

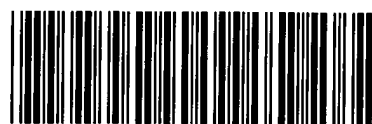
Registered number: 00961477

LAND SECURITIES PROPERTIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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LAND SECURITIES PROPERTIES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors of Land Securities Properties Limited (the 'Company') present their Strategic Report and the audited financial statements for the year ended 31 March 2020.

Results for the year

The results are set out in the Statement of Comprehensive Income on page 7.

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 2020 were equivalent to 28 days of purchases during the year ended on that date.

Key performance indicators

The directors assess the performance of the Company by reference to the Company's profit before tax.

Principal risks and uncertainties

The principal risk facing the Company is that poor performance of Land Securities Group PLC investment property 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 property held. Looking forward, the directors will continue to closely monitor the impact of the Covid-19 pandemic on the performance of investment property.

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, these risks 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.

LAND SECURITIES PROPERTIES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

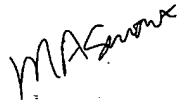
Section 172(1) statement

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 2020, 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: 26 January 2021

Registered and domiciled in England and Wales
Registered number: 00961477

LAND SECURITIES PROPERTIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors of Land Securities Properties Limited (the 'Company') present their report and the audited financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these audited financial statements, the directors are required to:

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

Principal activity

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.

Going concern

Given the significant impact of Covid-19 on the macro-economic conditions in which the Company is operating, the Directors have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 31 March 2020. The directors are closely monitoring the impact of Covid-19 on the Company and, given the Company's operating model, believe that the Company has sufficient resources to meet its obligations as they fall due for 12 months after the date of approval of the financial statements. Based on this, 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 2020.

Dividend

The directors do not recommend the payment of a dividend for the year ended 31 March 2020 (2019: £Nil).

Directors

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

T J Ashby (resigned 31 December 2020)
M F Greenslade
E Miles
R M Noel (resigned 31 March 2020)
B Hoffman (appointed 19 July 2019)
M Allan (appointed 14 April 2020)
A J Peeke (appointed 31 December 2020)

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.

LAND SECURITIES PROPERTIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

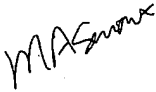
Statement of disclosure of information to auditor

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: 26 January 2021

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 2020 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 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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.

Ernst & Young LLP

Claire Johnson (Senior statutory auditor)

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

London

Date: 27 January 2021

LAND SECURITIES PROPERTIES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £000	2019 £000
Revenue	4	81,014	76,732
Property management and administrative expenses	5	(80,936)	(80,521)
Impairment charge on amounts due from Group undertakings	5	(1,784)	(19,993)
Operating loss		(1,706)	(23,782)
Interest income	7	100,062	107,461
Interest expense	7	(98,634)	(97,882)
Dividends received		-	7,746
Loss before tax		(278)	(6,457)
Taxation	9	(2,602)	(2,071)
Loss for the financial year		(2,880)	(8,528)
Other comprehensive income:			
Re-measurement gain on defined benefit pension schemes	6	5,894	1,136
Deferred tax movement on re-measurement gain on defined benefit pension schemes	19	(1,373)	(68)
Total comprehensive income/(loss) for the year		1,641	(7,460)

All amounts are derived from continuing activities.

LAND SECURITIES PROPERTIES LIMITED
REGISTERED NUMBER: 00961477

BALANCE SHEET
AS AT 31 MARCH 2020

	Notes	2020 £000	2019 £000
Non-current assets			
Tangible fixed assets	11	2,251	2,962
Intangible assets	12	5,652	6,656
Investments in subsidiary undertakings	10	1,035	1,035
Pension surplus	6	18,230	12,300
		<u>27,168</u>	<u>22,953</u>
Current assets			
Trade and other receivables	13	31,984	41,816
Amounts due from Group undertakings	14	2,685,478	2,235,606
Cash and cash equivalents	17	254	19,529
		<u>2,717,716</u>	<u>2,296,951</u>
Current liabilities			
Trade and other payables	15	(23,417)	(32,951)
Amounts owed to Group undertakings	16	(2,647,216)	(2,216,828)
		<u>(2,670,633)</u>	<u>(2,249,779)</u>
Non-current liabilities			
Deferred tax	19	(3,464)	(2,091)
		<u>(3,464)</u>	<u>(2,091)</u>
Net assets		<u>70,787</u>	<u>68,034</u>
Capital and reserves			
Share capital	18	321,000	321,000
Share premium		124,000	124,000
Retained loss		(374,213)	(376,966)
Total equity		<u>70,787</u>	<u>68,034</u>

The financial statements on pages 7 to 23 were approved by the Board of Directors and were signed on its behalf by:



M F Greenslade

Date: 26 January 2021

LAND SECURITIES PROPERTIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Share capital £000	Share premium £000	Retained loss £000	Total equity £000
At 1 April 2018	321,000	124,000	(371,778)	73,222
Loss for the financial year	-	-	(8,528)	(8,528)
Gain on defined benefit pension scheme	-	-	1,136	1,136
Contributions from ultimate parent in relation to share based payments	-	-	2,204	2,204
At 31 March 2019	321,000	124,000	(376,966)	68,034
Loss for the financial year	-	-	(2,880)	(2,880)
Gain on defined benefit pension scheme	-	-	4,521	4,521
Contributions from ultimate parent in relation to share based payments	-	-	1,112	1,112
At 31 March 2020	321,000	124,000	(374,213)	70,787

LAND SECURITIES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies

1.1 Basis of preparation

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

Land Securities 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 2020. The financial statements are prepared in Pounds Sterling (£) and are rounded to the nearest thousand pounds (£000).

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;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- 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 & 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 in the Company's Balance Sheet, less any provision for impairment in value.

LAND SECURITIES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 Going concern

Given the significant impact of Covid-19 on the macro-economic conditions in which the Company is operating, the Directors have placed a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 31 March 2020. The directors are closely monitoring the impact of Covid-19 on the Company and, given the Company's operating model, believe that the Company has sufficient resources to meet its obligations as they fall due for 12 months after the date of approval of the financial statements. Based on this, 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 2020.

1.11 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.

1.12 Expenses

Property and contract expenditure is expensed as incurred.

1.13 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.

LAND SECURITIES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Accounting policies (continued)

1.14 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.

1.15 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.

1.16 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 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.

1.18 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.

1.19 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.

LAND SECURITIES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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, the impact of which is outlined below.

Changes in accounting policy

The Company adopted IFRS 16 Leases on 1 April 2019. There has been no net impact on Total Comprehensive Income or on the Company's balance sheet.

Amendments to IFRS

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

	2020 £000	2019 £000
Management fee income	81,014	76,732
Total revenue	81,014	76,732

5. Management and administrative expenses

(a) Directors' remuneration

The Group's directors' emoluments are borne by this Company. The directors of the Company received no emoluments from Land Securities Properties Limited for their services to the Company (2019: £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 £1,700 (2019: £2,500). No non-audit services were provided to the Company during the year (2019: £Nil).

(c) Provision for impairment in value

An impairment charge of £1,784,000 (2019: £19,993,000) in respect of amounts due from Group undertakings has been recognised in the Statement of Comprehensive Income for the year.

LAND SECURITIES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5. Management and administrative expenses (continued)

	2020 £000	2019 £000
Management and administrative expenses include the following:		
Recharges	7,832	7,803
Employee costs	52,423	54,488
Depreciation and amortisation of property, plant and equipment and intangible assets	3,877	5,553
Auditor's remuneration	723	649
Premises overheads	747	866
Professional fees	4,908	4,080
Other management and administrative expenses	10,426	7,082
	80,936	80,521

6. Net pension surplus

	2020 £000	2019 £000
Defined contribution schemes		
Pension costs for defined contribution schemes are as follows:		
Charge to operating profit	2,000	1,500
	2,000	1,500

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 2018 by the independent actuaries, Hymans Robertson LLP. This valuation was updated to 31 March 2020 using, where required, assumptions prescribed by IAS 19 Employee Benefits. The next full actuarial valuation will be performed as at 30 June 2021.

There have been no employer contributions following the closure of the Scheme to future accrual. Prior to this, the employer contribution rate was 43.1% of pensionable salary to cover the costs of accruing benefits. It was also agreed that no further deficit contributions were required from the Group. Employee contributions are paid by salary sacrifice, and therefore appear as Group contributions. In the year ended 31 March 2020, employee contributions were 8.0% (2019: 8.0%) of monthly pensionable salary. The Group expects to make no employee or employer contributions to the Scheme in the year to 31 March 2021 (2019: £1m).

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.

	2020 £000	2019 £000
Analysis of the amounts charged to the income statement		
Current service cost	350	900
Past service costs	300	900
	650	1,800

LAND SECURITIES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6. Net pension surplus (continued)

	2020 £000	2019 £000
Analysis of amount charged to interest expense		
Interest income on plan assets	5,140	(6,000)
Interest expense on defined benefit scheme liabilities	(4,880)	6,300
Net charge to interest expense	260	300

Analysis of the amounts recognised in other comprehensive income

	2020 £000	2019 £000
Analysis of gains and losses		
Net re-measurement losses on scheme assets	(9,728)	(1,964)
Net re-measurement gains on scheme liabilities	15,622	3,100
Net re-measurement gain	5,894	1,136

	2020 £000	2019 £000
Cumulative re-measurement losses recognised in other comprehensive income	(33,270)	(39,164)

	2020 %	2020 £m	2019 %	2019 £m
Equities	11	24	17	41
Bonds - Government	31	69	28	66
Bonds - Corporate	15	34	7	18
Insurance contracts	42	96	44	105
Cash and cash equivalents	1	3	4	8
Fair value of scheme assets	100	226	100	238
Fair value of scheme liabilities		(208)		(226)
Net pension surplus		18		12

In the year ended 31 March 2020, £8m (2019: £8m) of benefits were paid to members.

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 (2019: £nil).

The defined benefit scheme liabilities are split 9% (2019: 9%) in respect of active scheme participants, 24% (2019: 24%) in respect of deferred scheme participants, and 67% (2019: 67%) in respect of retirees. The weighted average duration of the defined benefit scheme liabilities at 31 March 2020 is 15.8 years (2019: 15.7 years).

LAND SECURITIES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6. Net pension surplus (continued)

The assumptions agreed with the Trustees of the Scheme for the triennial valuation at 30 June 2018 have been restated to the assumptions described by IAS 19 Employee Benefits. The major assumptions used in the valuation were (in nominal terms):

	2020 %	2019 %
Rate of increase in pensionable salaries	2.80	3.45
Rate of increase in pensionable salaries with no cap	2.80	3.45
Rate of increase in pensions with 5% cap	2.75	3.30
Discount rate	2.30	2.35
Inflation - Retail Price Index	2.80	3.45
Inflation - Consumer Price Index	2.00	2.65
	2020 Years	2019 Years
The mortality assumptions used in this valuation were:		
Life expectancy at age 60 for current pensioners - Men	27.6	27.4
Life expectancy at age 60 for current pensioners - Women	29.1	29.0
Life expectancy at age 60 for future pensioners (current age 40) - Men	29.8	29.7
Life expectancy at age 60 for future pensioners (current age 40) - Women	31.6	31.5

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 £16m
Rate of mortality	Increase by 1 year	Increase by £8m
Rate of inflation	Increase by 0.5%	Increase by £14m

As the above table demonstrates, changes in assumptions can have a significant impact on the Scheme liabilities. The assumptions agreed with the Trustees of the Scheme for the triennial valuation and subsequent interim updates differ from those prescribed by IAS 19, 'Employee Benefits'. Using the assumptions agreed with the Trustees would result in a balance sheet deficit for the Scheme of £4m at 31 March 2020, as opposed to a surplus of £18m.

In order to reduce risk within the Scheme, 43% (2019: 44%) of the Scheme assets are invested in annuities that match the liabilities of some pensioners. The assets that the Scheme holds are designed to match a significant proportion of the Scheme liabilities and the Scheme has hedged over 80% (2019: 72%) of the interest rate risk and 80% (2019: 79%) of the inflation risk (when measured on a gilts flat discount rate) to which it is exposed.

7. Net interest income

	2020 £000	2019 £000
Interest expense		
Other interest payable	(57)	-
Interest on amounts owed to Group undertakings	(98,577)	(97,882)
	<u>(98,634)</u>	<u>(97,882)</u>
Interest income		
Net pension interest (Note 6)	260	300
Interest on amounts due from Group undertakings	99,802	106,722
Other interest receivable	-	439
	<u>100,062</u>	<u>107,461</u>
Net interest income	<u>1,428</u>	<u>9,579</u>

LAND SECURITIES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

8. Share based payments

The total cost recognised in the income statement was **£1,634,000** in the year ended 31 March 2020 (2019: £2,356,000). The following table analyses the total cost among each of the relevant schemes, together with number of options outstanding:

	2020 £000	2020 No. (000)	2019 £000	2019 No. (000)
Long-Term Incentive Plan	420	1,905	1,220	2,214
Deferred bonus share plan	427	56	492	52
Share award plan	82	19	43	3
Executive share option scheme	92	1,559	293	1,806
Savings related share option schemes	300	447	308	4,434
Restricted share option plan	313	177	-	-
	1,634	4,163	2,356	8,509

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 and ExecCom members with awards made at the discretion of the Remuneration Committee. The LTIP was previously also open to Senior Management. In addition, other than for Executive Directors, an award of 'matching shares' could be made where the individual acquired shares in Land Securities Group PLC and pledged to hold them for a period of three years. The awards are issued at nil consideration, subject to performance and vesting conditions being met. Awards of LTIP shares and matching shares are subject to the same performance criteria and normally vest after three years. Awards are satisfied by the transfer of existing shares held by the Employee Benefit Trust (EBT). The weighted average share price at the date of vesting during the year was **998p** (2019: 899p). The estimated fair value of awards granted during the year under the scheme was **£2m** (2019: £3m).

Deferred bonus share plan

The Executive Directors' annual bonus is structured in two distinct parts made up of an initial payment and deferred shares. The shares are 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 **745p** (2019: 937p). The estimated fair value of awards granted during the year under the scheme was **£nil** (2019: £nil).

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. The weighted average share price at the date of exercise for awards exercised during the year was **927p** (2019: 918p). The estimated fair value of awards granted during the year under the scheme was **£nil** (2019: £0.3m).

Savings related share option plan

Under the savings related share option 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 in Land Securities Group PLC may be purchased at a price based upon the market price at date of invitation less 20% discount. The weighted average share price at the date of exercise for awards exercised during the year was **944p** (2019: 930p). The estimated fair value of awards granted during the year under the scheme was **£nil** (2019: £0.3m).

Restricted share option 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. There were no awards exercised during the year (2019: none). The estimated fair value of awards granted during the year under the scheme was **£1m** (2019: £nil).

LAND SECURITIES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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		
	2020	2019	2020	2019	2020	2019
	Number (000)	Number (000)	Number (000)	Number (000)	Pence	Pence
At the beginning of the year	2,266	2,087	2,150	2,040	976	947
Granted	722	940	484	651	-	891
Exercised	(52)	(56)	(77)	(36)	-	-
Lapsed	(974)	(705)	(383)	(505)	884	1,035
At 31 March	1,962	2,266	2,174	2,150	873	976
Exercisable at the end of the year	-	-	1,000	1,000	1,039	1,033
	Years	Years	Years	Years		
Weighted average remaining contractual life	1	1	5	6		

*Executive plans are granted at nil consideration

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

Exercise price range (pence)	Weighted average exercise price	Number of awards	Weighted average remaining contractual life	Weighted average exercise price	Number of awards	Weighted average remaining contractual life
	2020 Pence	2020 000	2020 Years	2019 Pence	2019 000	2019 Years
Nil	-	2,138	1	-	2,266	1
400 - 599	584	15	-	529	38	1
600 - 799	720	423	2	763	260	3
800 - 999	899	623	6	899	780	6
1,000 - 1,199	1,022	763	6	1,022	871	7
1,200 - 1,399	1,328	175	5	1,328	200	6

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 bonus share plan		2005 EOS	
	2020	2019	2020	2019	2020	2019
Share price at grant date	820p	953p	820p	953p	n/a	953p
Exercise price	n/a	n/a	n/a	n/a	n/a	953p
Expected volatility	20%	20%	20%	20%	n/a	20%
Expected life	3 years	3 years	1 year	1 year	n/a	3 years
Risk-free rate	0.53%	0.75%	0.66%	0.68%	n/a	0.75%
Expected dividend yield	5.55%	4.64%	nil	nil	n/a	4.64%

LAND SECURITIES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

8. Share based payments (continued)

	Restricted share option plan		Savings related share option plan	
	2020	2019	2020	2019
Share price at grant date	820p	n/a	837p	948p
Exercise price	n/a	n/a	670p	759p
Expected volatility	20%	n/a	20%	20%
Expected life	3 years	n/a	3 to 5 years	3 to 5 years
Risk-free rate	0.53%	n/a	0.56% to 0.62%	0.75% to 1.04%
Expected dividend yield	5.55%	n/a	5.44%	4.66%

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. 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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Long-term incentive plan	820p	953p	n/a	n/a	20%	20%	20%	20%	85%	85%

9. Income tax

	2020 £000	2019 £000
Corporation tax		
Income tax on loss for the year	1,467	2,071
Adjustments in respect of prior year group relief	1,135	-
Total income tax charge in the Statement of Comprehensive Income	2,602	2,071

LAND SECURITIES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

9. Income tax (continued)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 £000	2019 £000
Loss before tax	(278)	(6,457)
Loss before tax multiplied by UK corporation tax rate	(53)	(1,227)
Effects of:		
Capitalised interest and other timing differences	187	56
Expenses not deductible for tax purposes	1,155	3,047
Depreciation	178	195
Adjustments in respect of prior years	1,135	-
Total tax charge for the year	2,602	2,071

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.

10. Investment in subsidiary undertakings

	2020 £000	2019 £000
At the beginning of the financial year	1,035	1,035
At 31 March	1,035	1,035

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

The subsidiary undertakings of the Company are:

Name	Class of shares / units owned	Holding percentage	Principal country of incorporation	Nature of business
LS Fenchurch Development Management Limited	£1 Ordinary shares	100%	England	Development management
LS Park House Development Management Limited	£1 Ordinary shares	100%	England	Dormant
LS Portland House Developer Limited	£1 Ordinary shares	100%	England	Dormant
LS 21 Moorfields Development Management Limited	£1 Ordinary shares	100%	England	Dormant
Arundel Great Court Development Management Limited	£1 Ordinary shares	100%	England	Dormant
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.

LAND SECURITIES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

11. Tangible fixed assets

	Other fixed assets £000
Cost or valuation	
At 1 April 2019	11,485
Additions	121
Disposals	(2,386)
At 31 March 2020	9,220
Depreciation	
At 1 April 2019	8,523
Charge for the year on owned assets	(1,554)
At 31 March 2020	6,969
Net book value	
At 31 March 2020	2,251
At 31 March 2019	2,962

12. Intangible assets

	2020 £000	2019 £000
At 1 April	6,656	5,378
Capital expenditure	2,041	3,639
Amortisation	(3,045)	(2,361)
At 31 March	5,652	6,656

13. Trade and other receivables

	2020 £000	2019 £000
Trade receivables	2,250	1,590
Less: allowance for doubtful accounts	12	(53)
Total current trade receivables	2,262	1,537
Other receivables	6,710	16,977
Prepayments	23,012	23,302
Total current trade and other receivables	31,984	41,816

LAND SECURITIES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

14. Amounts due from Group undertakings

	2020 £000	2019 £000
Amounts due from Group undertakings - fellow subsidiaries	2,685,478	2,235,606
Total amounts due from Group undertakings	2,685,478	2,235,606

The unsecured amounts due from Group undertakings are repayable on demand with no fixed repayment date. Interest is charged at 4.1% per annum (2019: 4.1%).

15. Trade and other payables

	2020 £000	2019 £000
Trade and other payables	3,025	4,589
Other payables	447	932
Accruals	16,932	24,543
Current tax liabilities	1,144	1,202
Social security and other taxes	1,869	1,685
Total current trade and other payables	23,417	32,951

Capital payables represent amounts due under contracts to purchase properties, which were unconditionally exchanged at the year end or for work completed on investment properties but not paid for at the year end. Deferred income principally relates to rents received in advance.

16. Amounts owed to Group undertakings

	2020 £000	2019 £000
Amounts owed to Group undertakings - fellow subsidiaries	2,647,216	2,216,828
Total amounts owed to Group undertakings	2,647,216	2,216,828

The unsecured amounts owed to Group undertakings are repayable on demand with no fixed repayment date. Interest is charged at 4.1% per annum (2019: 4.1%).

17. Cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	254	19,529
At 31 March	254	19,529

LAND SECURITIES PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

18. Share capital

	Authorised and issued		Allotted and fully paid	
	2020	2019	2020	2019
	Number	Number	£000	£000
Ordinary shares of £1.00 each	321,000,003	321,000,003	321,000	321,000
	<u>321,000,003</u>	<u>321,000,003</u>	<u>321,000</u>	<u>321,000</u>

19. Deferred tax liability

	2020	2019
	£000	£000
At 1 April	(2,091)	(2,023)
Deferred tax on pension surplus movement	(1,373)	(68)
At 31 March	<u>(3,464)</u>	<u>(2,091)</u>

20. Parent company

The immediate parent company is Land Securities Property Holdings Limited.

The ultimate parent company and controlling party at 31 March 2020 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 2020 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.