

LAND SECURITIES PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

LAND SECURITIES PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2025

The directors of Land Securities PLC (the 'Company') present their Strategic Report and the audited financial statements for the year ended 31 March 2025.

Results for the year

The results are set out in the Statement of Comprehensive Income on page 8.

Review of the business

The Company has continued its business of investment holding. No changes in the Company's principal activity are anticipated in the foreseeable future.

Key performance indicators

The directors of the Land Securities Group PLC and its subsidiaries ('the Group') manage the Group's operations on a group basis. For this reason, Company's directors believe that an analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group is discussed in the consolidated financial statements of Land Securities Group PLC, in which the entity is consolidated, and which does not form part of this report.

Principal risks and uncertainties

The principal risk facing the Company is that poor performance of the Group's investment properties might have a material impact on the investments held in subsidiary undertakings in the financial statements. The Company's performance during the year indicates a satisfactory performance of the investments held, considering the impact of the wider macro-economic environment. Looking forward, the directors will continue to closely monitor the impact of the wider macro-economic environment and other changes in the operating environment on the performance of the investment properties.

Financial risk management

The Company's debt financing exposes it to a variety of financial risks that include the effects of changes in liquidity and interest rates.

The Company faces interest rate risk as the unsecured external borrowings have floating interest rates. Management periodically reviews the amount of interest within the Company in order to monitor the effect of interest rate change.

There is no material difference between the book value and the fair value of the Company's financial instruments.

Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided in the Group's Annual Report, which does not form part of this report.

Section 172(1) statement

The Company's ultimate parent company is Land Securities Group PLC which indirectly holds 100% of the ordinary share capital of the Company (refer note 18). The Company's framework in respect of requirements under section 172(1) of the Companies Act is applied through the Land Securities Group's processes and policies, which place stakeholders at the forefront of the directors' decision making. Details of the Group's framework with respect to interests of customers, communities, employees, partners, suppliers and investors can be found in the consolidated financial statements of Land Securities Group PLC for the year ended 31 March 2025, available on the Group's website, www.landsec.com.

At a Company level, the directors take the interests of stakeholders, namely the Group as the Company's customer and investor and the community in which the Company operates, into account when making relevant decisions, ensuring regular and clear lines of communication between the Company and the Group. The relevance of each stakeholder group may increase or decrease by reference to the issue in question, so the directors seek to understand the needs and priorities of each group during its discussions. This, together with the combination of the consideration of long-term consequences of decisions and the maintenance of the Group's reputation for high standards of business conduct, is integral to the way the directors operate. The Company Secretary plays a key role in ensuring that stakeholders' interests are fully considered and addressed during the course of the directors' discussions.

LAND SECURITIES PLC

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Registered Office
100 Victoria Street
London
SW1E 5JL

This report was approved by the Board and signed on its behalf by:

M Thomas, for and on behalf of LS Company Secretaries Limited
Company Secretary

Date:

Registered and domiciled in England and Wales
Registered number: 00551412

LAND SECURITIES PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2025

The directors of Land Securities PLC (the 'Company') present their report and the audited financial statements for the year ended 31 March 2025.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the audited 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 audited 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 to enable them to ensure that the audited financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' engagement statement

Details of how directors have engaged with key stakeholders of the Company have been disclosed in the Section 172(1) statement in the Strategic Report.

Principal activity

The Company has continued its business of investment holding. No changes in the Company's principal activity are anticipated in the foreseeable future.

Review of the business and future developments are disclosed in the Strategic Report.

Going concern

The directors have determined that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Land Securities Group PLC (together with its subsidiaries referred to as the 'Group'). The directors' going concern assessment covers the period to 30 September 2026 and confirmation has been received that Land Securities Group PLC will support the Company until this date, so long as the Company remains a subsidiary of Land Securities Group PLC. If the Company was sold within the next 12 months from 30 September 2025, confirmation has been received that Land Securities Group PLC would ensure the Company remains in a position to continue as a going concern at the point of sale. The Company's ability to meet its future liabilities is therefore dependent on the financial performance, position and liquidity of the Group as a whole. At the Group level, considerations included potential risks and uncertainties in the business, credit, market, property valuation and liquidity risks, including the availability and repayment profile of bank facilities, as well as forecast covenant compliance. Stress testing has been carried out to ensure the Group has sufficient cash resources to continue in operation for the period to 30 September 2026. This stress testing modelled a scenario with materially reduced levels of cash receipts over the next 12 months. Based on these considerations, together with available market information and the directors' knowledge and experience of the Company, the directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2025.

Results for the year and dividend

Results for the year are disclosed in the Strategic Report.

The directors do not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: £Nil) in addition to the interim dividend of £900,000,000 (2024: £Nil) paid on 11 December 2024, making a total dividend for the year of £900,000,000 (2024: £Nil).

Directors

The directors who held office during the year and up to the date of this report unless otherwise stated were:

L L Sellars (resigned 31 March 2025)
E A Gillbe
M C Allan
V K Simms
C Mairs
M R Worthington
D J Holder
A J Peeke (appointed 19 December 2024)

LAND SECURITIES PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Indemnity

The Company has made qualifying third party indemnity provisions for the benefit of the respective directors which were in place throughout the year and which remain in place at the date of this report.

Financial risk management

The financial risk management objectives and policies are disclosed in the Strategic Report.

Statement of disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Registered Office
100 Victoria Street
London
SW1E 5JL

This report was approved by the Board and signed on its behalf by:

M Thomas, for and on behalf of LS Company Secretaries Limited
Company Secretary

Date: 26 September 2025

Registered and domiciled in England and Wales
Registered number: 00551412

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND SECURITIES PLC

Opinion of the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Land Securities Plc ("the Company") for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND SECURITIES PLC (CONTINUED)

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations; and
- Involvement of tax specialists in the audit.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls where manual journals could be posted to inflate investment carrying value of investment or not recording impairment.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Corroborating net asset values to underlying support and where relevant to valuation report.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND SECURITIES PLC (CONTINUED)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jason Partington (Senior statutory auditor)

For and on behalf of
BDO LLP, Statutory Auditor

London, UK

26 September 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number: OC305127).

LAND SECURITIES PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £000	2024 £000
Dividends income	6	1,000	-
Gross profit		1,000	-
Impairment of investment in subsidiary undertakings	9	(138,043)	(226,061)
Loss on disposal of investment		(65)	-
Operating loss		(137,108)	(226,061)
Interest income	5	44,473	44,693
Interest expense	5	(16,258)	(23,672)
Loss before tax		(108,893)	(205,040)
Taxation	7	(6,034)	(5,255)
Loss and total comprehensive loss for the financial year		(114,927)	(210,295)

There were no recognised gains or losses for 2025 or 2024 other than those included in the Statement of Comprehensive Income.

All amounts are derived from continuing activities.

LAND SECURITIES PLC
REGISTERED NUMBER: 00551412

BALANCE SHEET
AS AT 31 MARCH 2025

		2025	2024
		£000	£000 (restated)
Non-current assets			
Held to maturity investments	8	1,109,367	1,674,161
Investments in subsidiary undertakings	9	4,216,359	4,354,402
		<u>5,325,726</u>	<u>6,028,563</u>
Current assets			
Trade and other receivables	10	7,472	28,395
Amounts due from Group undertakings	11	782,794	955,397
Cash and cash equivalents	12	138	34,472
		<u>790,404</u>	<u>1,018,264</u>
Current liabilities			
Trade and other payables	13	(12,276)	(5,858)
Amounts owed to Group undertakings	14	(8,596)	-
Borrowings	15	(749,598)	(680,382)
		<u>(770,470)</u>	<u>(686,240)</u>
Net assets		<u><u>5,345,660</u></u>	<u><u>6,360,587</u></u>
Capital and reserves			
Share capital	16	530,791	530,791
Share premium		357,157	357,157
Capital redemption reserve		35,991	35,991
Retained earnings		4,421,721	5,436,648
Total equity		<u><u>5,345,660</u></u>	<u><u>6,360,587</u></u>

The financial statements on pages 8 to 19 were approved by the Board of Directors and were signed on its behalf by:

E A Gillbe
Director

Date: 26 September 2025

LAND SECURITIES PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025**

	Share capital £000	Share premium £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
At 1 April 2023	530,791	357,157	35,991	5,646,943	6,570,882
Total comprehensive loss for the financial year	-	-	-	(210,295)	(210,295)
At 31 March 2024	530,791	357,157	35,991	5,436,648	6,360,587
Total comprehensive loss for the financial year	-	-	-	(114,927)	(114,927)
Transactions with shareholders:					
Dividends	-	-	-	(900,000)	(900,000)
At 31 March 2025	530,791	357,157	35,991	4,421,721	5,345,660

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared on a going concern basis and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006. The financial statements are prepared under the historical cost convention.

Land Securities Plc (the 'Company') is a public limited company by shares and is incorporated, domiciled and registered in England and Wales (Registered number: 00551412). The nature of the Company's operations is set out in the Strategic Report on page 1. The results of the Company are included in the consolidated financial statements of Land Securities Group PLC which are available from the Company's registered office at 100 Victoria Street, London, SW1E 5JL.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2025. The financial statements are prepared in Pounds Sterling (£) and are rounded to the nearest thousand pounds (£000) unless otherwise stated..

1.2 Group accounts

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary of Land Securities Group PLC, a Company incorporated in England and Wales whose consolidated financial statements are publicly available.

1.3 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets; and
 - paragraphs 76 and 79(d) of IAS 40 Investment Property.
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 36B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The equivalent disclosures relating to IFRS 7, IFRS 13 and IAS 36 are included in the consolidated financial statements of Land Securities Group PLC, in which the entity is consolidated.

1.4 Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost, less any repayment of capital and provision for impairment in value (see 1.11).

1.5 Held to maturity investments

Held to maturity investments are recognised when the Company has both a positive intention to hold the investment to maturity and has the financial resources to do so. They are recognised initially at cost and subsequently at amortised cost using the effective interest method.

Held to maturity investments held by the Company are Medium Term Notes (MTNs) that are secured on assets of Land Securities Group PLC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. Accounting policies (continued)

1.6 Trade and other receivables

Trade and other receivables are recognised initially at fair value, subsequently at amortised cost and, where relevant, adjusted for the time value of money, and are presented in the balance sheet net of allowances for doubtful receivables. The Company assesses on a forward-looking basis, the expected credit losses associated with its trade receivables. A provision for impairment is made for the lifetime expected credit losses on initial recognition of the receivable. If collection is expected in more than one year, the balance is presented within non-current assets.

In determining the expected credit losses, the Company takes into account any recent payment behaviours and future expectations of likely default events (i.e. not making payment on the due date) based on individual customer credit ratings, actual or expected insolvency filings or company voluntary arrangements, likely deferrals of payments due, rent concessions and market expectations and trends in the wider macro-economic environment in which our customers operate.

Trade and other receivables are written off once all avenues to recover the balances are exhausted and the lease has ended. Receivables written off are no longer subject to any enforcement activity.

1.7 Cash and cash equivalents

Cash and cash equivalents comprises cash balances, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or fewer.

1.8 Provisions

A provision is recognised in the Balance Sheet when the Company has a constructive or legal obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Where relevant, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1.9 Share capital

Ordinary shares are classified as equity.

1.10 Going concern

The directors have determined that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Land Securities Group PLC (together with its subsidiaries referred to as the 'Group'). The directors' going concern assessment covers the period to 30 September 2026 and confirmation has been received that Land Securities Group PLC will support the Company until at least this date, so long as the Company remains a subsidiary of Land Securities Group PLC. If the Company was sold within the next 12 months from 30 September 2025, confirmation has been received that Land Securities Group PLC would ensure the Company remains in a position to continue as a going concern at the point of sale. The Company's ability to meet its future liabilities is therefore dependent on the financial performance, position and liquidity of the Group as a whole. At the Group level, considerations included potential risks and uncertainties in the business, credit, market, property valuation and liquidity risks, including the availability and repayment profile of bank facilities, as well as forecast covenant compliance. Stress testing has been carried out to ensure the Group has sufficient cash resources to continue in operation for the period to 30 September 2026. This stress testing modelled a scenario with materially reduced levels of cash receipts over the next 12 months. Based on these considerations, together with available market information and the directors' knowledge and experience of the Company, the directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2025.

1.11 Impairment

The carrying amounts of the Company's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below). An impairment loss is recognised in the Statement of Comprehensive Income whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. The value in use is determined as the net present value of the future cash flows expected to be derived from the asset, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount after the reversal does not exceed the amount that would have been determined, net of applicable depreciation, if no impairment loss had been recognised.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

1. Accounting policies (continued)

1.12 Income taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the tax payable on the taxable income for the year and any adjustment in respect of previous years. Deferred tax is provided in full using the Balance Sheet liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.

No provision is made for temporary differences (i) arising on the initial recognition of assets or liabilities, other than on a business combination, that affect neither accounting nor taxable profit and (ii) relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future.

1.13 Intercompany loans

Amounts due from Group undertakings

Amounts due from Group undertakings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, amounts due from Group undertakings are stated at amortised cost and, where relevant, adjusted for the time value of money. The Company assesses on a forward-looking basis, the expected credit losses associated with its amounts due from Group undertakings. A provision for impairment is made for the lifetime expected credit losses on initial recognition of the amounts due. If collection is expected in more than one year, the balance is presented within non-current assets.

In determining the expected credit losses, the Company takes into account any future expectations of likely default events based on the level of capitalisation of the counterparty, which is a fellow subsidiary undertaking of Land Securities Group PLC.

Amounts owed to Group undertakings

Amounts owed to Group undertakings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, amounts owed to Group undertakings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the Statement of Comprehensive Income over the period of the loan, using the effective interest method.

1.14 Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the Statement of Comprehensive Income account over the period of the borrowings, using the effective interest method.

1.15 Trade and other payables

Trade and other payables with no stated interest rate and payable within one year are recorded at transaction price. Trade and other payables after one year are discounted based on the amortised cost method using the effective interest rate.

1.16 Dividends

Final dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Dividend income is recognised when the Company's right to receive payment is established.

2. Changes in accounting policies and standards

The accounting policies used in these financial statements are consistent with those applied in the last annual financial statements, as amended where relevant to reflect the adoption of new standards, amendments and interpretations which became effective in the year. There have been no new accounting standards, amendments or interpretations during the year that have a material impact on the financial statements of the Company.

Amendments to accounting standards

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the Company, none of which are expected to have a material impact on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

3. Significant accounting judgements and estimates

The Company's significant accounting policies are stated in note 1 above. Not all of these significant accounting policies require management to make difficult, subjective or complex judgements or estimates. The following is intended to provide an understanding of the policies that management consider critical because of the level of complexity, judgement or estimation involved in their application and their impact on the financial statements. These estimates involve assumptions or judgements in respect of future events. Actual results may differ from these estimates. No significant judgements have been made during the year.

Estimates

a) Impairment of investment in subsidiary undertakings

The Company is required to judge when there is sufficient objective evidence to require the impairment of investments in subsidiaries. It does this by assessing the net asset value of each subsidiary undertaking as at year end. A provision for impairment is made if the net asset value of the subsidiary undertaking is lower than the carrying amount of the investment recorded by the Company.

b) Amounts due from Group undertakings

The Company is required to estimate the impairment of amounts due from Group undertakings. It does this by assessing on a forward-looking basis, the expected credit losses associated with its amounts due from Group undertakings. A provision for impairment is made for the lifetime expected credit losses on initial recognition of the amounts due. In determining the expected credit losses, the Company takes into account any future expectations of likely default events based on the level of capitalisation of the counterparty, which is a fellow subsidiary undertaking of Land Securities Group PLC.

4. Management and administrative expenses

(a) Management services

The Company had no employees during the year (2024: None). Management services were provided to the Company throughout the year by Land Securities Properties Limited, a fellow subsidiary undertaking, charges for which amount to **£Nil** (2024: £Nil).

(b) Directors' remuneration

The Group's directors' emoluments are borne by Land Securities Properties Limited. The directors of the Company received no emoluments from Land Securities Properties Limited for their services to the Company (2024: £Nil).

(c) Auditor remuneration

The Group auditor's remuneration is borne by Land Securities Properties Limited. The proportion of the remuneration which relates to the Company amounts to **£12,000** (2024: £5,825). No non-audit services were provided to the Company during the year (2024: None).

5. Net interest income

	2025 £000	2024 £000
Interest expense		
Short term borrowings	(16,258)	(23,672)
	(16,258)	(23,672)
Interest income		
Interest receivable on loan investments	34,037	26,427
Interest on amounts due from Group undertakings	10,436	18,266
	44,473	44,693
Net interest income	28,215	21,021

Interest receivable from the Group's MTNs of £76,815,000 (2024: £62,292,000) has been offset by the amortisation of premiums incurred purchasing the Group's MTNs. The amortisation, calculated using the effective interest method, amounted to £43,434,000 (2024: £54,346,000). See note 8 for further details.

LAND SECURITIES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

6. Dividend Income

	2025	2024
	£000	£000
Dividend income	1,000	-
	<u>1,000</u>	<u>-</u>

7. Income tax

	2025	2024
	£000	£000
Corporation tax		
Income tax on loss for the year	6,034	5,255
Total income tax charge in the Statement of Comprehensive Income	<u>6,034</u>	<u>5,255</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2024 - higher than) the standard rate of corporation tax in the UK of 25% (2024 - 25%) as set out below:

	2025	2024
	£000	£000
Loss before tax	<u>(108,893)</u>	<u>(205,040)</u>
Loss before tax multiplied by UK corporation tax rate	(27,223)	(51,260)
Effects of:		
Non-deductible expense	34,511	56,515
Non-taxable income	(234)	-
Adjustment in respect of prior years	(1,020)	-
Total tax charge for the year	<u>6,034</u>	<u>5,255</u>

Land Securities Group PLC is a Real Estate Investment Trust (REIT). As a result Land Securities Group Companies do not pay UK corporation tax on the profits and gains from qualifying rental business in the UK provided it meets certain conditions. Non-qualifying profits and gains of the Company continue to be subject to corporation tax as normal.

LAND SECURITIES PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

8. Held to maturity Investments

	At 1 April					At 31 March
	2024	Purchases	Premium	Amortisation	Disposal	2024
	£000	£000	£000	£000	£000	£
	(restated)					
A5 - 5.391% MTN due in 2027	539,807	-	-	(18,447)	(521,360)	
A6 - 5.376% MTN due in 2029	281,410	-	-	(8,141)	-	273,
A7 - 5.396% MTN due in 2032	295,194	-	-	(7,105)	-	288,
A11 - 5.125% MTN due in 2036	557,750	-	-	(9,741)	-	548,
	<u>1,674,161</u>	<u>-</u>	<u>-</u>	<u>(43,434)</u>	<u>(521,360)</u>	<u>1,109,</u>
	At 1 April	Purchases	Premium	Amortisation	Disposal	As 31 March
-	2023	£000	£000	£000	£000	2024
	£000				(restated)	£000
						(restated)
A10 - 4.875% MTN due in 2025	294,935	-	-	(4,794)	(290,141)	
				)	)	
A4 - 5.391% MTN due in 2026	199,994	-	-	(6,353)	(193,641)	
				)	)	
A5 - 5.391% MTN due in 2027	557,939	-	-	(18,132)	-	539,8
				)		
A6 - 5.376% MTN due in 2029	289,444	-	-	(8,034)	-	281,4
				)		
A7 - 5.396% MTN due in 2032	302,717	-	-	(7,523)	-	295,1
				)		
A11 - 5.125% MTN due in 2036	567,260	-	-	(9,510)	-	557,7
				)		
	<u>2,212,289</u>	<u>-</u>	<u>-</u>	<u>(54,346)</u>	<u>(483,782)</u>	<u>1,674,1</u>
				)	)	

Held to maturity investments are recognised when the Company has both a positive intention to hold the investment to maturity and has the financial resources to do so. They are recognised initially at cost and subsequently at amortised cost using the effective interest method. Held to maturity investments held by the Company are MTNs that are secured on the assets of Land Securities Group PLC.

During the year, the Company has purchased no additional MTNs (2024: £Nil) on behalf of Land Securities Group PLC and its subsidiaries.

The table above summarises the movements in the current financial year, which solely relate to amortisation.

During the preparation of these financial statements, it was identified that the opening balances for other investments (assets held for maturity) were overstated with the A10 and A4 MTN's having matured in the prior year. As a result, a prior year adjustment has been recognised. The impact of the prior year adjustment has been disclosed in note 19.

9. Investment in subsidiary undertakings

	2025	2024
	£000	£000
At the beginning of the year	4,354,402	4,580,463
Impairment	(138,043)	(226,061)
At 31 March	4,216,359	4,354,402

During the year, the Company received £1,000,000 (2024: £Nil) dividend income from its investment in subsidiary undertakings.

The total cost of investment in subsidiary undertakings is £5,441,943,000 (2024: £5,441,943,000). The total provision for impairment of investment in subsidiary undertakings is £1,225,584,000 (2024: £1,087,541,000).

The directors believe that the carrying value of the investment is supported by the fair value of the subsidiary undertakings.

LAND SECURITIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

The subsidiary undertakings of the Company are:

Name	Class of shares owned	Holding percentage	Principal country of incorporation	Nature of business
Land Securities (Finance) Limited	£1 Ordinary shares	100%	England	Financing
Land Securities Portfolio Management Limited	£1 Ordinary shares	100%	England	Investment holding
LS Property Finance Company Limited	£1 Ordinary shares	100%	England	Financing
Land Securities Capital Markets PLC	£1 Ordinary shares	100%	England	Financing
LS London Holdings One Limited	£1 Ordinary shares	100%	England	Investment holding
LS New Street Square Investments Limited	£1 Ordinary shares	100%	England	Domant
LS Development Holdings Limited	£1 Ordinary shares	100%	England	Investment holding

All subsidiary undertakings are registered at 100 Victoria Street, London, SW1E 5JL.

10. Trade and other receivables

	2025 £000	2024 £000
Accrued income	5,587	26,428
Prepayments	1,885	1,962
Social security and other taxes	-	5
Total trade and other receivables	7,472	28,395

11. Amounts due from Group undertakings

	2025 £000	2024 £000 (restated)
Amounts due from Group undertakings - fellow subsidiary	782,794	955,397
Total amounts due from Group undertakings	782,794	955,397

The unsecured amounts due from Group undertakings are repayable on demand with no fixed repayment date. Interest is charged at 4.9% per annum (2024: 4.9%).

During the preparation of these financial statements, it was identified that the opening balances for other investments (assets held for maturity) were overstated with the A10 and A4 MTN's having matured in the prior year. As a result, a prior year adjustment has been recognised. The impact of the prior year adjustment has been disclosed in note 19.

12. Cash and cash equivalents

	2025 £000	2024 £000
Cash and cash equivalents	138	34,472
Total cash and cash equivalents	138	34,472

LAND SECURITIES PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

13. Trade and other payables

	2025 £000	2024 £000
Accruals	384	-
Current tax liabilities	11,892	5,858
Total trade and other payables	12,276	5,858

14. Amounts owed to Group undertakings

	2025 £000	2024 £000 (restated)
Amounts owed to Group undertakings - fellow subsidiaries	8,596	-
Total amounts owed to Group undertakings	8,596	-

The unsecured amounts owed to Group undertakings are repayable on demand with no fixed repayment date. Interest is charged at **4.9%** per annum (2024: 4.9%).

15. Borrowings - Commercial Papers

	Nominal/notional value		Fair value		Book value	
	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000
Commercial paper						
Sterling	270,000	15,000	270,000	15,000	270,000	15,000
Euro	309,845	518,859	309,845	518,859	309,845	518,859
US Dollar	169,753	146,523	169,753	146,523	169,753	146,523
	749,598	680,382	749,598	680,382	749,598	680,382

16. Share capital

	Authorised and issued		Allotted and fully paid	
	2025 Number	2024 Number	2025 £000	2024 £000
Ordinary shares of £1.00 each	530,791,385	530,791,385	530,791	530,791
Deferred ordinary shares of £1.00 each	1	1	-	-
	530,791,386	530,791,386	530,791	530,791

The deferred ordinary share carries no rights to attend or vote at a general meeting of the Company. It is also not entitled to receive a dividend. However, if a dividend declared on the ordinary shares is an amount in excess of £1,000.00 per share, the deferred ordinary share is then entitled to receive a fixed dividend of £0.01. The likelihood of this occurring is remote. On winding up the holder of the deferred share is entitled to repayment of the amount paid up on the share after the paid up ordinary share capital has been paid. The share does not have the right to participate in the assets of the Company on winding up.

17. Contingencies

The Company has contingent liabilities in respect of legal claims, guarantees, and warranties arising in the ordinary course of business. While it is not possible to reliably estimate the financial effect of these contingent liabilities, management does not expect any material liabilities to arise. Accordingly, no provision has been recognised in the financial statements.

LAND SECURITIES PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

18. Parent company

The immediate parent company is Land Securities Intermediate Limited.

The ultimate parent company and controlling party at 31 March 2025 was Land Securities Group PLC, which is registered in England and Wales. This is the largest parent company of the Group to consolidate these financial statements.

Consolidated financial statements for the year ended 31 March 2025 for Land Securities Group PLC can be obtained from the Company Secretary at the registered office of the ultimate parent company, 100 Victoria Street, London, SW1E 5JL, and from the Group's website at www.landsec.com. This is the largest and smallest Group to include these accounts in its consolidated financial statements.

19. Impact of prior year restatement

The balance sheet for the year ended 31 March 2024 have been restated due held to maturity investments being erroneously overstated with both the A10 and A4 MTNs having matured in the year. The impact is to decrease the value of held to maturity investments for the year ended 31 March 2024 by £483,782,000 and an increase to amounts due from group undertakings of £483,782,000. There is no impact on retained earnings as at 31 March 2024. The impact of the restatement is as follows:

	2024 £000
Non-current assets	
Held to maturity investments at 31 March 2024	2,157,943
Adjustment	(483,782)
Held to maturity investments at 31 March 2024 (restated)	1,674,161
Current assets	
Amounts due from Group undertakings at 31 March 2024	795,146
Amounts owed to Group undertakings at 31 March 2024	(323,531)
Adjustment	483,782
Amounts due from Group undertakings at 31 March 2024 (restated)	955,397

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.