

**LAND SECURITIES (FINANCE) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

# LAND SECURITIES (FINANCE) LIMITED

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

The directors of Land Securities (Finance) 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 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 acting as a conduit for banking and financial services between Land Securities Capital Markets PLC, LS Property Finance Company Limited and the subsidiaries of Land Securities Group PLC 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 6.

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:

J L Fountain (resigned 18 January 2022)  
R C Futter (resigned 5 August 2022)  
M R Worthington  
C Mairs  
M F Greenslade (resigned 31 May 2021)  
V K Simms (appointed 31 May 2021)  
M P Cadwaladr (resigned 28 June 2021)  
M R Wood (resigned 30 June 2021)  
J S Gillard (appointed 30 June 2021, resigned 15 June 2022)  
E A Gillbe (appointed 18 January 2022)  
D E Stanley (appointed 5 August 2022, resigned 13 December 2022)

# LAND SECURITIES (FINANCE) LIMITED

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

### 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 s414B of the Companies Act 2006 not to prepare a Strategic Report.

### Statement of disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Registered Office  
100 Victoria Street  
London  
SW1E 5JL

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

S Garland, for and on behalf of LS Company Secretaries Limited

Date: 23 March 2023

Registered and domiciled in England and Wales  
Registered number: 00680609

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND SECURITIES (FINANCE) LIMITED

### Opinion

We have audited the financial statements of Land Securities (Finance) 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 13, 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 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND SECURITIES (FINANCE) 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 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; or
- the directors were not entitled to take advantage of the small companies exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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 amounts due from group undertakings.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved:
  - Enquiry of Management, and when appropriate, those charged with governance of the Company regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
  - Reading minutes of meetings of those charged with governance;
  - Obtaining direct bank confirmations to vouch the existence of cash balances;
  - Obtaining and reading correspondence from legal and regulatory bodies, including HMRC; and
  - Journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding the business.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND SECURITIES (FINANCE) 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.

Greeme Downes (Senior statutory auditor)

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

London

Date: 28 March 2023

**LAND SECURITIES (FINANCE) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £000	2021 £000
Other income	4	-	2
Other expenses	4	(96)	-
Impairment of amounts due from Group undertakings	4	(20,373)	(177,791)
Write off of amounts due from Group undertakings	4	-	(2,419)
<b>Operating loss</b>		<b>(20,469)</b>	<b>(180,208)</b>
Interest income	5	258,943	221,811
Interest expense	5	(223,752)	(267,129)
<b>Profit/(loss) before tax</b>		<b>14,722</b>	<b>(225,526)</b>
Taxation	6	(5,012)	27,025
<b>Profit/(loss) and total comprehensive income/(loss) for the financial year</b>		<b>9,710</b>	<b>(198,501)</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 (FINANCE) LIMITED**  
**REGISTERED NUMBER: 00680609**

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

	Notes	2022 £000	2021 £000
<b>Current assets</b>			
Amounts due from Group undertakings	7	7,604,744	5,847,303
Cash and cash equivalents	8	2,666	4,361
		<u>7,607,410</u>	<u>5,851,664</u>
<b>Current liabilities</b>			
Trade and other payables	9	(23,100)	(35,339)
Borrowings	10	(6,164)	(32,800)
Amounts owed to Group undertakings	11	(7,093,096)	(5,308,185)
		<u>(7,122,360)</u>	<u>(5,376,324)</u>
<b>Net assets</b>		<u><u>485,050</u></u>	<u><u>475,340</u></u>
<b>Capital and reserves</b>			
Share capital	12	500,000	500,000
Retained loss		(14,950)	(24,660)
<b>Total equity</b>		<u><u>485,050</u></u>	<u><u>475,340</u></u>

The financial statements on pages 6 to 14 were approved by the Board of Directors and were signed on its behalf by:

E Gillbe  
Director

Date: 23 March 2023



**LAND SECURITIES (FINANCE) LIMITED**

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

	Share capital £000	Retained loss £000	Total equity £000
At 1 April 2020	500,000	173,841	673,841
Total comprehensive loss for the financial year	-	(198,501)	(198,501)
<b>At 31 March 2021</b>	<b>500,000</b>	<b>(24,660)</b>	<b>475,340</b>
Total comprehensive income for the financial year	-	9,710	9,710
<b>At 31 March 2022</b>	<b>500,000</b>	<b>(14,950)</b>	<b>485,050</b>

## LAND SECURITIES (FINANCE) 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 (Finance) Limited (the 'Company') is a private company limited by shares and is incorporated, domiciled and registered in England and Wales (Registered number: 00680609). 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).

##### 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 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.

##### 1.3 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. Overdrawn balances are reported within Borrowings (see 1.12).

##### 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 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.

##### 1.6 Expenses

Management and administrative expenditure is expensed as incurred.

## LAND SECURITIES (FINANCE) LIMITED

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

#### 1. Accounting policies (continued)

##### 1.7 Impairment

The carrying amounts of the Company's non-financial assets, 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. 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.

##### 1.8 Interest receivable and interest payable

Interest payable on borrowings is recognised on an accruals basis by applying the effective interest rate which takes account of the amortisation of finance costs over the term of the borrowings. Intercompany interest receivable and interest payable are recognised on an accruals basis on the corresponding intercompany loans by applying the effective interest rate which takes account of the amortisation of finance income or finance costs over the term of the loans to which they relate.

##### 1.9 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.

##### 1.10 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.

## LAND SECURITIES (FINANCE) LIMITED

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

#### 1. Accounting policies (continued)

##### 1.11 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.

##### 1.12 Borrowings

Borrowings mainly consist of overdrawn bank facilities and are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the Statement of Comprehensive Income account over the period of the borrowings, using the effective interest method.

##### 1.13 Dividends

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

##### 1.14 Share capital

Ordinary shares are classified as equity.

#### 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

##### Amounts due from Group undertakings

The Company is required to estimate the impairment of amounts due from Group undertakings. It does this by assessing on a forward-looking basis, the expected credit losses associated with its amounts due from Group undertakings. A provision for impairment is made for the lifetime expected credit losses on initial recognition of the amounts due. In determining the expected credit losses, the Company takes into account any future expectations of likely default events based on the level of capitalisation of the counterparty, which is a fellow subsidiary undertaking of Land Securities Group PLC.

# LAND SECURITIES (FINANCE) LIMITED

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

### 4. 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

An impairment charge of **£20,373,000** (2021: £177,791,000) in respect of amounts due from Group undertakings has been recognised in the Statement of Comprehensive Income for the year.

An amount of **£Nil** (2021: £2,419,000) has been written off in respect of amounts due from fellow Group undertakings, resulting from the dissolution of Group entities during the year.

#### (e) Other income

Included within other income is the tax credit for a previous VAT liability of **£Nil** (2021: £2,000) in relation to prior periods.

#### (f) Other expenses

Included within other expenses is the non-recoverable VAT liability of **£96,000** (2021: £Nil).

### 5. Net interest income/(expense)

	2022 £000	2021 £000
<b>Interest expense</b>		
Interest on amounts owed to Group undertakings	(223,752)	(267,129)
	<u>(223,752)</u>	<u>(267,129)</u>
<b>Interest income</b>		
Interest on amounts due from Group undertakings	258,943	221,811
	<u>258,943</u>	<u>221,811</u>
<b>Net interest income/(expense)</b>	<u><u>35,191</u></u>	<u><u>(45,318)</u></u>

### 6. Income tax

	2022 £000	2021 £000
<b>Corporation tax</b>		
Income tax on profit/(loss) for the year	5,012	(27,025)
<b>Total income tax charge/(credit) in the Statement of Comprehensive Income</b>	<u><u>5,012</u></u>	<u><u>(27,025)</u></u>

# LAND SECURITIES (FINANCE) LIMITED

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

### 6. Income tax (continued)

#### Factors affecting tax charge for the year

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

	2022 £000	2021 £000
Profit/(loss) before tax	<u>14,722</u>	<u>(225,526)</u>
Profit/(loss) before tax multiplied by UK corporation tax rate	2,797	(42,850)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	3,871	34,240
Adjustments in respect of prior years	(175)	(18,415)
Other items	(1,481)	-
<b>Total tax charge/(credit) for the year</b>	<u><b>5,012</b></u>	<u><b>(27,025)</b></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.

### 7. Amounts due from Group undertakings

	2022 £000	2021 £000
Amounts due from Group undertakings - fellow subsidiaries	<u>7,604,744</u>	<u>5,847,303</u>
<b>Total amounts due from Group undertakings</b>	<u><b>7,604,744</b></u>	<u><b>5,847,303</b></u>

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

### 8. Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank and in hand	<u>2,666</u>	<u>4,361</u>
<b>Total cash and cash equivalents</b>	<u><b>2,666</b></u>	<u><b>4,361</b></u>

**LAND SECURITIES (FINANCE) LIMITED**

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

**9. Trade and other payables**

	<b>2022</b>	2021
	<b>£000</b>	£000
Other payables	4,513	4,948
Accruals	12,290	12,116
Social security, VAT and other taxes	6,297	18,275
<b>Total trade and other payables</b>	<b>23,100</b>	<b>35,339</b>

**10. Borrowings**

	<b>2022</b>	2021
	<b>£000</b>	£000
Bank overdraft	6,164	32,800
<b>Total borrowings</b>	<b>6,164</b>	<b>32,800</b>

**11. Amounts owed to Group undertakings**

	<b>2022</b>	2021
	<b>£000</b>	£000
Amounts owed to Group undertakings - fellow subsidiaries	7,093,096	5,308,185
<b>Total amounts owed to Group undertakings</b>	<b>7,093,096</b>	<b>5,308,185</b>

Included within amounts owed to Group undertakings are **£1,550,848,000** (2021: £811,952,000) which are repayable on demand with no fixed repayment date. Interest is charged at 3.7% per annum (2021: 3.6%).

Also included within amounts owed to Group undertakings is a loan from a fellow Group undertaking, LS Property Finance Company Limited, of **£5,542,248,000** (2021: £4,496,233,000) which relates to fixed rate medium term notes with maturities between 2025-2059 and syndicated / bilateral debt with maturities between 2026-2027. The loans are repayable at the request of LS Property Finance Company Limited. Interest is charged on the loan from LS Property Finance Company Limited at the related fixed rate medium-term notes rates of between 1.974% and 5.396% plus 0.01% and at the related syndicated / bilateral debt rates + margin plus 0.01 %.

**12. Share capital**

	<b>Authorised and issued</b>		<b>Allotted and fully paid</b>	
	<b>2022</b>	2021	<b>2022</b>	2021
	<b>Number</b>	Number	<b>£000</b>	£000
Ordinary shares of £1.00 each	500,000,002	500,000,002	500,000	500,000
	<b>500,000,002</b>	<b>500,000,002</b>	<b>500,000</b>	<b>500,000</b>

**13. 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. This is the largest parent company of the Group to consolidate these financial statements.

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.