the Companies Act 2006. Consolidated financial statements are prepared by Legal & General Group Plc, incorporated in England & Wales, the ultimate parent undertaking. These financial statements therefore present information about the Company as an individual undertaking and not about its Group.

2.15 Leases - Company as the lessor

Properties leased out under operating leases are included in investment properties. All leases entered into by the Company have been designated as operating leases.

LEGAL & GENERAL PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (continued)

2.16 Leases - Company as the lessee

As a lessee, the Company recognises leases on the balance sheet as 'right-of-use' assets and lease liabilities. The right-of-use assets are classified as investment property.

The right-of-use assets' value is initially recognised as the calculated value of the lease liabilities with several additional adjustments, including initial direct costs. The right-of use assets are subsequently accounted for in accordance with the cost model in IAS 40 - Investment Property. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Using the guidance laid out by IFRS 16, the initial measurement of the lease liabilities is made up of the present value of lease payments to be made over the lease term, including fixed and variable lease payments and excluding lease incentive receivables. The Company policy is to use the incremental borrowing rates as a discount rate for calculating the lease liabilities. The lease liabilities are unwound over the term of the lease giving rise to an interest expense. Additionally, the liabilities are reduced when lease payments are made. The Company needs to re-assess the valuation of lease liabilities and right-of use assets if certain events occur that modify the original assumptions used to calculate the lease balances upon initial recognition. Refer to note 15 for details over the impact of IFRS 16 in the year.

3 Revenue

Revenue and pre-tax profit is mainly attributable to the Company's principal activities and arises from the properties held across the UK.

Revenue recognised in the income statement is analysed as follows.

	2022	2021
	£000	£000
Rental income relating to UK properties	170,275	146,982

4 Operating profit

Operating profit is stated after charging:

	2022	2021
	£000	£000
Auditor's remuneration		
- in relation to the audit of the financial statements of the Company	58	52

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group financial statements of its parent Legal & General Group Plc.

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

5 Investment income

	2022	2021
	£000	£000
Distribution income	14,925	10,363
Bank Interest	477	14
	15,402	10,377

6 Interest payable and similar charges

	2022	2021
	£000	£000
Interest on loan notes	193,915	142,989

7 Staff costs

The Company has no employees (2021: none) and hence makes no contributions towards retirement benefits (2021: £nil).

8 Directors' emoluments

No emoluments were paid to any director nor were any direct pension contributions paid in respect of qualifying services to this Company (2021: £nil).

9 Tax on result

The Company has no profit before taxation and as a result the total current tax for the year is the same as (2021: the same as) than the standard rate of UK corporation tax:

Changes to UK corporation tax rates were substantively enacted by the Finance Bill 2021 (on 24 May 2021). These included an increase in the corporation tax rate from 19% to 25% from 1 April 2023. Deferred tax balances have been remeasured accordingly where appropriate.

Following the capital reorganisation in 2015 the Company's tax liability arising from UK revenue and expenses recognised in the income statement is borne by Legal & General Assurance Society.

10 Dividends

There were no dividends paid or proposed in the current year (2021: £nil).

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

11 Investment properties

	2022	2021
	£000	£000
Cost		
At 1 January	3,263,208	3,039,761
Right-of-use head lease asset	3,360	3,360
Acquisitions	314,617	57,183
Subsequent expenditure	24,784	166,264
At 31 December	3,605,969	3,266,568
Fair value gains		
At 1 January	900,516	442,883
Unrealised (loss)/gain	(872,384)	457,633
At 31 December	28,132	900,516
Fair value		
At 31 December	3,634,101	4,167,084
Market value as estimated by external valuers	3,797,674	4,334,978
Right-of-use head lease asset	3,360	3,360
Less: lease incentive balance included in receivables	(166,933)	(171,254)
Fair value for financial reporting purposes	3,634,101	4,167,084

The Company's investment properties were valued as at 31 December 2022 by CBRE Limited in accordance with the Royal Institution of Chartered Surveyors ('RICS') Valuations Standards, on the basis of Market Value. Market Value represents the figure that would appear in a hypothetical contract of sale between a willing buyer and a willing seller on an open market basis.

The investment value is a product of rent and yield derived using comparison techniques. In undertaking the valuation of properties under this method, an assessment has been made on the basis of a collation and analysis of appropriate comparable investment, rental and sale transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions, capitalisation rates have then been applied to the properties, taking into account size, location, terms, covenant and other material factors.

LEGAL & GENERAL PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Investment properties (continued)

Valuation techniques

Investment method

The valuations have been prepared using the "investment method" valuation technique – applying capitalisation yields to current and future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and future rental values are based on identical or comparable property and leasing transactions in the market using the valuers' professional judgement and market observation. All of the valuations within the portfolio fall within Level 3 of the Fair Value hierarchy, which categorises the inputs to valuation techniques used to measure Fair Value.

Significant unobservable inputs

The significant unobservable inputs used in the fair value measurement are estimated rental value, rental growth, long-term vacancy rate and rental yields.

Sensitivity analysis

Increases/decreases in rental value and rent growth in isolation would result in a higher/lower fair value measurement, respectively. Increases/decreases in long term vacancy rate and rental yields in isolation would result in a lower/higher fair value measurement, respectively. The table below presents the sensitivity analysis of the valuation to changes in the most significant assumptions underlying the valuation of completed investment property.

	2022	2021
	£000	£000
Increase in yield of 25 bps	(212,874)	(291,905)
Decrease in rental rates of 500 bps	(188,995)	(116,118)

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

12 Financial investments

Unquoted investments in property vehicles

	2022	2021
	£000	£000
Cost		
At 1 January	580,255	345,731
Additions	–	251,014
Disposals	(52,420)	(16,490)
At 31 December	527,835	580,255
Fair value gains / (losses)		
At 1 January	3,396	(12,497)
Unrealised (loss)/gain for the year	(113,752)	22,031
Loss on disposals	(5,850)	(6,138)
At 31 December	(116,206)	3,396
Fair Value		
At 31 December	411,629	583,651

The investments comprise the following holdings:

Entity name	Country of incorporation	Equity held	
		2022	2021
		%	%
Canary Property Unit Trust	Jersey	–	100.00
Sapphire Campus Management Company Limited	England and Wales	9.52	9.52
LGPL No.2 Limited	England and Wales	100.00	100.00
SCBD S6 Trust	Jersey	100.00	100.00
Stratford City Offices Jersey Unit Trust (No.2)	Jersey	99.98	99.98

The registered office of Sapphire Campus Management Company Limited is One Coleman Street, London, EC2R 5AA. The registered office of Canary Property Unit Trust, SCBD S6 Trust and Stratford City Offices Jersey Unit Trust (No.2) is 12 Castle Street, St Helier, Jersey, JE2 3RT.

All entities are directly held investments with financial year end of 31 December. All of the above entities with the exception of Sapphire Campus Management Company Limited are subsidiaries.

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

13 Accounts receivable

	2022	2021
	£000	£000
Lease incentive receivable	166,933	171,254
Accrued income	13,748	3,474
Amounts due from fellow group undertakings	158,159	9,861
VAT receivable	867	3,701
Prepayments	27,424	64,681
Other receivables	55,867	440
	422,998	253,411
Due within 12 months	263,920	87,797
Due after 12 months	159,078	165,614
	422,998	253,411

14 Accounts payable

	2022	2021
	£000	£000
Amounts due to fellow group undertakings	149,107	44,864
Trade creditors	11,184	539
Other creditors	2,450	8,482
Accruals and deferred income	37,849	34,741
Capital accruals	1,962	–
	202,552	88,626

15 Lease liability

	2022	2021
	£000	£000
Lease liability payable after 12 months	3,360	3,360

Under IFRS 16, a lease liability has been recognised on the balance sheet. The lease commenced on 1 September 2016 and has a lease term of 150 years and 2 months with an annual rent of £170,000. The implicit rate of return associated with the lease is 5.03%. The corresponding right-of-use asset has been recognised within Investment Property under IAS 40 as disclosed in Note 11.

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

16 Called up share capital

	2022	2021
	£000	£000
Issued: 1 Ordinary share of £1 fully paid (31 December 2021: 1)	–	–

The holders of the Company's ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at shareholder meetings of the Company.

17 Related party transactions

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

18 Deferred tax liability

	2022	2021
	£000	£000
At 1 January	1,032	1,032
Charged to income statement	–	–
At 31 December	1,032	1,032

The deferred tax balances are as follows:

Other temporary difference	1,032	1,032
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LEGAL & GENERAL PENSIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2022

19 Payables and other financial liabilities

	2022	2021
	£000	£000
Cost		
At 1 January	4,055,001	3,961,270
Issue	690,733	929,108
Redemption	(352,469)	(835,377)
At 31 December	4,393,265	4,055,001
Fair value		
Opening balance	887,234	396,309
Unrealised (gain)/loss for the year	(1,063,148)	488,045
Realised loss on disposal on loan notes	64,247	2,880
At 31 December	(111,667)	887,234
At 31 December	4,281,598	4,942,235
Due within 12 months	197,901	142,027
Due after 12 months	4,083,697	4,800,208
	4,281,598	4,942,235

On 26 November 2015 the Company issued rental income and residual value notes secured on its investment properties and entered into a Liquidity and Expenses Risk Agreement ("LERA") with its immediate parent company, Legal & General Assurance Society Limited ("LGAS").

The rental income notes represent 98.75% of future rents receivable on the associated lease. They bear a coupon payment based on 98.75% of the underlying rental income. This coupon falls due typically 45 days following each quarterly rent. The fair values of the rental income notes are calculated based on the value of the future rents receivable on the associated lease, with changes in fair value recognised through profit and loss.

The fair values of the residual value notes are based on the residual value of the underlying property relating to that residual value note, as calculated by the Calculation Agent (a Party appointed by LGAS) when a payment is due to be made in respect of such residual value notes, in accordance with the agreed valuation methodology. Changes in the fair value of the residual value notes are recognised through profit and loss.

LEGAL & GENERAL PENSIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Payables and other financial liabilities (continued)

The LERA represents the funding of the operating expenses of the Company from LGAS and is used to cover certain aspects of property management services, any additional unforeseen expenses and provided liquidity to ensure the Company remains a going concern. A fixed Lease Rental Retention, calculated as 1.25% of rental income for each specific lease, has been set to cover expenses incurred in managing each lease/property and generate a small profit. Under this agreement LGAS have the right to bill the Company for the difference between the actual expenses (estimated to be approximately 0.9% of rental receipts) and the fixed Lease Rental Retention of 1.25%. LGAS' fee is therefore expected to be 0.35%. These charges would remove any excess profit/loss in the Company and transfer them to LGAS. This element of the LERA agreement is accounted for as a financial instrument at fair value through profit or loss. The fair value would represent the discounted net present value of the future charges expected to be billed to/ from LGAS to the Company.

The Company and LGAS recognise that there is a risk that the expenses of the Company may exceed the fixed Lease Rental Retention and LGAS agrees to bear such risk. It is therefore intended that LGAS will reimburse the Company for any amount payable in excess of the fixed Lease Rental Retention. In consideration for such reimbursement by LGAS, where the expenses are less than the fixed Lease Rental Retention, the Company will pay the difference to LGAS.

20 Ultimate parent undertaking

The immediate parent company is Legal & General Assurance Society Limited.

The ultimate parent company is Legal & General Group Plc, a Company incorporated in England & Wales and domiciled in the UK - controlling party which consolidates the financial statements of the Company. These financial statements therefore provide information about the Company as an individual undertaking. Copies of the financial statements of the ultimate holding company, Legal & General Group Plc, are available on the Group website, www.legalandgeneralgroup.com or from the Company Secretary at the Registered Office, One Coleman Street, London, EC2R 5AA.

21 Commitments

(a) Capital commitments

Authorised and contracted commitments not provided for, in respect of investment property development payable after the year end, has been disclosed below:

	2022	2021
	£000	£000
Capital commitments	40,675	36,538

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

21 Commitments (continued)

(b) Operating leases

The future aggregate minimum sublease payments to be received under operating subleases and future aggregate minimum lease receivables under non-cancellable operating leases are as follows:

Operating leases	Minimum sublease payments under operating subleases	Lease receivables under non-cancellable operating leases
2022	£000	£000
0-1 years	63,272	137,134
1-2 years	63,948	138,389
2-3 years	64,283	138,903
3-4 years	64,866	139,810
4-5 years	65,393	140,732
5 years+	816,430	1,713,506
Total	1,138,192	2,408,474
2021		
0-1 years	48,260	158,774
1-2 years	48,260	158,774
2-3 years	48,392	159,209
3-4 years	48,260	158,774
4-5 years	48,260	158,774
5 years+	773,241	2,319,019
Total	1,014,673	3,113,324

22 Post balance sheet events

There have been no significant events affecting the Company since the year end and up to the date of signing these financial statements.