

Registered number: 00471606

RAVENSEFT PROPFRTIES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023



RAVENSEFT PROPERTIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the 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 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.

Principal activity, review of the business and future developments

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

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 31 December 2024 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 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

The results are set out in the Statement of Comprehensive Income on page 3.

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:

Land Securities Management Services Limited
LS Director Limited
E Miles (resigned 25 May 2022)
L McCaveny (appointed 25 May 2022)

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.

RAVENSEFT PROPERTIES LIMITED

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

Small companies exemption

The Directors' Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Strategic report

The Company has taken advantage of the exemption under section 114B of the Companies Act 2006 not to prepare a Strategic Report.

Registered Office

This report was approved by the board of directors and signed on its behalf.

DocuSigned by:

Maria Smout

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

Date: December 22, 2023

Registered and domiciled in England and Wales
Registered number: 00471606

RAVENSEFT PROPERTIES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £000	2022 £000
Revenue	4	1,721	2,884
Costs	4	(677)	(1,738)
Gross profit		<u>1,044</u>	<u>1,146</u>
Property management and administrative expenses	5	(50)	(89)
Net deficit on revaluation of investment properties	8	(8,266)	(4,706)
Operating loss		<u>(7,272)</u>	<u>(3,649)</u>
Interest expense	6	(649)	(532)
Loss before tax		<u>(7,921)</u>	<u>(4,181)</u>
Taxation	7	-	-
Loss and total comprehensive loss for the financial year		<u><u>(7,921)</u></u>	<u><u>(4,181)</u></u>

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

All amounts are derived from continuing activities.

RAVENSEFT PROPERTIES LIMITED
REGISTERED NUMBER:00471606

BALANCE SHEET
AS AT 31 MARCH 2023

	Notes	2023 £000	2022 £000
Non-current assets			
Investment properties	8	8,591	12,811
Investment in subsidiary undertaking	9	20,000	20,000
		<u>28,591</u>	<u>32,811</u>
Current assets			
Trade and other receivables	10	1,350	1,010
Amounts due from Group undertaking	11	-	175
		<u>1,350</u>	<u>1,185</u>
Current liabilities			
Trade and other payables	12	(242)	(1,036)
Amounts owed to Group undertakings	13	(20,096)	(15,436)
		<u>(20,338)</u>	<u>(16,472)</u>
Net assets		<u>9,603</u>	<u>17,524</u>
Capital and reserves			
Share capital	14	1,000	1,000
Retained earnings		8,603	16,524
Total equity		<u>9,603</u>	<u>17,524</u>

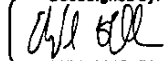
The Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of the financial statements.

The financial statements on pages 3 to 15 were approved by the board of directors and were signed on its behalf by:

DocuSigned by:



E Gilbe, for and on behalf of LS Director Limited

Date: December 22, 2023

RAVENSEFT PROPERTIES LIMITED

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

	Share capital £000	Retained earnings £000	Total equity £000
At 1 April 2021	1,000	20,705	21,705
Total comprehensive loss for the financial year	-	(4,181)	(4,181)
At 31 March 2022	1,000	16,524	17,524
Total comprehensive loss for the financial year	-	(7,921)	(7,921)
At 31 March 2023	1,000	8,603	9,603

RAVENSEFT PROPERTIES LIMITED

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 financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties.

Ravenseft Properties Limited (the 'Company') is a private company limited by shares and is incorporated, domiciled and registered in England and Wales (Registered number: 00471606). The nature of the Company's operations is set out in the Directors' 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 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, 38B, 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 Investment properties

Investment properties are properties, either owned or leased by the Company, that are held either to earn rental income or for capital appreciation, or both. Investment properties are measured initially at cost including related transaction costs, and subsequently at fair value. Fair value is based on market value, as determined by a professional external valuer at each reporting date. The difference between the fair value of an investment property at the reporting date and its carrying amount prior to re-measurement is included in the Statement of Comprehensive Income as a valuation surplus or deficit. Investment properties are presented on the Balance Sheet within non-current assets.

Properties are treated as acquired when the Company assumes control of the property. Capital expenditure on properties consists of costs of a capital nature, including costs associated with developments and refurbishments. Where a property is being developed or undergoing major refurbishment, interest costs associated with direct expenditure on the property are capitalised. The interest capitalised is calculated using the Company's weighted average cost of borrowings. Interest is capitalised from the commencement of the development work until the date of practical completion. Certain internal staff and associated costs directly attributable to the management of major schemes are also capitalised. The total staff and associated costs are capitalised based on the proportion of time spent on the relevant scheme. Internal staff costs are capitalised from the date it is determined to be probable that the development will progress until the date of practical completion.

When the Company begins to redevelop an existing investment property for continued future use as an investment property, the property continues to be held as an investment property. When the Company begins to redevelop an existing investment property with a view to sell, the property is transferred to trading properties and held as a current asset. The property is re-measured to fair value as at the date of the transfer with any gain or loss being taken to the Statement of Comprehensive Income. The re-measured amount becomes the deemed cost at which the property is then carried in trading properties.

RAVENSEFT PROPERTIES LIMITED

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

1. Accounting policies (continued)

1.4 Investment properties (continued)

Properties are treated as disposed when control of the property is transferred to the buyer. Typically, this will either occur on unconditional exchange or on completion. Where completion is expected to occur significantly after exchange, or where the Company continues to have significant outstanding obligations after exchange, the control will not usually transfer to the buyer until completion.

The profit on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the beginning of the accounting period plus capital expenditure to the date of disposal. The profit on disposal of investment properties is presented separately on the face of the Statement of Comprehensive Income.

1.5 Investment in subsidiary undertaking

Investment in subsidiary undertaking is stated at cost, less any repayment of capital and provision for impairment in value (see 1.12).

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. 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. Where a concession is agreed with a customer after the due date for the rent, this amount is recognised as an impairment of the related trade receivable.

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 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.

1.8 Share capital

Ordinary shares are classified as equity.

1.9 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 31 December 2024 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 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.

RAVENSEFT PROPERTIES LIMITED

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

1. Accounting policies (continued)

1.10 Revenue

Rental income, including fixed rental uplifts, is recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives being offered to occupiers to enter into a lease, such as an initial rent-free period or a cash contribution to fit out or similar costs, are an integral part of the net consideration for the use of the property and are therefore recognised on the same straight-line basis. Where the total consideration due under a lease is modified, for example, where a concession is granted to a tenant prior to the date the conceded rent falls due, the revised total amount due under the lease is recognised on a straight-line basis over the remaining term of the lease.

Contingent rents, being lease payments that are not fixed at the inception of a lease, for example turnover rents, are variable consideration and are recorded as income in the year in which they are earned. Where a single payment is received from a tenant to cover both rent and service charge, the service charge component is separated and reported as service charge income.

The Company's revenue from contracts with customers, as defined in IFRS 15, includes service charge income and other property related income.

Service charge income and management fees are recorded as income over time in the year in which the services are rendered. Revenue is recognised over time because the tenants benefit from the services as soon as they are rendered by the Company. The actual service provided during each reporting period is determined using cost incurred as the input method.

Other property related income includes development and asset management fees. These fees are recognised over time, using time elapsed as the input method which measures the benefit simultaneously received and consumed by the customer, over the period the development or asset management services are provided.

1.11 Expenses

Property and contract expenditure is expensed as incurred.

1.12 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.

1.13 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.

1.14 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company is lessor

Operating lease – properties leased out to tenants under operating leases are included in investment properties in the Balance Sheet.

Lease income is recognised over the period of the lease, reflecting a constant rate of return. Where only the buildings element of a property lease is classified as a finance lease, the land element is shown within operating leases.

RAVENSEFT PROPERTIES LIMITED

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

1. Accounting policies (continued)

1.15 Intercompany loans

Amounts due 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.

1.16 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.

1.17 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.

1.18 Joint operations

Joint operations are accounted for by including the Company's share of the assets, liabilities, income and expenses on a line-by-line basis.

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 judgements involve assumptions or estimates in respect of future events. Actual results may differ from these estimates.

Judgements

(a) Joint arrangements

Joint arrangements are those arrangements over whose activities the Company has joint control, established by contractual agreement. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. The Company's interest in 1/11 Sidwell Street, Exeter is accounted for as a joint operation as the Company along with the parties that have joint control of the arrangement, has rights to the assets and obligations for the liabilities relating to the arrangement.

RAVENSEFT PROPERTIES LIMITED

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

3. Significant accounting judgements and estimates (continued)

Estimates

(a) Investment property valuation

The valuation of the Company's property portfolio has been undertaken by independent valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards and UK Supplement (together the "Red Book"). Real estate by its nature is a complex asset class with value determined by a range of factors overlaid by interpretation and judgemental assessment of market data; as such it is classified as 'Level 3 asset' within IFRS. Factors affecting valuation are on an individual property level and include the property type, location, tenure and tenancy characteristics, quality of the asset and prospects for future rental revenue.

The Company's investment property valuation has been undertaken by valuers interpreting market evidence as available in reaching their conclusions on fair value, reflecting asset specific data provided by management, making assumptions that tenure, tenancies, town planning and condition of buildings are as provided. As a result, the valuations the Company places on its property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction volume in the property market.

If the assumptions upon which the external valuer has based its valuations prove to be inaccurate, this may have an impact on the value of the Company's investment and trading properties, which could in turn have an effect on the Company's financial position and results.

(b) Trade and other receivables

The Company is required to judge when there is sufficient objective evidence to require the impairment of individual trade receivables. It does this by assessing 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. 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. These assessments are made on a customer by customer basis.

The Company's assessment of expected credit-losses is inherently subjective due to the forward-looking nature of the assessments, in particular, the assessment of expected insolvency filings or company voluntary arrangements, likely deferrals of payments due and rent concessions. As a result, the value of the provisions for impairment of the Company's trade receivables are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate.

(c) 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.

(d) Impairment of investment in subsidiary undertaking

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.

RAVENSEFT PROPERTIES LIMITED

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

4. Revenue and costs

	2023 £000	2022 £000
Rental income (excluding lease incentives)	1,220	2,416
Adjustment for lease incentives	(23)	17
Rental income	1,197	2,433
Service charge income	487	397
Other property related income	37	54
	1,721	2,884
Costs		
Direct property or contract expenditure	(677)	(1,738)
Gross profit	1,044	1,146

Direct property or contract expenditure are costs incurred in the direct maintenance and upkeep of investment properties. Void costs, which include costs relating to empty properties pending redevelopment and refurbishment, costs of investigating potential development schemes which do not proceed, and costs in respect of housekeepers and outside staff directly responsible for property services, are also included.

5. Property management and administrative expenses

Property management and administrative expenses consist of all costs of managing the property, together with the costs of rent reviews and renewals, re-lettings of the property and management services as explained in note (a) below. No staff costs or overheads are capitalised.

(a) Management services

The Company had no employees during the year (2022: 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 £50,000 (2022: £89,000).

(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 (2022: £Nil).

6. Interest expense

	2023 £000	2022 £000
Interest on amounts owed to Group undertakings	649	532
Total interest expense	649	532

7. Income tax

	2023 £000	2022 £000
Income tax on loss for the year	-	-
Total income tax on loss in the Statement of Comprehensive Income	-	-

RAVENSEFT PROPERTIES LIMITED

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

7. Income tax (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 10%) as set out below:

	2023 £000	2022 £000
Loss before tax	(7,921)	(4,181)
Loss before tax multiplied by UK corporation tax rate	(1,505)	(794)
Effects of:		
Exempt property rental profits in the year	(66)	(100)
Exempt property revaluation deficit in the year	1,571	894
Total tax (credit)/charge in the Statement of Comprehensive Income (as above)	-	-

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 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.

8. Investment properties

	2023 £000	2022 £000
Net book value at the beginning of the year	12,811	15,547
Capital expenditure	4,046	1,970
Deficit on revaluation of investment properties	(8,266)	(4,706)
Net book value at 31 March	8,591	12,811

The historical cost of the investment properties is £40,338,000 (2022: £36,292,000). The difference between the carrying amount and historical cost is a deficit of £31,747,000 (2022: £23,481,000). The market value has been adjusted for tenant lease incentives for an amount of £627,000 (2022: £649,000). The valuations are prepared by JLL Limited, external valuers, in accordance with RICS valuation standards.

The above investment properties act as security against listed debt issued by a fellow Land Securities Group PLC subsidiary.

RAVENSEFT PROPERTIES LIMITED

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

9. Investment in subsidiary undertaking

	2023 £000	2022 £000
At the beginning of the year	20,000	20,000
At 31 March	20,000	20,000

The total cost of investment in subsidiary undertaking is **£20,000,000** (2022: £20,000,000). The total provision for impairment of investment in subsidiary undertaking is **£Nil** (2022: £Nil).

The directors believe that the carrying value of the investment is supported by the fair value of the net assets of the subsidiary undertaking. The subsidiary undertaking of the Company is:

Name	Class of shares	Holding percentage	Principal country of incorporation	Nature of business
Land Securities Buchanan Street Developments Limited	£1 Ordinary shares	100%	England & Wales	Property investment

The subsidiary undertaking is registered at 100 Victoria Street, London, SW1E 5JL.

10. Trade and other receivables

	2023 £000	2022 £000
Trade receivables	43	118
Less: allowance for doubtful accounts	(3)	(34)
Total trade receivables	40	84
Other receivables	292	-
Tenant lease incentives	627	649
Prepayments	369	277
Social security and other taxes	22	-
Total trade and other receivables	1,350	1,010

11. Amounts due from Group undertaking

	2023 £000	2022 £000
Amounts due from Group undertaking - fellow subsidiary	-	175
Total amounts due from Group undertaking	-	175

In the prior year, the unsecured amounts due from Group undertaking were repayable on demand with no fixed repayment date. Interest was charged at 3.7% per annum.

RAVENSEFT PROPERTIES LIMITED

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

12. Trade and other payables

	2023 £000	2022 £000
Trade payables	-	14
Capital payables	-	356
Accruals	83	337
Deferred income	159	329
Total trade and other payables	242	1,036

Deferred income principally relates to rents received in advance.

13. Amounts owed to Group undertakings

	2023 £000	2022 £000
Amounts owed to Group undertakings - fellow subsidiary	20,096	15,436
	20,096	15,436

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%).

14. Share capital

	Authorised and issued		Allotted and fully paid	
	2023 Number	2022 Number	2023 £000	2022 £000
Ordinary shares of £1.00 each	1,000,100	1,000,100	1,000	1,000
	1,000,100	1,000,100	1,000	1,000

15. Contingencies

The Company has contingent liabilities in respect of legal claims, guarantees, and warranties arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities.

16. Operating lease arrangements

The Company earns rental income by leasing its investment properties to tenants under non-cancellable operating leases.

At 31 March, the Company had contracted with tenants to receive the following future minimum lease payments:

	2023 £000	2022 £000
Not later than one year	676	1,138
Later than one year but not more than two years	572	720
Later than two years but not more than three years	572	573
Later than three years but not more than four years	572	573
Later than four years but not more than five years	611	572
More than five years	2,891	3,500
	5,894	7,076

The total of contingent rents recognised as income during the year was £Nil (2022: £Nil).

RAVENSEFT PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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17. Parent company

The immediate parent company is Land Securities Portfolio Management Limited.

The ultimate parent company and controlling party at 31 March 2023 was Land Securities Group PLC, which is registered in England and Wales.

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.