Registered number: 00961477

LAND SECURITIES PROPERTIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The directors of Land Securities Properties Limited (the 'Company') present their Strategic Report and the audited financial statements for the year ended 31 March 2023 .

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 to provide management services for its ultimate parent company and other Group undertakings. No changes in the Company's principal activity are anticipated in the foreseeable future.

Creditor payment policy

The Company manages payments to suppliers on behalf of Land Securities Group PLC and its subsidiaries (the 'Group'). The Company agrees the terms and conditions under which business transactions with its suppliers are conducted. It is policy that payments to suppliers are made in accordance with these terms, provided that the supplier is also complying with all relevant terms and conditions. Trade creditors at 31 March 2023 were equivalent to 28 days of purchases during the year ended on that date.

Key performance indicators

The directors of the Group manage the Group's operations on a group basis. For this reason, the 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 Land Securities PLC investment properties might have a material impact on the management service income in the financial statements. The Company's performance during the year indicates a satisfactory performance of the investment properties 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 is exposed to liquidity risk, credit risk and interest rate risk. Given the absence of external borrowings in the Company, liquidity risk and interest rate risk are not considered material. While the Company has minimal short-term liquidity requirements, any funding requirements could be covered by committed facilities held by other Group companies.

The Company's principal financial assets are trade and other receivables and amounts due from Group undertakings and therefore the credit risk it faces is primarily attributable to its trade receivables and amounts due from Group undertakings. Trade receivables 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 and amounts due from Group undertakings. A provision for impairment is made for the lifetime expected credit-losses on initial recognition of the receivable and amounts due from Group undertakings. In determining the credit-loss of amounts due from Group undertakings, 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.

There is no material difference between the book value and the fair value of the 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.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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 20). 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 2023, 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 investor, the Company's employees 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 stakeholders. 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.

Registered Office
100 Victoria Street
London
SW1E 5JL

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

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

Date: 5 December 2023

Registered and domiciled in England and Wales

Registered number: 00961477

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The directors of Land Securities Properties Limited (the 'Company') present their report and the audited financial statements for the year ended 31 March 2023.

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 acccunting 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, including its employees, have been disclosed in the Section 172(1) statement in the Strategic Report.

Principal activity, review of the business and future developments

The Company has continued to provide management services for its ultimate parent company and other Group undertakings. 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 that 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 31 December 2024 and confirmation has been received that Land Securities PLC will support the Company until this date, so long as the Company remains a subsidiary of Land Securities PLC. If the company was sold within the next 12 months from 31 December 2023, 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 31 December 2024. 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 2023.

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 dividend for the year ended 31 March 2023 (2022: £Nil).

Directors

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

E Miles (resigned 25 May 2022)
L McCaveny (appointed 25 May 2022)
B Hoffman (resigned 28 February 2023)
M Allan
A Peeke
V Simms
M Thomas (appointed 8 November 2022)
K Sellers (appointed 6 April 2023)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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.

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

Date: 5 December 2023

Registered and domiciled in England and Wales
Registered number: 00961477

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND SECURITIES PROPERTIES LIMITED

Opinion

We have audited the financial statements of Land Securities Properties Limited (the 'Company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2023 and of its profit 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.

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 below. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 to 31 December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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 PROPERTIES LIMITED (CONTINUED)

Matters on which we are required to report by exception

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 strategic report or 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 set out on page 3, 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant tax regulations in the United Kingdom.
- We understood how the Company is complying with those frameworks through enquiry with the Company and by identifying the Company's policies and procedures regarding compliance with laws and regulations. We also identified those members of the Company who have the primary responsibility for ensuring compliance with laws and regulations, and for reporting any known instances of non-compliance to those charged with governance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by reviewing the Land Securities Group risk register and through enquiry with the Company's Management during the planning and execution phases of the audit. Where the risk was considered to be higher we performed audit procedures to address each identified fraud risk, specifically the risk over revenue recognition, including the timing of the revenue recognition, impairment of investment in subsidiary undertakings and impairment of amounts due from group undertakings.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved:
    - Enquiry of Management, and when appropriate, those charged with governance of the Company regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
    - Reading minutes of meetings of those charged with governance;
    - Obtaining direct bank confirmations to vouch the existence of cash balances;
    - Obtaining and reading correspondence from legal and regulatory bodies, including HMRC; and
    - Journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding the business.

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.

Graeme Downes (Senior statutory auditor)

For and on behalf of
Ernst & Young LLP, Statutory Auditor

London
08 December 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £000	2022 £000
Revenue	4	**121,702**	119,501
Property management and administrative expenses	5	**(89,119)**	(84,795)
Impairment on amounts due from Group undertakings	5	**(17,716)**	(10,533)
Operating profit		**14,867**	24,173
Interest income	7	**124,125**	102,515
Interest expense	7	**(123,409)**	(102,997)
Dividend income		**-**	327
Profit before tax		**15,583**	24,018
Taxation	9	**(7,957)**	(7,182)
Profit for the financial year		**7,626**	16,836
Other comprehensive income:			
Re-measurement (loss)/gain on defined benefit pension schemes	6	**(12,310)**	21,481
Deferred tax movement on re-measurement gain/(loss) on defined benefit pension schemes	19	**3,015**	(5,699)
Total comprehensive (loss)/income for the year		**(1,669)**	32,618

There were no recognised gains and losses for 2023 or 2022 other than those included in the Statement of Comprehensive Income.

All amounts are derived from continuing activities.

LAND SECURITIES PROPERTIES LIMITED
REGISTERED NUMBER: 00961477

BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	2023 £000	2022 £000
Non-current assets			
Tangible fixed assets	11	**2,965**	2,662
Intangible assets	12	**2,436**	4,937
Investments in subsidiary undertakings	10	**50**	50
Pension surplus	6	**15,750**	27,810
		21,201	35,459
Current assets			
Trade and other receivables	13	**56,806**	68,384
Amounts due from Group undertakings	14	**3,457,904**	3,324,268
Cash and cash equivalents	17	**1,490**	44,278
		3,516,200	3,436,930
Current liabilities			
Trade and other payables	15	**(49,240)**	(54,964)
Amounts owed to Group undertakings	16	**(3,388,760)**	(3,303,578)
		(3,438,000)	(3,358,542)
Non-current liabilities			
Deferred tax	19	**(3,938)**	(6,953)
		(3,938)	(6,953)
Net assets		**95,463**	106,894
Capital and reserves			
Share capital	18	**321,000**	321,000
Share premium		**124,000**	124,000
Retained loss		**(349,537)**	(338,106)
Total equity		**95,463**	106,894

The financial statements on pages 8 to 25 were approved by the Board of Directors and were signed on its behalf by:

M Smout, for and on behalf of LS Director Limited

Date: 5 December 2023

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Share premium	Retained loss	Total equity
	£000	£000	£000	£000
At 1 April 2021	321,000	124,000	(373,776)	71,224
Profit for the financial year	-	-	16,836	16,836
Gain on defined benefit pension scheme	-	-	15,782	15,782
Contributions from ultimate parent in relation to share based payments	-	-	3,052	3,052
At 31 March 2022	**321,000**	**124,000**	**(338,106)**	**106,894**
Profit for the financial year	-	-	7,626	7,626
Loss on defined benefit pension scheme	-	-	(9,295)	(9,295)
Contributions from ultimate parent in relation to share based payments	-	-	(9,762)	(9,762)
At 31 March 2023	**321,000**	**124,000**	**(349,537)**	**95,463**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 financ al statements are prepared under the historical cost convention.

Land Securities Properties Limited (the 'Company') is a private company limited by shares and is incorporated, domiciled and registered in England and Wales (Registered number: 00961477). 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 2023. The financial statements are prepared in Pounds Sterling (£) and are rounded to the nearest thousand pounds (£000), unless otherwise indicated.

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 requ rements of IFRS 7 Financial Instruments: Disclosures
- the requ rements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requ rement 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;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- the requ rements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requ rements of IAS 7 Statement of Cash Flows
- the requ rements 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 requ rements 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 & IAS 36 are included in the consolidated financial statements of Land Securities Group PLC, in which the entity is consolidated.

1.4 Other property, plant and equipment

This category comprises computers, furniture, fixtures and fittings and improvements to Company offices. These assets are stated at cost less accumulated depreciation and are depreciated to their residual value on a straight-line basis over their estimated useful lives of between two and five years.

The residual values and useful lives of all property, plant and equipment are reviewed, and adjusted if appropriate, at least at each financial year end.

1.5 Intangible assets

Intangible assets comprise software used internally within the business. Software assets are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their estimated useful economic lives, normally three to five years.

1.6 Investment in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost, less any repayment of capital and provision for impairment in value (see 1.14).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

1.7 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. 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 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.

1.8 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.

1.9 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.

1.10 Share capital

Ordinary shares are classified as equity.

1.11 Going concern

The directors have determined that preparing that 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 31 December 2024 and confirmation has been received that Land Securities PLC will support the Company until this date, so long as the Company remains a subsidiary of Land Securities PLC. If the company was sold within the next 12 months from 31 December 2023, 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 31 December 2024. 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 2023.

1.12 Revenue

Management fees are recorded as income over time in the year in which the services are rendered. Revenue is recognised over time because the benefit from the services as soon as they are rendered by the Company.

1.13 Expenses

Property and contract expenditure is expensed as incurred.

1. **Accounting policies (continued)**

1.14 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.

1.15 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.

1.16 Intercompany loans

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.

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.

1.17 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.

1.18 Net pension surplus

Contributions to defined contribution schemes are charged to the income statement as incurred.

The pension obligations arising under the Group's defined benefit pension scheme are measured at discounted present value. The scheme assets are measured at fair value, except annuities which are valued to match the liability or benefit value. The operating and financing costs of the scheme are recognised separately in the income statement. Service costs are spread using the projected unit credit method. Past service costs are recognised immediately in the income statement in the period in which they are identified. Net financing costs are recognised in the period in which they arise, calculated with reference to the discount rate, and are included in finance income or expense on a net basis. Re-measurement gains and losses arising from either experience differing from previous actuarial assumptions, or changes to those assumptions, are recognised immediately in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. Accounting policies (continued)

1.19 Share based payments

The cost of granting shares, options over shares and other share-based remuneration to employees and Executive Directors is recognised through the income statement. All awards are equity settled and therefore the fair value is measured at the grant date. Where the awards have non-market related performance criteria, the Group uses the Black-Scholes option valuation model to establish the relevant fair values. Where the awards have Total Shareholder Return (TSR) market related performance criteria, the Group has used the Monte Carlo simulation valuation model to establish the relevant fair values. The resulting values are amortised through the income statement over the vesting period of the awards. For awards with non-market related criteria, the charge is reversed if it appears probable that the performance or service criteria will not be met.

1.20 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.

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.

Estimates

(a) Amounts due from Group undertakings

The Company is required to judge when there is sufficient objective evidence to require 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.

(b) Defined Benefit Plans

The cost of the defined benefit pension plan and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further detail about pension obligations are given in Note 6.

4. Revenue

	2023	2022
	£000	£000
Management fee income	**121,702**	119,501
Total revenue	**121,702**	119,501

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Management and administrative expenses

(a) Directors' remuneration

The Group's directors' emoluments are borne by this Company. The directors of the Company, who are key management personnel of the Company, received no emoluments from Land Securities Properties Limited for their services to the Company (2022: £Nil).

(b) Auditor remuneration

The Group auditor's remuneration is borne by this Company. The proportion of the remuneration which relates to the Company amounts to **£3,090** (2022: £ 2,630). No non-audit services were provided to the Company during the year (2022: £Nil).

(c) Provision for impairment in value

An impairment charge of **£17,716,000** (2022: £10,553,000) in respect of amounts due from Group undertakings has been recognised in the Statement of Comprehensive Income for the year.

	2023 £000	2022 £000
Management and administrative expenses include the following:		
Recharges	**5,025**	7,800
Employee costs	**57,592**	54,969
Depreciation and amortisation of property, plant and equipment and intangible assets	**3,113**	2,266
Auditor's remuneration	**1,612**	1,257
Premises overheads	**2,406**	585
Professional fees	**5,685**	9,096
Other management and administrative expenses	**13,686**	8,822
	89,119	84,795

6. Net pension surplus

Defined contribution schemes
The charge to operating profit for the year in respect of pension costs for defined contribution schemes was £3m (2022: £3m).

Defined benefit scheme
The Pension & Assurance Scheme of the Land Securities Group of Companies (the Scheme) is a registered defined benefit final salary scheme subject to the UK regulatory framework for pensions, including the Scheme Specific Funding requirements. The Scheme is operated under trust and as such, the Trustees of the Scheme are responsible for operating the Scheme and they have a statutory responsibility to act in accordance with the Scheme's Trust Deed and Rules, in the best interest of the beneficiaries of the Scheme and UK legislation (including trust law). The Trustees and the Group have the joint power to set the contributions that are paid to the Scheme.

In setting contributions to the Scheme, the Trustees and the Group are guided by the advice of a qualified independent actuary on the basis of triennial valuations using the projected unit credit method. The Scheme is closed to new members (and was closed to future accrual on 31 October 2019). A full actuarial valuation of the Scheme was undertaken on 30 June 2021 by the independent actuaries, Hymans Robertson LLP. This valuation was updated to 31 March 2023 using, where required, assumptions prescribed by IAS 19 Employee Benefits. The next full actuarial valuation will be performed as at 30 June 2024.

There have been no employer or employee contributions following the closure of the Scheme to future accrual on 31 October 2019. Prior to this, the employer contribution rate was **43.1%** of pensionable salary to cover the costs of accruing benefits and the employee contributions were at **8%** of monthly pensionable salary. It was also agreed that no further deficit contributions were required from the Group. Employee contributions were paid by salary sacrifice, and therefore appeared as Group contributions. The Group does not expect to make any employee or employer contributions to the Scheme in the year to 31 March 2024 (2023: £nil).

All death-in-service and incapacity benefits arising during employment are wholly insured. No post-retirement benefits other than pensions are made available to employees of the Group.

	2023 £000	2022 £000
Analysis of the amounts charged to the income statement		
Current service cost	-	-
Past service costs	500	400
Charge to operating profit	500	400

6. Net pension surplus (continued)

	2023 £000	2022 £000
Analysis of amount credited to net interest expense		
Interest income on plan assets	6,100	4,570
Interest expense on defined benefit scheme liabilities	(5,850)	(4,440)
Net credit to interest income	250	130

Analysis of the amounts recognised in other comprehensive income

	2023 £000	2022 £000
Analysis of gains and losses		
Net re-measurement losses on scheme assets	(58,280)	(4,520)
Net re-measurement gains on scheme liabilities	45,970	26,001
Net re-measurement (loss)/gain	(12,310)	21,481

	2023 £000	2022 £000
Cumulative net re-measurement loss recognised in other comprehensive income	(35,799)	(23,489)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

The net surplus recognised in respect of the defined benefit scheme can be analysed as follows:

	2023	**2023**	2022	2022
	%	**£'000**	%	£'000
Equities	**-**	**-**	7	14,700
Bonds - Government	**1**	**1,464**	28	65,570
Bonds - Corporate	**-**	**-**	13	31,070
Proceeds from corporate bond sale	**5**	**8,646**	-	-
Insurance contracts	**90**	**152,588**	40	92,057
Cash and cash equivalents	**4**	**6,250**	12	26,771
Fair value of scheme assets	**100**	**168,948**	100	230,168
Fair value of scheme liabilities		**(153,198)**		(202,358)
Net pension surplus		**15,750**		27,810

In the year ended 31 March 2023, **£9m** (2022: £9m) of benefits were paid to members.

6. Net pension surplus (continued)

During the year, the Scheme purchased a buy-in policy with Just Retirement for **£79m**. This insurance contract is valued as an asset using the same IAS 19 assumptions. Insurance contracts are annuities which are unquoted assets. All other Scheme assets have quoted prices in active markets. The Scheme assets do not include any directly owned financial instruments issued by the Group. Indirectly owned financial instruments had a fair value of **£nil** (2022: £nil).

In the most recent triennial valuation the defined benefit scheme liabilities were split **Nil%** (2022: Nil%) in respect of active scheme participants, **26%** (2022: 31%) in respect of deferred scheme participants, and **74%** (2022: 69%) in respect of retirees. As the Scheme is now closed to future accrual, there are no longer any active scheme participants. The weighted average duration of the defined benefit scheme liabilities at 31 March 2023 is **12.0 years** (2022: 14.6 years).

The assumptions agreed with the Trustees of the Scheme for the triennial valuation at 30 June 2021 have been restated to the assumptions described by IAS 19 Employee Benefits. The major assumptions used in the valuation were (in nominal terms):

	2023	2022
	%	%
Rate of increase in pensionable salaries	**n/a**	n/a
Rate of increase in pensions with no cap	**3.50**	4.00
Rate of increase in pensions with 5% cap	**3.35**	3.75
Discount rate	**4.75**	2.70
Inflation - Retail Price Index	**3.50**	4.00
Inflation - Consumer Price Index	**2.80**	3.30

	2023	2022
	Years	Years
The mortality assumptions used in this valuation were:		
Life expectancy at age 60 for current pensioners - Men	**26.7**	26.6
Life expectancy at age 60 for current pensioners - Women	**29.0**	28.9
Life expectancy at age 60 for future pensioners (current age 40) - Men	**29.7**	29.6

Life expectancy at age 60 for future pensioners (current age 40) - Women	**31.8**	31.7

The sensitivities regarding the principal assumptions used to measure the Scheme liabilities are set out below. These were calculated using approximate methods taking into account the duration of the Scheme liabilities.

Assumption	**Change in assumption**	**Impact on Scheme liabilities**
Discount rate	Decrease by 0.5%	Increase by £11m
Life expectancy	Increase by 1 year	Increase by £5m
Rate of inflation	Increase by 0.5%	Increase by £9m

The above sensitivities show the impact on liabilities only and do not reflect the hedging the Scheme has in place. In December 2022, the Scheme transacted a buy-in policy for **£79m** covering all remaining uninsured members. As a result the Group no longer bears any longevity, interest rate or inflation risk in respect of the pension scheme. The buy-in policy is an investment asset of the Scheme.

The Company did not operate any defined contribution schemes or defined benefit schemes during the financial years ended 31 March 2023 or 31 March 2022.

7. Net interest expense

	2023	2022
	£000	£000
Interest expense		
Interest on amounts owed to Group undertakings	**(123,409)**	(102,997)
	(123,409)	(102,997)
Interest income		
Net pension interest (Note 6)	**250**	130
Interest on amounts due from Group undertakings	**123,875**	102,385
	124,125	102,515

8. Share based payments

The total cost recognised in the income statement was **£5,804,000** in the year ended 31 March 2023 (2022: £2,878,000). The following table analyses the total cost recognised in the income statement for the year between each plan, together with the number of options outstanding:

	2023	**2023**	2022	2022
	£000	**No. (000)**	£000	No. (000)
Long-Term Incentive Plan	**2,364**	**3,271**	1,428	2,400
Deferred Share Bonus Plan	**981**	**297**	300	105
Conditional shares	**26**	**-**	-	-
Executive Share Option Scheme	**-**	**1,071**	-	1,100
Sharesave Plan	**237**	**565**	300	600
Restricted Share Plan	**2,196**	**1,628**	850	600
	5,804	**6,832**	2,878	4,805

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Shared based payments (continued)

A summary of the main features of each type of plan is given below. The plans have been split into two categories: Executive plans and Other plans.

Executive plans:

Long-Term Incentive Plan (LTIP)

The LTIP is open to Executive Directors, Executive Leadership Team members and senior leaders with awards made at the discretion of the Remuneration Committee. The awards are issued at nil consideration, subject to performance and vesting conditions being met. Awards of LTIP shares normally vest after three years. Awards are satisfied by the transfer of existing shares held by the Employee Benefit Trust (EBT). There were no awards exercised during the year (2022: the weighted average share price at the date of vesting during the year was 752p). The estimated fair value of awards granted during the year under the scheme was **£7m** (2022: £7m).

Deferred Share Bonus Plan (DSBP)

The Executive Directors' annual bonus is structured in two distinct parts made up of an initial payment and deferred shares. The shares are usually deferred for one or two years and are not subject to additional performance criteria. Awards are satisfied by the transfer of existing shares held by the EBT at nil consideration. The weighted average share price at the date of vesting during the year was **615p** (2022: 703p). The estimated fair value of awards granted during the year under the scheme was **£2m** (2022: £1m).

Other plans:

Executive Share Option Scheme (ESOS)

The 2005 ESOS was previously open to managers not eligible to participate in the LTIP, but has largely been replaced by the new Restricted Share Option Plan in the year ended 31 March 2020. Awards are discretionary and are granted over ordinary shares of Land Securities Group PLC at the middle market price on the three dealing days immediately preceding the date of grant. Awards normally vest after three years and are not subject to performance conditions. Awards are satisfied by the transfer of shares from the EBT and lapse ten years after the date of grant. There were no awards exercised during the year (2022: None). The estimated fair value of awards granted during the year under the scheme was **£nil** (2022: £nil).

Sharesave Plan

Under the Sharesave Plan, Executive Directors and other eligible employees are invited to make regular monthly contributions into a Sharesave plan operated by Equiniti. On completion of the three- or five-year contract period, ordinary shares n Land Securities Group PLC may be purchased at a price based upon the middle market price on the three dealing days immediately preceding the date of invitation less 20% discount. The weighted average share price at the date of exercise for awards exercised during the year was **717p** (2022: 764p). The estimated fair value of awards granted during the year under the scheme was **£1m** (2022: £1m).

Restricted Share Plan (RSP)

The RSP started in the year ended 31 March 2020. It is open to qualifying management level employees with awards granted as nil cost options. Awards are discretionary and are granted over ordinary shares of Land Securities Group PLC at the middle market price on the day immediately preceding date of grant. Awards normally vest after three years and are not subject to performance conditions. Awards are satisfied by the transfer of shares from the EBT and lapse ten years after the date of grant. The weighted average share price at the date of exercise for awards exercised during the year was **697p** (2022: 787p). The estimated fair value of awards granted during the year under the scheme was **£6m** (2022: £2m).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Share based payments (continued)

The aggregate number of awards outstanding, and the weighted average exercise price, are shown below:

	Executive plans*		Other plans			
	Number of awards				Weighted average exercise price	
	2023	2022	**2023**	2022	**2023**	2022
	Number (000)	Number (000)	**Number (000)**	Number (000)	**Pence**	Pence
At the beginning of the year	**2,492**	2,411	**2,158**	2,227	**805**	821
Granted	**1,825**	1,263	**1,535**	378	**685**	662
Exercised	**(5)**	(323)	**(154)**	(21)	**736**	635
Lapsed	**(744)**	(859)	**(250)**	(426)	**699**	781
At 31 March	**3,568**	2,492	**3,289**	2,158	**768**	805
Exercisable at the end of the year	**-**	-	**1,071**	1,133	**2,072**	1,367
	Years	Years	**Years**	Years		
Weighted average remaining contractual life	**1**	1	**2**	3		

**Executive plans are granted at nil consideration*

The number of share awards outstanding for the Group by range of exercise prices is shown below:

	Weighted average exercise price	**Number of awards**	**Weighted average remaining contractual life**	Weighted average exercise price	Number of awards	Weighted average remaining contractual life
	2023	**2023**	**2023**	2022	2022	2022
	Pence	**000**	**Years**	Pence	000	Years
Exercise price range (pence)						
Nil*	-	**5,196**	**1**	-	3,081	**1**
400 - 599	**552**	**469**	**1**	552	569	2
600 - 799	**665**	**96**	**3**	725	94	-
800 - 999	**936**	**410**	**4**	936	423	5
1,000 - 1,199	**1,022**	**536**	**3**	1,022	553	4
1,200 - 1,399	**1,328**	**126**	**2**	1,328	129	3

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

**Executive plans are granted at nil consideration.*

Fair value inputs for awards with non-market performance conditions

Fair values are calculated using the Black-Scholes option pricing model for awards with non-market performance conditions. The weighted average inputs into this model for the grants under each plan in the financial year are as follows:

	Long-Term Incentive Plan		Deferred Share Bonus Plan	
	2023	2022	**2023**	2022
Share price at grant date	**687|**	696p	**716ɼ**	696|
Exercise price	**n/.**	n/a	**n/ɛ**	n/ɛ
Expected volatility	**39°,**	35%	**39%**	35%
Expected life	**3 year**	3 years	**1.41 years**	3 year:
Risk-free rate	**2.37°,**	0.29%	**1.92%**	0.27%
Expected dividend yield	**5.47°,**	0%	**ni**	n

8. **Share based payments (continued)**

	Restricted Share Plan		Sharesave plan	
	2023	2022	**2023**	2022
Share price at grant date	**706p**	697p	**644p**	683p
Exercise price	**n/a**	n/a	**615p**	584p
Expected volatility	**39%**	35%	**39%**	35%
Expected life	**3 years**	2.88 years	**3 to 5 years**	3 to 5 years
Risk-free rate	**1.96%**	0.27%	**1.65% to 1.71%**	0.22% to 0.40%
Expected dividend yield	**5.25%**	4%	**5.75%**	4%

Expected volatility is determined by calculating the historical volatility of the Group's share price over the previous ten years. The expected life used in the model has been determined based upon management's best estimate for the effects of non-transferability, vesting/exercise restrictions and behavioural considerations. The risk-free rate is the yield at the date of the grant of an award on a gilt-edged stock with a redemption date equal to the anticipated vesting of that award.

Fair value inputs for awards with market performance conditions

Fair values are calculated using the Monte Carlo simulation option pricing model for awards with market performance conditions. Awards made under the 2005 LTIP which were granted after 31 March 2009 include a TSR condition, which is a market-based condition. The weighted average inputs into this model for the scheme are as follows:

	Share price at date of grant		Exercise price		Expected volatility - Group		Expected volatility - index of comparator companies		Correlation - Group vs. index	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Long-Term Incentive Plan	**689p**	696p	**n/a**	n/a	**39%**	35%	**33%**	35%	**53%**	55%

9. **Income tax**

	2023	2022
	£000	£000
Corporation tax		
Income tax on profit for the year	**7,957**	7,324
Adjustments in respect of prior year group relief	**-**	(142)
Total income tax charge in the Income Statement	**7,957**	7,182

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. Income tax (continued)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of **19%** (2022 - 19%) as set out below:

	2023	2022
	£000	£000
Profit before tax	**15,583**	24,018
Profit before tax multiplied by UK corporation tax rate	**2,961**	4,563
Effects of:		
Capitalised interest and other timing d fferences	**895**	53
Expenses not deductible for tax purposes	**3,985**	2,770
Depreciation	**116**	-
Non-taxable income	**-**	(62)
Adjustments in respect of prior years	**-**	(142)
Total tax charge for the year	**7,957**	7,182

Land Securities Group PLC is a Real Estate Investment Trust (REIT). As a result the Company does not pay UK corporation tax on the profits and ga ns 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.

10. Investment in subsidiary undertakings

	2023	2022
	£000	£000
At the beginning of the financial year	**50**	1,035
Return of capital	**-**	(985)
At 31 March	**50**	50

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

During the prior year, the Company received a return of capital in respect of its investment in LS Fenchurch Development Management Lim ted amounting to £985,000, following this the entity was dissolved. In addition the Company had disposed of 100% its investment in LS Liberty o' Southwark Limited which 'esulted in a profit on disposal of **£Nil** during the prior year.

The subsidiary undertakings of the Company are:

Name	**Class of shares / units owned**	**Holding percentage**	**Principal country of incorporation**	**Nature of business**
X-Leisure Limited	£1 A shares £1 B shares	100%	England	Property management
Land Securities Pensions Trustee Limited	£1 Ordinary shares	100%	England	Active

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Tangible fixed assets

	Other fixed assets
	£000
Cost or valuation	
At 1 April 2022	21,865
Additions	915
At 31 March 2023	22,780
Depreciation	
At 1 April 2022	19,203
Charge for the year on owned assets	612
At 31 March 2023	19,815
Net book value	
At 31 March 2023	2,965
At 31 March 2022	2,662

12. Intangible assets

	2023	2022
	£000	£000
At 1 April	4,937	5,054
Capital expenditure	-	-
Amortisation	(2,501)	(117)
At 31 March	2,436	4,937

13. Trade and other receivables

	2023	2022
	£000	£000
Trade receivables	866	1,421
Total current trade receivables	866	1,421
Other receivables	21,512	6,859
Prepayments	34,428	60,104
Total trade and other receivables	56,806	68,384

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. Amounts due from Group undertakings

	2023	2022
	£000	£000
Amounts due from Group undertakings - fellow subsidiaries	3,457,904	3,324,268
Total amounts due from Group undertakings	3,457,904	3,324,268

The unsecured amounts due from Group undertakings are repayable on demand with no fixed repayment date. Interest is charged at **4.3%** per annum (2022: 3.7%).

15. Trade and other payables

	2023	2022
	£000	£000
Trade and other payables	5,288	13,355
Other payables	578	1,848
Accruals	27,468	30,683
Current tax liabilities	15,216	7,259
Social security and other taxes	690	1,819
Total trade and other payables	49,240	54,964

16. Amounts owed to Group undertakings

	2023	2022
	£000	£000
Amounts owed to Group undertakings - fellow subsidiaries	3,388,760	3,303,578
Total amounts owed to Group undertakings	3,388,760	3,303,578

The unsecured amounts owed to Group undertakings are repayable on demand with no fixed repayment date. Interest is charged at **4.3%** per annum (2022: 3.7%).

17. Cash and cash equivalents

	2023	2022
	£000	£000
Cash at bank and in hand	1,490	44,278
	1,490	44,278

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

18. Share capital

	Authorised and issued		Allotted and fully paid	
	2023	2022	**2023**	2022
	Number	Number	**£000**	£000
Ordinary shares of £1.00 each	**321,000,003**	321,000,003	**321,000**	321,000
	321,000,003	321,000,003	**321,000**	321,000

19. Deferred tax liability

	2023	2022
	£000	£000
At 1 April	**(6,953)**	(1,254)
Deferred tax on pension surplus movement	**3,015**	(5,699)
At 31 March	**(3,938)**	(6,953)

Deferred tax is calculated at the rate substantively enacted at the balance sheet date of **25%** (2022: 25%). The movement in the deferred tax liability arising on the re-measurement gain on the defined benefit pension scheme surplus is included within Other Comprehensive Income in the Statement of Comprehensive Income.

20. Parent company

The immediate parent company is Land Securities Property Holdings Limited.

The ultimate parent company and controlling party at 31 March 2023 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 2023 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 website at www.landsec.com. This is the largest and smallest Group to include these accounts in its consolidated financial statements.