Legal & General
AFFORDABLE HOMES

Legal & General Affordable Homes Limited

Annual Report and Accounts for the year ended 31 December 2023

Legal & General Affordable Homes Limited
Company Registration Number: 11223470
Registered Provider Number: 5062

Directors and advisors at date of approval of the financial statements

Directors
Ian Peters (Chair)
Kevin Gould
Sarah Melinek
Kathryn Davis
Ben Denton
Karl Shaw
Pete Gladwell

Independent Statutory Auditor
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Banker
Barclays Bank PLC
Churchill Place
Canary Wharf
London
E14 5RB

Legal Advisor
Trowers & Hamlins
3 Bunhill Row
London
EC1Y 8YZ

Registered Office
One Coleman Street
London
EC2R 5AA

Registration Numbers
Company Registration Number: 11223470
Registered Provider Number: 5062

Highlights of 2023 in numbers

Operating loss*

£27.2m

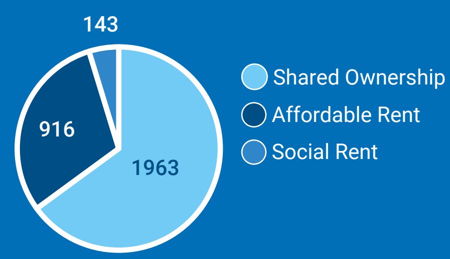
(2022: operating profit £3.3m)
* Before interest and tax

Number of homes*

3,022

(2022: 2,092)
*Units under management

Homes by tenure



Investment property

£505.0m

(2022: £391.3m)

Secured homes pipeline*

7,000+

(2022: 6,200+)
*As at 31 December 2023
(including completed units)

Net Promoter score

64

(2022: 59)

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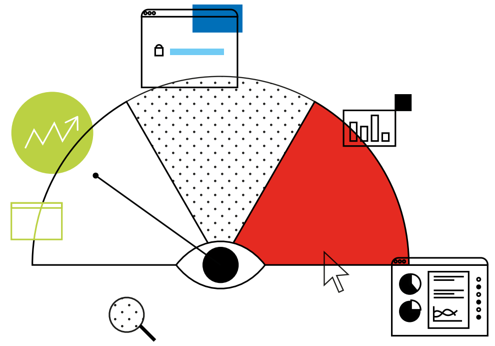


Chair's Statement

Committed to deploying institutional capital to build communities

The past year has been a period of significant challenge for the social housing sector due to higher interest rates, the cost of living crisis, challenges to housing development economics and higher regulatory standards following unacceptable service levels elsewhere in the sector.

Despite these challenges the Company acquired an additional 1,304 homes from our sister development companies. We continue to provide choice to our customers by offering a mix of tenures with 58% of our portfolio at December 2023 comprising rental homes and 42% being Shared Ownership homes. We are immensely proud to have helped over 4,000 households find their new homes since our inception in 2018 and are well placed to deliver our stated objective of delivering 10,000 affordable homes by 2027. We secured an additional £65m of long term funding to deliver homes as part of our Homes England Strategic Partnership programme.

We launched our new customer website and invited our first customers to register and use our new home management system - "My Brolly". Feedback from customers using My Brolly has been very positive and by the end of 2024 we hope to have invited most of our customers to register and manage every aspect of their home using My Brolly.

We want everyone to have a positive customer experience and with our Investment Manager have invested in a dedicated team to specifically address customer complaints, increased the times we ask customers for feedback, introduced a new defect management service and prepared for the new regulatory consumer standards that came into effect from April 2024. We will continue to work on the improvement of our services throughout the customer journey, requesting the Investment Manager to make changes to our operations as required.

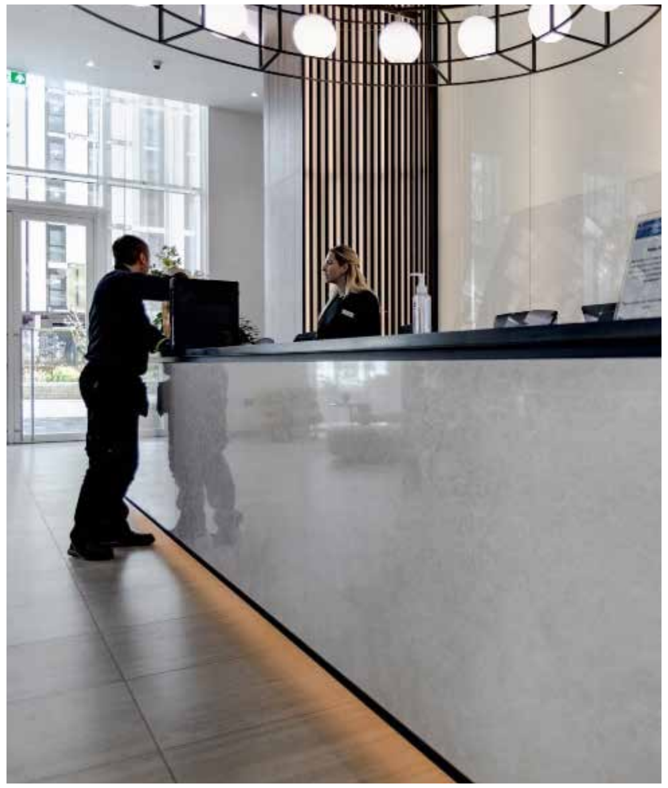
In March 2024 we completed the acquisition of a portfolio of 372 occupied homes from another registered provider and as we seek to deliver our growth plans we expect to pursue further opportunities to acquire stock portfolios that will complement our existing offering.

Legal & General Affordable Homes publishes an Annual Customer Report and further information about the Company's properties and customers are available in that report. The report can be viewed on the website: www.legalandgeneral.com/affordable-homes.

2023 saw a number of changes to our Board with the departure of Simon Century, Liewen Chan, Karen Wilson and finally, former Chair Ian Graham. I would like to thank all of the departing Board members for their work in creating a financially stable business and putting in place the strong foundations to allow us to deliver our growth plans.

We welcomed Pete Gladwell, Kevin Gould and Kathryn Davis to the Board and I look forward to working with them and the rest of the Board to play a leading role in raising service standards and increasing the long-term supply of affordable homes.

Ian Peters
Chair
21 June 2024



Board of Directors

Ian Peters | Chair

Appointed January 2024

Ian Peters is Chair of Legal & General Affordable Homes Limited. In his executive career he gained extensive management expertise in a range of energy and financial service positions. As Chief Executive of British Gas he initiated the roll out of the UK's largest smart meter network and shaped the consumer facing "Connected Homes" technology including Hive. He held various positions at NatWest including Head of Retail Marketing and Sales. Ian is also Chair of the UK Health Security Agency, a new government agency responsible for protecting the public from all health hazards including the pandemic, overseeing its creation and restructuring. He chairs a number of small, growth technology, sustainability, and social impact companies and he is a trustee of the Canal & River Trust. He was previously Chair at Bart's Health NHS Trust as well as Vice Chair of the Peabody Trust where he led the merger of Family Mosaic with Peabody to create one of London's largest housing associations.

Kevin Gould | Chair of the Risk & Audit Committee

Appointed September 2023

Kevin is a chartered accountant with 30 years' experience in financial services and consulting, focussing on governance, risk, and audit. He worked as Chief Internal Auditor at the International Bank of Qatar and later led Internal Audit's strategic initiatives and support operations at the Royal Bank of Scotland. He now provides consulting and advisory services, primarily relating to sustainability and ESG risk, and is vice chair of the Independent Decision-Making Body of the Bar Standards Board.

Sarah Melinek | Independent Non Executive Director

Appointed November 2020

Sarah is an Independent Non-Executive Director and Senior Independent Director of Legal & General Affordable Homes and joined the Board in November 2020.

Sarah has over 20 years' experience in operational and customer focused roles across the telecommunications, utilities and financial services sectors for organisations serving millions of customers. Sarah has expertise as a Consultant and Director in transforming customer experience and customer service, embedding customer needs at the heart of business decision making, reducing customer effort and bringing the voice of the customer into the board room.

Sarah has a degree in French and Spanish from the University of Exeter.

Kathryn Davis | Independent Non Executive Director

Appointed September 2023

Kathryn spent 26 years (17 of them as a corporate/commercial partner) with city law firm Slaughter and May. During her legal career she advised clients from a variety of sectors, primarily FTSE 100/250 companies, across a wide range of practice areas including public and private M&A, commercial contracts, debt financing, equity and debt capital markets, regulatory enquiries, insolvency situations and general corporate advice.

Kathryn is an external member of the University of Oxford's Audit and Scrutiny Committee, where she is the lead member for Counter Fraud and Health & Safety. She is a non-executive director, Deputy Chair of Council and Chair of the Estates Committee at the Girls' Day School Trust, a large educational charity and the UK's leading family of 25 independent girls' schools, including two academies.

Kathryn is a Visiting Senior Fellow in Practice at LSE Law School and also recruits and mentors trainee solicitors on a consultancy basis for innovative legal training provider, Accutrainee. Kathryn was formerly a non-executive director at G15 housing association Metropolitan Thames Valley where she was Chair of Treasury Committee and a member of Group Audit and Risk Committee, roles which she also fulfilled at one of its predecessor organisations, Thames Valley Housing.

Ben Denton | Director

Appointed October 2018

Ben joined Legal & General from Sovereign Housing Association, the 6th largest housing association in the UK. As Executive Director of Property and Development, he delivered a development programme of 1,300 homes a year, managing an annual budget of c. £250 million. Ben has over 30 years of experience across residential housing, regeneration and real estate. Prior to Sovereign, Ben held the position of Group Director of Strategy and Business Development at house builder Keepmoat, Executive Director of Growth, Planning and Housing at Westminster City Council, was Director of Investment at First Base and was a Director and Executive Consultant for ABROS financial advisory and KPMG. Additionally, Ben was previously Chair at Westminster Community Homes and Deputy Chair of Thames Valley Housing Association. Ben is MRICS qualified from the Royal Institute of Chartered Surveyors, holds a First Class degree in Agriculture from the University of Reading as well as a Diploma in Business Administration from Manchester Business School.

Karl Shaw | Director

Appointed June 2021

Karl is the Corporate Development Director for Legal & General Retirement. He has a remit of Corporate Finance activities for the division, including the funding of Affordable Housing and other Legal & General businesses. Karl is a qualified actuary who has worked in the life insurance industry for over 25 years, with the majority of that time in various roles at Legal & General. Karl holds a first class degree in Mathematics from Cambridge University.

Pete Gladwell | Director

Appointed July 2023

Pete joined Legal & General in 2007, launching a new generation of property funds focussed on liability matching and Defined Contributions pension schemes, and Legal & General's partnerships with NEST and PGGM, which total over £5bn. In 2015, Pete moved to lead Legal & General's investments with the Public Sector – including the Cabinet Office, Combined & Local Authorities, NHS, Housing Associations and Universities – which now total over £6bn.

Pete continues to lead on public sector investments, as part of a broader remit to identify and drive strategic investments and initiatives through which Legal & General can use its resources to benefit society. This includes Legal & General's partnership with Sir Michael Marmot to address health inequality.

Pete holds an MA from Brasenose College, Oxford in Computation, the IMC, and is a Fellow of the Royal Society of the Arts and Honorary Professor at University College London.

Ian Graham | Chair | Appointed July 2018 and resigned December 2023

Simon Century | Director | Appointed February 2018 and resigned February 2023

Liewen Chan | Director | Appointed February 2023 and resigned July 2023

Karen Wilson | Independent Non Executive Director | Appointed July 2018 and resigned September 2023

Strategic Report

Principal activities
Legal & General Affordable Homes Limited ("the Company") is a Registered Provider of social housing for profit.

The Company is a private company limited by shares incorporated under the Companies Act 2006 and is registered in England and Wales.

Review of the Business
During the year the Company took ownership of a further 1,304 homes. Whilst revenue grew to £23.1m the Company reported pre-tax losses of £38.7m for the year largely driven by unrealised revaluation losses on its investment property portfolio. The Company remained in a positive net asset position at 31 December 2023.

The Legal & General Affordable Homes business currently operates through 12 separate entities, all part of Legal & General Group Plc, 5 of which are for-profit registered providers with the Regulator of Social Housing.

Operational, financing and asset management services are provided to the Company by Legal & General Affordable Homes (Operations) Limited (the "Investment Manager") under a long term management agreement.

The Company is ultimately owned by Legal & General Group Plc (the "Group").

Principal risks and uncertainties
In meeting its long term objectives the key business risks and uncertainties affecting the Company are:

- Valuation of its properties
- Ability to source new housing opportunities
- Political changes to the operating environment
- Reputational damage arising from poor performance of the business
- The availability of sources of financing

Statement of internal control
The Board is ultimately responsible for ensuring the Company maintains a system of internal control that is appropriate to the various business environments in which it operates. Business risks are identified through a system of continuous monitoring. The risk control framework includes the following key features:

- The Risk and Audit Committee, which is a formal committee of the Company Board.
- Risk Appetite Statements, which set out the tolerance the business has for identified risks.
- The Legal & General Group internal audit function, which provides independent assurance on the effectiveness of business risk management and the overall operation of our risk framework.
- The BDO independent assurance programme, which provides independent assurance on the adequacy of internal control arrangements, including risk management and governance.
- The Investment Manager, which identifies and evaluates risks to which the Company may be exposed so that they can be managed in line with risk policies.
- Regular reporting of ongoing and emerging risks, which allows us to assess whether risk positions are within the limits set by the risk appetite.

External Outlook
The UK economic outlook remains uncertain, with the potential for interest rates to remain at current levels for longer than anticipated by the markets, and longer than required to subdue inflation. This could lead to a sustained period of low investment and growth, reduced consumer spending and higher unemployment.

Residential property prices remain susceptible to reappraisal should the current economic outlook deteriorate, as well as from a range of geopolitical factors including the ongoing war in Ukraine and the conflict in the Middle East.

The primary impact on the business is likely to be through slower sales of shared ownership homes and downward property valuation movements.

Financial key performance
Please refer to the Value for Money statement section of this report.

NHF Code of Governance
As at 31 December 2023, and for the whole of 2023, the Company was fully compliant with the NHF Code of Governance 2020 with the exception of provision 4.5 as the Company adopts the Legal & General Group Whistleblowing Policy. Although this does not include a route to contact the iNEDs on the board, it is a robust approach to whistleblowing, which is considered an appropriate alternative for the Company given its ownership by the Legal & General Group.

Governance and Viability Standard
Each year the Regulator of Social Housing requires Registered Providers to assess their compliance with the governance and financial viability standard. The Company has undertaken an annual review of compliance and the board is assured that the Company is compliant with the regulatory framework including the governance and financial viability standard and its accompanying code of practice.

Equality and Diversity
We are committed to equality, diversity and inclusion and in 2021 we adopted our Equality and Diversity targets and approved a Board Diversity Statement. Our business, like that of the Legal & General Group more widely, is built on the belief of being economically and socially useful, embracing diversity and being fully inclusive in everything we do.

In engaging our Management Providers, their commitment to equality and inclusion through customer service was part of our selection criteria and is enshrined in the contracts for services that we have with them.

The Company employs no staff but its Investment Manager employs staff to deliver services to the Company and therefore the Board will encourage and influence the actions of the Investment Manager to act in accordance with the equality, diversity and inclusion principles set out by the Board.

The Investment Manager reports key diversity metrics to the Board on a regular basis. The reporting provided to the Board for December 2023 demonstrated female headcount being above the 50/50 target and minority ethnicity in excess of 20%.

This report was approved by the Board on 30 May 2024 and signed by order of the Board.

Ian Peters
Director (Chair)

Environmental, Social and Governance Statement

Improving lives through inclusive capitalism
The Legal & General Group central ethos of inclusive capitalism is a recognition that the benefits of economic growth must be shared by all. For the Legal & General Affordable Homes businesses this means a commitment to driving positive change in affordable housing.

Our mission is to become the leading institutional affordable housing provider in the UK. The investments that we make to achieve this seek to deliver better outcomes for people and planet, and by enabling society's capital to fund great quality, sustainable and affordable homes from which our customers can build better futures, we aim to maximise benefit to society as a whole.

Investing society's capital for society's benefit
To date Legal & General Affordable Homes has defined impact objectives rooted in this purpose, focussed on the following themes:

1. Supply of affordable homes
Nationally there remains a chronic shortage of affordable housing - we aim to contribute to the solution by investing in affordable housing in areas of housing need. Despite a challenging macro-economic backdrop, during the year the Legal & General Affordable Homes businesses proudly took ownership of over 1,300 new affordable homes; it expects this will be one of the largest increases in the country.

We measure affordability at a granular level and work hard to ensure customers can sustain their tenancies. Whilst there is no single metric which tells the whole picture the mean average rent being charged on our rented homes of 63% of market indicates that it is offering excellent value to its customers and the public purse.

2. Sustainable development
Well-designed homes and communities can be low-carbon and sustainable, while helping to protect and restore nature. However, there are challenges to overcome for this to become business-as-usual, which we and the wider construction industry are grappling with. Nevertheless the Legal & General Affordable Homes business remains committed to all new homes it acquires being capable of net zero carbon in operation from 2030. It continued to make progress towards this during the year - for example, in committing to its first net zero carbon scheme at Thundersley, Essex, where 90% of the homes will achieve net zero carbon in operation and all will exceed the Future Homes & Buildings Standard.

The business continues to work hard to enhance the energy efficiency of its new homes, engaging developer partners to encourage the raising of standards as quickly as possible and implementing policies to deliver on Group level Science Based Target Initiative commitments such as phasing out gas boilers in newly contracted homes from 1 January 2025.

3. Quality customer service
We work with local authorities, housing associations and developers across the country to deliver affordable new homes. But for us, it is about far more than just houses, it is about providing sustainable new communities and making a real difference to our customers' lives. During the year we were pleased that our new customers gave us a Net Promoter Score of +64, exceeding a high target of +55.

However, we recognise that customers who have lived within their homes for longer are telling us that we can improve, and therefore during the year we took additional actions to improve customer experience, including the launch of our new home management system – "MyBrolly". Customers who are registered can raise a repair, manage their rent account or ask us a question. During the next two years all our customers will be invited to register. To date, the feedback has been really positive.

We also recognise the pressure that the current cost of living crisis causes so during the year we established a hardship fund for customers, offering grants to those experiencing financial hardship due to illness or major life events.

Assurance on progress
During the year the social impact consultancy, The Good Economy ("TGE"), published its second independent assessment of the progress the Legal & General Affordable Homes businesses have made towards their impact objectives lgah-impact-report-2023.pdf (legalandgeneral.com). The report drew both on Legal & General Affordable Homes data and benchmarking analysis compiled by TGE as well as interviews with management and staff, management provider partners, local authorities, land agents, developers and customers. We welcome the report findings which highlight both strengths and areas for improvement.

Refining our approach to impact measurement
As detailed in its 2023 Social impact report (legal-and-general_2023-social-impact-report.pdf (legalandgeneral.com)), during the year the Legal & General Group launched a place-based Social Impact Toolkit to align the impact measurement approach across its real estate investments. The foundation of the toolkit is a comprehensive framework based on three core themes: inclusive economy; health, wellbeing and quality of life; and nature and climate.

During 2024 the Legal & General Affordable Homes framework will evolve to align with the Group approach. Whilst it is not expected to lead to a material change in focus, adoption of the toolkit will set out how the business intends to deliver on the standardised Group level Social Impact Priorities from each of these social impact themes. The evolution of the Legal & General Affordable Homes framework will cover initial investment through the activities and outputs delivered, towards intended outcomes for people, places and the planet.

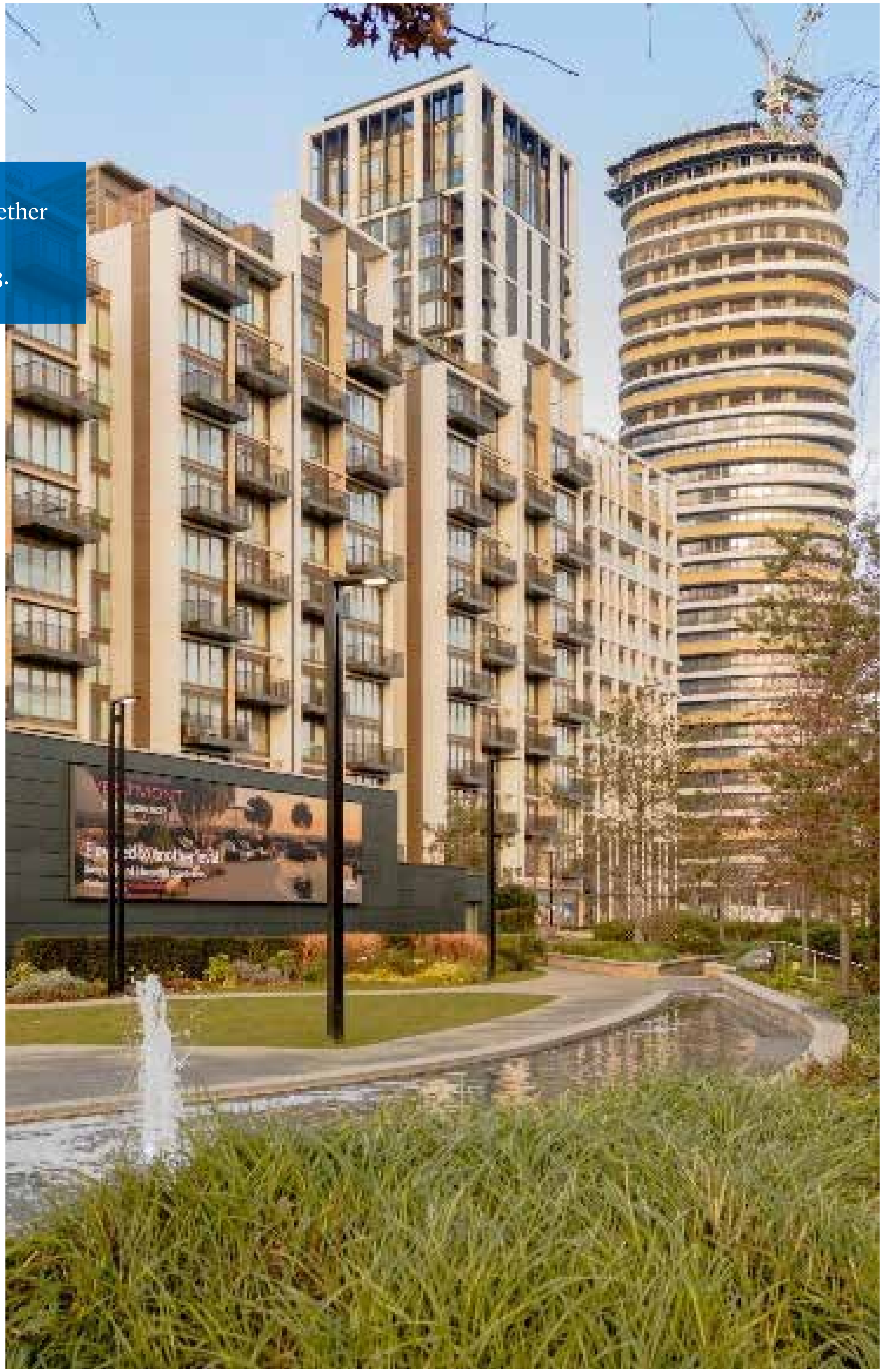
Governance
The Legal & General Group Risk Committee ("GRC") oversees sustainability impact risks to ensure exposures are controlled in line with the Group's risk appetite and that management actions are also aligned, including the actions proposed and taken by the Legal & General Affordable Homes businesses.

For example, Legal & General Affordable Homes inputs to regular updates to the GRC on the risks associated with climate change and nature-loss, via a dedicated Legal & General Capital Sustainability team. The Committee reviews progress and ensures businesses develop appropriate processes to monitor and report exposures to climate risks.

The GRC is supported by a Group Climate Director with specific responsibility for coordinating the Group's response to climate change and incorporating nature and biodiversity risks into day-to-day operations. During the year the Group Climate Director was also appointed to the Board of the Investment Manager for the Legal & General Affordable Homes companies, Legal & General Affordable Homes (Operations) Limited.

Directors' Report

The Directors present their Annual Report together with the audited financial statements of the Company for the year ended 31 December 2023.



Future developments

The Company has played a key part in the establishment of the Legal & General Affordable Homes business, which operates across multiple entities, both registered providers and non-regulated entities. The Company is the largest landlord and expects to continue to work with these entities to increase the supply of affordable housing and the level of institutional capital invested in the sector, providing great quality and environmentally sustainable homes that allow our customers to build better futures.

In addition to acquiring recently developed homes, the Company also acquires existing properties from other providers. The Company is exploring how it can further grow the acquisition and improvement of existing properties from other providers.

Debt financing

The Company has £165m of debt facilities provided by Legal & General's Retirement business and these facilities were fully drawn during the year.

Result for the year and dividend

The results of the Company are set out on page 28.
The Directors do not recommend the payment of a dividend (2022: £nil).

Going concern

No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors.

Units under management

	2023 units	2022 units
Shared ownership	1,963	1,342
Affordable rent	916	651
Social rent	143	99
Total units under management	**3,022**	**2,092**

The units under management at year end are shown after the Company transferred 368 of its rented properties to Legal & General Affordable Homes (AR) LLP in May 2023. The management of units is outsourced to external management providers.

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:

Director	Date appointed	Date resigned
Simon Century	23 February 2018	15 February 2023
Ian Graham	17 July 2018	31 December 2023
Karen Wilson	17 July 2018	27 September 2023
Ben Denton	10 October 2018	
Sarah Melinek	19 November 2020	
Karl Shaw	17 June 2021	
Liewen Chan	16 February 2023	27 July 2023
Pete Gladwell	27 July 2023	
Kevin Gould	27 September 2023	
Kathryn Davis	27 September 2023	
Ian Peters	01 January 2024	

Section 172 Statement

The Board of the Company consider that they have adhered to the requirements of section 172 of the Companies Act 2006 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 2006) in its decision-making.

As part of the wider Legal & General Group Plc (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 for decision making to be handled by the Group Board. In such cases, this will be articulated in the statement and reference provided to the appropriate section of the Group's Annual Report & Accounts.

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. Additional details of the Group's key stakeholders and why they are important to us are set out on in the Group's Annual Report & Accounts, which can be found here: www.legalandgeneralgroup.com/investors/results-reports-and-presentations.

General

The 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, which can be found at: www.legalandgeneralgroup.com/investors/results-reports-and-presentations.

Corporate governance underpins how we conduct ourselves as a Board at Legal & General Affordable Homes, 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 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.

In 2019 the Group implemented a new standard practice which requires all Group and subsidiary Board papers to demonstrate that stakeholders have been considered. Details of this have been included in the cover sheet for each Group and subsidiary Board paper since implementation. For each transaction approved by the Legal & General Affordable Homes Board, including but not limited to material acquisitions and strategic expansion, discussion takes place around employee impact and impact on other stakeholders, such as customers. 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 Director of Governance 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 ended 31 December 2023, the Board consider that the following are examples of principal decisions that it made in the period:

- **Contracting on Affordable housing development schemes delivered by housebuilders and developers**
  – as part of the Company's principal activities it contracted on several developments during the year
- **Approval of annual budget and business plans**
  – the Company's 5 year plan was approved
- **Sale of homes to Legal & General Affordable Homes (AR) LLP**
  – 368 stabilised properties were sold to a sister entity for proceeds of £74m
- **Procuring additional long term funding**
  – new long term debt facilities were arranged, providing £65m of funding to support further property acquisitions

The table on the right sets out our key stakeholders and how we have engaged with them in the period, as well as demonstrating stakeholder consideration in the decision making process.

Stakeholders - Their importance to us	The Board's approach to stakeholder engagement	Outcomes and 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 the Group, 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.	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.	The Company's primary customers are the occupiers of our rented and shared ownership properties. The quality of the product and the customer service provided to the end users of the homes is tracked via Net Promoter Scores which are reported regularly to the Board	When assessing any new development opportunity, the Board considers the quality of the home that will be provided. All developments must meet a number of Quality Criteria to be approved. Net Promoter Scores are tracked regularly to assess the quality of product and customer service provided for the Board to consider whether any actions need to be taken.
Workforce Engaging with our Investment Manager enables us to create an inclusive culture and a positive working environment.	Notwithstanding that the Company does not employ staff directly, the Board expects the Investment Manager to ensure services are delivered in accordance with the culture set by the Board. The Board adopted a formal approach to culture and instructed the Investment Manager to adopt and report on this annually.	Each year the Investment Manager coordinates an anonymous company wide employee engagement survey, the results of which and actions to be taken are reviewed and shared with the Board. Some of the decisions made as a result of the survey relate to, for example, training and development, health and well being and change management.
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 positive impact for the environment and wider society.	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.	We base our decisions on which suppliers to work with on a range of qualitative and quantitative factors rather than price alone.
Community/wider society Contributing positively to wider society enables us to create stronger communities and have a positive environmental impact.	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 create 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.	We use our own capital to create real assets which the Group can invest in long term using Group capital and policyholder's assets . This allows us to create value for shareholders, provide stability for pension customers and benefit communities right across the UK. The Good Economy, a social impact consultancy has been appointed by the Board to carry out annual reviews of the business' sustainability and impact performance. The report can be viewed on the website: www.legalandgeneral.com/affordable-homes.

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

Value for Money Statement

Introduction

The Value for Money Standard is one of three economic standards that the Regulator of Social Housing expects registered providers to comply with. It looks at whether a provider is making the best use of the resources that it has to meet it objectives.

In complying with the Value for Money Standard the Legal & General Affordable Homes business seeks to achieve economy, efficiency and effectiveness across all areas of activity. As the business is still in its early growth stage some of its value for money metrics will include outliers when benchmarked to the sector. As the business grows, it should become easier to benchmark performance with sector peers.

Given the growth aspirations, and the ambitions of the organisation overall, the business has assessed itself against the median of the sector and the top quartile.

The Organisation

At 31 December 2023 the Company owned 3,022 properties, a mix of rented and shared ownership, operated via its network of management providers. The Company takes limited development risk and typically acquires homes upon practical completion, primarily from its developing Legal & General Affordable Homes sister companies, which are owned by the common ultimate shareholder, Legal & General Group Plc.

The Company does not employ its own workforce but utilises the resources of an Investment Manager, Legal & General Affordable Homes (Operations) Limited, under an Investment Management Agreement. The Investment Manager is also owned by the common ultimate shareholder, Legal & General Group Plc.

As part of its role, the Investment Manager oversees the outsourced management provider network that delivers services to customers and properties on the Company's behalf.

Activities undertaken in 2023

At the beginning of 2023, the Company had 2,092 properties in operation. Over the course of 2023 the business took handover of completed stock totalling 1,304 homes and in May 2023 transferred 368 homes to its sister business, Legal & General Affordable Homes (AR) LLP. As a result at the end of the year the Company held 3,022 homes under management (excluding homes that had fully staircased in the year). The transfer timing and materiality relative to the total stock holding had a significant impact on the reported metrics which use the end of year stock position in their computation. A similar impact is likely in future years as this reflects the operating model adopted by the business. Supplemental measures will therefore continue to complement the sector standard Value for Money metrics.

How Legal & General Affordable Homes delivers Value for Money

The principle costs of the business are:

- Its financing costs
- Its property and customer management costs
- The fees paid to the Investment Manager

In respect of financing costs, the Company is financed by the Legal & General Group and in order for the business to be successful and grow, it must deliver fair returns to shareholders and funders whilst delivering a great quality customer service. Where the Company enters into debt financing arrangements the Board receives assurance that value for money is being secured through independent reviews of the transactions to ensure the pricing and terms reflect market norms.

In relation to the property and customer management costs, the Legal & General Affordable Homes business achieves value for money through its relationships with the management provider network it has procured. This network was competitively tendered in 2019 and now, five years on, is in the process of renewing these contracts. With this network, Legal & General Affordable Homes remains keen to ensure that it secures quality of service at an efficient cost of management. This renewal exercise will result in the business preserving a network of high-quality management providers at competitive prices. The quality of service that the management providers deliver is overseen by the Investment Manager through performance management agreements which require sector leading performance on service delivery and customer feedback metrics.

Additional services provided to the business are undertaken by the Investment Manager, under an Investment Management Agreement.

The Company's Additional Value For Money Targets

The Legal & General Affordable Homes business has sought to establish a benchmark group of organisations in the sector to compare their value for money performance against. A cross section of Registered Providers who were most similar to the Legal & General Affordable Homes business were selected for this purpose.

However, having attempted to create a meaningful benchmark group it became evident upon testing comparative performance that Legal & General Affordable Homes has many

differences to traditional participants in the affordable housing sector and that benchmark comparisons yield limited value. This is simply as a result of Legal & General Affordable Homes still being in its growth phase as a business and its continued evolution, not least the emergence of additional Registered Providers in the Legal & General Affordable Homes family of businesses.

As a result, the Board agreed a further set of value for money metrics, in addition to the mandatory measures, which it began to monitor and report against from 2022. These voluntary measures demonstrate that the Legal & General Affordable Homes businesses are making a substantial impact on the supply of new homes, delivering good levels of product quality with good energy performance helping to get more people onto the property ladder or find an affordable home to rent.

Value for Money Metrics

The Company tracks its performance using financial, operational and strategic metrics as well as specific value for money metrics. These are monitored in line with the Value for Money Standard 2018 as set out by the Regulator of Social Housing. The Company is consistently seeking to balance the efficiency of its operation with the value it generates for its residents. Therefore, it will always report on customer experience in addition to the required financial metrics in its annual statement. The Company uses Net Promoter Scores as its core indicator of customer experience and has included it in the reporting for the financial year 2023.

			2023 Sector VFM				
Metric	Description		Median Quartile*	Upper Quartile*	2023 Actual	2023 Target	2024 Target
Mandatory value for money targets							
1	Reinvestment	%	6.7	9.4	37.8	76.5	61.7
2	New supply delivered	%	1.3	2.2	43.2	83.4	56.6
3	Gearing	%	45.3	53.7	32.8	50.0	50.0
4	EBITDA MRI	%	128.0	169.0	409.7	324.4	168.7
5	Headline social housing cost per unit	£000	4.6	5.9	3.5	4.5	3.5
6a	Operating Margin - social housing lettings	%	19.8	25.5	33.7	59.3	34.2
6b	Operating Margin - overall	%	18.2	23.0	36.1	59.3	78.2
7	Return on capital employed	%	2.8	3.6	1.6	3.3	8.9
Additional value for money targets							
8	Net Promoter Score		N/A	N/A	+64	+55	+58
9	More affordable housing	Units	N/A	N/A	1,304	1,436	1,507
10	Product quality	%	N/A	N/A	86.0	N/A	N/A
11	Environmental sustainability	%	N/A	N/A	97.0	85.0	85.0
12a	Truly affordable homes - market rent	%	N/A	N/A	62.0	<75	<75
12b	Truly affordable homes - local income	%	N/A	N/A	33.2	<35	<35
13	Efficient model of operation	%	N/A	N/A	73.0	73.0	73.0

* This is based on the 2023 VFM metric release published by the Regulator of Social Housing in February 2024.

Metric 1 - Reinvestment 2023: 37.8%; Target: 76.5%

This metric looks at the fixed asset investment in properties (existing as well as new supply) as a percentage of the value of total properties held. During the year the investment in properties has grown by £113m to £509m. As the business had a comparatively small stock holding at the beginning of 2023, its performance is markedly different from the rest of the sector where businesses typically hold a large existing asset base. Actual reinvestment in 2023 was behind target largely due to the business having made a strategic decision to defer planned asset disposals to its sister Register Provider entities resulting in the Company holding a significantly larger portfolio of properties than was assumed when the target was set.

Metric 2 - New supply delivered 2023: 43.2%; Target: 83.4%

This metric considers the number of new housing units developed in the year as a proportion of total units owned at the end of the year. At the end of 2023 the business owned and managed 3,022 units and had delivered 1,304 new social homes in the period representing 43.2% new supply. Similar to metric 1, performance is tracking behind target due to the year end stock holding being significantly greater than assumed in setting the target. The business focusses solely on delivering social housing and we have not acquired or delivered any non-social housing units in 2023 and therefore have not reported against part b of this metric.

Metric 3 - Gearing 2023: 32.8%; Target: 50%

During 2023 the Company put in place an additional inflation linked £65m facility increasing its total debt facilities to £165m. At 31 December 2023 the Company had fully drawn-down against these facilities. The Company will continue to ensure that its gearing levels are appropriate by balancing the need for debt funding alongside equity investment to increase our capacity to deliver more homes and enable us to be capital efficient with the need for the organisation to be financially stable and resilient to any market downturns.

Metric 4 - Earnings Before Interest, Tax, Depreciation, Amortisation, Major Repairs Included (EBITDA MRI) 2023: 409.7%; Target: 324.4%

This metric measures the level of surplus compared to interest payable. For the year ended 31 December 2023 the Company's performance far exceeded the performance of the wider sector due to the structure of its funding yielding lower interest charges alongside the performance of its portfolio. Performance was also in excess of target due to lower interest costs being incurred as a result of lower gearing reported by the Company relative to the target level of gearing (see metric 3 above).

Metric 5 - Headline social housing cost per unit 2023: £3,500; Target: £4,500

This metric assesses the cost per unit of operating properties under management. The Company's headline cost per unit benchmarks well to industry peers as a result of the portfolio being predominantly made up of new build housing. It had been anticipated that the Company will have costs lower than the sector median for a number of years to come due to this feature of its portfolio.

The 2023 headline cost per unit was favourable to the target and below the sector median. This is largely due to the Company having acquired c35% of its 2023 property acquisitions in December 2023 - properties in relation to which it incurred negligible costs in 2023. The method of calculating this metric therefore means the inclusion of these units reduces the average cost per unit.

Metric 6a&b - Operating Margin 6a) 2023: 33.7%; Target: 59.3% 6b) 2023: 36.1%; Target: 59.3%

This metric demonstrates the profitability of the operating assets. Metric 6a represents the operating margin on social housing only and 6b takes into account all operating surplus for the year (excluding revaluation gains/losses). Any gain/loss on Investment Property revaluation is excluded from both metrics. The operating margin on both metrics is below the target largely as a result of the properties acquired in 2023 being acquired later than anticipated when setting the target resulting in lower net rental income being received by the Company.

Metric 7 - Return on capital employed 2023: 1.6%; Target: 3.3%

This metric compares the operating surplus to total assets less current liabilities and is a measure to assess the efficient use of capital. The ROCE for the Company is representative of the fact that significant investment is being made in social housing stock to achieve our ambitious targets with revenue not yet fully stabilised. Total assets less current liabilities are taken at the Balance Sheet date of 31st December 2023. This means the return is low compared to established peers who hold and maintain a large standing stock. It is anticipated that the business will perform below the sector norm whilst it continues to grow and it establishes a stock holding commensurate with its peer group. The actual ROCE is lower than target due to a combination of lower actual operating surplus and higher value of assets being held at the year end due to delayed sales.

Metric 8 - Net Promoter Score 2023: +64; Target: +55
Net Promoter Score is calculated based on the question: "On a scale of 1-10, how likely is it that you would recommend us to a friend or colleague?" Based on the score a customer selects out of 10, they are categorised as Promoters (if they score 9 or 10), Passives (if they score 7 or 8) and Detractors (if they score 6 or lower). The overall score is calculated by subtracting the percentage of Detractors from the percentage of Promoters. The Company uses an independent organisation to collect all of its customer experience data to ensure neutrality. In any sector, a score of +50 and above is deemed to be excellent and the Business is delighted that customers have consistently scored us high on Net Promoter Score throughout the year.

Even with our strong Net Promoter Score we recognise that there is room for improvement and in particular, we review all negative feedback and customer complaints to drive continuous improvement in our performance. This is reflected in the year on year improvement in our Net Promote Score.

Metric 9 - More affordable housing in 2023: 1,304 units; Target: 1,436 units
This metric demonstrates the substantial impact the Company is making to the supply of new homes.

Metric 10 - Product quality 2023: +86 ; Target: N/A;
Product Quality is measured through a Likert scale with new customers rating their home on a scale of 1 to 5 with 1 being Very Poor and 5 being Very Satisfied. For the year ended 31 December 2023 86% of new customers said they were either very satisified or satisfied with the new home they have moved into. Notwithstanding the favourable scoring, we continue to work with our volunteer customer panel and suppliers to help shape and improve our product and service offerings.

Metric 11 - Environmental sustainability 2023: 97%; Target: 85%
This metric looks at the average EPC score of homes acquired in the year. This is an important measure for the business as it seeks to deliver homes that minimise the impact on the planet and improve affordability for customers. The Company's target is for 85% or more of units developed to have an EPC rating of B or better. The Company is delivering 97% of homes at EPC B or better which is well above the performance of new homes in the wider English housing market at 84%.

Metric 12 - Truly affordable homes 12a) 2023: 62%; Target: less than 75% 12b) 2023: 33.2%; Target: less than 35%
This metric measures the affordability of our homes. Metric 12a looks at the average rent charged as a percentage of market rent whilst 12b captures the average rent charged as a percentage of gross local income. For 90% of the homes acquired by the Company the rent charge cannot exceed 80% of market rent with the remaining 10% being social rent homes where rents are typically charged at 50% or less of market rent. With an average rent at 62% of market rent the Company is offering excellent value to its customers.

Metric 13 - Efficient model of operation 2023: 73%; Target: 73%
This metric looks at the gross to net performance of the business which underpins net operating income against which the asset base is valued. The metric reported here is based upon the performance of occupied assets and does not include costs associated with managing empty properties. This provides a better period to period comparison of underlying performance. Overall performance on this metric remains strong and is in line with target. This is as a result of rents being set at or near to their forecast levels at letting and costs being controlled largely through the fixed structure of MP fees at forecast levels.

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Company 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 Company 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice 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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Modern slavery

Legal & General Group Plc and its global subsidiaries ("The Group") 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 www.legalandgeneralgroup.com/csr/modern-slavery-statement/.

Disclosure of information to auditors

Each of the directors, who held office at the date the Directors' report is approved, confirms that:
(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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.

This report was approved by the Board on 30 May 2024 and signed by order of the Board.

Ian Peters
Chair of the Board

Independent auditor's report to the members of Legal and General Affordable Homes Limited

Opinion

We have audited the financial statements of Legal and General Affordable Homes Limited ("the Company") for the year ended 31 December 2023 which comprise the Balance Sheet, the Income Statement, the 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 affairs of the Company as at 31 December 2023 and of its loss 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, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2019.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud
- Reading Board and audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards 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 of the routine, low value nature of rental transactions. We did not identify any additional fraud risks.

We performed procedures including identifying journal entries based on risk criteria and comparing the identified entries 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 through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

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

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety (including related fire safety and building standards). Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

Other information

The directors are responsible for the other information, which comprises the strategic report, the directors' report, and the chairman's statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic report, the directors' report and the chairman's report 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 23, 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 and section 128 of the Housing and Regeneration Act 2008. 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.

Sarah Brown (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

SBrown

Chartered Accountants: One Snowhill, Snow Hill Queensway
Birmingham B4 6GH Date: 28 June 2024

Financial Statements

Income Statement

For the year ended 31 December 2023	Notes	2023 £'000	2022 £'000
Revenue	3	23,063	18,999
Other income	4	592	3,155
Operating expenditure	5	(14,738)	(9,496)
Other gains and losses	6	(36,160)	(9,404)
Operating (loss)/ profit before interest and tax		**(27,243)**	**3,254**
Finance costs		(11,428)	(10,788)
(Loss)/ profit before tax		**(38,671)**	**(7,534)**
Tax credit/ (expense)	10	9,499	3,857
(Loss)/ profit for the year		**(29,172)**	**(3,677)**

The notes on pages 31 to 40 form an integral part of these financial statements.

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

Balance Sheet

As at 31 December 2023	Notes	2023 £'000	2022 £'000
Assets			
Non-current assets			
Investment property	11	504,968	391,331
Current assets			
Inventories	12	4,410	5,519
Cash at bank		22,762	26,370
Financial Asset	13	48,133	27,394
Trade and other Receivables	14	11,812	17,537
Deferred tax asset	15	10,446	3,491
		97,563	**80,311**
Total assets		**602,531**	**471,641**
Liabilities			
Non-current liabilities			
Loan facility	16	188,525	113,680
		188,525	**113,680**
Current liabilities			
Trade and other payables	17	39,289	12,934
Financial Liability	13	48,133	27,394
Reservation deposits held		71	77
		87,493	**40,405**
Total liabilities		**276,018**	**154,085**
Net assets		**326,513**	**317,556**
Equity			
Share capital and premium	18	350,000	311,871
Retained earnings		(23,487)	5,685
Total equity		**326,513**	**317,556**

The notes on pages 31 to 40 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the board on 30 May 2024 and were signed on its behalf by

Ian Peters
Chair of the Board
Legal & General Affordable Homes Limited (Company No. 11223470)

Statement of changes in Equity

For the year ended 31 December 2023	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Total £'000
As at 1 January 2023	-	311,871	5,685	317,556
Loss for the year	-	-	(29,172)	(29,172)
Total comprehensive loss for the year	**-**	**-**	**(29,172)**	**(29,172)**
Shares issued	-	38,129	-	38,129
As at 31 December 2023	**-**	**350,000**	**(23,487)**	**326,513**

For the year ended 31 December 2022	Share Capital £'000	Share Premium £'000	Retained Earnings £'000	Total £'000
As at 1 January 2022	**-**	201,871	9,361	211,232
Loss for the year	-	-	(3,676)	(3,676)
Total comprehensive loss for the year	**-**	**-**	**(3,676)**	**(3,676)**
Shares issued	-	110,000	-	110,000
As at 31 December 2022	**-**	**311,871**	**5,685**	**317,556**

The notes on pages 31 to 40 form an integral part of these financial statement

Notes to the Financial Statements

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.

(a) Basis of Preparation

Legal & General Affordable Homes Limited ("the Company") is a registered provider of social housing for profit. The financial statements of Legal & General Affordable Homes Limited 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, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit and loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(j). The accounts are also prepared in accordance with the Accounting Direction for Private Registered Providers of Social Housing 2019 and the Housing Statement of Recommended Practice 2018 ("SORP"), to the extent that the SORP does not conflict with UK adopted international accounting standards.

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

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise price of share options, and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Statements: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15, 'Revenue from Contracts with Customers'.
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16, 'Leases'.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:

  (i) paragraph 79(a)(iv) of IAS 1;

  (ii) paragraph 73(e) of IAS 16 Property, plant and equipment

  (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)

'The following paragraphs of IAS 1, 'Presentation of financial statements':

- 10(d), (statement of cash flows)
- 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
- 16 (a statement of compliance with all IFRS),
- 38A (requirement for minimum of two primary statements, including cash flow statements),
- 38B-D (additional comparative information),
- 40A-D (requirements for a third statement of financial position)
- 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.

(b) Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements. The Company has continued to model various scenarios around the impact of the macroeconomic challenges faced and is comfortable that there are no significant risks to the business which would impact its ability to continue as a going concern.

The Company has the ability to draw down on committed capital from its parent Company. A £165m debt facility was fully drawn at the end of the year. Subsequent to the balance sheet date the Company also entered into a revolving credit facility for £125m. This will support the Company's business activities for the foreseeable future.

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 prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through funding from its immediate parent, Legal and General Assurance Society Limited ("LGAS"), to meet its liabilities as they fall due for 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. 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. The Directors have considered plausible downsides which may impact the ability of LGAS to provide continued funding and have a reasonable expectation that the parent company has sufficient capital resources to meet funding commitments.

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

(c) Investment Property

Under the Housing SORP guidance properties that are held for the provision of social housing must be treated as property, plant and equipment. The Company recognises its properties as Investment Properties, measured at cost on initial recognition and subsequently at fair value as determined by external valuers and derived from current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. The fair value is determined to be at Level 3 of the fair value hierarchy outlined in IFRS13 Fair Value Measurement. There have been no transfers between levels of the fair value hierarchy. No depreciation is provided. Changes in fair value are recognised in the Income Statement.

The Company has deviated from the Housing SORP in treating all properties as Investment Property due to the following reasons:

- The Company holds its property to earn rentals and for capital appreciation which is the definition of Investment Property under IAS 40
- The Company is a for-profit registered provider and so it provides social housing not solely for the purpose of holding it for social benefit, but also with the aim of generating a financial return
- The accounts are prepared in accordance with the Housing SORP to the extent that the SORP does not conflict with UK adopted international accounting standards.

The intended use of the property is the overriding criteria when determining whether a property is Property, Plant and Equipment or Investment Property. The SORP guidance in this respect has not been followed since it is considered to contradict management's interpretation of IAS 40. The intended use of Investment Properties is to earn profitable rents and/or capital appreciation and therefore the Company will hold its properties as Investment Property at fair value, with movements recognised through the Income Statement.

Derecognition of the relevant portion of the property takes place through subsequent staircasing. The difference between the net disposal proceeds and the carrying value of the related portion of the asset disposed is recognised in profit or loss in the period of recognition.

All of the investment property relates to the Company's share of the properties which they control and retain legal title to.

Shared ownership

Shared ownership is where initially a long operating lease on a property is granted through the sale of an initial portion to the occupier, in return for an initial payment (the first Tranche). Initial sales are made by the Company's sister development companies and recognised as revenue in their financial statements.

Shared owners have the right to acquire further tranches (staircasing) and any profit or loss on such subsequent sales are recognised in the Income Statement as a part disposal of Investment Properties.

(d) Inventory

Inventories are stated at the lower of cost and net realisable value and comprise projects under development and proportions of shared ownership properties allocated as first tranche sales.

(e) Financial Asset and Financial Liability

When completed Shared Ownership units are handed over to the Company from its sister development companies it recognises the residual element of the Shared Ownership units as Investment Property on its Balance Sheet. The unsold first tranche element is recognised as a current 'Financial Asset' and an equal 'Financial Liability' is recognised to reflect the future sale of which the proceeds are due to the sister development company. At the year end a review of the market value of the first tranche element is carried out with any adjustments resulting in a change to the financial asset and corresponding liability.

(f) Government Grants

Grant income is accounted for under the performance model. Grants on completed schemes are recognised in the Income Statement as revenue at the point of completion. Grants on schemes currently under development are recognised as a liability on the Balance Sheet up until the point of completion.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less or bank overdrafts.

(h) Revenue recognition

Revenue is stated excluding recoverable Value Added Tax and represents social housing related income from lets and grant income. Please refer to the table below for revenue recognition by source.

Rent and service charge income billing and collection is undertaken on behalf of the Company by the Company's network of management providers.

Revenue source	Recognition, nature and timing
Rent and service charge income	Rent and service charge income is recognised in the Income Statement for the period that it relates to.
Grant income	Grants on completed schemes are recognised in the Income Statement as revenue at the point of completion.

Rent and service charge income billing and collection is undertaken on behalf of the Company by the Company's network of management providers.

(i) Current 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 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 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 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 tax asset is realised or the deferred tax liability is settled.

Deferred 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 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 tax assets and liabilities relate to 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.

(j) Critical accounting estimates and judgments

In the application of the Company's accounting policies, the directors are required to make judgements that have significant impact on the amounts recognised and to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis.

i) Significant estimates:

Investment Property

Investment Property is stated at fair value at the year end with changes in fair value recognised in the Income Statement. Changes to the estimates used to derive the market value will therefore impact on the results and financial position of the Company. Any decrease in valuation and subsequent profitability of the Company in the next 12 months is not expected to impact the long term strategy of the Company.

Financial asset/liability - first tranche sales

At the year end a review of the market value of the first tranche element is carried out with any adjustments resulting in a change to the financial asset and corresponding liability. Changes to the estimates used to derive the market value will therefore impact on the financial position of the Company.

ii) Significant judgements:

Impairment

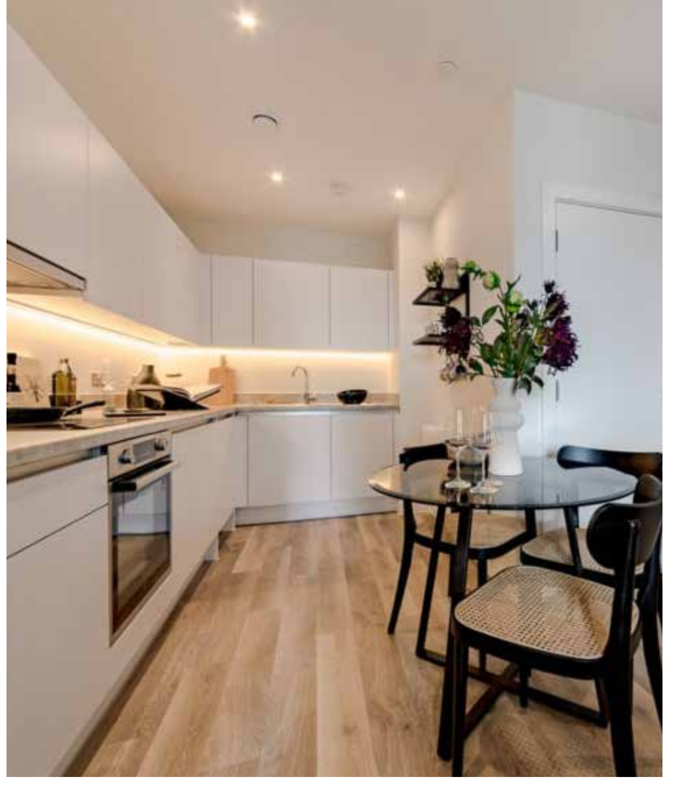
Determining whether inventories require any impairment requires judgement. As a result of the impairment reviews conducted for the year no indicators of impairment have been identified and no provisions have been required.

Deferred tax
Deferred 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 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 tax assets and liabilities relate to 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.

2. Segmental disclosure

The turnover and pre-tax profit is all attributable to the Company's activities as an owner of affordable housing and arises wholly in the UK.



3. Revenue

	2023 £'000	2022 £'000
Rent and service charge income	17,543	13,157
First tranche sales	3,031	-
Grant income	2,489	5,842
	23,063	18,999

Net rental income relates to the gross rental income less direct costs (see note 5 below) on properties that had been handed over post development during the year. At the year end 3,022 homes (2022: 2,092 homes) were under management.

Grants received

	2023 £'000	2022 £'000
Grant received recognised in the Income Statement	1,268	5,270
Grant received recognised on the Balance Sheet	-	-
	1,268	5,270

Grants on completed schemes are recognised in the P&L at the point of completion. Grants on schemes currently under development are recognised as a liability on the Balance Sheet up until the point of completion.

4. Other income

	2023 £'000	2022 £'000
Amounts receivable under the contract for difference	-	3,155
Interest received	**592**	-
	592	3,155

The amounts received under the contract for difference relate to amounts received from the Company's sister company (Legal & General Affordable Homes (Development) Limited) in relation to the capital charges arising from the services provided in the development of affordable housing less any development gains or loss paid over to Legal & General Affordable Homes (Development) Limited. All remaining contracts for difference were terminated in 2022.

5. Operating expenditure

	2023 £'000	2022 £'000
Cost of sales	(3,109)	-
Direct costs	(6,013)	(4,871)
Administrative expenses	(1,017)	(530)
Fee under an Investment Management Agreement	(4,599)	(4,095)
	(14,738)	(9,496)

6. Other gains and losses

	2023 £'000	2022 £'000
Revaluation loss on Investment Property	(35,928)	(11,875)
(Loss)/ gain on Investment Property	(232)	**2,471**
	(36,160)	(9,404)

7. Audit fees

	2023 £'000	2022 £'000
Audit fees	64	69
	64	69

During the year the Company did not obtain any non-audit services from its Auditor (2022: £nil).

8. Employees

The Company had no employees during the year

9. Directors' emoluments

Certain Directors are employees of Legal & General and are not paid by the Company to undertake their activities as directors of the Company, and the costs are not paid by the Company however the costs included below represent a fair allocation of their remuneration in relation to the work they undertake for the Company.

	2023 £'000	2022 £'000
Simon Century (resigned 15 February 2023)	1	5
Karl Shaw	5	5
Liewen Chan (appointed 16 February 2023 and resigned 27 July 2023)	2	-
Ben Denton	5	5
Pete Gladwell (appointed 27 July 2023)	2	
	15	15

The payments to the independent Non Executive Directors are shown below.

	2023 £'000	2022 £'000
Ian Graham (Chair) (resigned 31 December 2023)	15	9
Karen Wilson (resigned 27 September 2023)	9	7
Sarah Melinek	11	7
Kathryn Davis (appointed 27 September 2023)	3	-
Kevin Gould (appointed 27 September 2023)	3	-
	41	23

10. Tax

	2023 £'000	2022 £'000
Current tax		
UK Corporation Tax		
- Current tax (credit)/ charge on profits for the year	(2,794)	229
- Adjustments in respect of prior years	250	(857)
Total current tax credit	**(2,544)**	(628)
Deferred tax		
- Origination and reversal of temporary differences	(6,783)	(3,229)
- Impact of change in tax rates	(172)	-
Total deferred tax (credit)/charge	**(6,955)**	(3,229)
Tax credit on profit on ordinary activities	**(9,499)**	(3,857)

Factors affecting current tax charge/(credit) for the period:

The current tax credit for the period is lower than the tax calculated at the standard rate of corporation tax in the UK for the year ended 31 December 2023 of 23.5% (2022: 19.0%). The differences are explained below:

	2023 £'000	2022 £'000
Profit on ordinary activities before tax	(38,671)	(7,534)
Tax calculated at the standard UK Corporation Tax rate of 23.5% (2022: 19%)	(9,088)	(1,431)
Effects of:		
Adjustments in respect of prior year current tax	**250**	(857)
Expenses not deductible for tax purposes	6,801	2,225
Income not deductible for tax purposes	**(507)**	(565)
Current Tax Credit	**(2,544)**	(628)

Factors which may affect future tax charges

The Finance Act 2022 increased the rate of Corporation Tax from 19% to 25% from 1 April 2023. To calculate the current tax on profits, the rate of tax used is 23.5% (2022: 19%), which is the average rate of Corporation Tax applicable for the year. The future enacted tax rate of 25% has been used in the calculation of certain UK deferred tax assets and liabilities, as the rate of Corporation Tax that is expected to apply when all those deferred tax balances are expected to reverse.

Residential Property Developer Tax has been applied to trading profits arising from UK residential property development activity at a rate of 4%.

11. Investment Property

	Long term investment property	
	2023 £'000	2022 £'000
Valuation		
At 1 January	391,331	264,058
Additions	222,374	236,544
Disposals	(72,809)	(97,396)
Gain/(loss) on revaluation of investment property	(35,928)	(11,875)
At 31 December	**504,968**	391,331
Investment Property by tenure:		
Shared ownership	328,331	234,725
Affordable rent	158,561	126,168
Social rent	18,076	30,438
At 31 December	**504,968**	391,331

External valuations are carried out by CBRE Limited. Completed assets are held at fair value which is based on the Existing Use Value for Social Housing (EUV-SH). The established method for determining fair value is a discounted cash flow. It allows the valuer to capture explicitly the main variables affecting the letting, management and operation of each property over the long term.

The main inputs and assumptions used relating to the valuation ranged as follows:

	2023	2022
HPI - house price index	-2.1% - 4.8%	-2.9% - 7.2%
CPI - consumer price index	1.6% - 6.7%	1.4% - 10.1%
RPI - retail price index	2.5% - 8.9%	2.4% - 12.6%
Staircasing rate (Shared Ownership properties only)	2.4%	2.4%
% of gross rent receivable	97.3% - 99%	97.30%

The assumptions around how much staircasing may arise in any one year relates to shared owners progressively acquiring a greater share of the property they have acquired on a part buy - part rent agreement with the Company.

The Company has no restrictions on the realisability of its investment properties.

If the investment properties had been accounted for under the historic accounting rules, the properties would have been measured as follows:

	2023 £'000	2022 £'000
Gross historic cost	548,547	407,550
	548,547	407,550

12. Inventories

	2023 £'000	2022 £'000
Shared ownership properties (First Tranche Sales)	4,410	5,519
	4,410	5,519

This is the portion of Shared Ownership properties held by the Company for sale to customers. There were no write-downs or reversal of prior period inventory write-downs. No inventories are carried at below cost.

13. Financial Asset & Liability

When completed Shared Ownership units are handed over to the Company from its sister development companies it recognises the residual element as Investment Property on its Balance Sheet. The unsold first tranche element is recognised as a current 'Financial Asset' and an equal 'Financial Liability' is recognised to reflect the future sale of which the proceeds are due to the sister development company. At the year end this asset and corresponding liability amounted to £48.1m (2022: £27.4m)

14. Trade and other receivables

	2023 £'000	2022 £'000
Accrued Income	2,763	3,369
Loan Capitalised Costs	195	143
Intercompany Debtors	4,696	13,358
Corporation Tax receivable	2,365	627
Accrued grant income	1,793	-
Other Debtors	-	40
	11,812	17,537

15. Deferred tax asset

	2023 £'000	2022 £'000
At 1 January	3,491	261
Additional credit/ (expense) recognised during the year in the income statement	6,955	3,230
At 31 December	**10,446**	3,491

16. Loan facility

	2023 £'000	2022 £'000
Loan facility	188,525	113,680
	188,525	113,680

During the year the Company entered into an additional £65m debt facility increasing its total debt facilities to £165m (2022: £100m). During the year the debt facilities were fully utilised. The loan balances reported above include loan accretion costs which have been added to the principal over the term of the loans.

17. Trade and other payables

	2023 £'000	2022 £'000
Intercompany Creditors	36,110	11,126
Accruals	2,724	1,294
Trade Creditors	-	1
VAT payable	46	46
Other Creditors	409	467
	39,289	12,934

18. Share capital

Authorised share capital	**2023 Number of shares**	2023 £'000	**2022 Number of shares**	2022 £'000
At 31 December: ordinary shares of £1 each	14	-	13	-

Issued share capital, fully paid	**Number of shares**	**Share Capital £'000**	**Share Premium £'000**
As at 1 January 2023	13	-	311,871
Issued shares during the year	1		38,129
As at 31 December 2023	**14**	**-**	**350,000**

19. Commitments

The Company has committed to purchasing 1,616 homes (2022: 2,751 homes) at a value of £314m (2022: £449m) from its sister development companies, Legal & General Affordable Homes (Development) Limited, Legal & General Affordable Homes (Development 2) Limited and Legal and General Affordable Homes (Development 3) Limited. It should be noted that development risk is borne by the sister development companies. The commitments will be funded through a combination of debt and equity.

20. Ultimate parent undertaking

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

The ultimate parent company is Legal & General Group Plc, a company incorporated in England & Wales - the controlling party which consolidates the financial statements of the Company. These accounts therefore provide information about the Company as an individual undertaking. Copies of the accounts 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. Cash flow statement

The Company has taken advantage of the exemption under paragraph 8 (h) of FRS 101 from the requirements of IAS 7 Statement of Cash flows, and hence has not presented a cash flow statement.

22. Related party transactions

Transactions during the year related to fees under an Investment Management Agreement to sister company Legal & General Affordable Homes (Operations) Limited of £4.6m (2022: £4.1m), payments made to its development sister companies on handover of homes of £222.4m (2022: £236.5m) and the net amount under a contract for difference to Legal & General Affordable Homes (Development) Limited which is set out in note 4 to these accounts. The sister development company, Legal & General Affordable Homes (Development 3) Limited is a registered provider of social housing.

Other related party transactions relate to transactions with one of the Company's legal advisors, Gowlings WLG (UK) LLP "Gowlings". A director of the Company is married to a partner at Gowlings. Although the partner is not involved in any of the transactions with the Company and Gowlings are on the Legal & General Group procurement framework, we are obliged to disclose the nature and amount of the transactions during the year. During the year £0.5m (2022: £0.04m) was billed by Gowlings to the Company and the year end creditor owed to Gowlings at 31 December 2023 amounted to £nil (2022: £nil).

23. Post balance sheet events

Subsequent to the balance sheet date the Company entered into a revolving credit facility with Barclays Bank Plc for £125m.

Registered Office:
One Coleman Street
London EC2R 5AA

Registered in England & Wales No. 11223470

Legal & General
AFFORDABLE HOMES