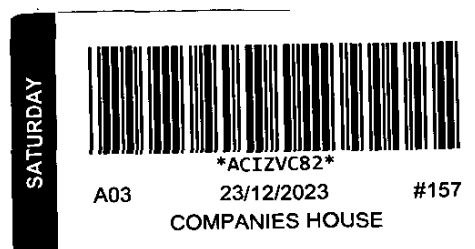


Registered number: 03934761

# **LAND SECURITIES TRADING LIMITED**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**



## LAND SECURITIES TRADING LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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

#### Directors' responsibilities statement

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

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

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

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

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

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

#### Going concern

The directors have determined that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Land Securities Group PLC (together with its subsidiaries referred to as the 'Group'). The directors' going concern assessment covers the period to 31 December 2024 and confirmation has been received that Land Securities Group PLC will support the Company until this date so long as the Company remains a subsidiary of Land Securities Group PLC. If the Company was sold within the next 12 months from 31 December 2023, confirmation has been received that Land Securities Group PLC would ensure the Company remains in a position to continue as a going concern at the point of sale. The Company's ability to meet its future liabilities is therefore dependent on the financial performance, position and liquidity of the Group as a whole. At the Group level, considerations included potential risks and uncertainties in the business, credit, market, property valuation and liquidity risks, including the availability and repayment profile of bank facilities, as well as forecast covenant compliance. Stress testing has been carried out to ensure the Group has sufficient cash resources to continue in operation for the period to 31 December 2024. This stress testing modelled a scenario with materially reduced levels of cash receipts over the next 12 months. Based on these considerations, together with available market information and the directors' knowledge and experience of the Company, the directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2023.

#### Result for the year and dividend

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

The directors do not recommend the payment of a dividend for the year ended 31 March 2023 (2022: £Nil).

#### Directors

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

I and Securities Management Services Limited  
LS Director Limited  
C O'Shea (resigned 30 September 2022)  
J S Gillard (resigned 15 June 2022)  
L McCaveny (appointed 30 September 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 TRADING LIMITED**

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

**Small companies exemption**


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

**Strategic report**

The Company has taken advantage of the exemption under section 414B of the Companies Act 2006 not to prepare a Strategic Report.

Registered Office  
100 Victoria Street  
London  
SW1E 5JL

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

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

Date: December 20, 2023

Registered and domiciled in England and Wales  
Registered number: 03934761

# LAND SECURITIES TRADING LIMITED

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

|   | Notes | 2023<br>£000   | 2022<br>£000 |
|---|-------|----------------|--------------|
| Revenue   | 7     | 4              | -            |
| Costs   | 7     | (3)            | -            |
| <b>Gross profit</b>   |       | <b>1</b>       | <b>-</b>     |
| Interest expense  | 5     | (923)          | (767)        |
| <b>Loss before tax</b>  |       | <b>(922)</b>   | <b>(767)</b> |
| Taxation  | 6     | (175)          | 146          |
| <b>Loss and total comprehensive loss for the financial year</b> |       | <b>(1,097)</b> | <b>(621)</b> |

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

All amounts are derived from continuing activities.

**LAND SECURITIES TRADING LIMITED**  
**REGISTERED NUMBER:03934761**

**BALANCE SHEET**  
**AS AT 31 MARCH 2023**

|  | Notes | 2023<br>£000    | 2022<br>£000    |
|--|-------|-----------------|-----------------|
| <b>Current assets</b>                                  |       |                 |                 |
| Trading properties and long term development contracts | 7     | 12              | 15              |
|  |       | <u>12</u>       | <u>15</u>       |
| <b>Current liabilities</b>                             |       |                 |                 |
| Trade and other payables                               | 8     | (175)           | -               |
| Amounts owed to Group undertakings                     | 9     | (22,062)        | (21,143)        |
|  |       | <u>(22,237)</u> | <u>(21,143)</u> |
| <b>Net liabilities</b>                                 |       | <u>(22,225)</u> | <u>(21,128)</u> |
| <b>Capital and reserves</b>                            |       |                 |                 |
| Share capital  | 10    | 16,650          | 16,650          |
| Retained loss  |       | (38,875)        | (37,778)        |
| <b>Total equity</b>                                    |       | <u>(22,225)</u> | <u>(21,128)</u> |

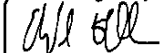
The Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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

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

The financial statements on pages 3 to 10 were approved by the board of directors and were signed on its behalf by:

DocuSigned by:



38FC30B980E9404...  
E Gillbe, for and on behalf of LS Director Limited

Date: December 20, 2023

**LAND SECURITIES TRADING LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**

|   | <b>Share capital</b><br><b>£000</b> | <b>Retained loss</b><br><b>£000</b> | <b>Total equity</b><br><b>£000</b> |
|---|-------------------------------------|-------------------------------------|------------------------------------|
| At 1 April 2021                                 | 16,650                              | (37,157)                            | (20,507)                           |
| Total comprehensive loss for the financial year | -                                   | (621)                               | (621)                              |
| <b>At 31 March 2022</b>                         | <b>16,650</b>                       | <b>(37,778)</b>                     | <b>(21,128)</b>                    |
| Total comprehensive loss for the financial year | -                                   | (1,097)                             | (1,097)                            |
| <b>At 31 March 2023</b>                         | <b>16,650</b>                       | <b>(38,875)</b>                     | <b>(22,225)</b>                    |

## LAND SECURITIES TRADING LIMITED

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

#### 1. Accounting policies

##### 1.1 Basis of preparation

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

Land Securities Trading Limited (the 'Company') is a private company limited by shares and is incorporated, domiciled and registered in England and Wales (Registered number: 03934761). The nature of the Company's operations is set out in the Directors' Report on page 1. The results of the Company are included in the consolidated financial statements of Land Securities Group PLC which are available from the Company's registered office at 100 Victoria Street, London, SW1E 5JL.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2023. The financial statements are prepared in Pounds Sterling (£) and are rounded to the nearest thousand pounds (£000), unless otherwise stated.

##### 1.2 Financial reporting standard 101 - reduced disclosure exemptions

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

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

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

##### 1.3 Trading properties and long-term development contracts

Trading properties are those properties held for sale, or those being developed with a view to sell. Trading properties are recorded at the lower of cost and net realisable value. The net realisable value of a trading property is determined by a professional external valuer at each reporting date. If the net realisable value of a trading property is lower than its carrying value, an impairment loss is recorded in the Statement of Comprehensive Income. If, in subsequent periods, the net realisable value of a trading property that was previously impaired increases above its carrying value, the impairment is reversed to align the carrying value of the property with the net realisable value. Trading properties are presented on the Balance Sheet within current assets.

The profit on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the beginning of the accounting period plus capital expenditure to the date of disposal.

##### 1.4 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.

##### 1.5 Share capital

Ordinary shares are classified as equity.

## LAND SECURITIES TRADING LIMITED

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

#### 1. Accounting policies (continued)

##### 1.6 Going concern

The directors have determined that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Land Securities Group PLC (together with its subsidiaries referred to as the 'Group'). The directors' going concern assessment covers the period to 31 December 2024 and confirmation has been received that Land Securities Group PLC will support the Company until this date so long as the Company remains a subsidiary of Land Securities Group PLC. If the Company was sold within the next 12 months from 31 December 2023, confirmation has been received that Land Securities Group PLC would ensure the Company remains in a position to continue as a going concern at the point of sale. The Company's ability to meet its future liabilities is therefore dependent on the financial performance, position and liquidity of the Group as a whole. At the Group level, considerations included potential risks and uncertainties in the business, credit, market, property valuation and liquidity risks, including the availability and repayment profile of bank facilities, as well as forecast covenant compliance. Stress testing has been carried out to ensure the Group has sufficient cash resources to continue in operation for the period to 31 December 2024. This stress testing modelled a scenario with materially reduced levels of cash receipts over the next 12 months. Based on these considerations, together with available market information and the directors' knowledge and experience of the Company, the directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2023.

##### 1.7 Revenue

Rental income, including fixed rental uplifts, is recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives being offered to occupiers to enter into a lease, such as an initial rent-free period or a cash contribution to fit out or similar costs, are an integral part of the net consideration for the use of the property and are therefore recognised on the same straight-line basis. Contingent rents, being lease payments that are not fixed at the inception of a lease, for example turnover rents, are variable consideration and are recorded as income in the year in which they are earned.

The Company's revenue from contracts with customers, as defined in IFRS 15 includes service charge income, other property related income, trading property sales proceeds and long-term development contract income.

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

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

When property is let under a finance lease, the Company recognises a receivable equal to the net investment in the lease at inception of the lease. Rentals received are accounted for as repayments of principal and finance income as appropriate. Finance income is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining net investment in the finance lease and is recognised within revenue.

##### 1.8 Expenses

Property and contract expenditure is expensed as incurred.

##### 1.9 Impairment

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

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

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

##### 1.10 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.



## LAND SECURITIES TRADING LIMITED

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

#### 1. Accounting policies (continued)

##### 1.11 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.

##### 1.12 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.

#### 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

##### Trading properties and long-term development contracts

Trading properties are carried at the lower of cost and net realisable value. The latter is assessed by the Company having regard to suitable valuations performed by its external valuer, CBRE Limited.

The estimation of the net realisable value of the Company's trading properties, especially the development land and infrastructure programmes, is inherently subjective due to a number of factors, including their complexity, unusually large size, the substantial expenditure required and long timescales to completion. In addition, as a result of these timescales to completion, the plans associated with these programmes could be subject to significant variation. As a result, the net realisable values of the Company's trading properties are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate. If the assumptions upon which the external valuer has based their valuation prove to be inaccurate, this may have an impact on the net realisable value of the Company's properties, which would in turn have an effect on the Company's financial condition.

## LAND SECURITIES TRADING LIMITED

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

## 4. Management and administrative expenses

## (a) Management services

The Company had no employees during the year (2022: None). Management services were provided to the Company throughout the year by Land Securities Properties Limited, a fellow subsidiary undertaking, charges for which amount to **£Nil** (2022: **£Nil**).

## (b) Directors' remuneration

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

## 5. Interest expense

|  | 2023<br>£000 | 2022<br>£000 |
|--|--------------|--------------|
| Interest on amounts owed to Group undertakings | 923          | 767          |
| <b>Total interest expense</b>                  | <b>923</b>   | <b>767</b>   |

## 6. Income tax

|   | 2023<br>£000 | 2022<br>£000 |
|---|--------------|--------------|
| Income tax on loss for the year   | (175)        | 146          |
| <b>Total income tax credit in the Statement of Comprehensive Income</b> | <b>(175)</b> | <b>146</b>   |

## Factors affecting tax credit for the year

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

|   | 2023<br>£000 | 2022<br>£000 |
|---|--------------|--------------|
| Loss before tax                                       | 922          | (767)        |
| Loss before tax multiplied by UK corporation tax rate | 175          | (146)        |
| <b>Total tax credit for the year</b>                  | <b>175</b>   | <b>(146)</b> |

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.

# LAND SECURITIES TRADING LIMITED

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

### 7. Trading properties

|                              | 2023<br>£000 | 2022<br>£000 |
|------------------------------|--------------|--------------|
| At the beginning of the year | 15           | 15           |
| Disposals                    | (3)          | -            |
| <b>At 31 March</b>           | <b>12</b>    | <b>15</b>    |

During the year, the company disposed of part of its trading property. The Company received **£4,000** from the sale during the year, which resulted in a profit on disposal of **£1,000**.

The realisable value of the Company's trading properties at 31 March 2023 has been based on a valuation carried out at that date by CBRE Limited, external valuers. The cumulative impairment provision at 31 March 2023 in respect of development land and infrastructure was **£Nil** (2022: **£Nil**).

### 8. Trade and other payables

|                                       | 2023<br>£000 | 2022<br>£000 |
|---------------------------------------|--------------|--------------|
| Current tax liabilities               | 175          | -            |
| <b>Total trade and other payables</b> | <b>175</b>   | <b>-</b>     |

### 9. Amounts owed to Group undertakings

|  | 2023<br>£000  | 2022<br>£000  |
|--|---------------|---------------|
| Amounts owed to Group undertakings - fellow subsidiary | 22,062        | 21,143        |
| <b>Total amounts owed to Group undertakings</b>        | <b>22,062</b> | <b>21,143</b> |

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

### 10. Share capital

|                               | Authorised and issued |                   | Allotted and fully paid |               |
|-------------------------------|-----------------------|-------------------|-------------------------|---------------|
|                               | 2023<br>Number        | 2022<br>Number    | 2023<br>£000            | 2022<br>£000  |
| Ordinary shares of £1.00 each | 16,650,000            | 16,650,000        | 16,650                  | 16,650        |
|                               | <b>16,650,000</b>     | <b>16,650,000</b> | <b>16,650</b>           | <b>16,650</b> |

### 11. Parent company

The immediate parent company is LS London Holdings Three Limited.

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

Consolidated financial statements for the year ended 31 March 2023 for Land Securities Group PLC can be obtained from the Company Secretary at the registered office of the ultimate parent company, 100 Victoria Street, London, SW1E 5JL, and from the Group website at [www.landsec.com](http://www.landsec.com). This is the largest and smallest Group to include these accounts in its consolidated financial statements.