

**LAND SECURITIES PORTFOLIO MANAGEMENT LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

# LAND SECURITIES PORTFOLIO MANAGEMENT LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors of Land Securities Portfolio Management Limited (the 'Company') present their Strategic Report and the audited financial statements for the year ended 31 March 2022.

### 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 its business of investment holding in the United Kingdom. No changes in the Company's principal activity are anticipated in the foreseeable future. The company made profit during the year due to a significant reversal of impairment of investment in subsidiary undertakings. see note 5 and 8 for further details.

### Key performance indicators

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

### Principal risks and uncertainties

The principal risk facing the Company is that poor performance of investment property held by the Company's subsidiaries might have a material impact on the investment valuation in the financial statements. The Company's performance during the year indicates a satisfactory performance of the investments held, considering the ongoing impact of Covid-19. Looking forward, the directors will continue to closely monitor the impact of Covid-19 and other changes in the operating environment on the performance of the investment property.

### Financial risk management

The Company is exposed to liquidity risk and interest rate risk. Given the absence of external borrowings in the Company, liquidity risk and interest rate risk are not considered material. While the Company has minimal short-term liquidity requirements, any funding requirements could be covered by committed facilities held by other Group companies.

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

### Section 172(1) statement

The Company's ultimate parent company is Land Securities Group PLC which indirectly holds 100% of the ordinary share capital of the Company. 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 2022, available on the Group's website, [www.landsec.com](http://www.landsec.com).

At a Company level, the directors take the interests of stakeholders, namely the Group as the Company's investor and the community in which the Company operates, into account when making relevant decisions, ensuring regular and clear lines of communication between the Company and the 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: 23 March 2023

Registered and domiciled in England and Wales

Registered number: 03934750

# LAND SECURITIES PORTFOLIO MANAGEMENT LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors of Land Securities Portfolio Management Limited (the 'Company') present their report and the audited financial statements for the year ended 31 March 2022.

### Directors' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the audited financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Principal activity, review of the business and future developments

The Company has continued its business of investment holding 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 March 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 March 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 March 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 2022.

### Results for the year and dividend

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

The directors do not recommend the payment of a dividend for the year ended 31 March 2022 (2021: £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.

**LAND SECURITIES PORTFOLIO MANAGEMENT LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022**

**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: 23 March 2023

Registered and domiciled in England and Wales  
Registered number: 03934750

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND SECURITIES PORTFOLIO MANAGEMENT LIMITED

### Opinion

We have audited the financial statements of Land Securities Portfolio Management Limited (the 'Company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15, 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 state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period to 31 March 2024.

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

### Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND SECURITIES PORTFOLIO MANAGEMENT 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 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND SECURITIES PORTFOLIO MANAGEMENT LIMITED  
(CONTINUED)**

**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.

Neil Warnock (Senior statutory auditor)

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

Belfast

24 March 2023

LAND SECURITIES PORTFOLIO MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £000	2021 £000
Dividend income	4	241,505	705
Impairment of investments	5, 8	(13,951)	(625,130)
Reversal of impairment of investment in subsidiary undertakings	5, 8	217,099	2,548
Impairment of investment in joint venture	5	-	(52)
Profit on disposal of investment in subsidiary undertakings	8	-	236
Loss on disposal of other investments	10	-	(557)
<b>Operating profit/(loss)</b>		<b>444,653</b>	<b>(622,250)</b>
Interest expense	6	(46,359)	(51,050)
<b>Profit/(loss) before tax</b>		<b>398,294</b>	<b>(673,300)</b>
Taxation	7	8,809	9,839
<b>Profit/(loss) and total comprehensive income/(loss) for the financial year</b>		<b>407,103</b>	<b>(663,461)</b>

There were no recognised gains or losses for 2022 or 2021 other than those included in the Statement of Comprehensive Income.

All amounts are derived from continuing activities.



**LAND SECURITIES PORTFOLIO MANAGEMENT LIMITED**  
**REGISTERED NUMBER:03934750**

**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	Notes	2022 £000	2021 £000
<b>Non-current assets</b>			
Investment in subsidiary undertakings	8	1,952,964	1,749,816
Investment in joint venture	9	5	5
		<u>1,952,969</u>	<u>1,749,821</u>
<b>Current assets</b>			
Trade and other receivables	11	8,809	9,699
		<u>8,809</u>	<u>9,699</u>
<b>Current liabilities</b>			
Trade and other payables	12	(665)	(665)
Amounts owed to Group undertakings	13	(1,145,333)	(1,350,178)
		<u>(1,145,998)</u>	<u>(1,350,843)</u>
<b>Net assets</b>		<u><u>815,780</u></u>	<u><u>408,677</u></u>
<b>Capital and reserves</b>			
Share capital	14	1,555,900	1,555,900
Share premium		13,223	13,223
Retained loss		(753,343)	(1,160,446)
<b>Total equity</b>		<u><u>815,780</u></u>	<u><u>408,677</u></u>

The financial statements on pages 7 to 17 were approved by the Board of Directors and were signed on its behalf by:

A Peeke, for and on behalf of LS Director Limited

Date: 23 March 2023

LAND SECURITIES PORTFOLIO MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022

	Share capital £000	Share premium £000	Retained loss £000	Total equity £000
At 1 April 2020	1,555,900	13,223	(496,985)	1,072,138
Total comprehensive loss for the financial year	-	-	(663,461)	(663,461)
<b>At 31 March 2021</b>	<b>1,555,900</b>	<b>13,223</b>	<b>(1,160,446)</b>	<b>408,677</b>
Total comprehensive income for the financial year	-	-	407,103	407,103
<b>At 31 March 2022</b>	<b>1,555,900</b>	<b>13,223</b>	<b>(753,343)</b>	<b>815,780</b>

## LAND SECURITIES PORTFOLIO MANAGEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

#### 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 Portfolio Management Limited (the 'Company') is a private company limited by shares and is incorporated, domiciled and registered in England and Wales (Registered number: 03934750). 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 2022. 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;
  - 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 and IAS 36 are included in the consolidated financial statements of Land Securities Group PLC, in which the entity is consolidated.

##### 1.4 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 (see 1.12).

##### 1.5 Investment in a joint venture

Investment in a joint ventures is carried at cost, less any repayment of joint venture capital and provision for impairment in value (see 1.12).

##### 1.6 Other investments

Other investments are financial assets held at fair value. Changes to fair value are recorded within Other Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**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 Provisions**

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

**1.9 Share Capital**

Ordinary shares are classified as equity.

**1.10 Going concern**

The directors have determined that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Land Securities Group PLC (together with its subsidiaries referred to as the 'Group'). The directors' going concern assessment covers the period to 31 March 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 March 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 March 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 2022.

**1.11 Expenses**

Management and administrative 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.13 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 Amounts owed to Group undertakings

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

1.15 Trade and other payables

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

1.16 Dividends

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

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

2. Changes in accounting policies and standards

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

Amendments to accounting standards

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

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) Impairment of investment in subsidiary undertakings and joint ventures

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

**LAND SECURITIES PORTFOLIO MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**4. Dividend income**

	<b>2022</b>	2021
	<b>£000</b>	£000
Dividend income	<b>241,505</b>	705
<b>Total income</b>	<b>241,505</b>	705

Dividend income is presented net of £Nil (2021: £150,000,000) return of capital from subsidiary undertakings. See note 8 for further details.

**5. Management and administrative expenses**

**(a) Management services**

The Company had no employees during the year (2021: None). Management services were provided to the Company throughout the year by Land Securities Properties Limited, a fellow group undertaking, charges for which amount to £Nil (2021: £Nil).

**(b) Directors' remuneration**

The Group's directors' emoluments are borne by Land Securities Properties Limited. The directors of the Company received no emoluments from Land Securities Properties Limited for their services to the Company (2021: £Nil).

**(c) Auditor remuneration**

The Group auditor's remuneration is borne by Land Securities Properties Limited. The proportion of the remuneration which relates to the Company amounts to £2,630 (2021: £2,630). No non-audit services were provided to the Company during the year (2021: None).

**(d) Provision for impairment in value**

A net impairment reversal of £203,148,000 (2021: charge £622,634,000) has been recognised which includes impairment of investment in subsidiary undertakings of £13,951,000 (2021: £625,000,000), impairment of investment in joint venture of £Nil (2021: £52,000) and a reversal of impairment of investment in subsidiary undertakings of £217,099,000 (2021: £2,548,000). This is as a result of the overall fair value of the net assets of the subsidiary undertakings and joint venture becoming higher than the net book value. See note 8 for further details.

**6. Interest expense**

	<b>2022</b>	2021
	<b>£000</b>	£000
Interest on amounts owed to Group undertakings	<b>46,359</b>	51,050
<b>Total interest expense</b>	<b>46,359</b>	51,050

**7. Taxation**

	<b>2022</b>	2021
	<b>£000</b>	£000
<b>Corporation tax</b>		
Income tax on profit/(loss) for the year	<b>(8,809)</b>	(9,839)
<b>Total income tax on profit/(loss) in the Statement of Comprehensive Income</b>	<b>(8,809)</b>	(9,839)

**LAND SECURITIES PORTFOLIO MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Taxation (continued)**

**Factors affecting tax credit for the year**

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of **19%** (2021 - 19%) as set out below:

	<b>2022</b>	2021
	<b>£000</b>	£000
Profit/(loss) before tax	<u><b>398,294</b></u>	<u>(673,300)</u>
Profit/(loss) before tax multiplied by UK corporation tax rate	<b>75,676</b>	(127,927)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	118,227
Adjustments in respect of prior years	-	(139)
Non-taxable income	<u><b>(84,485)</b></u>	<u>-</u>
<b>Total tax credit in the Statement of Comprehensive Income (as above)</b>	<u><b>(8,809)</b></u>	<u>(9,839)</u>

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 in subsidiary undertakings**

	<b>2022</b>	2021
	<b>£000</b>	£000
At the beginning of the financial year	<b>1,749,816</b>	2,358,395
Acquisitions	-	200,524
Disposals	-	(36,521)
Impairment charge	<b>(13,951)</b>	(625,130)
Reversal of impairment	<b>217,099</b>	2,548
Return of capital	-	(150,000)
<b>At 31 March</b>	<u><b>1,952,964</b></u>	<u>1,749,816</u>

The total cost of investment in subsidiary undertakings is **£3,543,668,000** (2021 restated: £3,543,668,000). The total provision for impairment of investment in subsidiary undertakings is **£1,590,704,000** (2021 restated: £1,793,852,000).

The total cost and total provision of impairment of investment in subsidiary undertakings have been restated due to a disclosure error in the prior year. The restatement of these disclosures has no impact of the financial statements for the year ended 31 March 2021 as previously presented.

During the year, the Company acquired an interest in LS Project 92 Limited for a consideration of **£1** (2021: £200,524,000).

During the year, subsidiary undertakings returned **£Nil** (2021: £150,000,000) of capital to the Company.

The impairment charges have been recognised as a result of the fair value of the net assets of the subsidiary undertakings becoming lower than the carrying value. The reversals of prior years' impairment have been recognised as a result of the fair value of the net assets of the subsidiary undertakings becoming higher than the carrying value.

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

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**Investment in subsidiary undertakings (continued)**

The subsidiary undertakings of the Company are:

Name	Class of shares owned	Holding percentage	Principal country of incorporation	Nature of business
Greenhithe Holdings Limited	£1 Ordinary shares	100%	Jersey	Investment holding
Gunwharf Quays Limited	£1 Ordinary shares	100%	England	Property investment
LS Hotels Limited	£1 Ordinary shares	100%	England	Property investment
Land Securities Lakeside Limited	£1 Ordinary shares	100%	England	Property investment
Land Securities Trinity Limited	£1 Ordinary shares	100%	England	Property investment
LS (Finchley) Road Limited	£1 Ordinary shares	100%	England	Property investment
LS (Jaguar) GP Investments Limited	£1 Ordinary shares	100%	England	Dormant
LS Bexhill Limited	£1 Ordinary shares	100%	England	Property investment
LS Braintree Limited	£1 Ordinary shares	100%	England	Property investment
LS Buchanan Limited	£1 Ordinary shares	100%	England	Property investment
LS Cardiff Holdings Limited	£1 Ordinary shares	100%	England	Dormant
LS Castleford Limited	£1 Ordinary shares	100%	England	Property investment
LS Chesterfield Limited	£1 Ordinary shares	100%	England	Property investment
LS Galleria Limited	£1 Ordinary shares	100%	England	Property investment
LS Kingsmead Limited	£1 Ordinary shares	100%	England	Property investment
LS Lewisham Limited	£1 Ordinary shares	100%	England	Investment holding
LS Leisure Parks Investments Limited	£1 Ordinary shares	100%	England	Dormant
LS Nominees Holdings Limited	£1 Ordinary shares	100%	England	Investment holding
LS Xscape Milton Keynes Limited	£1 Ordinary shares	100%	England	Investment holding
LS Xscape Castleford Limited	£1 Ordinary shares	100%	England	Property investment
LS Great North Finchley Limited	£1 Ordinary shares	100%	England	Property investment
LS Aberdeen Limited	£1 Ordinary shares	100%	England	Investment holding
LS West India Quay Limited	£1 Ordinary shares	100%	England	Property investment
LS Dundas Square Limited	£1 Ordinary shares	100%	England	Property investment
LS Retail Warehouses Limited	£1 Ordinary shares	100%	England	Property investment
LS Portfolio Investments Limited	£1 Ordinary shares	100%	England	Property investment
LS Shepherds Bush Limited	£1 Ordinary shares	100%	England	Investment holding
LS Southside Limited	£1 Ordinary shares	100%	England	Property investment
LS Street Limited	£1 Ordinary shares	100%	England	Property investment
LS Taplow Limited	£1 Ordinary shares	100%	England	Dormant
LS Voyager Limited	£1 Ordinary shares	100%	England	Property investment
LS Workington Limited	£1 Ordinary shares	100%	England	Property investment
LS White Rose Limited	£1 Ordinary shares	100%	England	Property investment
LS Bracknell Limited	£1 Ordinary shares	100%	England	Property investment
Ravenseft Properties Limited	£1 Ordinary shares	100%	England	Property investment
LS Thanet Limited	£1 Ordinary shares	100%	England	Investment holding
The X-Leisure (General Partner) Limited	£1 Ordinary shares	100%	England	Property investment
LS Chadwell Heath Limited	£1 Ordinary shares	100%	England	Property investment
LS Project 92 Limited	£1 Ordinary shares	1%	England	Financial Intermediation
Land Securities (Finance) Limited	£1 Ordinary shares	1%	England	Financial Intermediation
Land Securities Capital Markets PLC				

All subsidiary undertakings are registered at 100 Victoria Street, London, SW1E 5JL with the exception of Greenhithe Holdings Limited, which is registered at 44 Esplanade, St Helier, Jersey, JE4 9WG.

**9. Investment in joint venture**

	<b>2022</b>	2021
	<b>£000</b>	£000
At the beginning of the year	<b>5</b>	-
Acquisitions	-	57
Impairment charge	-	(52)
<b>At 31 March</b>	<b>5</b>	<b>5</b>

The company owns 50% of Southside General Partner Limited which is a joint venture and draws up accounts to 31 March 2022. Southside General Partner Limited is a joint venture between Land Securities Portfolio Management Limited and IREEF Southside Propco Sarl. The Joint venture operates its business of acting as a General Partner company. The joint venture is registered at 100 Victoria Street, London, SW1E 5JL.



LAND SECURITIES PORTFOLIO MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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10. Other investments

	2022 £000	2021 £000
At the beginning of the year	-	6,120
Acquisitions	-	-
Fair value reduction	-	-
Disposal	-	(6,120)
	<u>-</u>	<u>-</u>
At 31 March	<u>-</u>	<u>-</u>

11. Trade and other receivables

	2022 £000	2021 £000
Current tax assets	8,809	9,699
	<u>8,809</u>	<u>9,699</u>
Total trade and other receivables	<u>8,809</u>	<u>9,699</u>

12. Trade and other payables

	2022 £000	2021 £000
Other payables	665	665
	<u>665</u>	<u>665</u>
Total trade and other payables	<u>665</u>	<u>665</u>

13. Amounts owed to Group undertakings

	2022 £000	2021 £000
Amounts owed to Group undertakings - fellow subsidiary	1,145,333	1,350,178
	<u>1,145,333</u>	<u>1,350,178</u>
Total amounts owed to Group undertakings	<u>1,145,333</u>	<u>1,350,178</u>

The unsecured amounts owed to Group undertakings are repayable on demand with no fixed repayment date. Interest is charged at 3.7% per annum (2021: 3.6%).

14. Share capital

	Authorised and issued		Allotted and fully paid	
	2022 Number	2021 Number	2022 £000	2021 £000
Ordinary shares of £1.00 each	1,555,900,356	1,555,900,356	1,555,900	1,555,900
	<u>1,555,900,356</u>	<u>1,555,900,356</u>	<u>1,555,900</u>	<u>1,555,900</u>

**LAND SECURITIES PORTFOLIO MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Parent company**

The immediate parent company is Land Securities PLC.

The ultimate parent company and controlling party at 31 March 2022 was Land Securities Group PLC, which is registered in England and Wales.

Consolidated financial statements for the year ended 31 March 2022 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](http://www.landsec.com). This is the largest and smallest Group to include these accounts in its consolidated financial statements.

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