

LAND SECURITIES CAPITAL MARKETS PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

LAND SECURITIES CAPITAL MARKETS PLC

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2025

The directors of Land Securities Capital Markets PLC (the 'Company') present their Strategic Report and Directors' Report with the financial statements for the year ended 31 March 2025.

Results for the year

The results are set out in the Statement of Comprehensive Income on page 10.

Review of the business

The Company is a subsidiary of Land Securities Group PLC, which together with all of its subsidiaries is referred to as the 'Group'. The Company has **£3.8bn** (2024: £4.1bn) of secured medium-term notes ('MTNs') in issue under the Multicurrency Programme for the issuance of notes. During the year, the Company issued a further **£0.35bn** (2024: £0.3bn) of MTNs. The MTNs are secured on a fixed and floating pool of assets held by Group companies (the 'Security Group') giving debt investors security over a pool of investment properties valued at **£10.0bn** at 31 March 2025 (2024: £9.2bn).

Key performance indicators

The directors assess the performance of the Company by reference to successfully raising external debt capital.

Principal risks and uncertainties

The principal risks facing the Company are that of credit risk whereby the intercompany loans issued to the Land Securities Group become irrecoverable, and liquidity risk whereby the Company has insufficient available funds for its operations and refinancing of upcoming MTNs.

The solvency of the Land Securities Group is considered strong and therefore credit risk is deemed to be low. The Company has a well spread maturity profile and expected maturities between 2027 and 2057 and diversified shorter-term maturities in commercial paper and committed bank facilities, therefore liquidity risk is considered to be low.

Financial risk management

The Company's debt financing exposes it to a variety of financial risks that include the effects of changes in debt market prices, liquidity and interest rates.

The Company's principal financial assets are cash, loans due from Group undertakings and trade and other receivables. The solvency of the Land Securities Group is considered strong and therefore credit risk is deemed to be low.

The Company has negligible interest rate risk as all MTNs have a fixed rate of interest.

The Company actively maintains a mixture of MTNs with final maturities between 2029 and 2059. Any short-term liquidity requirement is minimal and funding requirements can be covered by committed facilities held by other Group companies. The Company's MTNs are listed on the Irish Stock Exchange.

All assets and liabilities held by the Company are denominated in Pound Sterling, therefore there is no exposure to foreign currency risk at 31 March 2025 and 31 March 2024.

A sensitivity analysis has not been produced as the risks that the Company is exposed to are low.

The fair value of the Company's borrowings varies according to changes in the market cost of borrowing.

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

LAND SECURITIES CAPITAL MARKETS PLC

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Section 172(1) statement

The Company's ultimate parent company is Land Securities Group PLC which indirectly holds 100% of the ordinary share capital of the Company (refer note 14). 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 2025, available on the Group's website, www.landsec.com.

At a Company level, the directors take the interests of stakeholders, namely the Group as the Company's customer and 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 Group. 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.

D J Holder
Director

Signed by:

Duncan Holder

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Date: July 30, 2025

Registered and domiciled in England and Wales
Registered number: 05193511

LAND SECURITIES CAPITAL MARKETS PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2025

The directors of Land Securities Capital Markets PLC (the 'Company') present their report and the financial statements for the year ended 31 March 2025.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable UK 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' ('FRS 101'). 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 United Kingdom 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.

Director's engagement statement

Details of how directors have engaged with key stakeholders of the Company have been disclosed in the Strategic Report.

Principal activity and future business developments

The Company operates primarily as a funding vehicle for the Land Securities Group. It does this by issuing debt in the market and lending the proceeds to the Group's subsidiaries. No changes in the Company's principal activity are anticipated in the foreseeable future.

Review of the business and future developments are disclosed in the Strategic Report.

Results for the year and dividend

Results for the year are disclosed in the Strategic Report.

The directors do not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: £Nil) in addition to the interim dividend of £1,000,000 (2024: £Nil) paid on 26 September 2024, making a total dividend for the year of £1,000,000 (2024: £Nil).

Corporate governance

The Company's ultimate parent company is Land Securities Group PLC which indirectly holds 100% of the ordinary share capital of the Company (refer note 14). The Company's risk management framework is applied through the Land Securities Group's Risk Management Process, which covers the risk management and internal control system. Details of the process can be found in the consolidated financial statements for the year ended 31 March 2025, available on the Group's website.

The directors are responsible for implementing and monitoring the effectiveness of the Company's internal controls and risk management systems. Procedures have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records and for reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatements, errors, losses or fraud. Further details are discussed in Principal risks and uncertainties section of the Strategic Report and in the notes to the financial statements. The directors are responsible for appointment of an independent statutory auditor, regularly evaluating the independence of the appointed auditor and monitoring the statutory audit of the annual accounts. The internal procedures allow the Company to comply with their regulatory obligations.

LAND SECURITIES CAPITAL MARKETS PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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 July 2026 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 period to 31 July 2026, 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 July 2026. 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 2025.

Directors

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

L L Sellars (resigned 31 March 2025)
M R Worthington
C Mairs
V K Simms
E A Gillbe
D J Holder

Indemnity

The Company has made qualifying third party indemnity provisions for the benefit of the respective directors which were in place throughout the year and which remain in place at the date of this report.

Financial risk management

The financial risk management objective and policies are disclosed in the Strategic Report and in note 12.

Disclosure of information to auditor

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

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves 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.

Signed by:

Duncan Holder

CF3BC41EC50748E...

D J Holder
Director

Date: July 30, 2025

Registered and domiciled in England and Wales
Registered number: 05193511

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND SECURITIES CAPITAL MARKETS PLC

Opinion

We have audited the financial statements of Land Securities Capital Markets PLC (the 'Company') for the year ended 31 March 2025 which comprise Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14, including material accounting policy information. 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 2025 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 as applied to listed entities 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. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- assessing the risk around going concern in planning our audit and again during the execution phase.
- assessing and challenging Management's going concern assessment to gain an understanding of the process followed by the Company to prepare the assessment. The ability of the Company to continue as a going concern is dependent on it receiving interest and principal payments on the amounts due from Group undertakings so that it can meet its external obligations.
- reviewing and obtaining the letter of financial support provided to the Company by Land Securities Group plc to enable it to meet its liabilities as they fall due. The ability of Land Securities Group PLC and its subsidiaries (the "Group") to make these payments is dependent on the Group's available liquidity and so in assessing the Company's ability to continue as a going concern we therefore considered the Group's going concern assessment and have challenged the Group's ability to provide support by:
 - confirming our understanding of the Group's going concern assessment process and reviewing management's related Board papers.
 - assessing and challenging the appropriateness of the duration of the Group's going concern review period to end of September 2026 and considering whether there are any known events or conditions that will occur in the short-term following the going concern period which would impact our considerations.
 - challenging the key assumptions and inputs used by management within the base case and downside scenarios modelled by management by comparing to corroborative evidence and searching out independent contradictory evidence.
 - challenging whether sustainability costs identified by management associated with the Net Zero Transition Investment Plan have been appropriately considered within the base case and downside scenarios modelled by management.
 - assessing and challenging management's consideration of downside sensitivities taking into account current events and market conditions. We have applied further sensitivities on income and capital expenditure where appropriate to stress test the impact on both liquidity and covenants. As part of our sensitivity testing, we considered the perspective of our real estate specialists team on forecast valuation movements.
 - checking the integrity of the models developed by management for the base case cashflow, liquidity forecasts and covenant calculations covering the Group's going concern review period to September 2026 and the additional downside scenarios. This has included re-performing calculations and testing the formulae being applied throughout.
 - checking that the terms and conditions of the debt agreements with lenders had been appropriately incorporated into the going concern scenarios and modelling, including the maturity profile of the Group's borrowings, the impact of the Security Group structure and the tiered operating covenant regime.
 - performing testing to evaluate whether the covenant requirements of the debt facilities would be breached under either the base case or the downside scenarios through the going concern period.
 - challenging the conclusions that both the levels of decline required to breach the covenants and the reverse stress test prepared can be considered as remote by obtaining external market outlooks in relation to future valuations and reviewing previous declines observed in results.
 - testing on key assumptions and considered the likelihood of outcomes including controllable mitigating actions, which include uncommitted capital expenditure, acquisitions, disposals and developments, over and above the scenarios modelled.
 - further challenging the cashflow forecasts with reference to historical trends and assessing the outcome of management's previous forecasts.
 - reviewing the disclosures in the Group's consolidated financial statements relating to going concern with a view to confirming that they appropriately disclose the risk, the impact on the Group's operations and results and potential mitigating actions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND SECURITIES CAPITAL MARKETS PLC

- assessing and challenging if there have been any events subsequent to the preparation of the Group's going concern assessment that negatively impact the conclusions made by tracing to corroborative evidence and searching out for contradictory evidence.
- assessing and challenging whether the Company will continue as a subsidiary to the Group through the going concern period by performing inquiries and searching out for contradictory evidence.

The results of the mitigated downside scenarios modelled by management indicate that the Group would maintain available facility and covenant headroom to be able to withstand the impact of plausible downside sensitivities throughout the period of the going concern assessment of the Company to 31 July 2026 and provide the parental support required by the Company.

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 July 2026.

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.

Overview of our audit approach

Key audit matters	• Understatement/overstatement of impairment of loans due from group undertakings
Materiality	• Overall materiality of £38.3m which represents 1% of total assets.

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, the potential impact of climate change and changes in the business environment when assessing the level of work to be performed.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND SECURITIES CAPITAL MARKETS PLC

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Understatement / overstatement of impairment of loans due from group undertakings due to influence on manual computation of Provision for impairment (Valuation)</p> <p>2025: Total receivable balances of £3,814m (2024: Total receivable balances of £4,071m).</p> <p>The ability of the Company to successfully raise capital may be influenced by the recoverability of loans advanced to fellow Group undertakings. This may place pressure on the Company to inappropriately influence the assessment of impairment.</p> <p>Further, the primary driver of recoverability of these loans is the financial position and performance of the wider Group.</p> <p>The ability of the counterparty entities to meet the required interest and principal repayments is dependent on the Group's available liquidity, including access to borrowing facilities, and its ability to continue to operate within its financial covenants.</p>	<p>Our audit procedures in respect of the recoverability of loans due from Group undertakings and the related impact on the going concern basis include:</p> <p>We assessed the financial viability of each loan counterparty with reference to its net assets and the intercompany agreements it has with the rest of the Group which support the borrower's ability to repay its debt.</p> <p>We compared the loan balance to the total valuation of the properties within the Security Group of Companies. These properties provide the security for the external borrowings and consequently the loans due from Group undertakings.</p> <p>As described above we consider the ability of the Group to continue as a going concern. This includes an assessment of the Group's liquidity position which supports its ability to make interest and principal payments due to the Company.</p> <p>We assessed the adequacy of the disclosures in the financial statements were made in accordance with IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures, and IAS32 Financial Instruments: Presentation.</p>	<p>Based on the audit procedures performed, the wider Group has sufficient liquidity and cash flows and value in its investment property portfolio to support the recoverability of the loans due to the Company from Group undertakings.</p> <p>We conclude that adequate disclosures in the financial statements, in accordance with IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures, and IAS 32 Financial Instruments: Presentation are made.</p>

There have been no changes in relation to key audit matters identified from the prior year

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be £38.3 million (2024: £41.1 million), which is 1% (2024: 1%) of total assets. We believe that total assets provides us with the most appropriate basis for determining overall materiality given that the key users of the Company's financial statements are primarily focused on the recoverability of assets to support loan repayment, specifically the loans due from Group undertakings which comprise around 99% of the Company's total assets (2024: 99%).

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely £28.7m (2024: £30.8m). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected. Our objective in adopting this approach is to confirm that total detected and undetected audit differences do not exceed our materiality for the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND SECURITIES CAPITAL MARKETS PLC

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £1.92m (2024: £2.1m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Strategic Report and Directors' Report page 1-4, 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 the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 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 and the part of the Director's Remuneration Report to be audited 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 the directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 company and management.

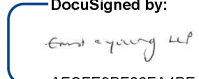
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAND SECURITIES CAPITAL MARKETS PLC

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (FRS 101, the Companies Act 2006 and the Irish Stock exchange listing rules).
- We understood how Land Securities Capital Markets PLC is complying with those frameworks through enquiry with management, and by identifying the Company's policies and procedures regarding compliance with laws and regulations. We also identified those members of management 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 corroborated our enquiries through our review of board minutes and papers provided to the board, as well as consideration of the results of our audit procedures to either corroborate or provide contrary evidence which was then followed up. Our assessment included the tone from the top and the emphasis on a culture of honest and ethical behaviour.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by reviewing the Group risk register and through enquiry with the Company's Management during the planning and execution phases of the audit.
- 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 regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
 - Understanding of management's internal controls designed to prevent and detect irregularities;
 - Designing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing;
 - Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
 - Reading minutes of meetings of those charged with governance;
 - Obtaining electronic confirmations from the Company's banking providers to vouch the existence of cash balances and completeness of loans, borrowings and other treasury positions;
 - Obtaining and reading correspondence from legal and regulatory bodies, including the FRC and HMRC;
 - Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the impairment of loans and amounts due from group undertakings of Land Securities Capital Markets PLC (see key audit matters set out earlier in this report); and
 - Journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding the Company.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

 AFCFE9BF66FA4BE...
 Julie Carlyle (Senior statutory auditor)

For and on behalf of

Ernst & Young LLP, Statutory Auditor
 London

Date: 30 July 2025

LAND SECURITIES CAPITAL MARKETS PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £000	2024 £000
Other income		-	3
Operating profit		-	3
Interest income	5	178,285	181,348
Interest expense	5	(177,812)	(181,343)
Profit before tax		473	8
Tax on profit	6	(118)	(2)
Profit and total comprehensive income for the financial year		355	6

There were no recognised gains or losses for 2025 or 2024 other than those included in the Statement of Comprehensive Income.

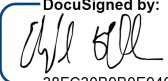
All amounts are derived from continuing activities.

LAND SECURITIES CAPITAL MARKETS PLC
REGISTERED NUMBER:05193511

BALANCE SHEET
AS AT 31 MARCH 2025

	Notes	2025 £000	2024 £000
Non-current assets			
Loans due from Group undertakings	7	3,814,008	4,070,959
		<u>3,814,008</u>	<u>4,070,959</u>
Current assets			
Trade and other receivables	8	10,677	38,877
Cash and cash equivalents		1,119	1,651
		<u>11,796</u>	<u>40,528</u>
Current liabilities			
Trade and other payables	9	(10,796)	(39,409)
		<u>(10,796)</u>	<u>(39,409)</u>
Non-current liabilities			
Borrowings	10	(2,868,113)	(2,606,692)
Loans due to Group undertakings	10	(946,288)	(1,464,134)
		<u>(3,814,401)</u>	<u>(4,070,826)</u>
Net assets		<u>607</u>	<u>1,252</u>
Capital and reserves			
Share capital	11	50	50
Retained earnings		557	1,202
Total equity		<u>607</u>	<u>1,252</u>

The financial statements on pages 11 to 19 were approved by the Board of Directors and were signed on its behalf by:

DocuSigned by:

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E Gillbe
Director

Date: July 30, 2025

LAND SECURITIES CAPITAL MARKETS PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 April 2023	50	1,196	1,246
Total comprehensive income for the financial year	-	6	6
At 31 March 2024	50	1,202	1,252
Total comprehensive income for the financial year	-	355	355
Dividends	-	(1,000)	(1,000)
At 31 March 2025	50	557	607

LAND SECURITIES CAPITAL MARKETS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared on a going concern basis (refer to note 1.7) 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. As applied by the Company, there are no material differences between UK adopted international accounting standards and EU IFRS.

Land Securities Capital Markets PLC (the 'Company') is a public company limited by shares and is incorporated, domiciled and registered in England and Wales (Registered number: 05193511). The nature of the Company's operations is set out in the Directors' Report on page 3. As applied by the Company, there are no material differences between UK adopted international accounting standards and EU IFRS. 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 2025. The financial statements are prepared in Pound 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 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 paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- 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.

1.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or fewer.

1.4 Borrowings

Borrowings 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 over the period of the borrowings, using the effective interest method.

1.5 Intercompany loans

Loans due to Group undertakings

Loans owed to Group undertakings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, loans 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.

Loans due from Group undertakings

Loans due from Group undertakings are recognised initially at fair value plus attributable transaction costs. Subsequent to initial recognition, loans due from Group undertakings are stated at amortised cost. The Company assesses on a forward-looking basis, the expected credit losses associated with its loans due from Group undertakings. The Company applies the general impairment approach, either a 12-month expected credit loss or lifetime expected credit loss depending on the existence of indicators of significant deterioration in credit risk for all loans due from Group undertakings. If collection is expected in more than one year, the balance is presented within non-current assets.

1.6 Share capital

Ordinary shares are classified as equity.

LAND SECURITIES CAPITAL MARKETS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1. Accounting policies (continued)

1.7 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 July 2026 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 period to 31 July 2026, confirmation has been received that Land Securities 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 July 2026. 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 2025.

1.8 Interest receivable and interest payable

Interest payable 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 loan notes.

Intercompany interest receivable and interest payable are recognised on an accruals basis on the corresponding intercompany loan 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 tax. Current tax is the tax payable on the taxable income for the year based on tax rates and laws that are enacted or substantively enacted by the balance sheet date and any adjustment in respect of previous years.

1.10 Dividend distribution

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

The Company has yet to assess the full outcome of these new standards, amendments and interpretations, however with the exception of IFRS 18 these other new standards, amendments and interpretations are not expected to have a significant impact on the Company's financial statements.

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

Loans and amounts due from Group undertakings

The Company is required to estimate the impairment of loans and amounts due from Group undertakings. It does this by assessing on a forward-looking basis, the expected credit losses associated with its loans and amounts due from Group undertakings. 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. As a result, the value of any provision for impairment is subject to a degree of uncertainty and is made on the basis of assumptions which may not prove to be accurate. Please refer to note 7.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

4. Management and administrative expenses

(a) Management services

The Company had no employees during the year (2024: None).

(b) Directors' remuneration

The Group's directors' emoluments are borne by fellow Group subsidiary, 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 (2024: £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 **£90,000** (2024: £71,764). Additional fees relating to the Company's 2024 audit amounted to £26,809. Non-audit services rendered in the year totalled **£79,600** (2024: £70,000) in relation to the comfort letter fee for the MTN update.

5. Net interest income

	2025 £000	2024 £000
Interest expense		
Bond and debenture debt	(101,556)	(87,494)
Interest payable on loans due to Group undertakings	(76,256)	(93,849)
	<u>(177,812)</u>	<u>(181,343)</u>
Interest income		
Interest receivable on loans due from Group undertakings	178,285	181,348
	<u>178,285</u>	<u>181,348</u>
Net interest income	<u>473</u>	<u>5</u>

6. Income tax

	2025 £000	2024 £000
Corporation tax		
Income tax on profit for the year	118	2
Total income tax charge in the Statement of Comprehensive Income	<u>118</u>	<u>2</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2024: the same as) the standard rate of corporation tax in the UK of **25%** (2024: 25%) as set out below:

	2025 £000	2024 £000
Profit before tax	473	8
Profit before tax multiplied by UK corporation tax rate	118	2
Total income tax charge in the Statement of Comprehensive Income (as above)	<u>118</u>	<u>2</u>

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NOTES TO THE FINANCIAL STATEMENTS
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7. Loans due from Group undertakings

	2025 £000	2024 £000
Loans due from Group undertakings - fellow subsidiary	3,814,008	4,070,959
Total loans due from Group undertakings	3,814,008	4,070,959

The Company has a right to demand immediate repayment of the loans due from Group undertakings however, the Company expects the loans to be repayable when the note it relates to is repaid. The terms and conditions of loans due from Group undertakings are the same as the non-current loans due to Group undertakings and medium-term notes with the exception of a slight difference in terms of interest that are considered to be insignificant (i.e. an additional 0.01% per annum).

Therefore, it is considered that the fair value of loans due from Group undertakings, **£3,374.4m** (2024: £3,720.5m), is the same as the fair value of non-current loans and medium-term notes (note 10).

8. Trade and other receivables

	2025 £000	2024 £000
Accrued interest on loans due from Group undertakings - fellow subsidiary	10,090	38,783
Amounts due from Group undertakings - fellow subsidiary	-	57
Prepayments	-	37
Social security and other taxes	587	-
Total trade and other receivables	10,677	38,877

The unsecured loans due from Group undertakings are expected to be repayable when the note it relates to is repaid. Interest is charged at the interest rate on the related note plus 0.01% per annum. The amounts due from Group undertakings are interest free, repayable on demand with no fixed repayment date.

9. Trade and other payables

	2025 £000	2024 £000
Accrued interest on non-current loans due to Group undertakings - fellow subsidiary	5,595	26,427
Accrued interest on non-current borrowings	4,436	12,356
Amounts owed to Group undertakings - fellow subsidiary	532	-
Other accruals and payables	181	626
Current tax liabilities	52	-
Total trade and other payables	10,796	39,409

The amounts owed to Group undertakings are interest free, repayable on demand with no fixed repayment date.

LAND SECURITIES CAPITAL MARKETS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

10. Borrowings

	Effective interest rate %	Nominal/ notional value £000	2025 Fair value £000	Book value £000	Nominal/ notional value £000	2024 Fair value £000	Book value £000
Non-current borrowings							
A5 5.391% MTN due 2027	5.4	-	-	-	86,572	85,984	86,535
A16 2.375% MTN due 2029	2.5	350,000	332,539	349,161	350,000	325,031	348,838
A6 5.376% MTN due 2029	5.4	65,162	64,908	65,092	65,162	64,883	65,067
A13 2.399% MTN due 2031	2.4	300,000	273,984	299,627	300,000	270,297	299,536
A7 5.396% MTN due 2032	5.4	77,367	77,708	77,191	77,367	77,567	77,163
A18 4.750% MTN due 2033	4.9	300,000	294,033	294,740	300,000	299,385	296,558
A17 4.875% MTN due 2034	5.0	400,000	392,788	395,846	400,000	403,232	393,088
A11 5.125% MTN due 2036	5.1	50,014	46,689	49,928	50,014	49,413	49,931
A19 4.625% MTN due 2036	4.9	350,000	330,043	346,136	-	-	-
A14 2.625% MTN due 2039	2.6	500,000	370,585	495,050	500,000	386,785	494,721
A15 4.625% MTN due 2059	2.7	500,000	274,645	495,342	500,000	308,720	495,255
Total borrowings		2,892,543	2,457,922	2,868,113	2,629,115	2,271,297	2,606,692
Non-current loans due to Group undertakings							
A5 5.391% MTN due 2027	5.4	-	-	-	521,351	517,811	520,356
A6 5.376% MTN due 2029	5.4	252,064	251,081	252,064	252,064	250,985	251,354
A7 5.396% MTN due 2032	5.4	244,238	245,315	244,238	244,238	244,871	243,286
A11 5.125% MTN due 2036	5.1	449,986	420,065	449,986	449,986	435,582	449,138
Total non-current loans due to Group undertakings		946,288	916,461	946,288	1,467,639	1,449,249	1,464,134

The Company has the option to repay any of the Notes at par in the two years prior to the stated maturity date.

The table below analyses the Company's borrowings into relevant maturity groupings based on the remaining period at the balance sheet date to the expected maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2025 £000	2024 £000
Within one year	152,325	255,545
One to five years	1,248,551	1,758,324
Over five years	3,839,063	3,500,104
	5,239,939	5,513,973

Medium-term notes (MTNs)

The MTNs are secured on the fixed and floating pool of assets of the Security Group. The Security Group includes investment properties, development properties and the Group's investment in Westgate Oxford Alliance Limited Partnership, Nova, Victoria and Southside Limited Partnership, in total valued at **£10.0bn** at 31 March 2025 (2024: £9.2bn). The secured debt structure has a tiered operating covenant regime which gives the Group substantial flexibility when the loan-to-value and interest cover in the Security Group are less than 65% and more than 1.45 times respectively. If these limits are exceeded, the operating environment becomes more restrictive with provisions to encourage a reduction in gearing. The interest rate of each MTN is fixed until the expected maturity, being two years before the legal maturity date of each MTN, whereupon the interest rate for the last two years may either become floating on a SONIA basis plus an increased margin (relative to that at the time of issue), or subject to a fixed coupon uplift, depending on the terms and conditions of the specific notes.

The effective interest rate is based on the coupon paid and includes the amortisation of issue costs. The MTNs are listed on the Irish Stock Exchange and their fair values are based on their respective market prices.

Valuation hierarchy

The fair value of the MTNs is based on values using unadjusted quoted prices in active markets and therefore falls within level 1 of the valuation hierarchy, as defined by IFRS 13. For all other financial instruments, other than MTNs and loans due from group undertakings, the carrying value in the balance sheet approximate their fair values.

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11. Share capital

	Authorised and issued		Allotted and fully paid	
	2025	2024	2025	2024
	Number	Number	£000	£000
Ordinary shares of £1.00 each	50,000	50,000	50	50
	<u>50,000</u>	<u>50,000</u>	<u>50</u>	<u>50</u>

12. Capital and financial risk management

Capital management

The Company considers its capital to constitute Shareholder's capital and non-current loans and borrowings. The primary objective of the Company's capital management is to ensure that Company's commitments in relation to its loans and borrowings are met on a timely basis. For this purpose, the Company has entered into an agreement with another related party to ensure sufficient funds are available to meet the external obligations when these arise.

Financial risk management

Financial risk factors

The Company's debt financing exposes it to a variety of financial risks that include the effects of changes in debt market prices, liquidity and interest rates.

Credit risk

The Company's principal financial assets are cash, loans due from Group undertakings and trade and other receivables. The solvency of the Land Securities Group is considered strong and therefore credit risk is deemed to be low.

Interest rate risk

The Company has negligible interest rate risk as all MTNs have a fixed rate of interest.

Liquidity risk

The Company actively maintains a mixture of MTNs with final maturities between 2029 and 2059. Any short-term liquidity requirement is minimal and funding requirements can be covered by committed facilities held by other Group companies. The Company's MTNs are listed on the Irish Stock Exchange.

Foreign currency risk

All assets and liabilities held by the Company are denominated in Pound Sterling, therefore there is no exposure to foreign currency risk at 31 March 2025 and 31 March 2024.

Sensitivity analysis

A sensitivity analysis has not been produced as the risks that the Company is exposed to are low.

13. Related party transactions

The Company did not have any transactions with key management personnel during the year ended 31 March 2025 (2024: £Nil).

14. Parent company

The immediate parent company is Land Securities PLC.

The ultimate parent company and controlling party at 31 March 2025 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 2025 for Land Securities Group PLC can be obtained from the Company Secretary at the registered office address of the ultimate parent company, 100 Victoria Street, London, SW1E 5JL, and from the Group's website at www.landsec.com. This is the largest and smallest Group to include these financial statements in its consolidated financial statements.