# LANDSEC ANNUAL REPORT 2025


Landsec

Landsec

Go to contents

Go to previous page

Back one page

Forward one page

While this year saw political change altering the UK and global context, many of the preceding years' challenges persist. Inflation continues to shape our economy and define our sector. The cost of capital remains elevated, creating a challenging environment in which to grow.

It's within market conditions like these that the true quality of a business is revealed.

Facing into the storm, we have remained clear-eyed in our focus to deliver. Disciplined in maintaining our balance sheet. Agile in our ability to seize the opportunities that emerged and relentless in our ability to execute when it matters.

We enter the new financial year having put in place the building blocks for further growth with the release of our updated strategy.

We are rebalancing our portfolio to deliver higher sustainable growth in income and earnings per share.

With a focus on key urban growth locations, we will consolidate our high-quality office portfolio, deepen our investment in high-income return retail and increase our exposure to a structural growth sector by building our residential platform. All underpinned by our heritage and long-standing competitive advantage in shaping places that stand the test of time.

Despite the challenging conditions we've acted decisively to position Landsec for long-term sustainable growth.

Strong leadership. Refreshed strategy. Clear purpose.

# CONTENTS

# OUR PORTFOLIO

## Central London

VALUATION

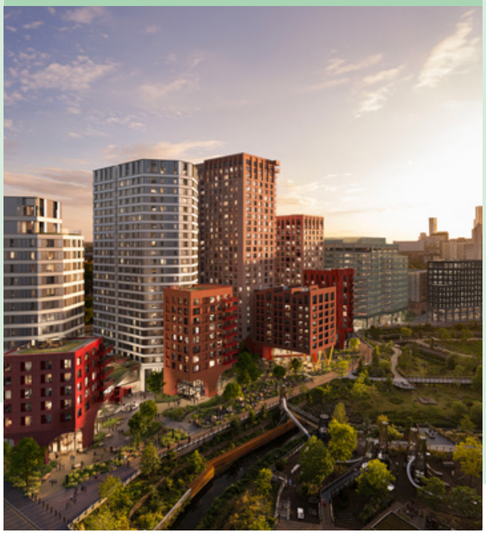
**£6.7bn**

## Retail

VALUATION

**£2.6bn**

## Residential-led



VALUATION

**£0.8bn**

READ HOW WE ARE SHAPING PLACES THAT STAND THE TEST OF TIME ON PAGES 07-09.

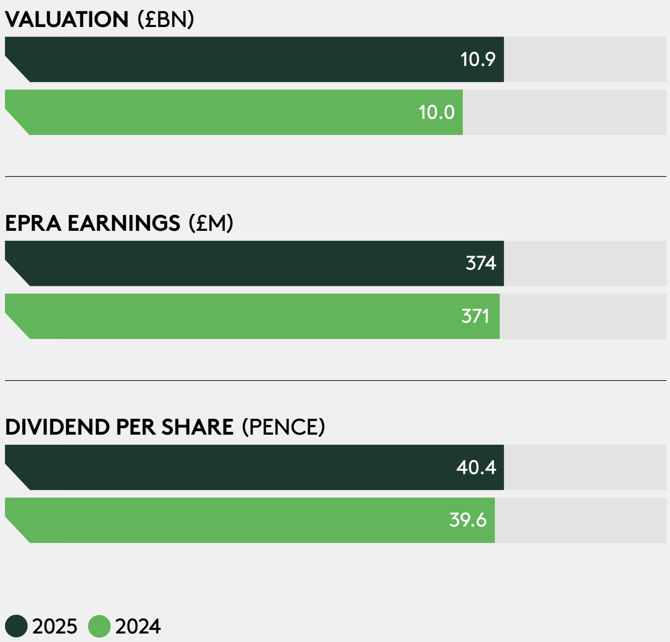
## WHO WE ARE

We are one of the leading real estate companies in the UK. We have a best-in-class office and retail portfolio, both of which are focused on areas of strong customer demand, and a £3bn residential pipeline, providing a valuable opportunity to grow in this attractive, structural growth market. Our unique ability to shape places that stand the test of time underpins our long-term growth potential.

## OUR PURPOSE

Landsec is built on places that stand the test of time. Places that are scarce in number, but high in potential. Places that enhance quality of life and bring joy to the people who live, work in or visit them.

## OUR PERFORMANCE



# CHIEF EXECUTIVE'S STATEMENT

**MARK ALLAN,**
**CHIEF EXECUTIVE**

## A CLEAR TRAJECTORY FOR GROWTH, BOTH NEAR AND LONGER TERM

Owning the right real estate has never been more important. Irrespective of sector, there is a clear focus from customers on best-in-class space and as this space remains in short supply, rents are growing. As such, we are confident in how we have repositioned our portfolio over the past four years. The success of this is vindicated by the strength of our operational performance, with like-for-like rental income up 5.0% and like-for-like occupancy up 100bps to 97.2%, substantially outperforming wider markets.

In the long run, it is clear that income growth is the main driver of value growth in both equity markets and real estate, so our primary focus is on delivering sustainable income and EPS growth. For an £11bn REIT like us, materially shifting portfolio mix takes time, so we need to think differently about what drives EPS growth near term and what we believe will drive it longer term, as these are not necessarily the same.

In the near term, most of our EPS growth will be driven by the assets we own today, not the assets we decide to buy or develop from here. In that respect, we expect our customers' focus on quality to persist and for this to support continued like-for-like rental income growth. This encouraging outlook on income is further supported by our clear plans to further reduce overhead costs by over 10% over the next two years following the 13% saving we already made over the last two years. These two factors combined underpin our expectations for positive near-term EPS growth.

The capital allocation decisions we make today have more impact on EPS growth in the medium to longer term. As such, our decisions on development and recycling capital today are therefore about making sure that in 3-5 years' time, our asset mix is such that we are still as confident about the income growth prospects of our portfolio at that point, as we are about our current portfolio today.

These two factors – impact on sustainable income and EPS growth nearer term and impact on desired portfolio mix longer term – are, alongside our assessment of risk, the primary guide for our capital allocation decisions. It is this framework which underpinned our decision to invest £0.6bn of capital in two of the very best retail destinations in the UK over the past year – Liverpool ONE and Bluewater – and to sell £0.4bn of ageing hotels with a substantial capex bill looming. It is also what underpins our aim to invest a further £1bn in major retail over the next 1-3 years, as we monetise further non-core assets and surplus land. And, on a 2-5-year view, our aim is to reduce our capital employed in offices by £2bn to build a sizeable residential platform, which we believe will provide higher structural growth and lower volatility.

Whilst we are mindful of the recent rise in global economic uncertainty, we are yet to see any impact of this on customer demand or investment markets. Given the actions

**HIGHLIGHTS** TABLE 1

| | Mar 2025 | Mar 2024 | Change % |
|---|---|---|---|
| EPRA earnings (£m)[1] | **374** | 371 | **0.8** |
| IFRS profit/(loss) before tax (£m) | **393** | (341) | **n/a** |
| Total return on equity (%) | **6.4** | (4.0) | **10.4** |
| | | | |
| Basic earnings/(loss) per share (pence) | **53.3** | (43.0) | **n/a** |
| EPRA earnings per share (pence)[1] | **50.3** | 50.1 | **0.4** |
| Dividend per share (pence) | **40.4** | 39.6 | **2.0** |
| | | | |
| Combined Portfolio (£m)[1,2] | **10,880** | 9,963 | **9.2** |
| IFRS net assets (£m) | **6,532** | 6,447 | **1.3** |
| EPRA Net Tangible Assets per share (pence)[1] | **874** | 859 | **1.7** |
| | | | |
| Adjusted net debt (£m)[1] | **4,304** | 3,517 | **22.4** |
| Group LTV ratio (%)[1] | **39.3** | 35.0 | **4.3** |
| | | | |
| Proportion of portfolio rated EPC A-B (%) | **56** | 49 | |
| Average upfront embodied carbon reduction development pipeline (%) | **41** | 40 | |
| Energy intensity reduction vs 2020 (%) | **23** | 18 | |

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the Presentation of financial information in the Financial Review.
2. Includes owner-occupied property and non-current assets held-for-sale.

we have taken over the past few years, our outlook for EPS growth and return on equity therefore remains positive. Executing our strategy will build further on this and deliver material value for shareholders by moving to higher income, higher income growth and lower cyclicality in the medium term.

## STRONG OPERATIONAL PERFORMANCE UNDERPINS SOLID FINANCIAL RESULTS

Our operational performance over the past year has been strong. Occupancy increased to a high 97.2% and we delivered 5.0% growth in like-for-like net rental income, with strong growth across London and major retail. For both, our reversionary potential is growing, with 8% rental uplifts on relettings/renewals. In retail in particular, this trend has continued to rise, up from 1% last year to 4% at the half year, 7% for the full year and 10% for current lettings. Overall leasing was 4% above ERV, driving 4.2% ERV growth.

Our strong operational performance and £4m reduction in overhead costs, on top of the £7m reduction in the prior year, mean our financial results for the year are positive. Despite the earnings impact of the significant disposals we made early in the year, EPRA earnings still increased £3m to £374m, or 50.3 pence per share. This was also despite the fact that the prior year benefitted from £14m, or 1.9 pence, higher surrender receipts than the last 12 months and means EPS is ahead of our initial guidance for the year. Reflecting this, our dividend is up 2.0%.

The valuation of our portfolio was up 1.1%, in line with our view a year ago that yields were set to stabilise and values for the best assets would return to growth. As such, our return on equity improved to 6.4% and NTA per share increased 1.7%. Meanwhile, our balance sheet remains robust, with a long average debt maturity of 9.6 years. Pro-forma for disposals since the year-end, our LTV is 38.4% and average net debt/EBITDA is 7.7 times. Following a £350m ten-year bond issue at 4.625%, representing a 97bps credit spread, and refinancing of £2.25bn revolving credit facilities at stable margins during the year, the benefit of our balance sheet strength is clear and maintaining this remains a key priority.

## OUR STRATEGY

Through targeted investments and £3.3bn of disposals since our Strategy Review in late 2020, we have established a high-quality portfolio and pipeline of best-in-class office-led, retail-led and residential-led places with substantial income growth potential. The predominant use of space in each of these areas differs, yet there is increasingly more binding them together than setting them apart, as the lines between traditional uses of successful urban places continue to blur.

Our ability to curate these places to adapt to the evolving demands of modern cities is what supports their sustained growth over time.

This strategy has paid off, as demand for modern, sustainable office space in London remains strong and in retail, brands continue to concentrate on fewer, but bigger and better stores in key locations. As supply of both is constrained, rents in our portfolio continue to grow, which underpins our positive view on near-term income and EPS growth. This reflects the investments decisions we have made in recent years, in terms of assets, but also in respect of our organisation, people and technology platform. Similarly, the investment decisions we make over the next 1-2 years will determine the trajectory for our returns in 3-5 years' time.

# CHIEF EXECUTIVE'S STATEMENT CONTINUED

Looking ahead, over the medium to longer term, we see a number of macro trends that we expect to shape the environment we operate in:

- growing geopolitical risk and climate change mean inflationary pressures will likely persist, which stresses the importance of driving sustainable like-for-like income growth
- the normalisation of interest rates means the cost of capital is likely to remain elevated, putting more emphasis on risk-adjusted returns, the time value of money and efficiency
- technological change means customer expectations will continue to evolve rapidly, impacting depreciation in sectors with fewer long-term supply constraints
- continued population growth will mean the existing shortage of urban housing is set to grow

The Strategy Update we set out in February this year is built around these structural trends. In executing this strategy, our primary focus will be on delivering sustainable income and EPS growth. As a framework for capital allocation decisions, this means we will prioritise opportunities that deliver income and EPS growth in the near term but also position our portfolio mix such that EPS growth can be sustained in the medium to longer term. Beyond that, there will be a balance between these two factors – near-term EPS growth and impact on our desired portfolio mix – but our decisions will always seek to enhance at least one of these, without distracting from the other.

This explains why major retail still remains our highest conviction call and why we seek to grow our retail platform by a further £1bn over the next 1-3 years. Risk-adjusted returns on acquisitions are compelling, with highly attractive 7-8% day-one income yields; rents having returned to growth from rebased levels; and zero supply of new space in the foreseeable future, as capital values are around half of replacement costs, meaning that competition for the best space is expected to persist and rents continue to grow.

This framework also explains our plan to reduce capital employed in office-led assets by £2bn to fund the build-up of a £2bn+ residential-led platform over the next 2-5 years. We are very confident in the near-term income growth prospects of our high-quality London office assets, as the focus from customers on best-in-class space and modest new supply in recent years has created 12% positive reversionary potential. Yet, longer term there are fewer supply constraints, and demand and hence rents are likely to be more cyclical. The growth in demand for homes, however, is more structural, as it is underpinned by long-term demographic trends. This means residential income and values have been much less volatile historically and we expect this to remain the case going forward.

Whilst investing in residential offers limited near-term EPS upside, income growth closely tracks inflation over time and is captured annually, so real returns are attractive. Net yields of c. 4.5-5% are similar to net effective income returns on offices after lease incentives, so rotating capital out of offices into residential should be broadly EPS neutral initially, but offers higher EPS growth and lower risk over time. The scale-up of our residential platform is supported by the 6,000-homes development pipeline we have established over the past few years across three large-scale, well-located and highly connected sites in London and Manchester, which combined with selective acquisitions will take us to our £2bn+ target by 2030.

The other implications of our recent strategy update are also clearly explained by our thinking on capital allocation. We plan to release half of our £0.7bn capital employed in low/non-yielding pre-development assets over the next 1-3 years to reduce the holding cost of this, which should improve earnings by c. £15m per annum and overall ROE by c. 25-50bps. We also plan to exit our residual £0.8bn of retail/leisure parks, as day-one yields are reasonable but like-for-like income growth trails the growth in major retail destinations. In addition, we will scale back our office-led development by at least half, to grow our residential development. All of these decisions either enhance our near-term EPS growth, help rebalance our portfolio towards higher longer-term EPS growth, or contribute to both.

## IMPLICATIONS FOR EPS GROWTH AND DRIVING SHAREHOLDER VALUE

As most of our near-term income and EPS growth will be driven by our current assets, we are confident in how we have positioned our portfolio and platform in recent years. Our strong 5.0% growth in like-for-like income over the past 12 months is testament to this. In addition to continuing to capture the growing reversion in our existing portfolio and further reducing overhead costs over the next two years, all else equal, the above capital allocation decisions would therefore drive c. 30% EPS growth by FY30. Against that, we have to absorb the impact of interest costs going up as we refinance maturing debt plus the expiry of the income at Queen Anne's Mansions, which have a combined negative EPS impact of c. 5 pence, spread over a number of years.

Overall, we therefore see the potential for EPS to grow c. 20% from 50.3 pence over the past year to c. 60 pence by FY30, which adds further to our attractive existing income return at NTA of 5.8%. Over this period growth should be relatively linear although the exact year-on-year profile will be influenced by factors such as the timing of development lettings, with for example £61m of ERV completing at our two highly sustainable, on-site developments in Victoria and the Southbank in about a year's time. We are seeing encouraging customer interest in this space emerge and although it will take time to lease-up as these are multi-let buildings, they should add £7m to earnings once fully let. We will not start any new speculative office-led projects until the expected income on these projects is substantially de-risked.

Over time, our compound growth in EPS should drive continued growth in dividends, whilst rebalancing our portfolio towards higher long-term income growth and lower cyclicality will create a more valuable income profile. In support of this, we will retain our strong capital base, as we continue to target a net debt/EBITDA of below 8x and an LTV around the mid 30s at this stage of the cycle. This will be further enhanced by a reduction in risk profile and cyclicality, as we reallocate capital from offices to residential. As we execute our strategy, Landsec is well-placed to deliver significant shareholder value.

## OUTLOOK

The outlook for our best-in-class portfolio and pipeline remains firmly positive.

In major retail, the top 1% of all shopping destinations in the UK provide brands with access to 30% of all in-store retail spend. As close to 90% of our retail assets are in this top 1%, brands continue to invest in space with us, focusing on ‘fewer, bigger, better’ stores in the best locations. Any pressure on brands’ margins from increased NI costs or wider economic uncertainty will likely sharpen this focus further and put more pressure on the tail-end of brands’ store portfolios. As our occupancy is now higher than it was before Covid, we expect rental value growth this year to be around similar levels as last year.

In London, office utilisation across our portfolio continues to grow and customers are now planning for c.25% more space per person than five years ago, with c.80% of our lettings over the past year having seen customers grow or keep the same space. In the near future, new supply across London is modest, so we expect our rental values this year to continue to grow at a broadly similar rate as they did last year. This also bodes well for our two committed developments, Thirty High and Timber Square, where we expect to see first pre-let activity in the second half of this year, in line with our underwrite assumptions.

Meanwhile, in residential, we have created a £3bn development opportunity to build scale in a sector with strong structural growth characteristics, attractive real returns and much lower volatility. The attractive long-term prospects in this space should enhance our sustainable income and EPS growth over time.

The trends that have supported our strong operational performance over the past few years remain intact, even though the global economic outlook has become more uncertain in recent months as a result of shifting US trade policy. We are mindful of the disruption this can cause but, as a purely UK focused business with an existing customer base that is primarily focused on successful omnichannel retail brands, professional services and financial services and a development pipeline which is increasingly focused on residential, we are not seeing any impact on customer demand or financial performance.

In investment markets, we continue to see a steady pick-up in activity across the UK and increasingly in London offices, albeit from a low base. The outlook for long-term interest rates is more relevant than the outlook for base rates, but for assets where there is an opportunity to drive income growth in the coming years, such as our best-in-class portfolio, there appears to be a growing understanding amongst investors that real returns look attractive relative to real interest rates. Absent any major economic shocks, we expect this will continue to underpin valuations for such assets as investment activity recovers further.

In summary, we are well-placed due to the successful execution of our 2020 strategy, with clear upside as we deliver the next phase of our strategy. Our portfolio is 97.2% full, so ERVs are growing. Our office rents are 12% reversionary and rental uplifts on relettings/renewals in retail have risen to 10%. We are on track to reduce overhead cost by a further 10% over the next two years, with additional upside to EPS to come from recycling £3bn of capital out of offices and non-core assets into major retail and residential.

All this means we see the potential to deliver c.20% growth in EPS by FY30 and with c.2-4% growth in EPS expected for FY26, supported by c.3-4% growth in like-for-like net rental income, we are well on track. We expect this to support continued growth in dividends and to drive an attractive return on equity over time, built on an existing income return at NTA of 5.8% plus future income growth. As we move to higher income, higher income growth and lower cyclicality in returns, the delivery of our strategy is set to drive significant shareholder value. Owning the right real estate has never been more important.

**MARK ALLAN,**
**CHIEF EXECUTIVE**

# MARKET CONTEXT

The Landsec property portfolio focuses on areas where we have a sustainable or attainable competitive advantage. Our high-quality, urban real estate portfolio has the potential for material income growth and is focused on the office, retail and residential segments of the UK commercial property market.

## OFFICE-LED REAL ESTATE

The Central London office market continues to adapt as many businesses are looking to increase the proportion of the working week spent in the office. As a result, demand for office space with the best sustainability credentials, local amenities and transport connectivity has continued to grow. Take-up of Grade A office space at 9.0m sq ft remains ahead of the long-run average of 8.7m sq ft. This demand for the best space contrasts with overall take-up which has fallen over the last 12 months.

The high demand for Grade A space is reflected in rental levels, which have continued their recent strong growth and saw a 5.5% increase over the last year. Recent evidence in Victoria, where roughly half of our office portfolio is located, shows rents have moved on 15% from the record rent we set with our n2 development just 18 months ago. Our portfolio is well-positioned to benefit from this strong occupational market.

In contrast to the strong occupational market, office investment volumes have been subdued in the last two years. Despite recent global economic volatility, we expect activity to start to pick up in 2025 as concerns around working from home have eased and confidence in income has grown, and yields for good quality assets look attractive in an historical context. Encouragingly, investment volumes in Q1 25 totalled £2.4bn, a 49% increase on the previous quarter.

## RETAIL-LED REAL ESTATE

In retail, the polarisation between the best destinations and the rest of the market continues. The top 1% of all shopping destinations in the UK provide brands with access to 30% of all retail spend, which is more than the bottom 90% of destinations combined. It is therefore no surprise that this top 1% is where demand from brands is focused, with many leading retailers choosing to locate the vast majority of their stores in these places. As 86% of our retail portfolio sits in this top 1%, it is clear that we are focused where demand is strongest.

This polarisation can be seen clearly in occupancy levels. Overall, across all shopping centres in the UK, occupancy remains relatively low at 85% as many locations simply do not provide the location, catchment and facilities to attract high demand for space from retailers. In contrast, our portfolio of dominant, high-quality centres has near-record occupancy of 97%. The demand for our high-quality space has resulted in us delivering rental income growth through the rent review process and growth in turnover income as retailer sales in our centres grew by 3.4% in the last year.

## RESIDENTIAL-LED REAL ESTATE

The UK has a structural need for new homes, as the UK population is expected to grow by 6 million people by 2035. The housing market has a clear demand-supply imbalance as completions have averaged just 185,000 per annum over the last ten years versus a widely acknowledged housing target of 300,000 per annum. And with a more than 20% decline in planning approvals over the last three years, supply will be even more constrained in the near future.

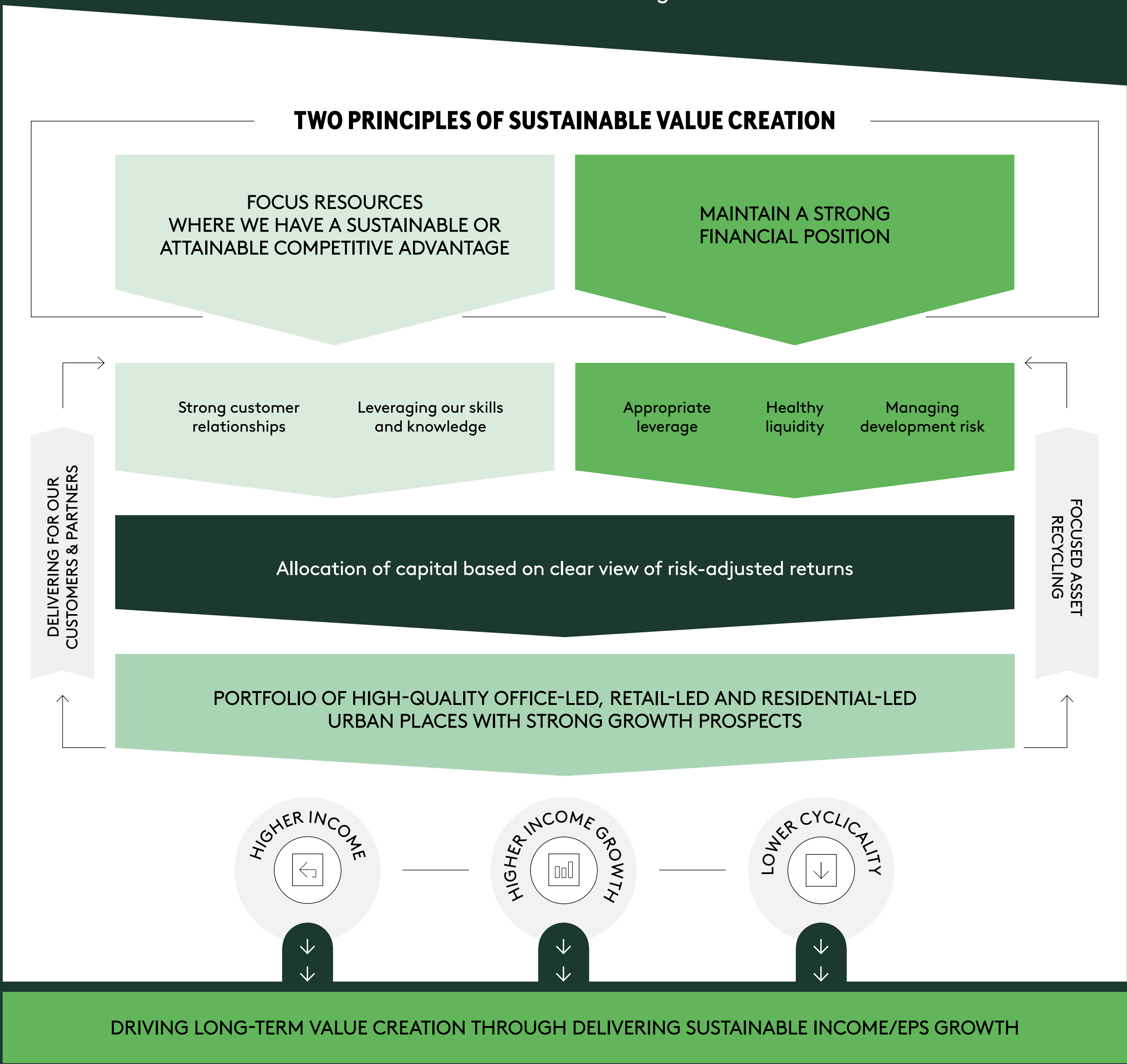
One of the attractions of the residential market is that, over time, average residential rents are closely correlated with inflation via wage growth – much more so than average commercial rents. Also, following the rise in mortgage rates, it is on average now cheaper to rent than buy a house in terms of overall cost. The opportunities within our portfolio are well-placed to capitalise on these trends.

The outlook for the private rented market looks particularly attractive as demand is growing given the flexibility and value proposition on offer. This is particularly the case for Gen Z consumers (aged 13-28) who, given the choice, are more than twice as likely to prefer to rent as previous generations. This is important as the Gen Z generation will become the main target customers for build to rent over the next five to ten years.

# OUR BUSINESS MODEL

## OUR PURPOSE | SHAPING PLACES THAT STAND THE TEST OF TIME

Our purpose is to shape places that stand the test of time in order to create value for all our stakeholders. Our primary financial objective is to deliver sustainable income and EPS growth, with return on equity being the output of this, rather than a standalone target.



# OUR STRATEGY

We believe that, in the long term, income growth is the main driver of value growth in both equity markets and real estate, so our primary focus is on delivering sustainable income and EPS growth as this will result in an attractive return on equity over time.

We believe there are two principles of sustainable value creation: focusing our resources where we have a true competitive advantage; and maintaining a strong financial position.

Property is not a highly liquid asset class and we, like all REITs, have to manage our business knowing there is a limit to how much we can buy or sell in any given year. We therefore have to approach how we deliver EPS growth in the near to medium term differently from EPS growth in the medium to long term.

EPS growth in the near to medium term is primarily driven by the assets we own today: capital allocation decisions that have already been taken. Owning the right real estate has never been more important, and we have positioned our portfolio well. Through a combination of targeted investments and £3.4bn of disposals since our Strategy Review in late 2020, we have established a high-quality portfolio and pipeline of best-in-class office-led, retail-led and residential-led places with substantial income growth potential. We expect our recent track record of delivering strong like-for-like rental income growth to continue and this, together with further reductions in our cost base, means our earnings outlook is positive.

EPS growth in the medium to longer term is primarily about portfolio mix, which takes time to shift: capital allocation decisions taken today. Having assessed the best risk-adjusted return opportunities for our business and our shareholders, the next phase of our strategy will see us move towards higher income, higher income growth and lower cyclicality. Building on the momentum created over recent years, we will further rebalance our portfolio mix, with more investment in growing our market-leading retail platform; the establishment of a sizeable residential platform, building on the £3bn development opportunity we have created; and, to fund this, a smaller share of capital employed in offices.

## PORTFOLIO FOCUSED ON AREAS OF STRONG CUSTOMER DEMAND

### BEST-IN-CLASS OFFICE-LED PORTFOLIO


### LEADING UK RETAIL-LED PLATFORM


### £3BN+ RESIDENTIAL-LED PIPELINE

Our approach to capital allocation is clear: we prioritise investments that can support both near-term earnings growth targets and long-term portfolio mix objectives. Beyond those it is a balance between the two objectives but our decisions will always support one of these two objectives without detracting from the other.

### MAJOR RETAIL

Major retail remains our highest conviction call because it supports earnings growth both near term and longer term. Growth is driven near term by reversion off rebased rents; longer term by the fact that no new shopping centres are being built, retailers are focusing on fewer, bigger, better stores, and people are increasingly looking for compelling experiences that drive repeat visits. We are clear that we want to invest a further £1bn into this segment over the next 1-3 years: near term EPS positive; long term EPS positive.

### LONDON OFFICE

We are comfortable being invested in high-quality offices for now as the flight to prime will support earnings growth in the short to medium term. Longer term, it is more difficult to judge earnings growth potential because of the challenges in forecasting the volume of new supply and the historic cyclicality in demand.

### RESIDENTIAL

Living sectors, we believe, have the strongest structural support for long-term growth. Whilst investing in residential offers limited near-term EPS upside, income growth closely tracks inflation over time and is captured annually, so real returns are attractive. Net yields of c. 4.5-5% are similar to net effective income returns on offices after lease incentives, so rotating capital out of offices into residential should be broadly EPS neutral initially but offers higher EPS growth and lower risk over time.

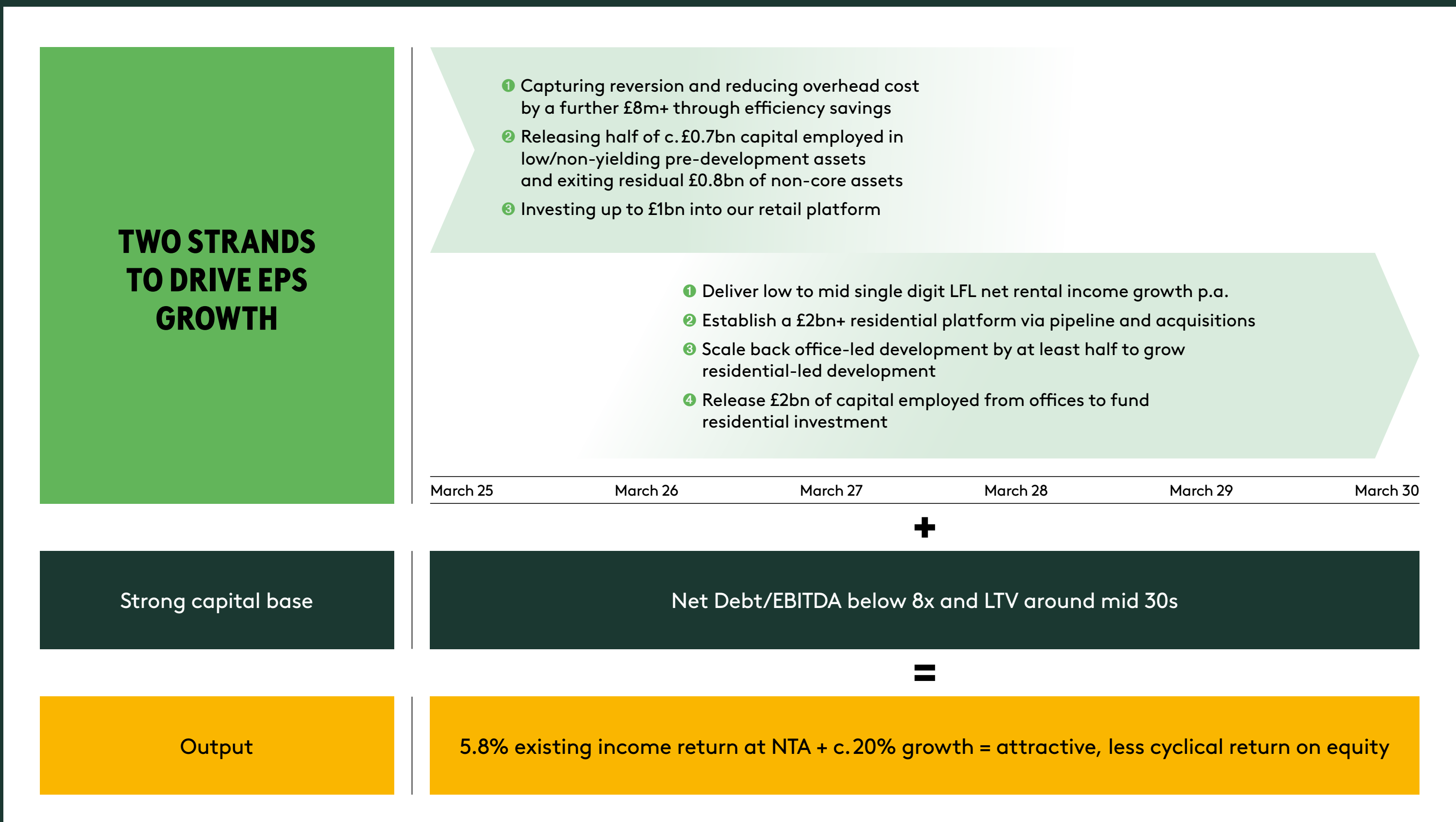
Hence our plan is to invest £2bn into the residential sector, funded by a commensurate reduction in capital employed in offices over the next 2-5 years.

This rebalancing of the portfolio should not only enhance our longer-term growth prospects, but also reduce the cyclicality in our returns, given the higher volatility in offices than residential. At the same time, through a combination of capturing like-for-like income growth, costs savings and a clear focus on capital allocation, we have the potential to deliver compound growth in EPS totalling c. 20% over the next five years, supporting continued growth in dividends.

To establish a £2bn+ residential business, we need more than just the right assets and projects; we need the right people and platform. This is why we have been working hard in recent years on transforming our operating platform, for example, by boosting our skills in areas such as residential and creative placemaking, which will enhance the value of our places; strengthening our customer orientation, which with leadership sourced from our customers' industries, provides greater insight into how to best service their needs, anticipate future trends and continue to enhance our income growth; and investing in data and technology.

In addition to rebalancing the portfolio, we will continue our focus on maintaining a strong capital base, targeting net debt/ EBITDA of less than 8 times, and an LTV around the mid 30s at this stage of the cycle. This will be strengthened further by a reduction in risk profile and cyclicality over time, reflecting the reallocation of capital from offices to residential, where the volatility in returns is lower.

## OUR KEY AREAS AND CAPITAL ALLOCATION DECISIONS TO DRIVE INCOME/EPS GROWTH



# OUR KPIs

Our KPIs are aligned to our strategy and our aim to deliver long-term value creation. They provide direction for our people, and offer clear links to remuneration.

## EPRA EARNINGS

**How we measured it**
The target is set in line with our five-year plan and annual budget

**Link to remuneration**
35% of annual bonus

35%

**Performance in 2024/25**
EPRA earnings of £374m were ahead of the £350m target

ACHIEVED

## LFL NET RENTAL INCOME

**How we measured it**
The target is set in line with our five-year plan and annual budget

**Link to remuneration**
35% of annual bonus

35%

**Performance in 2024/25**
LFL net rental income growth of 4.3% was ahead of the 2.4% target[1]

ACHIEVED

## STRATEGIC OBJECTIVES

**How we measured it**
Six individual objectives including two environmental targets

**Link to remuneration**
30% of annual bonus

30%

25% of LTIP for 2024-27

25%

**Performance in 2024/25**
All objectives met target level or above

ACHIEVED

## TOTAL RETURN ON EQUITY

**How we measured it**
Three-year growth in EPRA NTA per share adjusted for dividend payments

**Link to remuneration**
35% of LTIP for 2024-27

35%

**Performance 1 April 2022 – 31 March 2025**
Total return on equity was below the threshold 6% p.a.

NOT ACHIEVED

## TOTAL SHAREHOLDER RETURN

**How we measured it**
Three-year TSR performance relative to selected constituents of the EPRA 350 Real Estate Index

**Link to remuneration**
40% of LTIP for 2024-27

40%

**Performance 1 April 2022 – 31 March 2025**
Landsec ranked first out of 19 companies

ACHIEVED

1. Based on the pool of assets considered like-for-like at the time of writing targets at the start of the financial year.

# OPERATING AND PORTFOLIO REVIEW

We have created a high-quality, urban real estate portfolio which produces £657m of annualised rental income and offers potential for material income growth. This portfolio was valued at £10.9bn as of March and comprised the following segments:

**62%**

**CENTRAL LONDON**
Our well-connected, high-quality office (85%) and retail and other commercial space (15%), principally focused on multi-let assets in a small number of key areas in the West End (68%), City (24%) and Southwark (8%).

**24%**

**MAJOR RETAIL DESTINATIONS**
Our investments in seven shopping centres and three retail outlets, c. 90% of which sit in the top 30 highest selling retail destinations in the UK.

**7%**

**MIXED-USE URBAN NEIGHBOURHOODS**
Our investments in mixed-use urban places in London and a small number of other major UK cities, with future repositioning or residential development potential.

**7%**

**SUBSCALE**
Assets in sectors where we have limited scale or competitive advantage and which we therefore plan to divest over time, split broadly equally between retail and leisure parks.

From FY26 onwards, we will align our financial reporting to our updated strategy and operating model, with a split between office-led (61%), retail-led (29%) and residential-led (2%) places plus an element of residual non-core assets (8%). A reconciliation will be provided separately, but this report is based on the segmentation of how our portfolio was managed over the past financial year.

## DRIVING SUSTAINABLE INCOME GROWTH

Our main focus is delivering sustainable income and EPS growth. In the long run, valuation yields of real estate assets and P/E multiples in equity markets are both broadly stable, which means that delivering sustainable income and EPS growth, over time, will result in an attractive return on equity for shareholders.

Given the time it takes to develop and acquire or sell a meaningful share of an £11bn property portfolio, in the next few years the majority of our income growth will be driven by our existing portfolio, where the outlook is positive. Our capital allocation decisions from here are about ensuring our income growth prospects in 3-5 years are as attractive as they are for our current portfolio today.

The strength of this has again been proven over the past 12 months. Like-for-like net rental income was up 5.0%, with strong growth in both London and retail. Occupancy increased 100bps on a like-for-like basis to a high 97.2% and we secured rental uplifts of 8% on relettings/renewal across the two main parts of our portfolio. Overall ERVs were up 4.2%, underpinning future income growth, and on a like-for-like basis, our gross to net margin was up 1.7ppt due to a reduction in service charge expense and operating costs as a result of our focus on efficiencies.

**LIKE-FOR-LIKE INCOME GROWTH** TABLE 2

| | Net rental income £m | LFL net rental income growth % | LFL occupancy change ppt | Gross to net margin % | LFL change in GtN margin ppt |
|---|---|---|---|---|---|
| Central London | 275 | 6.6 | 1.2 | 92.0 | 0.7 |
| Major retail | 166 | 5.1 | 1.1 | 83.4 | 1.7 |
| Mixed-use urban | 43 | 2.8 | 0.9 | 79.6 | 4.4 |
| Subscale sectors | 68 | 0.0 | 0.4 | 94.4 | 2.2 |
| **Total Combined Portfolio** | **552** | **5.0** | **1.0** | **88.5** | **1.7** |

## CENTRAL LONDON

Customer demand for office space with the best sustainability credentials, local amenities and transport connectivity continues to grow and given that such space is in limited supply, rents continue to rise.

The appeal of our offer is reflected in the fact that we continue to see growth in daily turnstile tap-ins in our buildings. The rate of growth will naturally plateau as customers' space nears full capacity, yet the last three months saw average daily tap-ins up 11% vs the prior year. Our customers are now planning for c. 25% more space per person than they did five years ago, so c. 80% of our lettings over the last 12 months have seen customers grow or keep the same space.

Reflecting this, like-for-like occupancy increased 120bps to 98.0%, significantly outperforming the London market as a whole at 91.9%. We completed 42 lettings and renewals during the year, totalling £21m of rent, on average 5% ahead of ERV, with a further £3m of lettings in solicitors' hands, 22% above ERV. Uplifts on relettings/renewals were 10%, supporting 6.6% like-for-like rental

# OPERATING AND PORTFOLIO REVIEW CONTINUED

income growth, reflecting strong leasing results across a wide range of assets and further income growth at Piccadilly Lights. ERVs were up 5.2%, so as our reversionary potential is now 12%, we expect continued growth in rental income.

Our two established Myo flex office locations in Victoria and Liverpool Street saw occupancy reduce from 90% to 79% in the first half due to a small number of larger lease expiries, but in line with the view we set out at the half year, occupancy has recovered to 90% since then. The lease-up of the four new Myo locations we opened a year ago has taken slightly longer than expected, but these are now 61% let or under offer, with a further 21% in negotiations and rents on average 2% ahead of our underwrites.

### MAJOR RETAIL DESTINATIONS

The top 1% of all UK shopping destinations provide brands with access to c.30% of the country's in-store, non-food retail spend, offering higher sales densities and productivity than other formats. Around 90% of our retail assets sit in this top 1%, which means our destinations continue to materially outperform, with total sales up 3.4% and footfall up 0.4%, well ahead of BRC Benchmarks (-1.7% and -0.7% respectively).

As a result, we continue to see strong demand for our space, as brands focus on 'fewer, bigger, better' stores. Examples of this over the past year are deals with Next to triple the size of their existing store in Bluewater to 133,000 sq ft and Primark to double their store in White Rose from 37,000 to 71,000 sq ft; new openings of e.g. Bershka, Pull&Bear and Sephora at Bluewater; and with JD Sports, who are moving into a major new store in St David's from elsewhere in Cardiff city centre.

Over the past year, 17 brands increased their space with us, 30 new brands opened in our centres and 45 existing brands opened stores in new locations within our portfolio. This meant like-for-like occupancy increased 110bps to 96.6%, so occupancy is now higher than it was before the pandemic. We signed 201 leases totalling £26m of rent on average 8% above ERV, driving 4.0% ERV growth for the year. Relettings and renewals for the year were 7% above previous passing rent, up from 3% at the half year and 1% over the prior year. This has risen further to 10% for deals in solicitors' hands, underlining the growing reversionary potential in our portfolio. As a result, like-for-like net rental income increased 5.1%.

At the same time, on a like-for-like basis our leasing pipeline is up meaningfully vs this time last year, with £12m of lettings in solicitors' hands on average 20% ahead of ERV, and as our existing assets are nearly full and new supply is non-existent, we expect this to drive continued growth in rental income over time.

### MIXED-USE

After taking full control of MediaCity in October, we have already started to deliver a turnaround in performance with a number of office lettings and new F&B lettings, resulting in a 110bps increase in occupancy to 93.5%. We recently appointed a CEO for MediaCity who joins from a senior media background, and who will oversee the entire operations of the estate including the studios business. This will allow us to further build on the growing momentum and capitalise on the upside potential our new control offers us.

In other mixed-use, our previous approach to Buchanan Galleries in Glasgow and our centres at Finchley Road and Lewisham in London was to manage each towards a full vacant possession date to maximise development flexibility. This naturally impacted income as leases were shortening, which in turn weighed on values. We changed this approach last year in response to the higher interest rate environment to focus more on retaining and improving the existing income, which for Finchley Road and Lewisham will augment the major residential opportunity at both sites. At Buchanan, we will build on this by focusing on upgrading the existing retail space. This new asset management approach should see income grow over time, which was up 2.8% for the year.

### SUBSCALE

Across our portfolio of retail and leisure parks, occupancy increased 40bps to 97.4%. We completed or are in solicitors' hands on £9m of lettings, on average 2% below ERV. During the first half of the year, Cineworld announced a restructuring plan which resulted in a rent reduction in five of their 13 cinemas in our portfolio. We took the opportunity to re-let two of these to other operators at higher rents so the combined impact on rental income was minimal. Overall, like-for-like income on our retail and leisure parks was flat, which was well short of the 5.1% increase at our major retail destinations.

**OPERATIONAL PERFORMANCE** TABLE 3

| | Annualised rental income £m | Net estimated rental value £m | EPRA occupancy[1] % | LFL occupancy change[1] ppt | WAULT[1] Years |
|---|---|---|---|---|---|
| West End offices | 164 | 202 | 99.1 | (0.6) | 6.0 |
| City offices | 85 | 111 | 96.2 | 4.4 | 8.1 |
| Retail and other | 58 | 54 | 97.3 | 0.4 | 5.7 |
| Developments | – | 85 | n/a | n/a | n/a |
| **Total Central London** | **307** | **452** | **98.0** | **1.2** | **6.5** |
| Shopping centres | 186 | 188 | 96.4 | 1.0 | 4.1 |
| Outlets | 48 | 52 | 97.4 | 1.4 | 2.8 |
| **Total Major retail** | **234** | **240** | **96.6** | **1.1** | **3.8** |
| London | 10 | 14 | 88.1 | (2.1) | 6.7 |
| Major regional cities | 37 | 49 | 95.2 | 2.1 | 5.3 |
| **Total Mixed-use urban** | **47** | **63** | **93.5** | **0.9** | **5.6** |
| Leisure | 44 | 41 | 98.2 | 1.2 | 10.0 |
| Retail parks | 25 | 27 | 96.4 | (0.8) | 5.5 |
| **Total Subscale sectors** | **69** | **68** | **97.4** | **0.4** | **8.2** |
| **Total Combined Portfolio** | **657** | **823** | **97.2** | **1.0** | **5.8** |

1. Excluding developments.

## ACQUISITIONS

We made £720m of acquisitions during the year, in line with our strategy to grow our major retail platform and future residential optionality. The majority of this was our acquisition of a 92% stake in Liverpool ONE for £490m, which is one of the top retail destinations in the UK. £35m of the consideration is deferred for two years at zero interest charge and with a day-one net income return of 7.5% and rents which are reversionary and poised to grow, we expect overall returns to be in the double digits. We invested £120m in buying a further 17.5% stake in Bluewater at an income yield of 8.5% and £19m in two smaller assets adjacent to our existing retail assets in Cardiff and Glasgow, bringing total retail acquisitions to £629m.

Other acquisitions totalled £91m. This principally reflected the acquisition of the remaining 25% interest in MediaCity from Peel, plus the 218-bed hotel and studio operations at the estate which were wholly owned by Peel. The cash consideration was £23m and we assumed £61m of debt, providing an overall consideration of £84m. This represented a discount to the book value of our existing stake, reflecting the value of future income from wrapper leases to Peel we agreed to surrender. Adjusted for this, the deal was broadly in line with book value and EPS neutral in the short term, but it enhances medium- to longer-term EPS growth, as it provides us with full control to implement our asset management plans for the existing estate, whilst the Phase 2 land has a planning allocation to develop 2,700 homes. We also acquired £7m of assets adjacent to our future residential schemes in Manchester and London.

## DISPOSALS

We sold £496m of assets during the year which did not fit our strategic objectives and longer-term growth aspirations. On average, these disposals reflected an effective net income yield of 7.5% and were 1% below their March 2024 book value. The largest disposal was our £400m hotel portfolio, which had seen a strong recovery in performance post Covid, yet as the income was 100% turnover-linked on long-term leases to the operator of the hotels, there was little opportunity for us to influence or enhance its future operational performance. In addition, c. 70% of the hotels were more than 25 years old and the portfolio was therefore expected to require significant capex in the near future. The disposal included a deferred payment of £50m for up to two years, for which we receive an annual 6% coupon.

We also sold a retail park in Taplow for £46m and a number of smaller non-core assets for a combined £50m. Since the year-end, we have sold two further retail parks for £143m, reflecting an average net rental income yield of 6.4%, in line with book value. We expect to progress further disposals in the near future, as we continue to recycle capital out of subscale sectors and aim to monetise part of our capital employed in low-yielding pre-development assets. Over the next 2-5 years, we aim to further rebalance our portfolio mix by monetising c. £2bn of capital employed in offices.

## DEVELOPMENT AND INVESTMENTS IN EXISTING ASSETS

During the year, we invested £486m in capex, including £202m for our two on-site office projects in Victoria and Southwark and £85m in pre-development assets. As we plan to reduce our capital employed in pre-development assets by half over the next three years, the latter is set to reduce over time. We invested £199m in our existing portfolio, including £45m in the refurbishment of 5 New Street Square where we agreed a new 17-year lease with Taylor Wessing in 2023; £28m in repositioning traditional office space to Myo flex space, which delivers a material uplift in income; £22m in our net zero investment programme; and £14m in public realm improvements. The remainder principally relates to leasing activity and accretive investment in retail capex.

## CURRENT PROJECTS

Our two committed office developments are expected to complete over the next 12 months and we are starting to see good customer interest emerge. We expect this will translate into progress on pre-lets in the second half of the year for both schemes, as high-quality, sustainable office space in locations with good transport connectivity and attractive amenities remains in scarce supply. However, as both schemes are designed to be multi-let, the majority of lease-up is expected to occur post completion. At Thirty High in particular, this enables us to capture a premium for the unique views this 30-storey West End tower offers and with £61m of ERV, these two projects are expected to add £7m to earnings once fully let based on current interest costs.

The completion of Thirty High has moved out a few months, but costs remain in line with expectations. At Timber Square, building on the success at our n2 scheme in Victoria, we have added clubrooms to the original design which will be accessible to all customers. This will drive additional rent, yet combined with some design refinements and a sub-contractor insolvency, we reported at the half year that overall costs had gone up £31m and the expected gross yield on cost had reduced slightly from 7.1% to 7.0%. There have been no further changes to costs in the second half.

**COMMITTED PIPELINE** — TABLE 4

| Project | Sector | Size sq ft '000 | Estimated completion date | Net income/ ERV £m | Market value £m | Costs to complete £m | TDC £m | Gross yield on TDC % |
|---|---|---|---|---|---|---|---|---|
| Thirty High, SW1 | Office | 299 | Q4 FY26 | 30 | 352 | 102 | 418 | 7.2% |
| Timber Square, SE1 | Office | 383 | Q4 FY26 | 31 | 292 | 152 | 442 | 7.0% |
| **Total** | | **682** | | **61** | **644** | **254** | **860** | **7.1%** |

## POTENTIAL FUTURE PIPELINE

As part of our aim to invest a further £1bn into major retail destinations over the next 1-3 years, we plan to progress a number of accretive investments in our existing major retail assets, such as the creation of a new F&B destination at Trinity, Leeds; the significant upsizes of Primark and Next at White Rose and Bluewater; the repositioning of Buchanan Galleries in Glasgow; and a new waterfront F&B offer at Gunwharf Quays. Total capex could be c. £200m, spread over multiple smaller projects, with double-digit IRRs and a blended yield on cost of around 10%.

In terms of larger development projects, our success in terms of planning over the past two years means we now have more options to start new projects across Central London offices or our major residential schemes in the next 12-24 months than we have the balance sheet capacity or risk appetite to accommodate. In addition, we have a number of other development opportunities outside of our core focus areas.

# OPERATING AND PORTFOLIO REVIEW CONTINUED

**PRE-DEVELOPMENT ASSETS** TABLE 5

| Project | Current capital employed £m | Proposed sq ft '000 | Indicative TDC | Indicative ERV £m | Gross yield on TDC % | Potential start date | Planning status |
|---|---|---|---|---|---|---|---|
| **Office-led** | | | | | | | |
| Red Lion Court, SE1 | | 250 | | | | 2026 | Consented |
| Old Broad Street, EC2 | | 290 | | | | 2026 | Consented |
| Liberty of Southwark, SE1 | | 220 | | | | 2026 | Consented |
| Hill House, EC4 | | 390 | | | | 2026 | Consented |
| Southwark Bridge Road, SE1 | | 140 | | | | 2026 | Consented |
| Nova Place, SW1 | | 60 | | | | 2027 | Design |
| Timber Square Phase 2, SE1 | | 380 | | | | 2027 | Design |
| **Total** | **c. 370** | **1,730** | **2.4** | **170** | **7.1** | | |
| **Residential-led[1]** | | | | | | | |
| Mayfield, Manchester | | 1,800 | 0.9 | | | 2026 | Consented |
| Finchley Road, NW3 | | 1,400 | 1.2 | | | 2026 | Consented |
| Lewisham, SE13 | | 1,900 | 1.5 | | | 2027 | Planning application |
| MediaCity Phase 2, Salford | | n/m | n/m | | | n/m | Design |
| **Total** | **c. 260** | **5,100** | **3.6** | **200-260** | **6-7** | | |
| **Other opportunities** | **c. 100** | **n/m** | | | | | Various |

1. Indicative figures given multi-phased nature of schemes; subject to change depending on final scope, planning and design.

Our total capital employed in these pre-development assets is c. £730m yet the current net income yield on this is minimal at c. 1%. As there is a clear holding cost in maintaining this optionality for a prolonged period, we plan to monetise around half of our capital employed over the next 1-3 years, principally from office-led and other projects. This will add c. £15m to earnings through reduced interest costs and improve our overall ROE by c. 25-50bps, taking into account lower capitalised pre-development costs.

Post the completion of our two existing office schemes, we will reduce our office-led development activity by at least half compared to the average c. £1bn committed TDC we have had over the last five years. From 2026, we plan to shift development activity to residential, where we now have an attractive pipeline of more than 6,000 homes across three schemes in Manchester and London, which could deliver over £200m of annualised net rental income in the next decade.

The first of our main residential projects is Finchley Road, in zone two London, where we have outline consent for 1,800 homes and detailed planning consent for the first 600 homes. We expect a decision on a variation to the detailed consent in the second half of 2025. We have secured vacant possession and completed the demolition and enabling works for the first phase, which means we could start on site in late 2026. We expect a gross yield on cost of close to 6.5%, which translates into a net yield after property operating expenses of c. 4.8-5.0%, resulting in a c. 10-12% unlevered IRR.

At our residential-led scheme at Mayfield, adjacent to Manchester's main train station, we agreed with our JV partners to optimise the development strategy for this 24-acre site during the year. The site benefits from effective outline consent in the form of a strategic regeneration framework and we have submitted a detailed planning application for the first 879 homes, which we expect a decision on in the second half of this year. We are working towards the potential start of a c. £150m office block as part of the first phase of development. Office demand in Manchester remains strong, with prime rents up 13% over the past two years. Whilst we would not pursue office development in isolation, the returns on this look acceptable and, importantly, delivering this would unlock the opportunity to invest c. £1bn in delivering c. 1,700 homes across multiple phases. The first residential phase could start in late 2026 with a gross yield on cost of c. 6.5-7.0% and net yield after direct property costs of c. 5.0-5.5% is expected to deliver an unlevered IRR of c. 11-13%.

At Lewisham, south-east London, we submitted a planning application for our new masterplan, which has the potential to deliver up to 1,700 homes with a further 445 co-living homes and 660 student beds over the next decade across multiple phases. The plans have been developed after substantial consultation with local stakeholders, as a result of which our plans received ten times more letters of support than objections. We expect a decision on our application in the second half of this year. Given that we have vacant possession flexibility for the first phase, this could allow for a start on site in 2027. We expect a gross yield on cost of around 6.5%, which translates into a net yield after direct property costs of c. 4.9-5.1%, resulting in a c. 10-12% unlevered IRR.

Across London, office space under construction is stable vs March 2024 at 13m sq ft, of which c. 45% is pre-let or under offer. Whilst demand for space remains good, the build cost inflation over the past few years, continued challenges in supply chains and higher exit yields have put pressure on development returns, despite growing rents. This impacts office development more than residential, so we continue to carefully weigh risks and returns on any new schemes, but in any case, we do not plan to commit to any new speculative London office projects until we have secured the majority of the £61m ERV on our existing projects.

## PORTFOLIO VALUATION

Successfully delivering on our objective to drive sustainable income growth over time will underpin growth in property values in the long run, even though in the short term valuations are also affected by changes in valuation yields. Reflecting our successful leasing activity and the fact that property yields stabilised, in line with the expectation we set out a year ago, the external valuation of our portfolio was up 1.1%.

Our Central London portfolio was up 1.0%, driven by strong 5.2% growth in ERVs, whilst valuation yields rose slightly. Developments were up 2.5% reflecting ERV growth and a de-risking of our on-site schemes. The valuation of our major retail portfolio was up 3.4%, reflecting a combination of 4.0% ERV growth and 22bps yield compression.

Combined with the high-income return, this again was the best performing segment in our portfolio, with a 10.1% total return for the year compared with Central London at 5.2% and mixed-use at 0.1%.

The value of our mixed-use assets was down 5.0% for the year, principally reflecting a rise in valuation yields at MediaCity in the first half of the year, although this stabilised in the second half. The shortening of income at our three existing retail assets in Glasgow and London, which previously had been managed for flexibility for future redevelopment, also weighed on values in the first half yet this slowed in the second half, as our plans become more tangible. The value of our retail parks was up 5.4%, principally driven by yield compression. We have now sold c.40% of this portfolio since the year-end, on average in line with book value. The value of our leisure portfolio was down slightly for the year, but stable in the second half.

We continue to see a steady pick-up in investor interest and activity in London and major retail. As rents for the best assets continue to grow, yields for such assets remain attractive in a historical context. Whilst we have not seen any impact on investor appetite from the recent increase in global economic uncertainty so far, we are mindful that the direction for long-term interest rates and credit spreads will likely influence the pace at which momentum continues to improve from here. As customer demand remains robust, following our 4.2% growth in overall ERVs over the past 12 months, we expect London and major retail ERVs to grow by a broadly similar rate this year as they did over the last 12 months.

### VALUATION OVERVIEW

TABLE 6

| | Market value £m | Surplus / (Deficit) £m | FY valuation change % | H2 valuation change % | LFL rental value change[1] % | Net initial yield % | Topped up net initial yield % | Equivalent yield % | LFL equivalent yield change bps |
|---|---|---|---|---|---|---|---|---|---|
| West End offices | 3,124 | 17 | 0.6 | 0.5 | 5.2 | 4.6 | 5.4 | 5.4 | 14 |
| City offices | 1,445 | 20 | 1.4 | 0.0 | 7.5 | 4.2 | 5.1 | 6.2 | 13 |
| Retail and other | 1,022 | (2) | (0.2) | 0.3 | 0.6 | 4.3 | 4.6 | 4.9 | (2) |
| Developments | 1,108 | 27 | 2.5 | (0.4) | n/a | 0.0 | 0.0 | 5.3 | n/a |
| **Total Central London** | **6,699** | **62** | **1.0** | **0.2** | **5.2** | **4.4**[2] | **5.2**[2] | **5.5** | **12** |
| Shopping centres | 1,977 | 81 | 4.3 | 1.3 | 3.6 | 7.2 | 7.9 | 7.7 | (31) |
| Outlets | 626 | 4 | 0.5 | 0.8 | 5.1 | 6.3 | 6.3 | 6.9 | (7) |
| **Total Major retail** | **2,603** | **85** | **3.4** | **1.2** | **4.0** | **7.0** | **7.6** | **7.5** | **(22)** |
| London | 190 | (18) | (8.1) | (2.7) | 3.4 | 4.3 | 4.3 | 6.6 | 8 |
| Major regional cities[3] | 599 | (24) | (4.0) | (1.4) | 1.7 | 6.6 | 6.5 | 8.2 | 47 |
| **Total Mixed-use urban** | **789** | **(42)** | **(5.0)** | **(1.7)** | **2.2** | **5.9**[2] | **5.8**[2] | **7.7** | **36** |
| Leisure | 423 | (5) | (1.2) | (0.1) | 1.3 | 7.8 | 8.1 | 8.8 | (8) |
| Retail parks[4] | 366 | 19 | 5.4 | (0.1) | 1.1 | 6.1 | 6.3 | 6.7 | (24) |
| **Total Subscale sectors** | **789** | **14** | **1.8** | **(0.1)** | **1.2** | **7.0** | **7.2** | **7.7** | **(22)** |
| **Total Combined Portfolio** | **10,880** | **119** | **1.1** | **0.3** | **4.2** | **5.4**[2] | **6.0**[2] | **6.3** | **3** |

1. Rental value change excludes units materially altered during the period.
2. Excluding developments/land.
3. Includes owner-occupied property.
4. Includes non-current assets held-for-sale.

## GROWING IN A SUSTAINABLE WAY

We target to reduce direct and indirect greenhouse gas emissions by 47% by 2030 vs 2019/20, including all of our Scope 1 and 2 emissions and all of our reported Scope 3 emissions, and reach net zero by 2040. So far, we have reduced our emissions by 33% vs our 2019/20 baseline. We also target to reduce energy intensity by 52% by 2030 vs 2019/20 and are currently on track, with a 23% reduction vs this baseline so far.

In 2021, we set out a net zero transition investment plan to ensure all our assets would meet a Minimum Energy Efficiency Standard of EPC 'B' by 2030. The cost of this is reflected in our valuations and we completed the first retro-fit of air source heat pumps in an occupied building during the year at Dashwood, so 56% of our portfolio is now rated EPC 'B' or higher, up from 49% a year ago. We also installed almost 1,300 additional solar panels at Gunwharf Quays, which combined with the already existing system will generate over 670,000 kWh per year, representing 23% of total landlord electricity demand.

We also continue to focus on reducing embodied carbon in development, with our future pipeline tracking a 41% reduction vs the standard baseline. This is principally achieved via relatively low-cost changes in design and retention of existing structures, but there is a limit to how much of a further reduction is economically achievable. Whilst there is clear evidence that energy in use is important to customers and investors, there is no evidence they are willing to pay a premium for buildings with less embodied carbon.

Finally, through our Landsec Futures programme, we continue to improve social mobility in real estate and tackle issues local to our assets. To date, this has created career pathways for 18 interns and supported 13 real estate bursaries. From our 2019/20 baseline, we have so far created £96m of social value and empowered 14,737 people towards the world of work.

# FINANCIAL REVIEW

VANESSA SIMMS,
CHIEF FINANCIAL OFFICER

## HIGHLIGHTS

**£374m**
EPRA EARNINGS[1]
(2024: £371m)

**£393m**
IFRS PROFIT/(LOSS) BEFORE TAX
(2024: £(341)m)

**50.3p**
EPRA EARNINGS PER SHARE[1]
(2024: 50.1p)

**53.3p**
BASIC EARNINGS/(LOSS) PER SHARE
(2024: (43.0)p)

**£10,880m**
COMBINED PORTFOLIO[1,2]
(2024: £9,963m)

**£6,532m**
IFRS NET ASSETS
(2024: £6,447m)

**6.4%**
TOTAL RETURN ON EQUITY[1]
(2024: (4.0)%)

**40.4p**
DIVIDEND PER SHARE
(2024: 39.6p)

**39.3%**
GROUP LTV RATIO[1]
(2024: 35.0%)

**£4,304m**
ADJUSTED NET DEBT[1]
(2024: £3,517m)

**874p**
EPRA NET TANGIBLE ASSETS PER SHARE[1]
(2024: 859p)

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the Presentation of financial information in the Financial Review.
2. Includes owner-occupied property and non-current assets held-for-sale.

### PRESENTATION OF FINANCIAL INFORMATION

The condensed consolidated preliminary financial information is prepared under UK adopted international accounting standards (IFRSs and IFRICs) where the Group's interests in joint ventures are shown collectively in the income statement and balance sheet, and all subsidiaries are consolidated at 100%. Internally, management reviews the Group's results on a basis that adjusts for these forms of ownership to present a proportionate share. The Combined Portfolio, with assets totalling £10.9bn, is an example of this approach, reflecting our economic interest in our properties regardless of our ownership structure.

Our key measure of underlying earnings performance is EPRA earnings, which represents the underlying financial performance of the Group's property rental business, which is our core operating activity. A full definition of EPRA earnings is given in the Glossary. This measure is based on the Best Practices Recommendations of the European Public Real Estate Association (EPRA) which are metrics widely used across the industry to aid comparability and includes our proportionate share of joint ventures' earnings. Similarly, EPRA Net Tangible Assets per share is our primary measure of net asset value.

Measures presented on a proportionate basis are alternative performance measures as they are not defined under IFRS. This presentation provides additional information to stakeholders on the activities and performance of the Group, as it aggregates the results of all the Group's property interests which under IFRS are required to be presented across a number of line items in the statutory financial statements. For further details see table 71 in the Business analysis section.

### OVERVIEW

We delivered solid financial results for the year. EPRA EPS was ahead of our initial guidance due to our strong leasing activity and, in line with the view we set out a year ago, valuations for our best-in-class assets returned to growth, underpinning a positive return on equity. Meanwhile, our strong capital base allowed us to take advantage of the opportunity to invest in a number of rare, high-quality, accretive acquisitions, which will further enhance future growth income and our overall return prospects.

With continued customer demand for our best-in-class space resulting in over 97% occupancy and positive rental uplifts on relettings and renewals, like-for-like net rental income was up 5.0%, ahead of our increased guidance at the half year. Despite continued inflation, overhead costs were down 5%, as our continued focus on driving cost efficiencies more than offset inflation. We see further upside on both fronts in the near future, underpinning a positive outlook on EPS growth.

Our £23m like-for-like net rental income growth and £4m reduction in overhead costs more than offset a small rise in finance costs, the impact from net disposals during the period, and a reduction in surrender receipts, so EPRA earnings were up £3m to £374m, or 50.3 pence per share. Our total dividend for the year of 40.4 pence is up 2.0%, in line with our guidance of low single digit percentage growth, and our dividend cover of 1.25x remains comfortably within our target range of 1.2-1.3x on an annual basis.

Our successful leasing drove 4.2% growth in ERVs, which further enhances our income growth potential and underpinned a 1.1% increase in the valuation of our assets. This meant IFRS profit before tax was £393m and basic EPS was 53.3 pence, compared with a loss before tax of £341m in the prior year. EPRA NTA per share was up 1.7% to 874 pence, so including dividends, our return on equity was 6.4%.

All this remains underpinned by our clear commitment to retain a strong balance sheet. Adjusted net debt increased from £3.5bn to £4.3bn, principally due to our £455m investment in Liverpool ONE in December, but this reduces to £4.1bn pro-forma for our £159m of disposals since the year-end. Pro-forma for these, our LTV is 38.4% and our weighted average net debt/EBITDA is 7.7x and we anticipate making further disposals in the near term. In September, we issued a £350m ten-year Green Bond at a 4.625% coupon and in October we refinanced £2.25bn revolving credit facilities at stable margins, so our average debt maturity remains long, at 9.6 years. We have no need to refinance any debt until 2027 and have £1.1bn of cash and undrawn facilities.

## INCOME STATEMENT

Our primary focus is to deliver sustainable income and EPS growth as, over time, it is sustainable growth in income and EPS which drives value growth in real estate and equity markets. During the year, our high-quality portfolio and strong leasing activity delivered strong like-for-like rental income growth.

We have continued to reposition our portfolio to further enhance its long-term return prospects, but as our main disposals were at the start of the year and our principal acquisitions were towards the end of the period, the loss of income for the year from the timing of these transactions was £24m. We also saw a £14m reduction in surrender premiums vs 2024, yet despite this we delivered a £2m increase in net rental income, principally driven by strong like-for-like growth. Finance expenses increased slightly, but this was offset by a reduction in administrative expenses so EPRA earnings of £374m were ahead of the prior year, as expected, and ahead of our initial guidance for the year.

**INCOME STATEMENT[1]** TABLE 7

| | Year ended 31 March 2025 | | | | | Year ended 31 March 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Central London £m | Major retail £m | Mixed-use urban £m | Subscale sectors £m | Total £m | Central London £m | Major retail £m | Mixed-use urban £m | Subscale sectors £m | Total £m | Change £m |
| Gross rental income[2] | 299 | 199 | 54 | 72 | 624 | 291 | 181 | 57 | 112 | 641 | (17) |
| Net service charge expense[3] | (2) | (4) | (4) | (1) | (11) | (4) | (7) | (3) | (2) | (16) | 5 |
| Net direct property expenditure[3] | (23) | (33) | (12) | (5) | (73) | (23) | (31) | (12) | (15) | (81) | 8 |
| Net other operating income | – | – | 1 | – | 1 | – | – | – | – | – | 1 |
| Movement in bad/doubtful debts provisions | 1 | 4 | 4 | 2 | 11 | (1) | 8 | – | (1) | 6 | 5 |
| Segment net rental income | 275 | 166 | 43 | 68 | 552 | 263 | 151 | 42 | 94 | 550 | 2 |
| Net administrative expenses | | | | | (73) | | | | | (77) | 4 |
| EPRA earnings before interest | | | | | 479 | | | | | 473 | 6 |
| Net finance expense | | | | | (105) | | | | | (102) | (3) |
| **EPRA earnings** | | | | | 374 | | | | | 371 | 3 |
| **Capital/other items** | | | | | | | | | | | |
| Valuation surplus/(deficit) | | | | | 107 | | | | | (625) | 732 |
| Loss on disposals | | | | | (18) | | | | | (16) | (2) |
| Impairment charges | | | | | (26) | | | | | (12) | (13) |
| Fair value movement on interest-rate swaps | | | | | (38) | | | | | (17) | (21) |
| Other | | | | | (6) | | | | | (20) | 14 |
| **Profit/(loss) before tax attributable to shareholders of the parent** | | | | | 393 | | | | | (319) | 712 |
| Non-controlling interests | | | | | – | | | | | (22) | 22 |
| **Profit/(loss) before tax** | | | | | 393 | | | | | (341) | 734 |

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the Presentation of financial information above.
2. Includes finance lease interest, after rents payable.
3. Current year balances reflect a reclassification of joint venture service charge management fee income from net direct property expenditure to net service charge expense of £3m. While the comparatives have not been restated, the equivalent reclassification would have been £3m.

# FINANCIAL REVIEW CONTINUED

## NET RENTAL INCOME

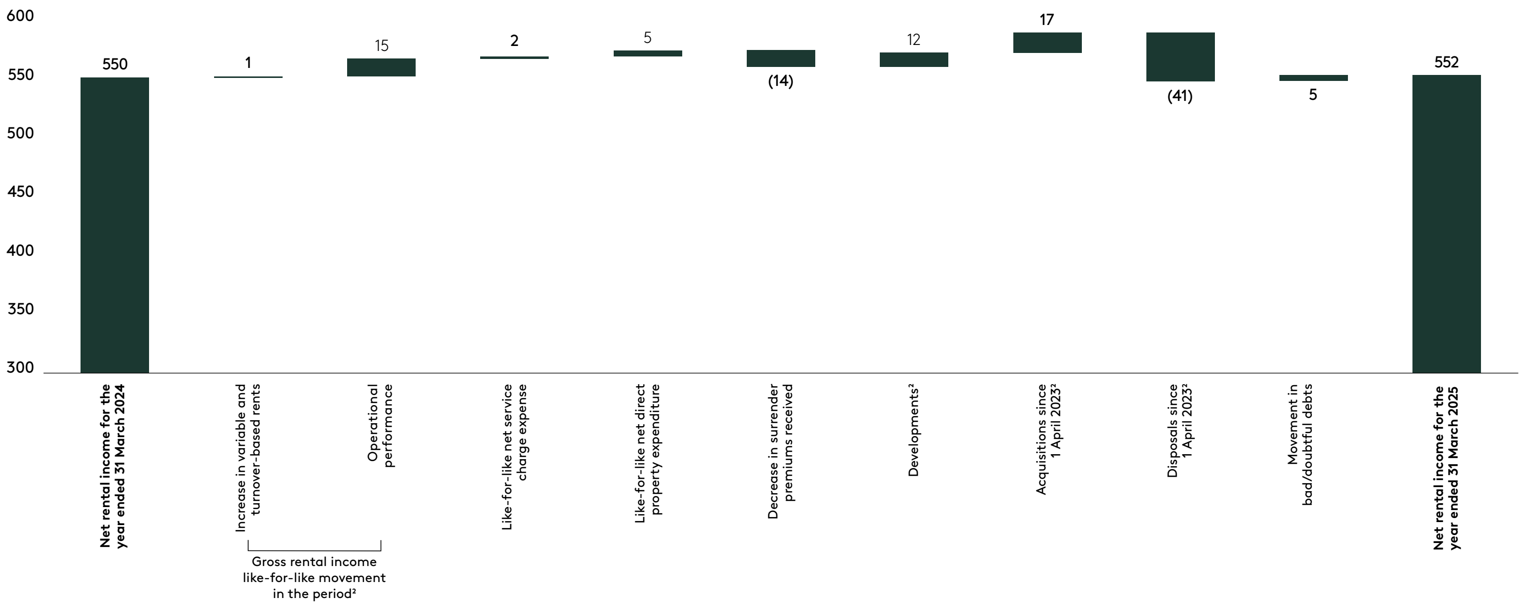
Our gross rental income was down £17m to £624m, principally reflecting the timing difference between acquisitions and disposals, as outlined above, and the fact that surrender receipts were £14m lower than in the prior year, at £5m. We anticipate surrender receipts to remain limited in the future, given lower levels of customer rightsizing or repurposing activity across our portfolio. The release of bad and doubtful debt provisions was up £5m, principally due to the recovery of outstanding debts on assets that were previously managed externally and we now manage in house, so we expect this level to reduce this year. The benefit of this broadly offset the fact that surrenders were lower than our original guidance.

Reflecting the above, our overall net rental income was up £2m to £552m, although on a like-for-like basis net rental income was up £23m, or 5.0%. This was well ahead of our initial guidance for the year of similar growth as the prior period's 2.8% and above our raised guidance at the half year of growth being closer to 4%. This reflects our strong leasing, with increased occupancy, positive uplifts on relettings and renewals, and growth in turnover income, but also our focus on costs, as direct property costs reduced by £8m and net service charge expenses were down £5m. Looking ahead, we expect like-for-like net rental income to grow by c.3-4% in this financial year.

Our gross to net margin improved by 2.7ppt to 88.5%, which was well ahead of our guidance, reflecting the growth in like-for-like income, our focus on managing costs, and the increase in recovery of bad and doubtful debt provisions, although we expect the benefit of the latter to reduce next year.

NET RENTAL INCOME[1] (£m)

CHART 8




1. Including our proportionate share of subsidiaries and joint ventures, as explained in the Presentation of financial information above.
2. Gross rental income on a like-for-like basis and the impact of developments, acquisitions and disposals exclude surrender premiums received.

## NET ADMINISTRATIVE EXPENSES

Following a £7m reduction during the prior year, net administrative expenses were down a further £4m to £73m last year, as our continued focus on managing costs more than offset inflation, principally driven by organisational changes and procurement savings. We implemented our new data and tech systems late last year, so the material efficiency savings these will deliver will mostly benefit future years. Alongside a further streamlining of our resources and other savings, this means we expect net administrative expenses to be well below £70m for FY26 and less than £65m for FY27, despite the increase in national insurance costs and ongoing inflation.

The reduction in net administrative expenses and increase in gross to net margin resulted in a 3.3ppt improvement in our EPRA cost ratio to 21.7%, although this is not a measure which is overly useful in its own right. Assets with long leases to a single tenant naturally have lower operating costs than more operational assets such as e.g. residential or shopping centres, yet that clearly does not mean they deliver better income or total returns. For us, it is the overall net income return which matters, as that is what ultimately drives value for shareholders.

## NET FINANCE EXPENSES

Net interest costs increased by £3m to £105m, which reflected a small increase in our weighted average cost of debt and higher adjusted net debt following the acquisition of a 92% stake in Liverpool ONE in December. We expect to reduce our net debt over the coming year from the level at March 2025 due to our planned capital recycling, but as our starting net debt for the year is higher than it was last year, we still expect net finance expenses for this financial year to be higher than last year.

Non-cash finance expense, which includes the fair value movements on derivatives, caps and hedging and which is not included in EPRA earnings, increased from a net expense of £23m in the prior year to £39m this year. This is predominantly due to the fair value movements of our interest-rate swaps over the period.

## VALUATION OF INVESTMENT PROPERTIES

The independent external valuation of our Combined Portfolio showed an increase in value of £119m. Our continued strong leasing activity resulted in 4.2% ERV growth, and valuations yields were stable in both the first and second half of the year. We continue to see investment activity picking up, which we expect will continue to underpin values for those assets that can generate income growth, although we are mindful that the pace at which activity recovers further from here could well be influenced by any changes in long-term interest rates.

## IFRS PROFIT/LOSS AFTER TAX

Substantially all our activity during the year was covered by UK REIT legislation, which means our tax charge for the period remained minimal. The IFRS profit after tax of £396m reflects our continued strong income performance and the positive fair value adjustment of our investment portfolio. This compares with an IFRS loss after tax of £341m last year.

## NET ASSETS AND RETURN ON EQUITY

Including dividends paid, our total return on equity for the year was 6.4%, compared with -4.0% for the prior year. The income component of this was 5.8%. Movements in valuation yields reduced our overall return on equity by 0.8%, but other valuation movements added 2.1%. Within this, the upside from ERV growth was offset in part by an increased level of capex on pre-development assets and a reduction in the value of QAM, as it is getting nearer the end of its lease. We also recognised an element of goodwill write-off and provisions, as detailed below, which reduced ROE by 0.7%, but these are not expected to recur. Given our attractive income return and clear income growth, we are well-placed to deliver attractive return on equity over time.

After the £297m of dividends paid, EPRA Net Tangible Assets, which reflects the value of our Combined Portfolio less adjusted net debt, increased to £6,530m, or 874 pence per share. This was up 1.7% vs the prior year. Our strong operational performance supported a £119m valuation uplift across our portfolio, yet this was partly offset by a number of items. In line with our guidance at the half year, we wrote off £22m of goodwill which principally arose from acquiring the studios business at MediaCity alongside our acquisition of the remaining 25% stake of this estate, in line with our practice to not carry any goodwill on our balance sheet. In addition, we saw a £18m loss on disposals and we made a number of other small adjustments impacting NTA in respect of certain transaction costs and property provisions totalling £23m.

### BALANCE SHEET[1]

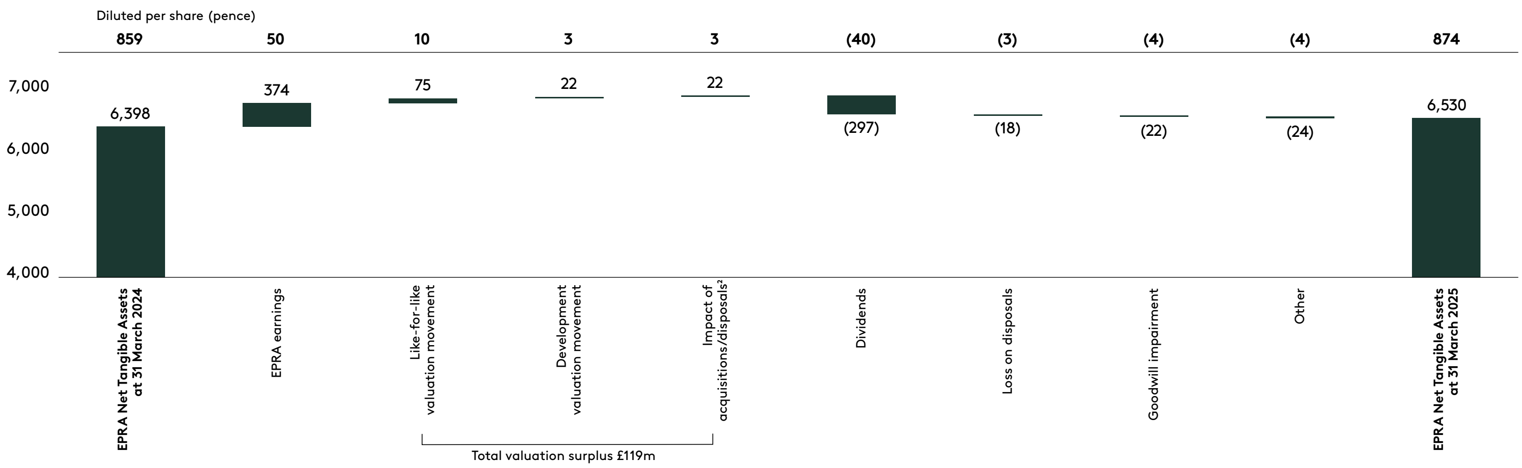
TABLE 9

| | 31 March 2025 £m | 31 March 2024 £m |
|---|---|---|
| Combined Portfolio | **10,880**[2] | 9,963 |
| Adjusted net debt | **(4,304)** | (3,517) |
| Other net assets/(liabilities) | **(46)** | (48) |
| **EPRA Net Tangible Assets** | **6,530** | 6,398 |
| Shortfall of fair value over net investment in finance leases book value | **8** | 5 |
| Other intangible assets | **2** | 2 |
| Excess of fair value over trading properties book value | **(27)** | (25) |
| Fair value of interest-rate swaps | **1** | 22 |
| **Net assets, excluding amounts due to non-controlling interests** | **6,514** | 6,402 |
| | | |
| Net assets per share | **877p** | 863p |
| EPRA Net Tangible Assets per share (diluted) | **874p** | 859p |

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the Presentation of financial information above.
2. Includes owner-occupied property and non-current assets held-for-sale.

### MOVEMENT IN EPRA NET TANGIBLE ASSETS[1] (£m)

CHART 10




1. Including our proportionate share of subsidiaries and joint ventures as explained in the presentation of financial information above.
2. Includes owner-occupied property.

# FINANCIAL REVIEW CONTINUED

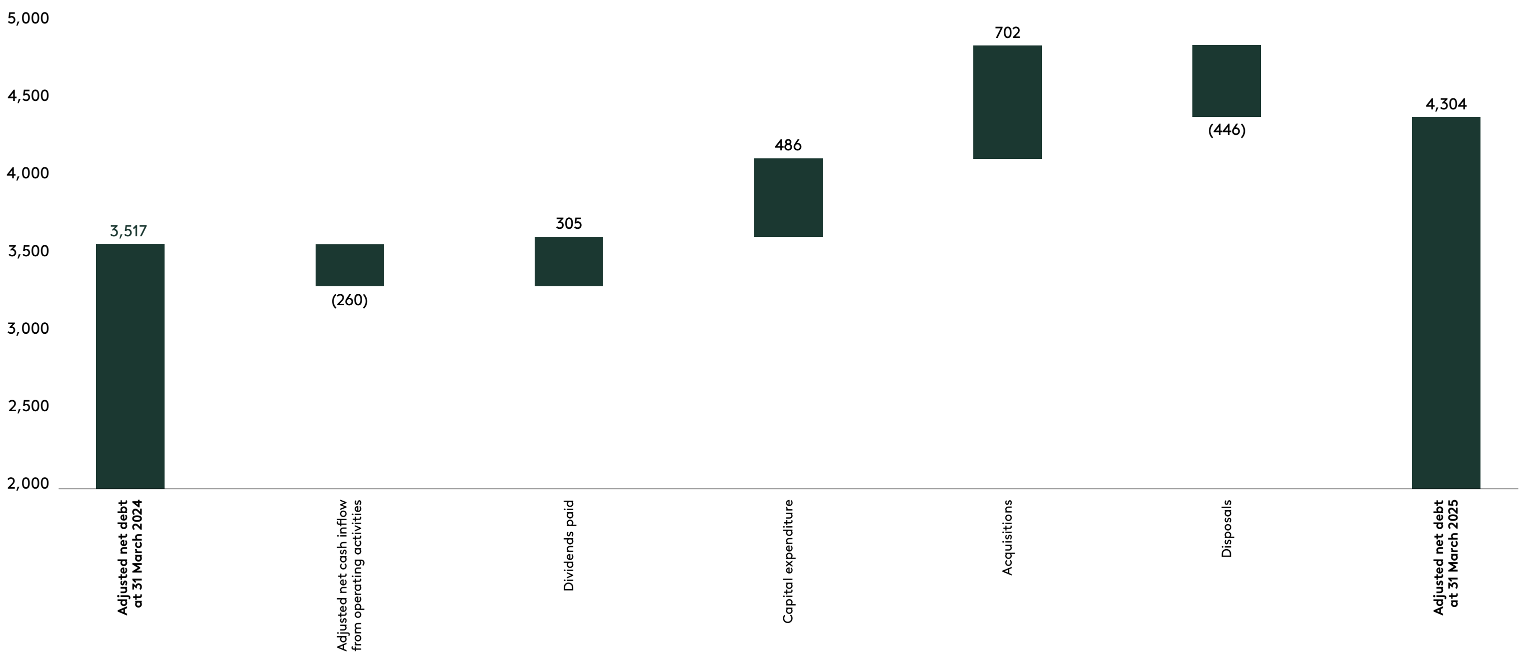
## NET DEBT AND LEVERAGE

Adjusted net debt, which includes our share of JV borrowings, was flat over the first half of the year, but increased by £787m to £4,304m during the second half. We spent £702m on acquisitions, most of which was in the second half of the year, reflecting the 92% stake in Liverpool ONE and the residual 25% stake of MediaCity. We invested £486m in capex, including £202m for our two on-site London office schemes, £45m in a significant office refurbishment, £85m on pre-development assets, £28m for investments in Myo flex office space, and £22m in net zero investments. This was partly offset by £446m of disposals, including our £400m hotel portfolio and other non-core assets.

We expect our adjusted net debt to reduce over this financial year. Since the year-end, we have already sold £159m of assets, which reduced adjusted net debt to £4,145m on a pro-forma basis, and we expect further disposals in the near future. We have £232m of committed capex remaining on our two London office developments, which will complete at the end of this financial year. We do not intend to commit to any new office-led developments until we have secured the majority of income on these projects.

The other key elements behind the increase in net debt are set out in our statement of cash flows and note 13 to the financial statements, with the main movements in adjusted net debt shown below. A reconciliation between net debt and adjusted net debt is shown in note 22 of the financial statements.

MOVEMENT IN ADJUSTED NET DEBT[1] (£m) CHART 11




1. Including our proportionate share of subsidiaries and joint ventures, as explained in the Presentation of financial information above.

Net debt/EBITDA increased to 7.9x on a weighted average basis, which is more representative than the 8.9x year-end position, as the latter includes the full cost of the Liverpool ONE acquisition but only three months of income. We expect average net debt/EBITDA to tick up slightly in the short term, reflecting the fact that our two on-site developments are nearing the point of full capital deployment but are not yet producing income, yet we target this to be below 8x over time. All else equal, our objective to reduce our capital employed in pre-development assets by half over the next 1-3 years will reduce net debt/EBITDA by c. 0.7x.

We said at the half year that we expected our Group LTV, which includes our share of JVs, to increase temporarily as we would aim to capitalise on attractive acquisition opportunities, but to remain within our 25-40% target range. With the acquisition of Liverpool ONE, LTV ended the year at 39.3%, but as we have sold £159m of assets since the end of March, this has come down to 38.4% on a pro-forma basis since then, whilst net debt/EBITDA is down to 7.7x. We expect LTV to reduce further towards the mid 30s as we recycle further capital out of non-income producing development sites and non-core assets.

### NET DEBT AND LEVERAGE TABLE 12

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| Net debt | **£4,341m** | £3,594m |
| Adjusted net debt[1] | **£4,304m** | £3,517m |
| | | |
| Interest cover ratio | **3.6x** | 3.9x |
| Net debt/EBITDA (period-end) | **8.9x** | 7.4x |
| Net debt/EBITDA (weighted average) | **7.9x** | 7.3x |
| | | |
| Group LTV[1] | **39.3%** | 35.0% |
| Security Group LTV | **41.9%** | 37.0% |

1. Including our proportionate share of subsidiaries and joint ventures, as explained in the Presentation of financial information above.

## FINANCING

We continued to strengthen our financial position during the year. In September, we issued a £350m Green Bond with a maturity of ten years at 4.625%, representing a spread of 97bps over the reference gilt yield. In October, we put in place £2,250m of revolving credit facilities to replace facilities that were due to expire across 2025-27. The new facilities are split evenly across two tenors of 3+1+1 and 5+1+1 years, to spread refinancing dates, and on average have the same margin as the facilities they replaced.

Both transactions underline the strength of our credit profile and ensure our overall debt maturity remains long, at 9.6 years, providing clear visibility and underpinning the resilience of our attractive earnings profile. We had £1.1bn of cash and undrawn facilities at the end of March 2025, providing substantial flexibility, and no refinancing needs until FY27. Our debt is 91% fixed or hedged and our average cost of debt was up marginally to 3.4%. We expect this to increase slightly in the current year.

Our gross borrowings of £4,396m are diversified across various sources, including £2,868m of Medium Term Notes (MTNs), £778m of syndicated and bilateral bank loans and £750m of commercial paper. Our MTNs and the majority of bank loans form part of our Security Group, which provides security on a floating pool of assets valued at £10.0bn. This structure provides flexibility to include or exclude assets, and an attractive cost of funding, with our MTNs currently rated AA and AA- with a stable outlook respectively by S&P and Fitch.

Our Security Group has a number of tiered covenants, yet below 65% LTV and above 1.45x ICR, these involve very limited operational restrictions. A default only occurs when LTV is more than 100% or the ICR falls below 1.0x. Our portfolio could withstand a c. 36% fall in value before we reach the 65% LTV threshold and c. 58% before reaching 100% LTV, whilst our EBITDA could fall by c. 60% before we reach the 1.45x ICR threshold and c. 72% before reaching 1.0x ICR.

**AVAILABLE FACILITIES[1]** TABLE 13

| | 31 March 2025 £m | 31 March 2024 £m |
|---|---|---|
| Medium Term Notes | **2,868** | 2,607 |
| | | |
| Drawn bank debt | **778** | 415 |
| Outstanding commercial paper | **750** | 681 |
| Cash and available undrawn facilities | **1,101** | 1,889 |
| Total committed credit facilities | **2,590** | 2,907 |
| | | |
| Weighted average maturity of debt[1] | **9.6 years** | 9.5 years |
| Percentage of borrowings fixed or hedged[2] | **91%** | 94% |
| Weighted average cost of debt[3] | **3.4%** | 3.3% |

1. Assuming the extensions on both RCF tranches are executed; 8.9 years excluding this.
2. Calculated as fixed rate debt and hedges over gross debt based on the nominal values of debt and hedges.
3. Including amortisation and commitment fees; excluding this, the weighted average cost of debt is 3.3% at 31 March 2025.

## FINANCIAL SUMMARY

In summary, the high-quality portfolio we have created over the past few years continues to benefit from strong customer demand, so we expect our strong operational performance to persist. Reflecting this, we expect like-for-like net rental income for this year to increase by c. 3-4% and we also anticipate a further reduction in overhead cost. We expect this to more than offset an increase in interest expenses and the fact that we are unlikely to have the same benefit of the recovery of outstanding debts on assets that were previously managed externally that we had last year.

Overall, we expect EPRA EPS to grow by c. 2-4% this year. This is on track with the c. 20% EPS growth potential we see by FY30 as we execute our strategy and is expected to drive further growth in dividends, in line with our 1.2-1.3x target cover. As our capital base remains strong, we are well-placed to deliver significant shareholder value over time.

**VANESSA SIMMS,**
**CHIEF FINANCIAL OFFICER**

# OUR STAKEHOLDERS

Our role is to shape places that stand the test of time in order to create value for all our stakeholders. This is our Section 172 Statement.


The Board is pleased to provide a statement that supports Section 172(1) of the Companies Act 2006. This requires that Directors promote the success of the Company for the benefit of the members, having regard to the interest of stakeholders in their decision making.
In this section, we provide examples of how the Board engages with stakeholders and takes into account their interests when making decisions.

## STAKEHOLDERS AND BOARD DECISION MAKING

Our stakeholders' interests and priorities continue to evolve. Effective communication with our stakeholders is critical to keeping pace with their changing needs, which is so important for our long-term success.
The Board's engagement with stakeholders is both direct engagement and indirect (by management reporting). The importance of having effective relationships with our stakeholders is embedded throughout the wider business.

## OUR CUSTOMERS

During the year, the Board received regular updates on customer insights for each of our business units as well as having detailed discussions on the proposed changes to our strategy. The following Board activities took place this year: (a) in September 2024, the Board visited our Westgate Centre, Oxford and received an update on the retail business including consumer trends; (b) in January 2025, the Board had a tour of the Myo Lucent office. Our Board members also individually visited Workplace and Lifestyle assets throughout the year.


In February 2025, our evolved strategy was announced, which will see us continue to grow our portfolio of UK urban places. While each of these places will be mixed in use, they will be shaped primarily by one of our core focus sectors, being office-led, retail-led or residential-led. Over the next five years we are aiming to rebalance our portfolio to be split approximately in thirds between these different sectors to deliver sustainable income and earnings per share growth. As a result of this, we will be refocusing our capital allocation, particularly towards growing our residential portfolio.

## OUR COMMUNITIES

Landsec Futures is our principal community investment programme focused on enhancing social mobility in our workplace and wider industry. The programme is designed to maximise the potential of people, places and communities by creating pathways into our industry from education to training and entry-level roles. It supports our corporate commitment to empower 30,000 people from underrepresented socio-economic backgrounds towards the world of work, creating £200m of social value by 2030.

The Board gains a better view of our local communities from regular updates on and visiting our sites, and updates from the Corporate Affairs Director on political and community engagement.

Our teams engage extensively with local communities. For example, teams across our business celebrated Purple Tuesday in November 2024, alongside the launch of SignLive, a pioneering tool to support the deaf community with online video British Sign Language interpretation services that are available on demand 24/7, helping to make our places more accessible and inclusive.

**You can read more about our community work on page 31.**

## OUR PARTNERS

Our business model of developing and operating properties relies on a network of suppliers and so it is important that we have strong relationships with our suppliers. We are committed to high ethical standards in the conduct of our business and to ensuring our behaviour and practices maintain our integrity. We value our relationships with our suppliers and want to build long-lasting partnerships. Our Supply Chain Commitment launched in 2022 sets out our purpose, values and approach to sustainability and how we want to work with suppliers who uphold the same ethical principles as us, and help us achieve our sustainability commitments in collaboration.

**More information on our relationships with our suppliers and associated processes is available on our website.**

In 2023, we undertook a significant re-tender of our facilities management providers across our business. Our Future of Facilities Programme explored the latest innovations in facilities management, helping us to identify the best service partners in the market, and enabling us to design the best operating model for us to achieve sustainable operational excellence, best-in-class customer experience, and a safe and secure environment in a post-Covid world. The programme was a significant effort, with collaboration across the business, and has now completed with new service partners onboarded. The Board approved the Future of Facilities Programme and contracts commenced in our retail business on 1 April 2024 with our new service partners. In Workplace, we're continuing to evolve our Aspire operating model and are excited to welcome some new partners along with our retained partners.

In January 2025, CEOs from leading real estate companies joined Mark Allan, CEO and Mike Hood, COO, at our office for Real Estate Balance's CEO breakfast. CEOs who have signed up to their ten diversity and inclusion (D&I) commitments were invited to discuss the findings and recommendations of Real Estate Balance's (REB) recent report.

## OUR EMPLOYEES

Manjiry Tamhane is the Non-executive Director responsible for Employee Engagement and Whistleblowing. She provides half-yearly updates on employee engagement activities, as well as contributing to discussions as and when relevant matters arise. Overall, employee sentiment has been very positive across Landsec with high levels of engagement. The Board received briefings on the employee engagement survey undertaken in February 2025 which provided them with good insights into employee sentiment (see page 25 for more on our latest engagement survey).

Our Employee Forum represents our employee voice and is made up of volunteers from across the business. They meet every six weeks as a team to discuss and action key topics raised by employees as well as plan events to bring employees together. They meet quarterly with our CEO, Chief People Officer and Corporate Affairs Director to flag key issues of importance to employees and seek answers or influence change as well as being the conduit for insights and updates from the business. Manjiry also meets the Employee Forum twice a year, and key themes for 2024/25 included the impacts of the strategy refresh and launch of new core business systems, town halls and other communications, office technology and facilities, expenses policy, events, bonus and pay review and cost of living. Other engagement activities included:

- meet the Board events throughout the year, where members of the Board met with employees for open discussions on the employee experience and Landsec culture
- a one-off Engagement with our Shadow Board members
- our Non-executive Directors attending our annual spotlight awards event which celebrates individual and team achievements
- engagement with our employee diversity networks and participants on our training programmes including our high performance masterclass (for senior leadership), Enrich (a talent development programme to build ethnic diversity in the talent pipeline for management and leadership) and our interns

# OUR STAKEHOLDERS CONTINUED

## Our investors

We want to create sustainable value for our three types of investors: institutional, private and debt. It is important to us that our investors understand our strategy and our equity story so they can support the execution of our strategy and our capital recycling.

**NO. OF EQUITY INVESTORS**

**7,906**

## Institutional investors

During the year, our Chair and Senior Independent Director wrote to our larger shareholders offering meetings, and as a result they met with some of those shareholders to discuss governance and the overall strategy of the Group.

Our Executive Directors continue to hold meetings with investors representing more than half the share register by value.

We manage a comprehensive investor relations programme for institutional investors, consisting of post-results roadshows, industry conferences, private-client broker roadshows and property tours.

In February 2025, we held a Capital Markets event in London, for institutional investors and sell-side analysts. Our CEO, CFO and Chief Strategy & Investment Officer explained the focus for the next phase of Landsec's strategy. They set out our plans to build on our strategic achievements since late 2020, and focus on income and EPS growth to drive overall return on equity.

### INDUSTRY CONFERENCES

Attending industry conferences provides our Executive Directors with a chance to meet a large number of institutional investors on a formal and informal basis. Conferences attended this year include the UBS Global Property conference in London, the Kempen conference in Amsterdam, the Bank of America conference in New York and London, the Citi conference in Florida, Barclays' real estate conference in London, Deutsche Numis' real estate conference in London, and Morgan Stanley's real estate conference in London.

**INSTITUTIONAL INVESTORS**

**1,265**

**99.07% OF SHARES ▲**

## Private investors

Our private investors are encouraged to give feedback and communicate with the Directors via the Company Secretary throughout the year.

### 2024 ANNUAL GENERAL MEETING

We held our AGM as a physical meeting in 2024. We invited shareholders to ask questions and vote on the resolutions.

All resolutions put to the meeting received overwhelming support of investors.

**The results of the voting at all general meetings are published on our website: landsec.com/investors/regulatory-news.**

### PROGRAMME OF SHARE REGISTER ACTIVITIES

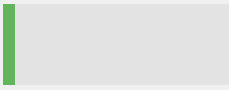
We have a rolling programme of share register activities, the intention of which is to maintain an efficient share register, limited paper distributions, effective communications and the provision of best-in-class service to our investors.

### PRIVATE INVESTORS QUERIES

We work closely with our registrar Equiniti to address all queries that we receive from our private shareholders throughout the year.

**PRIVATE INVESTORS**

**6,641**



**▲ 0.93% OF SHARES**

## Debt stakeholders

### FIXED INCOME INVESTORS

In June 2024 we held an annual update for fixed income investors linked to the FY24 results. A number of key investors took part in a series of one-to-one and group video calls with the CFO and the Group Treasurer. This engagement supported us in successfully accessing the bond market in September 2024 without the need for a further deal-specific update. Going forward, we plan to continue to engage with fixed income investors on at least an annual basis, updating them on our results and key developments.

### BANKS

We have continued to maintain an active dialogue with our banking group over the course of the financial year, at both a relationship coverage level and across multiple financing and risk management areas, to discuss various opportunities.

Engagement was even more extensive over Q2 and Q3 of our financial year, as we launched and refinanced the Group's revolving credit facilities, originally put in place in 2018 and 2019. The majority of the existing banking group joined the new facilities, demonstrating ongoing support, with a number increasing their commitment to the Group. Two new banks also joined to replace those exiting the facilities.

### CREDIT RATING AGENCIES

We work closely with each of Standard & Poor's, Fitch Ratings and Moody's, in their capacity as credit rating agencies and debt stakeholders, to provide them with business and financial updates and understand any evolution in their credit rating assessments and methodologies.

**Further information for our debt investors can be found on our website: landsec.com/investors.**

**NO. OF LISTED BONDS**

**10**

# OUR PEOPLE AND CULTURE

As we celebrate our 80th year as a business, this year has been an important time for us as a people-focused organisation to reflect on what makes Landsec so special.

It is also a pivotal moment for us to reflect on areas for further improvement to help unlock our people potential and support the business to deliver on its growth ambitions.

The financial year ending 31 March 2025 has been particularly busy from a people perspective as we have welcomed employees to Landsec as part of our growth strategy with the acquisition of the remaining 25% stake in MediaCity and our focus on elevating our retail platform with the acquisition of Liverpool ONE.

Our focus as a People team continues to be on creating an inclusive environment where people thrive and do their best work. Our people are a key part of our competitive edge as an organisation, and enabling our colleagues to deliver their best work and be rewarded and celebrated accordingly is paramount to our success.

From a talent and development perspective, our high performance ambition has gathered momentum over the past 12 months. Embedding this into every stage of our people journey has been a key focus for this year and will continue to be as we head into the new financial year.

## EMPLOYEE ENGAGEMENT

Understanding our people's perspectives is key in driving our success. We anonymously survey our people regularly, to gather feedback and uncover meaningful insights that inform our focus and actions.

Since 2023, we have adopted a bi-annual engagement approach – a comprehensive survey each spring and a pulse survey in the autumn. This enables us to benchmark against similar-sized organisations, the real estate and property industry, and top-quartile organisations. Through this, we explore themes such as employee engagement, inclusivity, culture, high performance and company-wide communication.

We are proud to have been recognised twice with the Outstanding Workplace Award by our survey partner, People Insight. This recognition reflects our ongoing dedication to engagement. In February 2025, 86% of our employees participated in the latest survey, achieving an engagement score of 89%, a testament to our commitment to fostering a supportive and high-performing workplace.

Our recent efforts have focused on key priorities, including cross-team communication, career progression, managing performance and workload.

Actions taken to address these priority areas, include:

- business plans for all business units and enabling functions were cascaded through hybrid 'mini–Loop Live' sessions open to all employees. Additionally, quarterly business updates provided company-wide transparency on our performance
- we enhanced clarity around talent management through our Talent & Development intranet pages and expanded our Next Level on-demand learning pathways to offer tailored development opportunities for all
- senior leadership teams participated in masterclasses with an external expert to define clear performance measures, forming the cornerstone of our high-performance journey. In addition, we have provided performance management training and resources ranging from in-person sessions to videos, podcasts and quick reference guides to support line managers and colleagues alike


As part of our Landsec80 celebration, we were delighted to offer 80 free Landsec shares to all employees through our Share Incentive Plan ('MySIP'). We launched MySIP a year ago, and over 45% of colleagues have joined this plan to date, allowing them to share in the success they are helping to build.

We launched MyTotal Reward which includes a comprehensive overview and details of our complete package and the ability for individuals to view the value of their current package. In our recent People survey, 94% of people understood our benefits and 80% of our people believed that we offer the right combination of benefits to attract, motivate and retain our people.

Our 'always on' recognition platform continues to empower all employees to recognise, appreciate and celebrate each other's achievements, with 76% of our people receiving personal recognition this year. Our annual Spotlight awards event is the highlight of our recognition calendar – a truly special occasion that unites our people to honour our remarkable individuals and teams.

# OUR PEOPLE AND CULTURE CONTINUED

## TALENT MANAGEMENT

Our talent strategy is centred around our commitment to fostering growth, preparing future leaders and driving organisational success.

At Landsec, we support the 70/20/10 approach to development, a popular framework based on the premise that learning comes from three main sources, broken down into the following proportions:

- **70%** from on-the-job experiences and challenging assignments
- **20%** from developmental relationships, such as mentoring and coaching
- **10%** from formal learning and training

Our people continue to demonstrate their dedication to growth, with each colleague completing an average of 11 hours and 22 minutes of formal learning this year. Additionally, we remain committed to supporting professional development, with 13 employees pursuing recognised qualifications this year.

Through our bi-annual Group Talent Review, we bring clarity to succession planning, targeted development and participation in tailored programmes.

Key outcomes of this approach include:

- **Succession planning:** Comprehensive succession plans for all Executive Leadership Team (the 'ELT') and Senior Leadership Team roles.
- **Leadership development programme:** Launch of Landsec Builds: Next Level Leadership, a development programme for emergent leaders to strengthen our future leadership bench. In 2025, this programme will evolve to include Shadow Sounding Board accountability.
- **Diversity and inclusion focused programme:** Enrich is a targeted programme aimed at enhancing the ethnic diversity of our future talent pipeline. Eight colleagues participated in the first cohort with significant shifts seen in their career aspirations and clarity on how to achieve them following participation in the programme.
- **Development of our most senior leaders:** via high-performance masterclasses.

Since their inception, 59 of our colleagues have participated in these programmes. The measures of success are to retain and promote talent up and through the organisation.

To ensure development opportunities are accessible to all, we introduced our Next Level learning platform in 2024. This platform continues to evolve, offering curated learning pathways that enhance skills, knowledge and behaviours aligned with our high-performance culture ambitions.

Our refreshed induction programme, Landed, combines an enhanced day-one experience, a curated digital onboarding journey and an in-person event hosted at one of our iconic locations. Featuring our history, insights from senior leaders and a Q&A with our CEO, this initiative fosters connectivity, engagement and a deeper understanding of our business.

## DIVERSE TALENT

We continued to embed our Diversity & Inclusion (D&I) strategy 'Diverse Talent, Inclusive Culture, Inclusive Places'.

Our overall business broadly reflects the gender and ethnic diversity of the UK, but diversity reduces at senior levels. That's why this year, we've focused on better reflecting the diversity of our communities within our leader population by recruiting from diverse shortlists and building a diverse talent pipeline.

- 53% of those promoted into leader roles were female and 13% were from an ethnic minority background.
- We added 'inclusion nudges' into the recruitment process, giving hiring managers tips on reducing bias in job adverts and carrying out effective structured interviews each time they start a new recruitment process.
- Over 80% of leader roles have been recruited from diverse shortlists.

> **"Enrich has given me the confidence to foster new relationships within different parts of the business and expanded my perspective on career development.**
>
> **The 1:1 coaching sessions have been particularly helpful in formulating a career trajectory and exploring new ways to strengthen my impact at Landsec."**
>
> Chloe Prince, **Workplace Portfolio Manager and Enrich participant**

## INCLUSIVE CULTURE

An inclusive culture enables diverse talent to thrive through inclusive leadership, training and employee engagement. In particular, this year:

- Our ELT completed their reverse mentoring programme, with reverse mentoring pairing Nisha Manaktala (Chief Data and Technology Officer) and Ross Tyson (Performance and Partnerships Manager) sharing their learning in a session open to all colleagues on Empowering Neurodiversity at Work.
- Our networks delivered a range of sessions to engage colleagues and the wider industry with highlights including:
  - Diaspora shared the stories of Black changemakers in our industry and local communities in an impactful Black History Month event
  - Hand in Hand sponsored sessions for all colleagues on mental health and neurodiversity inclusion to upskill colleagues and line managers
  - Landsec Pride collaborated with industry peers on the inaugural 'Pride in Property' event to support LGBT+ inclusion in real estate
  - Landsec Women focused on women's empowerment, running sessions on female investment and embracing the discomfort zone

- We rolled out mandatory learning to line managers on evidence-based decision making to reduce the impact of bias on annual performance assessments.
- We acted on feedback from reverse mentoring participants and the Employee Forum, co-creating new guides to support maternity returners and their line managers to ensure an effective return to work.
- We maintained positive scores in our inclusion index – part of our employee engagement survey which measures our progress in creating an inclusive culture, scoring an average of 80% positive responses across the four inclusion questions.

> **"As a child and in my early career, I spent a lot of time trying to push a part of myself into the background. This is a common situation for many neurodiverse people. In recent years, I've decided to embrace my differences and talk openly about them. It was amazing to work with my mentee, Nisha Manaktala, to help shine a spotlight on neurodivergence and help current and future colleagues who may have been in the same situation."**
>
> Ross Tyson, **Performance and Partnerships Manager and reverse mentor**

## INCLUSIVE PLACES

- We launched our Inclusive Design Principles to help deliver our commitment to delivering inclusive places.
- We rolled out live sign language interpretation across our retail portfolio with SignLive.
- We enhanced the accessibility of our managed Workplace portfolio by providing tailored information on accessibility and facilities in each asset's automated visitor information email, making it easier for guests to find the information they need.

**Further details on our strategy are available on our D&I strategy page on landsec.com with progress against targets reported annually on our D&I targets and performance scorecard.**

## PAY GAP

We reported on our 2024 ethnicity and gender pay gaps for the Landsec Group with full details available on our website.

- Our mean gender pay gap reduced from 29.1% in 2023 to 28.2% in 2024
- Our median gender pay gap increased from 27.6% to 29.2% over the same period

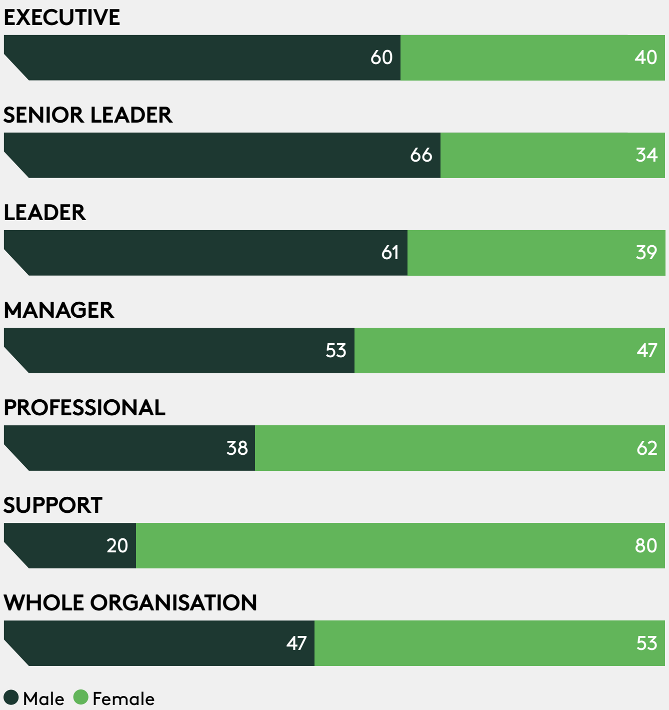
This year, we saw a mixed picture with our mean gender pay gap improving slightly and the median worsening by 1.6%. These small changes in our gender pay gaps are due to increases in female representation in all of the quartiles, except the upper middle quartile which has seen a decrease in female representation. In real terms this is due to increased female representation in all of our leadership populations but a small decrease in our mid-level management population which is largest in number.

- Our mean ethnicity pay gap reduced from 43.0% in 2023 to 39.6% in 2024
- Our median ethnicity pay gap slightly increased from 39.4% to 39.5% in the same period

Our mean ethnicity pay gap has decreased, and the median has only increased by 0.1% because the representation of ethnic minority employees has increased across all pay quartiles, except the lower middle quartile. This is due to a high proportion of ethnic minority new starters over the period. 31.6% of new starters over the past 12 months are from ethnic minority backgrounds.

### GENDER BY MANAGEMENT LEVEL

CHART 14




Overall, as a business, we remain roughly gender balanced with 53% female representation and 47% male representation. Over the past 12 months, female representation has increased from 36% to 39% at Leader level but decreased in our smaller Senior Leader population from 38% to 34% due to two female leavers at this level.

### ETHNICITY GROUP BY MANAGEMENT LEVEL

CHART 15


19% of our staff are from ethnic minority backgrounds, broadly representative of the UK as a whole and a slight increase from the previous year. We have seen a small growth in ethnic minority representation at Leader and Senior Leader levels – a key focus of our D&I plans for the past year. Totals may not add up to 100% due to rounding.

# OUR APPROACH TO SUSTAINABILITY

We design, develop and manage buildings in ways that will enhance the health of our environment and improve quality of life for our people, customers and communities, now and for future generations.

Our sustainability strategy – Build well, Live well, Act well – continues to focus our work on the environmental, social and governance (ESG) issues where we know we can have the biggest impact.

See more about our approach to sustainability at landsec.com/sustainability.

For full performance updates please see our Sustainability Performance and Data Report 2025 at landsec.com/sustainability/reports-benchmarking.

## PERFORMANCE AT A GLANCE

This year, we have again made good progress on delivering our commitments and targets against each of our three pillars:

| PILLAR | TARGET | HIGHLIGHTS |
|---|---|---|
| **BUILD WELL** Our commitment to enhance the health of the environment. See more on pages 29-30 | 47% reduction in absolute GHG emissions by 2030 from a 2019/20 baseline | **33%** REDUCTION IN ABSOLUTE CARBON EMISSIONS |
| | 50% reduction in average upfront embodied carbon compared with a typical building by 2030 | **41%** REDUCTION IN EMBODIED CARBON ACROSS DEVELOPMENT PIPELINE |
| | Reduce energy intensity by 52% by 2030 from a 2019/20 baseline | **23%** ENERGY INTENSITY REDUCTION |
| | Deliver our nature strategy across our operational assets and development schemes | **100%** OF ASSETS UNDER OUR OPERATIONAL CONTROL WITH NATURE ACTION PLANS IN PLACE[1] |
| **LIVE WELL** Our commitment to support our communities to thrive. See more on page 31 | £200m of social value by 2030 from a 2019/20 baseline | **£96m** SOCIAL VALUE CREATED |
| | 30,000 people empowered to enter the world of work from a 2019/20 baseline | **14,737** PEOPLE EMPOWERED |
| | Design, develop and manage our assets to ensure everyone feels like they belong | **Launched** OUR INCLUSIVE DESIGN PRINCIPLES TO HELP US CREATE INCLUSIVE PLACES |
| **ACT WELL** Our commitment to being a fair, responsible business. See more on page 32 | Build relationships with our customer base to drive improved sustainability performance | **4.1/5** AVERAGE SCORE FOR CUSTOMERS AGREEING WE ARE DOING A GOOD JOB OF SUPPORTING THEM ACHIEVE THEIR ESG GOALS |
| | Build relationships with our strategic suppliers enhancing sustainable practices throughout our supply chain | **93%** OF STRATEGIC SUPPLIERS SIGNED UP TO OUR SUPPLY CHAIN COMMITMENT |
| | All Landsec colleagues to support the delivery of Build well, Live well, Act well with a proportion of remuneration linked to ESG targets | **100%** EMPLOYEES HAVE ESG METRICS INCLUDED IN THE ANNUAL BONUS PLAN AND LONG-TERM INCENTIVE PLAN (LTIP) FOR SENIOR LEADERS AND ELT |

1. Excluding assets acquired or completed after the launch of nature strategy and third-party managed assets.

## DECARBONISING OUR PORTFOLIO

We are committed to transitioning to net zero by 2040, whilst building resilience to climate change. Our ambitious science-based carbon reduction target (SBT) will see us reduce our Scope 1, 2 and 3 emissions by 47% by 2030 and by 90% by 2040 from a 2019/20 baseline.

### REDUCING OPERATIONAL CARBON

We remain focused on decarbonising our portfolio and improving energy efficiency. Our £135m Net Zero Transition Investment Plan (NZTIP), launched in 2021, is key to achieving our SBT and we are making strong progress. To date, we have invested £32m, including transforming our office buildings by replacing existing heating and cooling systems with air source heat pumps (ASHPs). The installation programme is progressing at pace, with around 40 ASHPs being installed to completely remove gas across five buildings in Victoria and the City.

Across our retail sites we continue increasing our on-site renewable electricity generation. This year we installed almost 1,300 solar panels at Gunwharf Quays, adding to the existing array to generate 23% of landlord total electricity demand. We plan to install additional solar PV arrays at Braintree Village next year and at Bluewater, Southside and St David's in subsequent years.

Following the publication of the Transition Plan Taskforce (TPT) Disclosure Framework in October 2023, we have been developing our Climate Transition Plan, mapping out the actions we need to take to decarbonise our business and reach net zero across our value chain by 2040.

### DECARBONISING DASHWOOD HOUSE

In March 2025, Dashwood House was our first ASHP installation project in an occupied building to complete. The building is now powered by five new ASHPs on the roof, running solely on electricity from renewable sources. As a result, the building has achieved an EPC rating of B, and is expected to reduce energy usage for heating and cooling the building by 50%, with further carbon reduction expected as the electricity grid decarbonises.

This includes actions across our retail portfolio, such as improving our understanding of our brand partners' energy consumption, to better engage with them on their journey to net zero.

To find out **how we are already engaging our customers to reduce their energy use, see page 32.**

This year, we embarked on a significant energy management transformation, implementing a comprehensive energy management platform, which will improve energy management, streamline operations and reporting process. By delivering comprehensive data visualisation and customised dashboards, the platform will enable proactive energy management actions and improved performance insights.

### REDUCING CARBON IN CONSTRUCTION

Responding to occupier demand for workplaces with excellent sustainable credentials, all our commercial schemes are targeting BREEAM Excellent or above, and an average upfront embodied carbon reduction of 50% compared with a typical development by 2030. Our two committed schemes, Timber Square and Thirty High, are exemplary due to the high levels of retention of existing structures, with upfront embodied carbon intensities of 522kg$CO_2$e/sqm and 347kg$CO_2$e/sqm respectively.

Our development team remains focused on innovation, identifying and testing low-carbon solutions for application across our projects. These solutions are also a key metric in our annual bonus for all employees. We also actively support the demand for low-carbon materials, as signatory members of Climate Group's SteelZero and ConcreteZero campaigns, committing to procure 100% net zero steel and concrete by 2050, with a 50% lower-emission target by 2030. Our 2024/25 reported figures show strong progress, with over half of the concrete used being low carbon, and 42% of steel meeting SteelZero criteria.

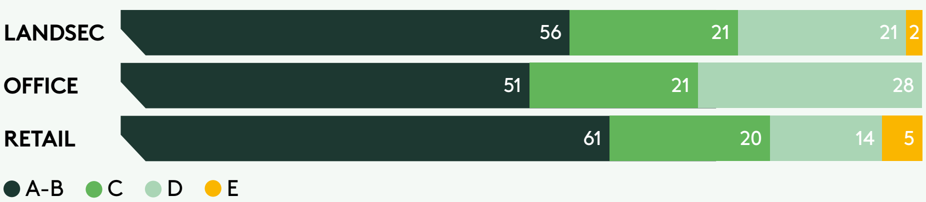
To compensate the unavoidable residual emissions from our new developments, we aim to support 'beyond value chain mitigation' (BVCM). This includes activities that avoid, reduce, or remove and store carbon emissions, also known as carbon offsets. In line with our offsetting strategy and due diligence process, we have purchased high-quality nature-based carbon credits, including removals and avoidance carbon credits from the Kuamut Rainforest Conservation Project in Malaysia and reduction credits from Ghana through the Lowering of Emissions by Accelerating Forest Finance (LEAF) coalition.

### EPC RATINGS

Our portfolio is 100% compliant with the 2023 MEES EPC E or above requirements. In addition, 56% of our portfolio – 51% of offices and 61% of retail – is already EPC B or above.

#### 2024/25 EPC RATING (BY ERV)

CHART 16




### NET ZERO AT THIRTY HIGH

Thirty High has been designed to be net zero in both construction and operation in line with the UK Green Building Council's definition of a net zero building and will target EPC A, NABERS 5*, WELL Core Platinum and BREEAM 'Outstanding'. By retaining the existing structure, we will lower the upfront embodied carbon by 60% compared with a typical building as set by the Greater London Authority. The building will also be fully electric, powered by air source heat pumps, with all electricity derived from renewable sources.

# OUR APPROACH TO SUSTAINABILITY CONTINUED

## ENHANCING NATURE AND GREEN SPACES

We believe that nature leads to better, more desirable places, and want to use our places as a catalyst to enhance nature in the urban environment. Last year, we launched our 'Let Nature In' strategy to improve biodiversity in the built environment, promote health, wellbeing and community engagement, and create nature-based solutions to mitigate and adapt to climate change. As such we have developed nature action plans for all assets where we have operational control and included core nature principles underpinned by targets in our Sustainable Development Toolkit to guide our development projects.


### TRANSFORMING ST DAVID'S, CARDIFF

At St David's, Cardiff, we are transforming the old Debenhams store into a new public space, following extensive engagement with more than 5,000 people across the local community. This included Landsec research which revealed that 75% of people in Cardiff think access to nature and green space should be a priority for developers. We responded by ensuring the new square will be landscaped with trees and a diverse mix of native planting, boosting biodiversity and access to nature in the city centre.

## USING RESOURCES EFFICIENTLY

### MATERIALS

Our Materials Brief, launched in 2024, is proving instrumental in shaping our developments, driving embodied and whole-life carbon reduction. It guides our design team to identify key opportunities for material reuse, alternative materials and innovative solutions in collaboration with our supply partners. The brief also helps align our developments to green building certification requirements, promotes use of local suppliers, and upholds ethical sourcing and human rights standards. This holistic approach is supporting our commitment to creating sustainable places.

### WASTE

In 2024/25 we continued to divert 100% of waste from landfill, and recycled 65% of operational waste (2023/24: 66%). We have consolidated our service providers into an overarching operating model, which has enhanced the way we manage waste. We have optimised our process in collaboration with our new waste partners setting targets to improve waste management and better collect and report waste data. Despite this significant change in how we operate our assets, we have managed to keep our recycling rates level due to our established waste management and reporting process.

In March 2025, a UK-wide legal framework 'Simpler Recycling' was introduced to make the recycling process more straightforward. Our long-standing recycling target and robust approach to waste segregation ensures we are well prepared and the changes will have minimal impact to our business and our customers.

### WATER

Water and climate change are closely linked, as extreme weather events exacerbate water stress, making water more scarce, unpredictable and polluted. We therefore aim to ensure water is used as efficiently as possible across our portfolio, and this year we reviewed our approach to water, focusing on areas we can have the biggest impact. Our approach is based on three key principles:

- Conservation: Eliminate unnecessary use by changing behaviour and processes
- Efficiency: Reduce water use by adopting efficient design and technology to do 'more with less'
- Protection: Continue to protect the local water catchment area prioritising assets located in sensitive areas

We are setting metrics and targets to help us monitor our performance in delivering these principles, with a principal target to maximise rainwater and greywater harvesting opportunities across the portfolio, focusing on areas of high water stress. At Nova, we are already harvesting almost 2 million litres of rainwater per year.

**See further information on our TNFD disclosure within our Sustainability Performance and Data Report 2025.**

**For more information on our Build well targets performance activity, visit landsec.com/sustainability/build-well.**

### MAXIMISING MATERIALS REUSE

Eight of our Central London Workplace design teams met for a 'materials auction' in April 2024, to present materials that would be coming off our projects undergoing significant deconstruction, and discuss options to maximise reuse of elements, such as steel works, railings, raised access floor tiles and timber doors. As a result, we salvaged over 4,000m$^2$ of floor tiles from Red Lion Court, for use in our Timber Square development, saving nearly 165 tonnes of embodied carbon. Additional tiles are to be reused at Timber Square from 55 Old Broad Street.

# LIVE WELL

## CREATING OPPORTUNITIES AND TACKLING LOCAL ISSUES

### ENHANCING SOCIAL MOBILITY IN REAL ESTATE

Empowering and collaborating with our communities is a crucial step to us creating sustainable places that support our communities to thrive. Through Landsec Futures, we are enhancing social mobility in our business and wider industry, striving to empower 30,000 people from underrepresented socioeconomic backgrounds towards the world of work, creating £200m of social value by 2030.

Since launching Landsec Futures in 2023, we have welcomed 18 interns, ten of whom stayed at Landsec after their internship ended. This year we expanded our internship programme to Manchester and Leeds, taking on our first cohort of regional interns. Manuella joined us as an intern at Mayfield, having previously worked with Regeneration Brainery, one of our employability partners.

**"Within the first two months of working at Landsec, I have received insight into what the development process is and all that it requires to reach the next stage. The internship has not only equipped me with the skills required for the role of a project manager but it has enabled me to face challenges head on."**

Manuella, **Regeneration Brainery Ambassador and Landsec Intern**

We supported a total of 13 scholars this year in London, Portsmouth, Cardiff, Leeds and Salford to undertake placemaking courses including architecture and real estate. All bursary recipients meet social mobility criteria and have a mentor from Landsec assigned to them for the duration of their degree, which is helping build networks and open doors in the industry.

### ENGAGING OUR LOCAL COMMUNITIES

We know that for our places to succeed we need the support of our local communities. Our Community Charter, published in 2023, ensures that we listen and understand the needs of our local communities, working with them to shape our places. This builds trust and stakeholder support for our schemes, enabling a smoother planning process. Since publishing our charter, we have received over 700 letters of support for our schemes in Camden, Lewisham, Southwark and the City, demonstrating positive local sentiment.

## COMMUNITY DESIGN CHAMPIONS IN LEWISHAM

For our Lewisham Shopping Centre Masterplan, we co-designed the scheme with the local community, engaging 2,000 people since 2023. We initiated a Design Champions process, recruiting 17 community members to design the scheme alongside our team. These champions have significantly influenced the plans which now include a meadow on the roof, a music venue and a locally led plan for the mix of retail to serve the community needs.

## INCLUSIVE DESIGN AT TIMBER SQUARE

We applied our Inclusive Design Principles during the design of Timber Square Phase II. As part of the public consultation process, we recruited 12 local community members as Design Champions, bringing diversity of thought into the design process. These champions worked with our inclusive design consultants, resulting in key changes to public realm features, including the orientation of stairs to improve the sense of safety and moving a passenger lift to ensure a more equitable user experience.

## INCLUSIVE PLACES

To help us create truly inclusive places, we launched our Inclusive Design Principles, providing guidance and inspiration to our teams, consultants and service partners around three principles: inclusive places, inclusive processes and inclusive knowledge and skills. The document offers an overarching framework, ideas for key actions and resources that offer more comprehensive guidelines on specific areas of inclusive design to ensure our spaces are accessible, useable, safe and welcoming.

## ENHANCING WELLBEING

In line with our commitment to designing and managing our assets to enhance our customers' physical and mental wellbeing, we continue to subscribe to WELL at scale. Currently, 41% of our directly managed office buildings are WELL certified, including WELL Core Platinum for nine assets and WELL Core Gold for two assets. Additionally, we were awarded WELL Equity Ratings for 17 assets and WELL Health & Safety Ratings for 18 assets, representing 67% of total managed offices.

**To find out more about our approach to creating inclusive places and how we are supporting our colleagues' wellbeing, please see pages 25-27.**

**For more information on our Live well targets performance activity, visit landsec.com/sustainability/live-well.**

**4,488**

**PEOPLE SUPPORTED THROUGH LANDSEC FUTURES IN 2024/25**

**£43m**

**SOCIAL VALUE CREATED IN 2024/25**

# OUR APPROACH TO SUSTAINABILITY CONTINUED

## ACT WELL

### EMBEDDING SUSTAINABILITY

#### ENGAGING OUR EMPLOYEES

To ensure that every colleague contributes to our sustainability vision, we continue including ESG metrics in the Long-Term Incentive Plan (LTIP) and Annual Bonus Plan for Executive Directors and employees. We also offer an EV salary sacrifice benefit scheme, encouraging colleagues to make more sustainable choices at home.

#### ENGAGING OUR CUSTOMERS

We aim to be recognised as a leading provider of sustainable places, supporting our customers to achieve their sustainability ambitions. To enhance awareness of the sustainability credentials of our buildings and the impact of our programmes, we launched a suite of communications in October 2024, including our new quarterly customer newsletter 'One Workplace', and providing sustainability updates in customer meetings.

We continue collaborating with our customers to promote sustainable behaviour, meet shared sustainability goals and deliver cost savings. Over the past three years, we have delivered energy audits for 38 of our office occupiers, reviewing their energy use and recommending ways to save as much as 15% energy usage annually. Building on these findings, we identified key learnings applicable to all of our customers, and over the past year our Workplace team have shared these insights with a total of 54 customers, advising on energy-saving initiatives, and tracking implemented actions. To date, 23% of the 300+ recommended measures have already been implemented by our customers, with an additional 45% agreed to be delivered through Landsec-led interventions. We are also empowering our service partners with training on our lighting control systems, enabling them to actively drive energy savings for our customers.

### DOING THE BASICS BRILLIANTLY

#### SUSTAINABLE PROCUREMENT

Our work with suppliers to achieve our sustainability commitments and support positive change beyond our own business is ongoing. 93% of our strategic suppliers have signed up to our Supply Chain Commitment which sets out how we work with suppliers that share our values and help us to achieve the highest standards in our supply chain, whilst achieving wider social, economic and environmental benefits.

As part of the consolidation of our service partners, we embedded sustainability KPIs into our contracts, tracking progress of the positive impact we are having in collaboration with our suppliers. As a result, each of our Aspire Service Partners have committed to employ at least one apprentice, with six having started employment since September 2024.

#### ASPIRE APPRENTICESHIPS

In June 2024, our Aspire Service Partners collaborated with our Landsec Futures employability partners to run a successful Apprenticeships Recruitment Day, ensuring we recruit from a diverse talent pool. Clients from Cardinal Hume Centre, Circle Collective, Construction Youth Trust and Resurgo were invited to the day to showcase the Aspire apprenticeships and other entry-level job opportunities, encouraging attendees to apply.

#### TACKLING MODERN SLAVERY

We require all employees to complete mandatory modern slavery training, and run modern slavery workshops for our supply partners through the Supply Chain Sustainability School. Key actions undertaken this year to further improve our approach to tackling modern slavery include:

- **Refreshing** our modern slavery risk framework, assessing risks at project and supplier level, which informs appropriate mitigation actions
- **Collaborating** with our principal contractors and facility management partners to ensure whistleblowing signage is displayed on all sites, confirm adherence with our Supply Chain Commitment and check that relevant policies and procedures are in place to protect the human rights of all people working across our sites
- **Enhancing** our approach to modern slavery remediation to ensure we immediately respond to a suspected case of modern slavery or other serious forms of labour exploitation, and provide remedy for adverse impacts on individuals or groups through legitimate means, in line with best practice

#### CREATING HEALTHY, SAFE AND SECURE SPACES

This year we maintained our ISO 45001 certification and BS 9997 fire-safety management-system certification, both subject to independent auditing. We continue to focus our safety improvements on areas where we can have the biggest impact, including reducing the risk of significant occupational-safety hazards, such as working at height, rooftop access management, asbestos management and workplace-transport hazard management. Fire safety remains one of our priority areas, and we continue working to ensure we meet legislative requirements, such as the Building Safety Act 2022.

#### BUSINESS ETHICS

We are committed to upholding high standards of ethical conduct and operating our business with integrity, and we expect the same of our colleagues and any third-party organisations who work with us. During the year, we reviewed and updated our Anti-Bribery and Corruption Policy and Ethical Business Policy. We have strengthened our procedures to prevent bribery and corruption including conflicts of interests and gifts and hospitality. We have also launched a new Financial Crime Policy which includes how we prevent money laundering, corporate tax evasion and the new offence of failing to prevent fraud.

For more information **on our Act well targets performance activity, visit landsec.com/sustainability/act-well.**

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) STATEMENT

Landsec has a strong record of leadership on climate action and reporting, where we recognise the risks and opportunities posed by climate change in our business model and strategy.

Climate change is considered a principal risk for Landsec and, since 2017, we have reported our approach to the recommended disclosures of TCFD. We continue to evolve our approach to identifying, assessing and managing climate-related risks, and over the past year, we have reviewed our methodology and data sources to improve the identification and assessment of physical risks associated with climate change. We are making steady progress on our NZTIP and remain on track to meet our science-based carbon reduction target. The NZTIP has been incorporated into our financial statements, as described within the Notes to the financial statements on page 98.

This statement is consistent with the requirements of the London Stock Exchange (LSE) Listing Rule 6.6.6 and all 11 TCFD Recommendations and Recommended Disclosures, and we can confirm we have made climate-related financial disclosures for the year ended 31 March 2025 in relation to governance, strategy, risk management, and metrics and targets.

## GOVERNANCE

### KEY ACTIVITIES IN THE YEAR

- **Decision making:** Remuneration Committee reviewed ESG targets and respective outcomes included in the Annual Bonus Plan and LTIP in line with the Remuneration Policy approved by shareholders at our 2024 AGM. The ELT approved the investment for retrofitting heating and cooling systems with air source heat pumps at three workplace assets (One New Change, 80 – 100 Victoria Street and 123 Victoria Street) in line with our NZTIP.
- **Training:** Board and ELT received a teach-in from the sustainability team on net zero carbon buildings focusing on embodied carbon.
- **Reporting:** Board, ELT and Sustainability Forum receive quarterly ESG reports showing progress against our sustainability targets.

Board oversight

**BOARD OF DIRECTORS**

Responsible for overseeing our approach to climate-related risks and opportunities affecting the business, with our CEO having overall responsibility.

Receives updates on sustainability and climate-related performance quarterly, with additional discussion sessions as required. This year, the Board discussed the emerging drivers and complexity for reducing embodied carbon across our developments. These sessions provide the Board with valuable insights, increasing their understanding of relevant climate-related risks.

As climate change is a principal risk, the Board considers the impact of climate risks when discussing Landsec's strategy and long-term success, including significant investment decisions. This includes reviewing the climate risk exposure of potential new acquisitions and their impact on our portfolio.

**AUDIT COMMITTEE**

Supports the Board in managing risk, and is responsible for reviewing our principal risk register, and the effectiveness of our risk-management and internal control processes.

Reviews and approves our TCFD statement.

**REMUNERATION COMMITTEE**

Sets and monitors climate-related targets linked to Executive remuneration.

The LTIP for Executive Directors and senior management includes an operational carbon reduction target aligned with our SBT.

Annual Bonus Plan for Executive Directors and all employees includes energy efficiency and embodied carbon targets.

**For details on annual bonus and LTIP, see pages 70-75.**

Management roles, responsibilities and accountability

**CEO**

Overall responsibility and management for all elements of strategy, including climate-related risks. Chairs the ELT.

**ELT**

Responsible for setting and monitoring the progress of the sustainability strategy to ensure it addresses our relevant ESG risks and opportunities, including those pertaining to climate change. Discuss sustainability and climate-related risks quarterly, or more often if required.

**SUSTAINABILITY FORUM**

Supports the ELT in delivering our sustainability strategy and mitigating climate-related risks. Senior representatives responsible for delivering programmes of work that contribute to meeting our sustainability targets, and for mitigating climate-related risks across our business.

**SUSTAINABILITY TEAM**

Recommends approach to sustainability, including addressing climate-related risks. Coordinates the sustainability strategy and climate-related risks, collaborating with all areas of the business to ensure appropriate mitigation and adaptation plans are in place. Reports on progress against our targets.

Landsec governance structure **is further discussed on pages 56-59.**

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) STATEMENT CONTINUED

## STRATEGY

### IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS AND OPPORTUNITIES

In accordance with the TCFD recommendations, we have identified climate-related risks and opportunities across two categories:

- **Transition risks:** associated with the shift to a low-carbon economy, including regulatory changes, market shifts and evolving consumer preferences
- **Physical risks:** related to the physical impacts of climate change, including extreme weather events and long-term environmental changes

We have considered these risks and opportunities over three time horizons – short (less than 1 year), medium (until 2030) and long term (beyond 2030) – against two science-based climate scenarios – below 2°C (aligned with Shared Socioeconomic Pathways (SSPs) SSP1-2.6) and exceeding 4°C (aligned with SSP5-8.5).

We assess physical risks based on the location of assets and their exposure to individual hazards resulting from climate change. This year, we partnered with Munich Re to improve the assessment of portfolio exposure to these risks. The assessment of current risk exposure utilises Munich Re's proprietary models and loss data, which weight hazards based on their damage potential, normalising the average annual loss rates for property damage within each hazard zone for the respective perils (earthquake, storm/tropical cyclones/tornadoes, flood/storm surge). For future exposures, the model incorporates current conditions, projections and anticipated changes for each peril under different scenarios up to 2100. Transition risks are evaluated by assessing the alignment of assets with relevant regulations (e.g. Minimum Energy Efficiency Standards (MEES)) and market demand.

Following our Group risk management framework, risks identified in our scenario analysis have been assessed for:

**Likelihood:**
Low: <10% chance of occurrence; High: >20% chance of occurrence

**Financial impact:**
Low: <£5M P&L / <£150m Capital; High: >£25m P&L / >£500m Capital

**Reputational impact:**
Low: minor reputational impact; High: significant impact leading to loss of trust in the Company

We have identified and assessed risks across all areas of our business, including investments, development and operations. Mitigation of these risks is discussed in the section below.

Our assessment concluded that our current portfolio is not highly exposed to physical risks given the location of our assets, and the impact of physical risks to our portfolio will only become more relevant in the long term, under a >4°C scenario. Conversely, transition risks are material in the short and medium term as we expect increasing mitigation to reduce emissions, such as policy and regulation changes. Alongside this, there is an opportunity for us to benefit from increasing customer and investor demand for low-carbon buildings.

### IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON OUR STRATEGY

We address these risks and opportunities through three priorities, all of which are critical elements of our approach to sustainability – Build well, Live well, Act well:

- Decarbonising our portfolio
- Developing low-carbon buildings
- Building resilience to a changing climate

### DECARBONISING OUR PORTFOLIO

We are committed to achieve net zero carbon across our value chain by 2040. This commitment has been approved by the Science Based Target initiative (SBTi) and includes a near-term target to reduce our absolute Scope 1, 2 and 3 emissions by 47% by 2030 from a 2019/20 baseline, and a long-term target to reduce our absolute emissions by 90% by 2040 from a 2019/20 baseline.

Through our £135m NZTIP, launched in 2021, we are ensuring we meet our near-term science-based target and stay ahead of impending 2030 MEES requirements of minimum EPC B. To date, we have invested £32m, completing our first ASHP installation in an occupied building at Dashwood House in March 2025 and progressing ASHP retrofits across four additional assets. We will recover a portion of this investment through the service charge as part of the normal lifecycle replacement process.

We also expect to derive energy efficiency benefits and cost savings as a result. For details on the progress of our NZTIP and SBT, see pages 28-29.

We continue to operate our buildings in line with our company-wide environmental and energy management system certified to ISO 14001 and ISO 50001. Energy reduction plans and asset-specific action plans outline how we will reduce energy use and carbon emissions of each asset effectively, forming part of the operational financial planning for each asset.

As we strengthen relationships with our suppliers, the climate-related information they provide, including carbon emissions, energy consumption and climate-related targets, enhances our understanding of their operations and informs future engagement activity. Additionally, we are partnering with a solution provider to gain insights into our brand partners' energy consumption across our retail assets, enabling targeted engagement to support the decarbonisation of our portfolio.

#### FINANCIAL IMPACT

**Income statement**
Research shows that buildings with strong sustainability credentials attract higher average rents, improving leasing and occupancy rates. Improved energy efficiency is also expected to reduce service charges payable by tenants.

Conversely, older, less sustainable assets may experience longer voids due to retrofitting requirements and potential rental income losses if they fail to meet minimum EPC requirements.

**Balance sheet**
Through our £135m NZTIP, we are electrifying heating, installing solar PV and improving energy efficiency across our portfolio. These initiatives are expected to strengthen the capital value of affected assets, which have shown more resilience to yield pressures compared with assets without strong sustainability credentials. This is demonstrated by the CBRE Sustainability Index, which shows a more resilient total property return for energy efficient assets, including a 90bps gap in ERV growth compared with inefficient ones.

The NZTIP is factored into our asset valuations, alongside expected uplift in ERVs. The cost of the NZTIP is expected to fluctuate over the next five years due to inflation and portfolio composition changes with the expenditure profile weighted to 2024/25 and 2025/26.

| | **<2°C SCENARIO**<br>Proactive and sustained action to halve global emissions by 2030 and reach net zero by 2050 – strong policy and regulatory responses, rapid investment and adoption of low-carbon technology and sustainable business and lifestyle practices. In the UK, marginally higher temperatures all year round, lower precipitation in summer, flooding and windstorms within current variability. | **>4°C SCENARIO**<br>Limited climate action is taken to mitigate climate change – there is a push for economic and social development coupled with continuing exploitation of fossil fuels. In the UK, increase in severe weather events, increased summer and winter temperatures, drier summers and wetter winters. |
|---|---|---|
| **Short term (<1 year)**<br>Our immediate business planning and budgeting occurs annually, so it is important that appropriate resource for mitigating and adapting to climate change is identified each year and included in annual budgets. | **Low physical risks** as only 6% of our portfolio is currently highly exposed to combined physical risks (earthquake, storm, flooding and wildfire). 2.9% of portfolio is exposed to river flood (return period of 50-100 years) and 0.3% of portfolio is exposed to storm surge (return period of 100 years).<br>These risks are constantly monitored and we ensure all assets have appropriate mitigation plans in place.<br>**Medium transition risks** associated with:<br>• Existing regulations, e.g. current MEES requiring all non-domestic properties to have a minimum EPC rating of E. Risk is considered low, as 100% of our assets are already compliant. We continue monitoring this risk to ensure that all spaces have a valid EPC.<br>• Local planning requirements favouring low embodied carbon development schemes. Risk is considered medium, as costs to meet embodied carbon targets is highly dependent on design and nature of developments.<br>**Opportunity** associated with:<br>• Increasing occupier and investor interest in assets with high sustainability credentials, including BREEAM and EPC, presents a medium opportunity as our portfolio transitions to net zero, with 63% BREEAM certified and 56% EPC A-B, and we continue developing low-carbon buildings. | **Low physical risks** as only 6% of our portfolio is currently highly exposed to combined physical risks (earthquake, storm, flooding and wildfire). 2.9% of portfolio is exposed to river flood with a return period of 50-100 years. 0.3% of portfolio is exposed to storm surge with a return period of 100 years.<br>These risks are constantly monitored and we ensure all assets have appropriate mitigation plans in place.<br>**Medium transition risks,** as current risks are the same as under <2°C scenario. |
| **Medium term (until 2030)**<br>We are taking action now until 2030 to meet our near-term science-based carbon reduction target. | **Physical risks remain at a similar level as in the short term.**<br>**High transition risks** associated with:<br>• Emerging regulations, such as proposed MEES requiring all non-domestic properties to meet a minimum of EPC B by 2030. Risk is considered high, impacting 44% of our current portfolio that has an EPC below B.<br>• More stringent planning requirements, including stricter operational and embodied carbon obligations. For instance, Greater London Authority requires projected operational energy emission shortfalls to be offset, recommending a price of £95/t$CO_2$e. Risk is considered high, potentially impacting all our new developments.<br>• Uncertainty surrounding global policy and regulatory frameworks that may hinder the decarbonisation of our supply chain, affecting the availability and cost of low-carbon solutions. Risk is considered high, potentially impacting our ability to meet our science-based target, alongside customer and investor demand.<br>**Opportunity** associated with:<br>• Continued increase in customer and investor demand for sustainable assets. Stakeholders are setting net zero targets and reporting on the sustainability outcomes of their investments, driving demand for green building certifications (e.g. BREEAM) and high energy efficiency (e.g. EPC). JLL suggests that BREEAM certified buildings benefit from 20.6% capital value premium and 11.6% rent premium, and single step EPC improvement contributes to 3.7% capital value premium and 4.2% rent premium. This presents a high opportunity, as our portfolio transitions to net zero and we continue developing low-carbon buildings. | **Physical and transition risks remain at a similar level as in the short term.** |
| **Long term (beyond 2030)**<br>Many of our assets have a design lifespan of over 60 years – therefore, identifying long-term risks beyond 2030 is important for our investment and development decisions, to ensure our portfolio remains resilient in the long term. | **Increase in physical risks**, particularly from storm surge. By 2100, 9% of portfolio will be highly exposed to storm surge (return period of 100 years).<br>No significant change to overall portfolio exposure to climate risks. For instance, slightly warmer summers are expected but these do not pose significant risk of heat stress.<br>**Transition risks remain high** as further mitigation actions and regulatory changes are expected to continue driving reductions in carbon emissions, including:<br>• Carbon tax – potential for the built environment to be included in the UK Emissions Trading Scheme. Risk is considered high, due to high degree of uncertainty at this stage. We keep monitoring emerging discussions on this topic, whilst reducing carbon across our portfolio to minimise potential impact to our business.<br>• Achieving our science-based net zero commitment by 2040. Risk is considered high, as significant reduction beyond achievement of 2030 near-term target will be required, demanding capital expenditure and investment in new technologies and innovative low-carbon materials and processes. | **Significant increase in physical risks** from hotter, drier summers; warmer, wetter winters and more frequent severe weather events. By 2100, 9% of portfolio will be highly exposed to storm surge (return period of 100 years) and expected losses due to storm surges events will significantly increase.<br>Sea level rise puts additional strain on the Thames Barrier and increase in river peak flows has potential for flood defence failures across the UK, leading to higher portfolio exposure, with 4% of portfolio exposed to river flood (return period of 50-100 years).<br>According to Swiss Re, climate risk could worsen weather-related insured catastrophe losses, such as flood and wildfires. Property insurance premiums will reflect this augmented risk from climate change, potentially increasing by 33-41% by 2040.<br>**Significant increase in transition risks** as adaptation measures are adopted to cope with changes in climate and associated physical risks. |

# TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) STATEMENT CONTINUED

### DEVELOPING LOW-CARBON BUILDINGS

We are committed to design and build low-carbon buildings, ensuring low upfront embodied carbon emissions, low operational emissions and fossil-fuel free assets powered by renewable electricity. This commitment is embedded in our Sustainable Development Toolkit – a comprehensive guide for our development teams and external partners to ensure that sustainability is integrated throughout the lifecycle of our projects and gateway approval process.

For each development, we aim to reduce emissions associated with construction by exploring structural retention and material reuse, adopting efficient design and modern methods of construction, and specifying low-carbon materials, balancing upfront carbon with whole-life carbon to ensure our design decisions do not negatively impact long-term operational and maintenance carbon emissions of our assets. We are also exploring opportunities across our projects to trial innovations at small scale to support the development of low-carbon solutions.

To optimise operational efficiency, we set energy use intensity (EUI) targets for each scheme, modelling the design of the scheme for maximum energy efficiency. Our developments are designed to be 100% electric and target maximum use of on-site renewables as possible.

Beyond our own developments, we are actively engaged in industry-wide initiatives and collaborations to shape industry standards. We are a critical partner in the development of the UK's Net Zero Carbon Building Standard (NZCBS) and we are assessing its methodology against our development pipeline.

#### FINANCIAL IMPACT

**Income statement**
Strong and increasing market demand for low-carbon properties, particularly in the office sector, is outstripping supply. This is likely to drive rental and value premiums for these assets.

**Balance sheet**
Increased demand for low-carbon materials, many of which are still nascent markets, are increasing the construction costs of our development pipeline.

The financial impact of reducing embodied carbon on developments is highly dependent on the strategy adopted. We have modelled this across our live developments and found that retention on one project could reduce Total Development Cost (TDC) by 2.8%, while relying on low-carbon materials on another might increase TDC by 1.8%.

In September 2024, we issued our second Green Bond (£350m) supporting our transition to net zero. The proceeds from this bond will fund Eligible Green Projects, including Green Buildings – Construction of new developments and Renewable Energy projects. The allocation and impact report for this Green Bond will be released later in the year.

**Our Green Financing Framework and previous Green Bond report are available on our website: landsec.com/investorsdebt-investors/green-bonds.**

### BUILDING RESILIENCE TO A CHANGING CLIMATE

Although our assessment indicates that our current portfolio is not highly exposed to physical climate risks due to the location of our assets, we proactively mitigate these risks through physical measures, insurance coverage and business continuity planning.

Within our development pipeline, we design and build climate-resilient buildings capable of withstanding the UK's evolving climate conditions. We address physical risks, such as temperature fluctuations, by adapting building services design. The performance of our façade and fabric materials is designed to cope with expected higher and extreme temperatures, as well as increased wind speeds, minimising maintenance issues or damage. Our drainage strategies are designed to mitigate increased rainfall and flood risks through physical and nature-based solutions. In line with our 'Let Nature In' strategy, we integrate nature-based solutions, such as façade and rooftop greening, permeable surfaces and landscaping to reduce energy demand and enhance climate resilience.

Across our operational portfolio, we ensure assets located in areas highly exposed to physical risks have adequate protection and mitigation, including business continuity and emergency response plans. These measures and our appropriate risk management help us to reduce the risk of increase in insurance costs related to climate risks.

Our Responsible Property Investment Policy ensures that climate risks are assessed during acquisition and disposal of assets. We conduct thorough due diligence, understanding the asset's performance metrics, including energy consumption, EPCs and other sustainability credentials, and assessing flood risk and embodied carbon.

#### FINANCIAL IMPACT

**Income statement**
The changing environment has direct cost implications particularly for assets located in high-risk flood zones (3.2% of portfolio) due to potential repair costs, business interruption and higher insurance premium.

Additional financial considerations include potential inclusion of the built environment sector in the UK Emissions Trading Scheme, resulting in carbon taxes and higher energy costs.

**Balance sheet**
Increased capital investment is required to maintain compliance with evolving legal requirements, such as improving EPC ratings across the portfolio, and protecting assets at risk from physical climate change. Failure to do so could negatively impact long-term capital values.

### RESILIENCE OF OUR STRATEGY AND BUSINESS MODEL

We are confident that our strategy to decarbonise our portfolio, develop low-carbon buildings and build resilience to a changing climate supports our transition to a low-carbon economy, whilst managing the impact of climate risks to our portfolio. This is consistent with the Group's going concern and viability assessment.

However, we recognise that our strategy may need to evolve in the long term, particularly under a >4°C scenario. In this scenario, changes to our strategy and financial planning may be required, including divestment of assets that are less resilient to physical climate risks, and investment in infrastructure to mitigate the impact of flooding and coastal surge. This scenario could also lead to disruptions to our customers' and supply chain partners' businesses, including potential business failures and interruption. In response, we would need to increase due diligence in our supply chain selection, particularly for the sourcing of construction materials that may be processed in regions where the impacts of climate change are more severe.

## RISK MANAGEMENT

Climate change is identified as one of Landsec's ten principal risks, and is therefore governed and managed in line with our risk management and control framework. We identify, assess and manage climate-related risks through the framework. Risks are scored on a gross and net basis, following evaluation of the mitigating controls in place. Furthermore, Landsec has defined its appetite for each risk, including climate-related risks, and this is overlaid when considering any residual risks.

As part of its overall responsibility for risk, the Board undertakes an annual assessment, taking account of risks that would threaten our business model, future performance, solvency or liquidity, as well as the Group's strategic objectives. We use scenario-modelling, including the climate scenario analysis described above, to better understand the impact of these risks on our business model under varying degrees of stress, enabling us to consider interdependencies and mitigation plans.

The primary responsibility for management of each risk is assigned to a specific member of the ELT, who is responsible for ensuring the operating effectiveness of the internal control systems and for implementing key risk mitigation plans. Risks are also assigned a secondary owner – usually at Senior Leader level – who is responsible for ensuring we mitigate the risk appropriately.

Until 31 March 2025, primary responsibility for climate risk was held by our Managing Director, Corporate Affairs and Sustainability. Effective 1 April 2025, this responsibility transitioned to our Chief Operating Officer (COO), with the Head of ESG and Sustainability maintaining secondary responsibility. Our climate change principal risk includes both transition and physical climate risks as detailed above, which are monitored quarterly through a set of key risk indicators outlined in the Metrics and Targets section.

Our risk management process **to address our principal risks and uncertainties, including climate change, is detailed further on pages 38-45.**

## METRICS AND TARGETS

### TARGETS

To address climate change risks, we have set ambitious climate-related targets – the headlines of which are summarised below:

| DECARBONISING OUR PORTFOLIO |
|---|
| Achieve net zero greenhouse gas (GHG) emissions across the value chain by 2040 from a 2019/20 baseline |
| Near-term target: Reduce absolute Scope 1, 2 and 3 GHG emissions by 47% by 2030 from a 2019/20 baseline |
| Long-term target: Reduce absolute Scope 1, 2 and 3 GHG emissions by 90% by 2040 from a 2019/20 baseline[1] |
| Reduce energy intensity by 52% by 2030 from a 2019/20 baseline |
| Source 85% of total energy (electricity, gas, heating and cooling) consumption from renewable sources by 2030 |
| **DEVELOPING LOW-CARBON BUILDINGS** |
| Reduce upfront embodied carbon across our developments by 50% compared with a typical building[2] by 2030 |
| **BUILDING RESILIENCE TO A CHANGING CLIMATE** |
| Ensure all assets in areas highly exposed to climate risks have adaption measures in place |

1. Residual 10% emissions that cannot be reduced by 2040 will be offset through permanent emissions removals in line with SBT guidance.
2. Typical buildings from GLA Whole Life Carbon Guidance – Typical offices: 1,000kg$CO_2$e/m$^2$ GIA and typical residential: 850kg$CO_2$e/m$^2$ GIA.

### METRICS

In addition to targets, we also monitor a number of climate-related metrics that support our risk assessment, as provided below:

| METRICS | 2024/25 | 2023/24 |
|---|---|---|
| Reduction in energy intensity from a 2019/20 baseline | 23% | 18% |
| Total energy from renewable sources | 68% | 68% |
| Percentage of portfolio that is BREEAM-certified (by value) | 63% | 61% |
| Percentage of portfolio that is EPC B or above (by ERV) | 56% | 49% |
| Percentage of portfolio that is EPC E or above (by ERV) | 100% | 100% |
| Investment in energy efficiency measures implemented in the year | £24.6m | £5.9m |
| Estimated annual savings from energy efficiency measures implemented in the year | £1.3m | £0.5m |
| Percentage of portfolio exposed to climate physical risks[3] | 6% | 4.5% |

3. 2024/25 portfolio exposure is based on Munich Re's overall risk score that combines earthquake, storm, flood and wildfire risks. 2023/24 figure is based on MSCI's Climate Value at Risk methodology.

Methodology and performance against Metrics and Targets are detailed in our Sustainability Performance and Data Report 2025. Additionally, our Streamlined Energy and Carbon Reporting (SECR) on pages 160-162 provides details of our energy consumption and carbon emissions.

# MANAGING RISK

Our embedded risk management framework is central to how we oversee our business and our assets, supporting sustainable growth while advancing our strategic goals.

### OUR KEY SUCCESSES IN 2024/25

- Adjusted the top-down risk management framework, relocating the risk discussions to the Executive Committee level
- Significant progress made in our response to the future requirements of Provision 29 of the UK Corporate Governance Code 2024 (the '2024 Code')
- In line with above, established an internal control forum and a risk events log to triage risk events, address control remediation points and manage internal audit findings
- Decentralised risk management framework simplified and embedded, strengthening the interactions between the 'top-down' and 'bottom-up' risk management processes

### OUR KEY PRIORITIES IN 2025/26

- Ensuring complete readiness for the requirements of the forthcoming Provision 29 of the 2024 Code
- Continue our work on streamlining and optimising controls as we embed our new financial system

## RISK MANAGEMENT FRAMEWORK AND GOVERNANCE

Landsec operates a Group-wide risk management framework in order to support the identification, evaluation and management of our principal risks. Whilst our approach is well-established, we are continuously reviewing our risk management procedures to ensure that they are fit for purpose, as our business, and the environment we operate in, evolves. Working to further embed our risk management practices has therefore been a key priority during 2024/25.

The key components and stakeholders of our risk management framework are:

- The Board: accountable and have overall responsibility for overseeing risk and ensuring that a robust risk management and internal control system is in place and operating
- The Audit Committee: responsible for reviewing the effectiveness of the risk management and internal control system during the year
- The ELT: responsible for day-to-day monitoring and management of the Group-wide principal risks, ensuring that there is a consolidated view of our key risks to inform their prioritisation
- Business unit Executive Committees (Excos): monitoring and managing the specific risks relevant to their business units, as well as ensuring there is appropriate reporting upwards on the status and implications of key risks
- Risk owners: accountable for the day-to-day management, tracking and reporting of the individual risks within their respective areas
- Risk Champions: individuals with responsibility to advocate effective risk management practices within each of their respective business units and to support risk owners
- The Head of Risk and Controls: a central role to oversee embedded risk management within the business, managing the framework and providing support to risk owners and risk champions, and to act as a coordinator and interface between the top-down and bottom-up approaches

## RISK APPETITE

Taking risk is an essential and inherent part of operating any business. As such, Landsec's risk management strategy is not to eliminate all risk but to ensure that appropriate strategies are in place to identify, evaluate and manage the key risks we face. It is essential that our appetite for risk is appropriately considered across each of our risk categories, so that we understand the level of risk we are willing to take, in the drive to reap the associated rewards.

The Board is responsible for defining the risk appetite of the Group, and ensuring it remains in line with our strategy. Landsec's risk appetite differs for each risk, however 'rule of thumb' principles apply, with a minimalist appetite for legal and compliance related risks, a cautious appetite for operational risks and a flexible appetite for strategic risks. The risk appetite reflects Landsec's risk management philosophy and determines the extent to which risk is managed or monitored for changes. To embed risk appetite effectively in the business we have established key risk indicators associated with each risk. Scenario planning also assists in setting these thresholds.

## RISK MANAGEMENT FRAMEWORK

**TOP-DOWN**
Oversight, identification, assessment and mitigation of risk at a Group level

**BOTTOM-UP**
Identification, assessment and mitigation of risk at business unit and functional level

### RISK GOVERNANCE

**BOARD**
- Set strategy and objectives
- Set the risk culture
- Monitor risk exposure (including emerging risks)
- Define risk appetite

**AUDIT COMMITTEE**
- Support the Board in monitoring risk exposure
- Review the effectiveness of our risk management and internal control system

| | 1ST LINE OF DEFENCE | 2ND LINE OF DEFENCE | 3RD LINE OF DEFENCE |
|---|---|---|---|
| **RISK MANAGEMENT** | **ELT AND BUSINESS UNIT LEADERSHIP TEAMS**<br>• Operate within risk appetite<br>• Identify the principal and emerging risks<br>• Evaluate response strategies against risk appetite<br>• Design, implement and evaluate the risk management and internal control system | **RISK MANAGEMENT**<br>• Create a common risk framework and language and provide direction on its application<br>• Assist with the identification and assessment of principal and emerging risks<br>• Monitor risks and risk response plans against risk appetite<br>• Aggregate risk information<br>• Provide guidance and training<br>• Facilitate risk escalations and acceptance | **INTERNAL AUDIT**<br>• Provide independent assurance on the risk programme, testing of key controls and risk response plans for significant risks |
| **RISK OWNERSHIP** | **BUSINESS UNITS**<br>• Identify and assess risks<br>• Respond to risks<br>• Monitor risks and risk response<br>• Ensure operating effectiveness of key controls | **SUPPORT FUNCTIONS**<br>• Provide guidance/ support to teams within the business units managing risk | |

# MANAGING RISK CONTINUED

## IDENTIFYING AND EVALUATING RISKS

Landsec's risk management approach begins with teams, senior management and stakeholders across the business who work alongside a risk champion network and the Head of Risk and Controls to identify strategic, operational, legal, and compliance risks in their respective areas. These risks are assessed using a risk scoring matrix, which evaluates the likelihood of each risk materialising and its potential impact. The evaluation process considers both gross risk (before mitigating actions) and net risk (after mitigating actions and controls). The difference between these scores provides visibility into the extent to which we are able to control the risk.

The results are consolidated into risk registers, and from these assessments we identify principal risks (current risks with relatively high impact and probability). These principal risks are reviewed by the ELT both individually – with the designated risk owner – and collectively, at a minimum of once every six months. The Audit Committee examines principal risks biannually, providing recommendations to the Board for further review and inclusion in external reporting.

Principal risks are also reviewed by the business and the Board during Landsec's annual strategic and business planning processes. As part of these processes, we assess risk scenarios that could threaten our business model, future performance, solvency, liquidity, or the Group's strategic objectives, with findings presented to the Board for consideration. We use modelling to analyse the impact of these scenarios under varying degrees of stress, enabling us to consider interdependencies and test plausible mitigation plans. This approach allows us to better understand the impact of our plans on our risk appetite and principal risks from both a near-term and long-term perspective. We also track emerging risks (risks where the extent and implications are not yet fully understood or are increasing over time).

The risk waterfall on page 41 outlines the principal risks faced by Landsec, the appetite for these risks and the gross and net risk ratings.

## MANAGEMENT AND ASSURANCE OF RISKS

Landsec employs a Three Lines of Defence risk model to structure its risk management and assurance activities. The First Line of Defence comprises risk and control owners, who are responsible for the day-to-day management of their respective risks. They also ensure that the controls in place to manage these risks function effectively. For the principal risks, individual members of the ELT are designated as responsible for each risk.

The Second Line of Defence encompasses the risk and compliance functions, which establish the policies and standards for risk management across the business, as well as the internal assurance systems designed to challenge the business to ensure that risks are being managed effectively. Forums such as ELT meetings, business unit Excos and other management teams play a key role in this process. The principal operational risks, including health and safety, and information security and cyber threat are managed by dedicated second-line functions that define and implement policy and mitigating controls, and undertake assurance activities.

The Head of Risk and Controls oversees Landsec's Key Controls Toolkit which comprises a set of clearly defined controls self-certified by business control owners on a quarterly basis. This ensures ongoing assurance and coverage of critical risk areas. The internal control forum reviews the outcomes of this process, escalating matters to the ELT or the Audit Committee as necessary. Regular control papers, presented at each Audit Committee meeting, assist in evaluating the control environment and the adequacy of assurance activities. Additionally, the Committee receives a summary report outlining key second and third-line assurance activities, including internal audits, agreed actions and the status of open risk mitigation actions.

Landsec's Third Line of Defence is primarily delivered through Internal Audit, which provides independent assurance on key controls and processes to both management and the Audit Committee. An annual planning exercise is carried out to identify the areas for inclusion on a risk basis, including the areas where the impact of controls is greatest, i.e. where there is a relatively high inherent risk and relatively low residual risk. This helps to focus the work of Internal Audit and other assurance providers.

For more information **refer to the Audit Committee Report on pages 64-67.**

# PRINCIPAL RISKS AND UNCERTAINTIES

Our principal risks and uncertainties are monitored throughout the year, to assess our changing risk landscape, enabling the Board to make informed decisions.

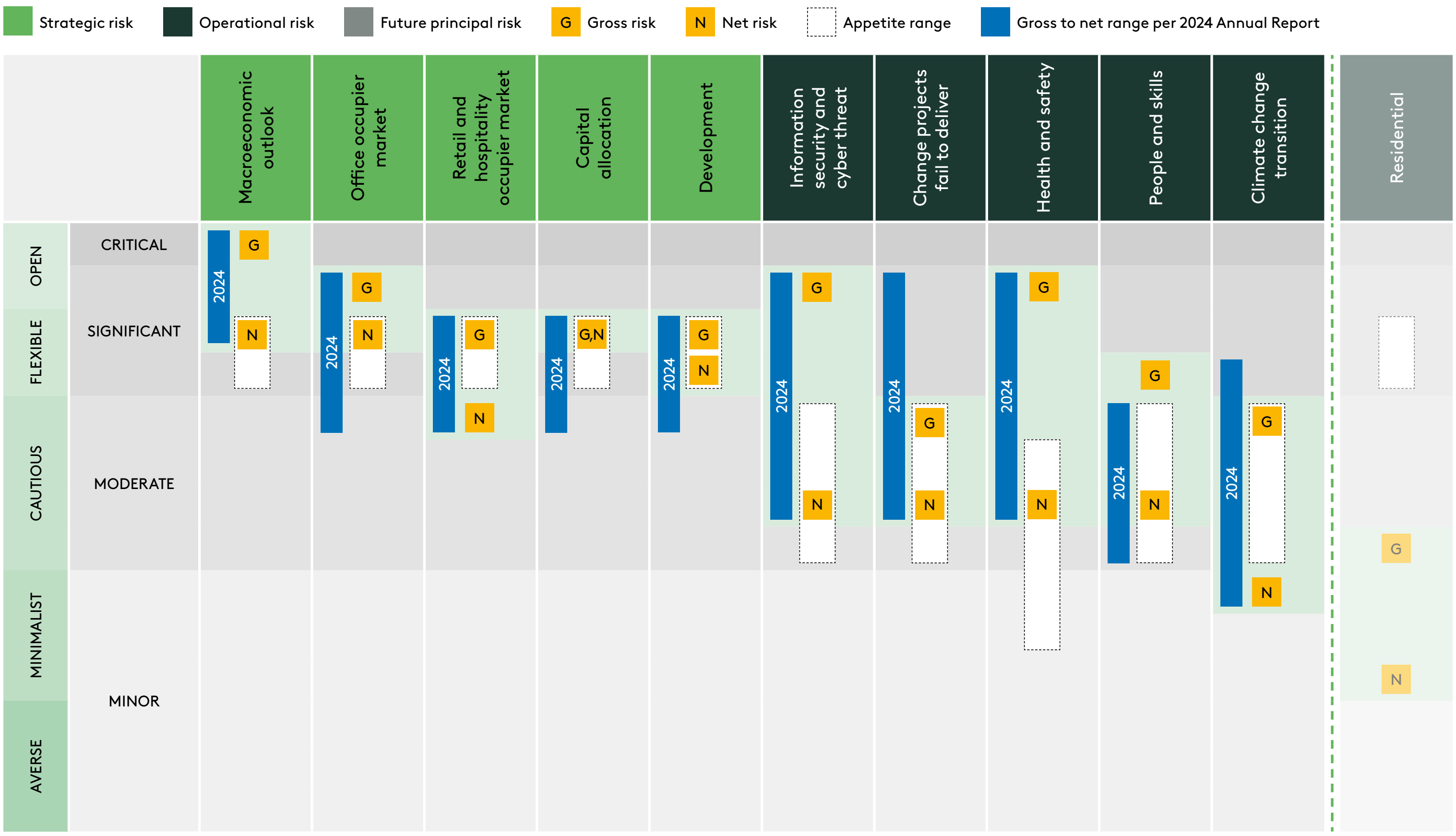
Our principal risks consist of the ten most significant Group risks and are categorised in accordance with their strategic and operational focus. We have five strategic and five operational risks. The strategic risks relate to the macroeconomic environment; our key markets – office and retail; capital allocation; and development. The operational risks are cyber threat; change projects; health and safety; people and skills; and climate change.

Our principal risks are reflected in the risk waterfall below. The risk waterfall allows us to show the gross risk score (without mitigations applied) alongside the net risk score (the rating following consideration of the mitigations in place). These scores for both gross and net risk are calculated as a function of impact and likelihood.

The box on each risk reflects the Group's risk appetite for these risks. The appetite range is a view which outlines the desired risk the Group wishes to take in respect of each risk. Appetite ranges are: 'Open' (where we are focused on maximising opportunities); 'Flexible' (willing to consider all options); 'Cautious' (where we are willing to tolerate a degree of risk); 'Minimalist' (preferring options with low inherent risk); and 'Averse' (where we avoid risk and uncertainty).

Where the net risk sits within the appetite box, the risk is considered to be managed within appetite. At year-end, there are no net risks currently above appetite. The tables on the following pages describe each principal risk in detail, including mitigating controls, KRIs and changes in the year.

## PRINCIPAL RISKS



# PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

## 1 MACROECONOMIC OUTLOOK

**EXECUTIVE RESPONSIBLE | MARK ALLAN** — **APPETITE: FLEXIBLE**

**Changes in the macroeconomic environment result in reduction in demand for space or deferral of decisions by retail and office occupiers. Due to the length of build projects, the prevailing economic climate at initiation may be vastly different from that at completion.**

**EXAMPLE KRIs**

- UK Gross Domestic Product
- UK household spending levels
- Inflation rates – CPI & RPI
- Interest rates
- Business confidence
- Loan to value ratio

**MITIGATION**

- Key risk indicators monitored
- Scenario-based modelling of plausible economic trajectories
- Market Monitor packs analysing macroeconomic, political and market-risk factors prepared for Board meetings
- Group monthly management information packs include business unit review of sector and market risk

**CHANGE IN YEAR | NO CHANGE**

We are mindful of the disruption to global economic conditions caused by the imposition of US trade tariffs in recent months, and the overall risk remains high. However, as a purely UK-focused business, with a strong customer base, we have yet to see any impact to our operational performance.

Long-term interest rates and higher finance costs will remain a risk area for our business, but we maintain a positive outlook for our operational performance, and this should drive earnings growth and underpin valuations going forward.

The risk score has remained stable over the period and continues to be within the defined risk appetite.

## 2 OFFICE OCCUPIER MARKET

**EXECUTIVE RESPONSIBLE | MARCUS GEDDES** — **APPETITE: FLEXIBLE**

**Structural changes in customer expectations leading to changes in demand for office space and the consequent impact on income and asset values. Further, the risk encompasses the inability to identify or adapt to changing markets in a timely manner.**

**EXAMPLE KRIs**

- Percentage of lease expiries over our five-year plan
- Void rates across our portfolio
- Like-for-like rental income metrics
- Customer and space churn
- Office take-up and development pipeline

**MITIGATION**

- Customer relationship management monitor our customer base
- Office leadership team review KRIs monthly
- Management accounts monitoring key risk indicators
- ESG programme to decarbonise office portfolio and strengthen prime property portfolio by meeting changing occupier needs
- Customer satisfaction measured regularly
- Forward-looking market intelligence reviewed regularly
- Market-led demand and customer expectations for environmentally sustainable office space are closely monitored
- Strict credit policy and process and review of customers at risk
- Future of Work forum hosted by our Insight team, examining disruption themes and megatrends in ways of working

**CHANGE IN YEAR | INCREASED**

The office occupancy market outlook remains positive, supported by robust demand in a constrained market and an increasing social preference for office working.

However, we are mindful of the significant leasing activity associated with our two existing office projects due to complete within the next 12 months. We would expect leasing activity to increase as we approach the completion date of these developments.

As a result, whilst the gross risk has remained stable, the net risk is assessed to have risen at year-end. Nevertheless, the residual risk remains within the defined risk appetite.

## 3 RETAIL AND HOSPITALITY OCCUPIER MARKET

**EXECUTIVE RESPONSIBLE | BRUCE FINDLAY** — **APPETITE: FLEXIBLE**

**Structural changes in customer expectations leading to changes in demand for retail or hospitality space and the consequent impact on income and asset values.**

**EXAMPLE KRIs**

- Customer footfall
- Retailer sales
- Portfolio void rates
- Percentage of lease expiries over five years
- Like-for-like rental income metrics
- Customer credit risk and tenant counterparty risk

**MITIGATION**

- Management accounts monitoring key risk indicators
- Customer relationship management monitors customer base performance
- Data-led development of asset and sector strategies, promoting proactive leasing
- Brand Account, Asset Management and Guest Experiences teams established
- Customer satisfaction surveys
- Credit policy and process defines acceptable level of credit risk
- Finance reviews market data on customers at risk and agrees the best plan of action

**CHANGE IN YEAR | NO CHANGE**

We are mindful that the macroeconomic environment continues to be challenging for the wider retail and hospitality market. However, our strategy focuses on the best quality assets in the strongest locations for which the outlook remains positive.

Our Strategic Plan and Business Plans outline initiatives to invest across our existing portfolio and continue to grow our like-for-like net rental income, with the expectation that we will bring the risk within appetite.

## 4 CAPITAL ALLOCATION

**EXECUTIVE RESPONSIBLE | MARK ALLAN** — **APPETITE: FLEXIBLE**

**Capital allocated to specific assets, sectors or locations does not yield the expected returns, i.e. we are not effective in placing capital or recycling.**

### EXAMPLE KRIs

- Committed development pipeline
- Portfolio liquidity
- Loan to value
- Headroom over development capital expenditure
- Speculative development, pre-development and trading property risk exposure
- Group hedging

### MITIGATION

- Regular monitoring of capital disciplines and KRIs by business unit Excos, Capital Allocation and Performance Review meetings and PLC Board
- Detailed market and product analysis to enable optimal investment decisions
- Rigorous and established governance and approval processes through the Investment Committee and PLC Board
- Investment Appraisal Guidelines define the key investment criteria, the risk-assessment process, key stakeholders and the delegations of authority
- Stress-testing of scenarios as part of decision-making

**CHANGE IN YEAR | INCREASED**

Following the acquisition of Liverpool ONE, leverage is towards the top end of our target range and our continued focus on disposal activity – including £0.8bn of non-core assets – is expected to reduce it in line with our Strategic and Business Plans.

As these disposals take place the net risk is expected to reduce. Nevertheless, the residual risk remains within the defined risk appetite.

## 5 DEVELOPMENT

**EXECUTIVE RESPONSIBLE | MIKE HOOD** — **APPETITE: FLEXIBLE**

**We may be unable to generate expected returns as a result of changes in the occupier market for a given asset during the course of the development, or cost or time overruns on the scheme.**

### EXAMPLE KRIs

- Take-up level for offices
- Tender-price inflation
- Monitor build-to-sell and build-to-rent ratios to determine phasing approach

### MITIGATION

- Development strategy addresses risks that could adversely affect underlying income and capital performance
- A detailed appraisal is undertaken by the Investment Committee before committing to a scheme
- Financial modelling and scenario-planning to determine expected yields
- Tested project-management approach and highly experienced development team
- Control processes over key risk areas including: project organisation and reporting; financial management; quality; schedule; change; risk and contingency management; health and safety; and project objectives
- Each project is supported by internal stakeholders in Operations, Sustainability and Tech, as evidenced through key monitoring reviews and gateway sign-offs
- Strong community involvement in the design process for our developments
- Early engagement and strong relationships with planning authorities

**CHANGE IN YEAR | INCREASED**

The market risk is considered to have marginally increased during the year due to the persistence of build cost inflation, continued challenges in supply chains and an increase in exit yields in recent years which are putting pressure on development returns.

However, as the majority of the development costs of our committed schemes are fixed and/or nearing completion, this risk is primarily a consideration for our future development projects where we have the flexibility to manage the scale and timing of our activity.

The risk is considered to be within risk appetite.

# PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

## 6 INFORMATION SECURITY AND CYBER THREAT

**EXECUTIVE RESPONSIBLE | NISHA MANAKTALA**

**APPETITE: CAUTIOUS**

**Data loss or disruption to business processes, corporate systems or building-management systems resulting in a negative reputational, operational, regulatory or financial impact.**

**EXAMPLE KRIs**

- Speed of threat and vulnerability detection (against agreed penetration testing/external assurance schedule)
- Speed of threat and vulnerability resolution
- Number of major cyber incidents or data-loss events
- Incident Response and Recovery Plan reviewed and tested
- Completion rates on cyber security and data protection training
- Number of critical, strategic or infosec partners without current cyber security diligence

**MITIGATION**

- IT security policies set out our standards for security and penetration testing, vulnerability and patch management, data disposal and access control
- Quarterly assessment of key IT controls
- Monitored mandatory cyber security and GDPR training
- Third-party IT providers subject to information-security vendor assessment
- Close working with IT service partners to manage risk and improve technical standards
- Defined technical IT standards for all building systems
- Extensive use of cloud-based systems
- Business continuity, crisis management and IT disaster-recovery plans in place, including regular testing
- Established penetration testing and vulnerability-management across our IT estate

**CHANGE IN YEAR | NO CHANGE**

The cyber threat landscape is always evolving, with sophisticated ransomware attacks, data breaches and AI-driven scams becoming increasingly common. With hackers exploiting vulnerabilities in cloud systems, supply chains and employee behaviours, Landsec must remain vigilant, and we continue to focus on investing in operational strengthening to improve processes and controls in this area.

The net risk remains within the overall Cautious risk appetite alignment for operational risks.

## 7 CHANGE PROJECTS FAIL TO DELIVER

**EXECUTIVE RESPONSIBLE | ELT**

**APPETITE: CAUTIOUS**

**Landsec is engaging in a number of important internal change programmes. These projects aim to deliver important benefits, both operationally and culturally. There is a risk that these projects fail to deliver the benefits identified in a timely manner and to budget.**

**EXAMPLE KRIs**

- Key project milestones missed
- Number of projects operating without appropriate governance
- Number of success criteria achieved at post-implementation reviews and audits

**MITIGATION**

- ELT and Board oversight
- Project governance methodology
- Qualified project managers used on all large projects
- Benefits cases documented and agreed
- Company-wide communication of Project Major supported by regular town halls and Senior Leadership Team engagement
- Regular reporting of project progress to project boards
- Alignment of Finance and UK Governance regime workstreams

**CHANGE IN YEAR | NO CHANGE**

Following the implementation of two major change projects during the year – including the upgrade and improvement of our financial system, the gross risk is considered to have reduced as our focus shifts to embedding and optimising these change programmes within our structure.

The net risk has remained stable and within our Cautious risk appetite alignment for operational risks.

## 8 HEALTH AND SAFETY

**EXECUTIVE RESPONSIBLE | MARINA THOMAS**

**APPETITE: CAUTIOUS/MINIMALIST**

**Failure to identify, mitigate or react effectively to major health or safety incidents, leading to:**

- Serious injury, illness or loss of life
- Criminal or civil proceedings or formal enforcement action
- Loss of stakeholder confidence
- Delays to building projects and access restrictions to our properties, resulting in loss of income
- Inadequate response to regulatory changes
- Reputational impact

**EXAMPLE KRIs**

- Number of reportable health and safety incidents and training completion rates
- Control reviews and follow up to completion
- Employee engagement scores on safety culture

**MITIGATION**

- Regular reviews by ELT and the Board
- Health and safety management system accredited to ISO 45001 standard
- Fire-safety management system accredited to the BS 9997 standard
- Task force of internal experts and independent fire-engineering firm progressing cladding project quickly
- Internal audits and an annual programme of data-led and second-line audits by the Health and Safety team
- Legal and best practice compliance monitored in real time
- Strict standards applied to the selection of key service and construction partners; assessed by KPIs and regular reviews

**CHANGE IN YEAR | NO CHANGE**

This year, we successfully maintained our ISO 45001 and BS 9997 certifications through independent audits, reflecting our commitment to safety and compliance.

Our focus remained on reducing significant occupational-safety risks and prioritising fire safety to meet legislative requirements, including the Building Safety Act.

The likelihood of a major health, safety or security incident has remained constant throughout the year and within appetite.

## 9 PEOPLE AND SKILLS

**EXECUTIVE RESPONSIBLE | KATE SELLER**

**APPETITE: CAUTIOUS**

**Inability to attract, retain and develop the right people and skills to meet our strategic objectives, grow enterprise value and meet shareholder expectations.**

**EXAMPLE KRIs**

- Employee turnover levels
- High-potential employee turnover
- Employee engagement score
- Succession planning up to date
- Time to hire

**MITIGATION**

- Executive remuneration and long-term incentive plans in place, which are benchmarked, overseen by the Remuneration Committee and aligned to the Group and individual performance
- Regular review of succession plans for senior and critical roles
- Remuneration plans for other key roles are benchmarked annually
- The talent-management programme identifies high-potential individuals
- Clear employee objectives and development plans
- Health and Wellbeing Statement of Practice
- Regular employee engagement surveys

**CHANGE IN YEAR | INCREASED**

It is considered that this risk has temporarily increased following the integration of Liverpool ONE and MediaCity and the evolution of our strategy, however it is expected to return to 2024 levels as our Strategy and Business Plans are embedded during the financial year.

The risk remains within our risk appetite.

## 10 CLIMATE CHANGE TRANSITION

**EXECUTIVE RESPONSIBLE | CHRIS HOGWOOD**

**APPETITE: CAUTIOUS**

**Climate change risk has two elements:**

- Our near and long-term SBTs by 2030 and 2040 are not met in time or are achieved at a significantly higher cost than expected, leading to regulatory, reputational and commercial impact
- Failure to ensure all new developments are net zero in construction and operation, as defined by the emerging net zero standard for assets, leads to an inability to service market demand for high-quality assets that meet the highest environmental and wellbeing standards

**EXAMPLE KRIs**

- Energy intensity
- Renewable electricity
- EPC ratings
- Operational carbon emissions
- Embodied carbon for new developments
- Portfolio natural-disaster risk

**MITIGATION**

- Climate risks and opportunities for potential acquisitions assessed by our Responsible Property Investment Policy and ESG acquisition appraisal framework
- Developments designed to be resilient to climate change and net zero both in construction and operation
- All properties comply with ISO 14001 and ISO 50001 Environmental and Energy Management System
- Continued monitoring of portfolio exposure to physical climate risks, and we review mitigation actions for sites located in high-risk areas
- Early engagement with supply chain for procurement of ASHPs and solar PVs ensuring appropriate due diligence

**CHANGE IN YEAR | NO CHANGE**

Despite no change in the net risk position, gross risk has decreased due to targeted portfolio improvements, such as air source heat pump feasibility studies and our plans to scale down office developments which we anticipate will reduce our exposure to embodied carbon.

Operational and supply chain challenges affecting sustainable resources remain under review, with the net risk position stable and just below our Cautious risk appetite target.

## 11 RESIDENTIAL

As our Strategic Plan begins to take shape, we anticipate the inclusion of a new strategic principal risk for the residential market, likely to be within our 'Flexible' risk appetite. Over time, our market and operational risk will increase as we progress planned projects and pursue acquisitions of stabilised assets.

Not a principal risk yet.

# GOING CONCERN AND VIABILITY

The Directors outline their assessment of the Group's ability to operate as a going concern and its long-term viability, taking into account the impact of the Group's principal risks.

## GOING CONCERN

Given the impact of international and domestic political and economic events over the course of the year, the Directors have continued to place additional focus on the appropriateness of adopting the going concern assumption in preparing the financial statements for the year ended 31 March 2025. The Group's going concern assessment considers changes in the Group's principal risks (see pages 41-45) and is dependent on a number of factors, including our financial performance and continued access to borrowing facilities. Access to our borrowing facilities is dependent on our ability to continue to operate the Group's secured debt structure within its financial covenants, which are described in note 23.

In order to satisfy themselves that the Group has adequate resources to continue as a going concern for the foreseeable future, the Directors have reviewed the base case, downside and reverse stress test models, as well as a cash flow model which considers the impact of pessimistic assumptions on the Group's operating environment (the 'mitigated downside scenario'). This mitigated downside scenario reflects unfavourable macroeconomic conditions, a deterioration in our ability to collect rent and service charge from our customers and removes uncommitted acquisitions, disposals and developments.

The Group's key metrics from the mitigated downside scenario as at the end of the going concern assessment period, which covers the 16 months to 30 September 2026, are shown below alongside the actual position at 31 March 2025.

**KEY METRICS** TABLE 17

| | 31 March 2025 | Mitigated downside scenario 30 September 2026 |
|---|---|---|
| Security Group LTV | 41.9% | 45.8% |
| Adjusted net debt | £4,304m | £4,769m |
| EPRA net tangible assets | £6,530m | £5,940m |
| Available financial headroom | £1.1bn | £0.7bn |

In our mitigated downside scenario, the Group has sufficient cash reserves, with our Security Group LTV ratio remaining less than 65% and interest cover above 1.45x, for a period of 16 months from the date of authorisation of these financial statements. Under this scenario, the Security Group's asset values would need to fall by a further 29% from the sensitised values forecasted at 30 September 2026 to be non-compliant with the LTV covenant. This equates to a 36% fall in the value of the Security Group's assets from the 31 March 2025 values for the LTV to reach 65%. The Directors consider the likelihood of this occurring over the going concern assessment period to be remote.

The Security Group also requires earnings before interest of at least £259m in the full year ending 31 March 2026 and at least £146m in the six months ending 30 September 2026 for interest cover to remain above 1.45x in the mitigated downside scenario, which would ensure compliance with the Group's covenant through to the end of the going concern assessment period. Security Group earnings post year end 31 March 2025 are well above the level required to meet the interest cover covenant for the year ended 31 March 2026. The Directors do not anticipate a reduction in Security Group earnings over the period ending 30 September 2026 to a level that would result in a breach of the interest cover covenant.

The Directors have also considered a reverse stress-test scenario which assumes no further rent will be received, to determine when our available cash resources would be exhausted. Even under this extreme scenario, although breaching the interest cover covenant, the Group continues to have sufficient cash reserves to continue in operation throughout the going concern assessment period.

Based on these considerations, together with available market information and the Directors' knowledge and experience of the Group's property portfolio and markets, the Directors have adopted the going concern basis in preparing these financial statements for the year ended 31 March 2025.

## VIABILITY STATEMENT

### THE VIABILITY ASSESSMENT PERIOD

The Directors have assessed the viability of the Group over a five-year period to March 2030, taking account of the Group's current financial position and the potential impact of our principal risks.

### PROCESS

Our financial planning process comprises a budget for two financial years and the strategic plan. Generally, the budget has a greater level of certainty and is used to set near-term targets across the Group. The strategic plan is less certain than the budget but provides a longer-term outlook against which strategic decisions can be made.

The financial planning process considers the Group's profitability, capital values, gearing, cash flows and other key financial metrics over the plan period. These metrics are subject to sensitivity analysis, in which a number of the main underlying assumptions are flexed and tested to consider alternative macroeconomic environments. Additionally, the Group also considers the impact of potential structural changes to the business in light of varying economic conditions, such as significant additional sales and acquisitions or refinancing. These assumptions are then adapted further to assess the impact of considerably worse macroeconomic conditions than are currently expected, which forms the basis of the Group's 'Viability scenario'.

Given the recent unfavourable macroeconomic conditions in which the Group has been operating, additional stress-testing has been carried out on the Group's ability to continue in operation under extremely unfavourable operating conditions. While the assumptions we have applied in these scenarios are possible, they do not represent our view of the likely outturn. The Directors have also considered reverse stress-test scenarios including one in which we are unable to collect any rent for an extended period of time. The results of these tests help to inform the Directors' assessment of the viability of the Group.

## KEY RISKS

The table below sets out those of the Group's principal risks (see pages 41-45 for full details of the Group's principal risks) that could impact its ability to remain in operation and meet its liabilities as they fall due and how we have taken these into consideration when making our assessment of the Group's viability.

| PRINCIPAL RISK | VIABILITY SCENARIO ASSUMPTION |
|---|---|
| **Macroeconomic outlook**<br>Changes in the macroeconomic environment result in reduction in demand for space or deferral of decisions by retail and office occupiers.<br>Due to the length of build projects, the prevailing economic climate at initiation may be vastly different from that at completion. | • Declines in capital values and outward yield movements across all assets within the portfolio<br>• Additional impact of a higher inflationary market captured within costs<br>• No issuance of additional fixed term bonds through the assessment period<br>• Additional impact of increased interest rates on servicing debt |
| **Office occupier market**<br>Structural changes in customer expectations leading to changes in demand for office space and the consequent impact on income and asset values. | • Reduced demand leads to increased void periods, negative valuation movements and downward pressure on rental values over the whole assessment period |
| **Retail and hospitality occupier market**<br>Structural changes in customer expectations leading to changes in demand for retail or hospitality space and the consequent impact on income and asset values. | • Increased customer failures lead to increased void periods, negative valuation movements and downward pressure on rental values over the period |
| **Capital allocation**<br>Capital allocated to specific assets, sectors or locations does not yield the expected returns i.e. we are not effective in placing capital or recycling. | • Capital that is uncommitted to the portfolio has been removed<br>• Any uncommitted budgeted acquisitions, disposals and developments do not take place due to reduced liquidity |
| **Development**<br>We may be unable to generate expected returns as a result of changes in the occupier market for a given asset during the course of the development, or cost or time overruns on the scheme. | • A reduction in recognised development profits for committed schemes that will continue to be advanced over the viability assessment period |

We considered our other Principal Risks, including climate change transition, and their possible impact on our assessment of the Group's viability. We concurred that as we have fully costed and committed to invest £135m to achieve our SBT by 2030, this mitigated the climate change transition risk sufficiently.

## IMPACT ON KEY METRICS

We have assessed the impact of these assumptions on the Group's key financial metrics over the assessment period, including profitability, net debt, loan-to-value (LTV) ratios and available financial headroom.

The viability scenario represents a contraction in the size of the business over the five-year period considered, with the Security Group LTV at 50.0% in March 2030, its highest point in the assessment period. The Group maintains a positive financial headroom from March 2025 through to September 2026 and the Group will only be required to secure new funding from April 2027. The Directors expect the Group to be able to secure new funding, given the strong relationships and engagement the Group has with its existing banking group and on the basis of the recent bond issuances in March 2023, March 2024 and September 2024 that were well supported by investors.

**KEY METRICS** TABLE 18

| | Actuals 31 March 2025 | Mitigated downside scenario 31 March 2030 |
|---|---|---|
| Security Group LTV | 41.9% | 50.0% |
| Adjusted net debt | £4,304m | £4,837m |
| EPRA net tangible assets per share | 874p | 705p |
| Available financial headroom | £1.1bn | (£2.8bn) |

## CONFIRMATION OF VIABILITY

Based on this assessment the Directors have a reasonable expectation that the Group will continue in operation and meet its liabilities as they fall due over the period to March 2030.

# NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

This section of our Strategic Report constitutes Landsec's Non-financial and Sustainability Information Statement. This is intended to help stakeholders understand our position on key non-financial matters. The table below highlights our policies and standards and where you can find more information in this report.

**You can find our policies on our website: landsec.com/sustainability/governance-policies, landsec.com/about/corporate-governance.**

| TOPIC | OUR POLICIES AND STANDARDS THAT GOVERN OUR APPROACH | WHERE INFORMATION CAN BE FOUND IN THIS REPORT |
|---|---|---|
| ENVIRONMENTAL MATTERS AND CLIMATE-RELATED FINANCIAL DISCLOSURE REQUIREMENTS | • Sustainability Policy: sets out our sustainability vision and associated commitments as detailed in our Build well, Live well, Act well strategy<br>• Environment and Energy Policy: how we manage our business activities with minimal impact on the natural environment and strive to reduce our climate change impact<br>• Materials Brief: framework guide for material selection across our developments and portfolio projects, supporting the transition to a circular economy. It also sets out the materials we prohibit use of in our construction activities based on health impacts, responsible sourcing, embodied carbon impact and resource efficiency considerations<br>• Responsible Property Investment Policy: our commitment and approach to managing aspects of sustainability throughout the acquisition and disposal of assets<br>• Sustainable Development Toolkit: translates our sustainability vision into a guide to ensure that we design and develop our new schemes and refurbishments sustainably<br>• Nature Strategy: details our approach to incorporating nature and green spaces into our business activities as a real estate company who creates value by buying, developing, managing and selling properties<br>• Build well, Live well, Act well site action plans: plans that guide our site teams to operate and manage our standing assets sustainably, in line with our company-wide Environmental and Energy Management System, certified to ISO 14001 and ISO 50001 | — BUILD WELL ON PAGES 28-29<br>— TCFD STATEMENT ON PAGES 33-37<br>— SECR REPORTING ON PAGES 160-162 |
| EMPLOYEES | • Employee Code of Conduct: sets out how we behave internally and externally, in line with our purpose, values and behaviours<br>• Equal Opportunities Policy: how we treat our employees, based on merit and ability, in a fair and transparent way, building a diverse and inclusive workplace<br>• Harassment and Bullying Policy and Procedure: our commitment to stop and prevent behaviour that causes offence or distress in the workplace<br>• Health and Safety Policy: how we manage health and safety throughout our operations and assets<br>• Health and Wellbeing Policy: investing in improving the health and wellbeing of our employees, encouraging a healthy work-life balance<br>• Mental Health First Aider Policy: sets out how we manage our trained mental health support network | — OUR PEOPLE AND CULTURE ON PAGES 25-27<br>— ACT WELL ON PAGE 32 |
| RESPECT FOR HUMAN RIGHTS | • Human Rights and Modern Slavery Policy: our commitment and core principles to respect the human rights of all those who work for Landsec and on our behalf<br>• Modern Slavery Statement: we are committed to ensuring that all work in our supply chain associated with our projects and contracts is voluntary and fair, and that the health, safety and security of all workers is a priority<br>• Supply Chain Commitment: our commitment to build long-lasting partnerships with suppliers who uphold the same ethical principles as us and work together for a sustainable future for all<br>• Right To Work Policy: provides best practice guidance to those assigned responsibility for performing right to work checks across our supply chain | — DIRECTORS' REPORT ON PAGES 80-82<br>— ACT WELL ON PAGE 32 |

| TOPIC | OUR POLICIES AND STANDARDS THAT GOVERN OUR APPROACH | WHERE INFORMATION CAN BE FOUND IN THIS REPORT |
|---|---|---|
| SOCIAL MATTERS | • Diversity and inclusion: our strategy, Diverse Talent, Inclusive Culture and Inclusive Places, sets out our vision to design, develop and manage more inclusive, commercially successful places through attracting and nurturing diverse talent within a culture that enables everyone to reach their full potential<br>• Board Diversity Policy: sets out the specific responsibilities of the Board in relation to the diversity of its membership and its role in setting a culture of inclusive leadership from the top<br>• Community Charter: our commitment to engage our communities throughout the development process and beyond<br>• Stakeholder Engagement Policy: outlines our commitment and approach to inclusive stakeholder engagement<br>• Inclusive Design Principles: set out a framework for incorporating inclusive design into our development projects including best practice guidance and case studies on how to deliver the three key elements of inclusive design | — OUR PEOPLE AND CULTURE ON PAGES 25-27<br>— GOVERNANCE REPORT – BOARD DIVERSITY ON PAGE 58<br>— OUR STAKEHOLDERS ON PAGES 22-24<br>— LIVE WELL ON PAGE 31 |
| ANTI-BRIBERY AND CORRUPTION | • Anti-Bribery and Corruption and Ethical Business Policy: we have a zero tolerance for any form of bribery or corruption<br>• Conflicts of interest and anti-competitive behaviours: our employees must act in the best interests of the Company and not make decisions for personal gain<br>• Speak Up Policy: how we encourage those who work for Landsec and on our behalf to ask questions, raise concerns or report incidents of any impropriety or wrongdoing<br>• Sustainable Procurement Guidance: sets out six procurement principles to ensure that we procure goods and services responsibly, securely, timely, smartly, ethically and positively in accordance with the law and in compliance with relevant legislation<br>• Tax strategy: we act with integrity and excellence when dealing with taxes and engage with government for a fair taxation system<br>• Financial Crime Policy: sets out how we protect our business, our people and our clients and their customers from being victims of financial crime (including fraud) and what can be expected of us | — ACT WELL ON PAGE 32<br>— REPORT OF THE AUDIT COMMITTEE ON PAGES 62-67 |
| DESCRIPTION OF PRINCIPAL RISKS AND IMPACT OF BUSINESS ACTIVITY | • We consider both external and internal risks, evaluate them, assess the impact and put in place mitigating actions and controls | — MANAGING RISK ON PAGES 38-40<br>— PRINCIPAL RISKS AND UNCERTAINTIES ON PAGES 41-45<br>— REPORT OF THE AUDIT COMMITTEE ON PAGES 62-67 |
| DESCRIPTION OF BUSINESS MODEL | • To create value, we buy, develop, manage and sell property, drawing on a range of financial, physical and social resources | — OUR BUSINESS MODEL ON PAGE 7 |
| NON-FINANCIAL KEY PERFORMANCE INDICATORS | • In addition to our financial performance metrics, we set ourselves a range of KPIs for the year including sustainability targets | — KEY PERFORMANCE INDICATORS ON PAGE 10 |

This Strategic Report was approved by the Board of Directors on 15 May 2025 and signed on its behalf by:

**MARK ALLAN, CHIEF EXECUTIVE**

# INTRODUCTION TO THE CORPORATE GOVERNANCE REPORT FROM THE CHAIR

## DEAR SHAREHOLDER

I am pleased to introduce the governance section for the year ended 31 March 2025.

As Chair of Landsec, I'm pleased to present our Corporate Governance Report. During the year our Board has continued to advance the long-term, sustainable success of the Company. Our effective governance processes underpin Board activities and ensure we effectively consider the opportunities, risks and uncertainties that our business faces.

## THE YEAR IN REVIEW

Given the continually evolving market conditions and macroeconomic backdrop since our last strategy re-set in 2020, this year the Board's most significant activity was to undertake a detailed review of our strategy. The conclusions of this review were presented at our Capital Markets Day event in February 2025, where we set out our clear vision for a higher income, higher growth business by 2030: rebalancing the mix of our portfolio by reducing our exposure to development and increasing our residential portfolio. This should result in lower risk and less cyclical portfolio and increased earnings per share upside potential. Strategic and execution risk and the impacts of the portfolio changes on our workforce were also reviewed in detail by the Board.

**Our Board activities during the year are described in more detail on page 59.**

## BOARD SUCCESSION AND DIVERSITY

The Board and Nomination Committee have continued to focus on succession planning and Board composition.

During the year, as well as the retirement of Edward Bonham Carter in July 2024, we announced further changes in 2025 to our Board: the appointment of Baroness Louise Casey on 1 January, Michael Campbell on 1 May and Anne Richards on 1 September 2025. Madeleine Cosgrave will also retire from the Board at our AGM in July 2025. We continue to review and evolve our skills matrix to ensure we have the skills needed on our Board.

**Further details of our Board changes can be found in our Nomination Committee Report on page 61.**

We remain committed to having a Board that is diverse in all respects. As at the date of this report we comply with the UK Listing Rules requirements relating to diversity:

(i) 45% of our Board are women (also meeting the FTSE Women Leaders target)

(ii) two of our senior Board roles are held by women (CFO and SID) and

(iii) we have three Directors on the Board from minority ethnic backgrounds (also meeting Parker Review targets)

**Our progress on diversity and inclusion is described in more detail on pages 26-27.**

## STAKEHOLDER ENGAGEMENT

Landsec's success is dependent on the Board taking decisions for the benefit of our shareholders and in doing so having regard to all our stakeholders.

Each year we write to our larger shareholders, offering them the opportunity to meet privately and discuss their thoughts on the Company and the wider market with the Chair or the Senior Independent Director. I had a number of these meetings during the year and valuable feedback from those meetings was discussed by the Board.

**Our stakeholder engagement activity is described in more detail on pages 22-24.**

## CULTURE

The Board understands the importance of culture and setting the tone of the organisation from the top to ensure it is embedded throughout Landsec. Our culture is a key component for continuing to make progress with our strategic plans. The aim of our people strategy is to create a high-performing and inclusive culture.

During the year the Board has monitored our culture with regular updates from our Chief People Officer on our people, our culture, talent and succession planning, diversity and inclusion activities and engagement survey, and direct engagement activities with the workforce, overseen by our Non-executive Director for Employee Engagement. This included a focus on our high performance culture work and understanding the impacts of the strategy refresh on our culture and people.

**Our employee engagement activity is described in more detail on page 25.**

## BOARD EVALUATION

This year our Board evaluation was externally facilitated by Board Alchemy. The process involved questionnaires, interviews and meeting observation. Some themes were identified which are covered in the Nomination Committee Report. Board Alchemy concluded that the Board and Committees were operating well.

**Our Board evaluation is described in more detail on page 61.**

## UK CORPORATE GOVERNANCE CODE

In respect of the year ended 31 March 2025 Landsec was subject to the UK Corporate Governance Code 2018 (the 'Code'). The Board is pleased to confirm that Landsec applied the principles and complied with all the provisions of the Code throughout the year. We have also been preparing for further changes under the 2024 Code which come into effect in the next financial year, as described in our Audit Committee Report.

## CONCLUSION

I would like to take this opportunity to recognise the hard work and commitment of all our people during the year and to thank them for their continued efforts to ensure the future success of the business. I would also like to conclude by thanking members of the Board for their continued support and commitment over the past year, and to take this opportunity to thank Madeleine for her commitment to Landsec throughout her time on the Board. The Board and Audit Committee have benefitted greatly from Madeleine's in-depth real estate experience, and the specialist knowledge she has brought to our discussions has been invaluable.

**SIR IAN CHESHIRE, CHAIR**

# BOARD OF DIRECTORS

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## SIR IAN CHESHIRE, CHAIR*

**BOARD TENURE:** 2 YEARS

Sir Ian joined the Landsec Board as Non-executive Director and Chair Designate in March 2023 and assumed the role of Chair in May 2023.

**COMMITTEES:** Nomination Committee (Chair), Remuneration Committee

**ROLE:** Leads the Board, responsible for governance, major shareholder and other stakeholder engagement.

**SKILLS AND EXPERIENCE:** Sir Ian's executive career was spent in retail, customer-focused businesses in senior leadership and commercial roles, latterly as Group Chief Executive of Kingfisher Plc from 2008 to 2015 and prior to that he was Chief Executive of B&Q Plc. He previously held FTSE 100 Non-executive Director roles at Barclays Plc (and as Chair of Barclays Bank UK), Whitbread Plc, where he was Senior Independent Director and BT Group Plc where he was Chair of the Remuneration Committee. He was also Chair of Channel 4 until April 2025 and Chair of UK investment trust Menhaden Resource Efficiency Plc (and retired from their Board in September 2024). He was the lead Non-executive Director at the UK Cabinet Office and Department for Work and Pensions. Sir Ian was also Chair of the British Retail Consortium, Chair of the Prince of Wales Corporate Leaders Group on Climate Change, President of the Business Disability Forum President's Group and chaired the Ecosystem Markets Task Force and GR Task Force.

Sir Ian was knighted in the 2014 New Year Honours for services to Business, Sustainability and the Environment, and is a Chevalier of the Ordre National du Merite of France.

**OTHER CURRENT APPOINTMENTS:** Chair of Spire Healthcare Group plc. Chair of the King Charles III Charitable Fund and We Mean Business Coalition.

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## MONI MANNINGS OBE, SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR*

**BOARD TENURE:** 1–2 YEARS

Moni joined the Board in December 2023 and became Senior Independent Director in April 2024.

**COMMITTEES:** Nomination Committee, Remuneration Committee

**ROLE:** A sounding board for the Chair and a trusted intermediary for other Directors and shareholders.

**SKILLS AND EXPERIENCE:** From 2000 until 2016, Moni was a Partner and Head of the International Banking and Finance Division of Olswang LLP, before which she held senior positions in other leading law firms.

Until 2017, Moni was Chief Operating Officer of Aistemos Limited. Previous Non-executive Director positions include Hargreaves Lansdown plc, easyJet plc, Polypipe Group plc, Dairy Crest Group plc, Breedon Group plc, Investec Bank plc and Cazoo Group Ltd.

**OTHER CURRENT APPOINTMENTS:** Senior Independent Director of Co-operative Group.

A Member of the Takeover Panel. Moni also founded EPOC, a not-for-profit network that seeks to increase the number of people of colour on boards, and is a trustee on the Board of the St Marks Hospital Foundation charity.

A N

## JAMES BOWLING, NON-EXECUTIVE DIRECTOR*

**BOARD TENURE:** 1–2 YEARS

**COMMITTEES:** Audit Committee (Chair), Nomination Committee

**SKILLS AND EXPERIENCE:** James was Chief Financial Officer of Severn Trent Plc from 2015 until his retirement in July 2023 and remained on the Severn Trent Plc Executive Committee until December 2023 as a Senior Advisor. Prior to joining Severn Trent, James was interim Chief Financial Officer of Shire Plc, where he had been since 2005. Prior to joining Shire, James spent nine years at Ford Motor Company in various finance roles of increasing responsibility.

James has relevant financial experience as a Fellow of the Institute of Chartered Accountants in England and Wales and as an experienced listed company CFO who has successfully applied his skills across a number of sectors. He has broad experience in financial reporting, enterprise risk management, long-term capital investment models and a range of corporate activity, including M&A.

**OTHER CURRENT APPOINTMENTS:** Non-independent Non-executive Director of Water Plus Group Ltd. Non-executive Director at Porterbrook Leasing Company Limited.

**COMMITTEES**

- **A** Audit Committee
- **N** Nomination Committee
- **R** Remuneration Committee

*Independent as per the Code.

# BOARD OF DIRECTORS CONTINUED

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## MICHAEL CAMPBELL, NON-EXECUTIVE DIRECTOR*

**BOARD TENURE:** LESS THAN 1 MONTH

Michael was appointed to the Board on 1 May 2025.

**SKILLS AND EXPERIENCE:** Michael brings significant experience acting in leadership roles across real estate investment and advisory functions. He has a Bachelor of Arts from Princeton University and an MBA from The Wharton School, University of Pennsylvania.

Michael is a Senior Managing Director and Head of International Real Estate at Pretium Partners, an alternative investment manager specialising in residential real estate. Prior to Pretium, Michael spent almost nine years at Mubadala Investment Company, where he launched and led the firm's international real estate investment activities.

Earlier in his career, he founded Phene Capital, served as Managing Director at UBS Wealth Management, and as Principal at JP Morgan. Michael began his career as a real estate consultant at Ernst & Young and Arthur Andersen.

**OTHER CURRENT APPOINTMENTS:** Senior Managing Director and Head of International Real Estate at Pretium Partners.

## BARONESS LOUISE CASEY, NON-EXECUTIVE DIRECTOR*

**BOARD TENURE:** LESS THAN 1 YEAR

**SKILLS AND EXPERIENCE:** Baroness Casey became a crossbench peer in the House of Lords in September 2021, and is a former British Government official, working on issues relating to social welfare for five Prime Ministers over the last 23 years. She started her career in the social welfare sector and was Deputy Director of Shelter, the homelessness charity, from 1992 to 1999. Baroness Casey is also involved in many charities, including as a trustee of the King Charles III Charitable Fund.

In February 2025, she became the UK Government Lead Non-executive Director and in May 2025 she becomes the Chair of the Independent Commission to find long-term and sustainable solutions for adult social care in England.

**OTHER CURRENT APPOINTMENTS:** Independent adviser for social issues, Chair of the Institute for Global Homelessness, and Visiting Professor at King's College London.

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## MADELEINE COSGRAVE, NON-EXECUTIVE DIRECTOR*

**BOARD TENURE:** 6-7 YEARS

**COMMITTEES:** Audit Committee

**SKILLS AND EXPERIENCE:** Madeleine has extensive experience in the property industry; she is a member of the Royal Institution of Chartered Surveyors and former chair of the INREV Investor Platform. She is an independent member of the CBRE IM EMEA Investment Committee, senior adviser to ICG Real Estate and has mentoring roles with IntoUniversity and GAIN (Girls Are Investors).

Madeleine was previously Managing Director and Regional Head, Europe at GIC Real Estate, Singapore's Sovereign Wealth Fund. She held this position from 2016 until she stepped down in June 2021 and was responsible for the investment strategy, portfolio and team. She led the GIC real estate business in Europe and was a voting member of GIC RE's Global Investment Committee.

Madeleine is a chartered surveyor and started her career in 1989 with JLL as a graduate trainee. She went on to hold roles in valuation, fund management, leasing and development in both London and Sydney, before joining GIC in 1999.

Madeleine is retiring from the Board at the AGM in July 2025.

**OTHER CURRENT APPOINTMENTS:** Non-executive Director of Shaftesbury Capital PLC.

Independent Member of CBRE IM EMEA Investment Committee. Senior Advisor to ICG Real Estate.

**COMMITTEES**

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee

*Independent as per the Code.


## CHRISTOPHE EVAIN, NON-EXECUTIVE DIRECTOR*

**BOARD TENURE:** 6 YEARS

**COMMITTEES:** Remuneration Committee (Chair), Nomination Committee

**SKILLS AND EXPERIENCE:** Christophe has extensive investment experience in private equity, debt and other alternative asset classes. As the former CEO of a UK listed company, he also has management and leadership strengths, having successfully led the transformation of Intermediate Capital Group PLC (ICG) from a principal investment business into a diversified alternative asset management group.

Christophe's broad experience, both as a business leader and an investor, is a valuable asset to the Board. Having started his career in banking, holding various positions at NatWest and Banque de Gestion Privée, he joined ICG in 1994 as an investment professional, became CEO in 2010 and stepped down from that position in 2017. During his time at ICG he held various investment and management roles, founded the Group's businesses in Paris, the Asia-Pacific region and North America, and was instrumental in adding various additional businesses, including a UK property lending business.

**OTHER CURRENT APPOINTMENTS:** Non-executive Director of Bridges Fund Management. Chair of Quilvest Capital Partners.


## MILES ROBERTS, NON-EXECUTIVE DIRECTOR*

**BOARD TENURE:** 2-3 YEARS

**COMMITTEES:** Audit Committee

**SKILLS AND EXPERIENCE:** Miles was Group Chief Executive of DS Smith Plc, the international packaging group, from 2010 until the company was taken over by International Paper in January 2025. Miles is currently acting as an adviser to DS Smith Limited and International Paper subsequent to that takeover. Prior to his role at DS Smith Plc, he was Chief Executive at McBride plc from 2005 to 2010.

Miles brings a wide level of Board experience, together with specific experience of large, long-term capital projects, alongside a particular focus on sustainability. Miles is a qualified Chartered Accountant.

**OTHER CURRENT APPOINTMENTS:** Non-executive Director of RS Group PLC.


## MANJIRY TAMHANE, NON-EXECUTIVE DIRECTOR*

**BOARD TENURE:** 4 YEARS

**COMMITTEES:** Remuneration Committee

**SKILLS AND EXPERIENCE:** Manjiry brings over 20 years of client and agency side experience in the data, technology, advanced analytics and AI industry gained from working in marketing, customer insight and strategy roles.

She is Global Chief Executive Officer of Gain Theory, a global marketing effectiveness foresight consultancy, a subsidiary of WPP plc. Manjiry was part of a team which founded Gain Theory in 2015, having previously been Managing Director of another of WPP's consultancies also focused on data and analytics. Prior to that, Manjiry spent the first part of her career in the retail sector, latterly as Head of Customer Insight and Strategy at Debenhams.

In 2017, Manjiry was named as one of the top 20 Women in Data & Technology, led by The Female Lead and Women in Data.

**OTHER CURRENT APPOINTMENTS:** Chief Executive Officer of Gain Theory, a subsidiary of WPP plc. Advisory Board member of Saracens Women's Rugby Club.

### NON-EXECUTIVE DIRECTOR – ANNE RICHARDS

Anne Richards will join the Board on 1 September 2025. Anne is Vice Chair of Fidelity International, having previously served as their CEO since 2018. She was previously CEO of M&G Investments and Global Chief Investment Officer at Aberdeen Asset Management. Anne has worked in asset management since 1992, including over two decades as an analyst, portfolio manager and CIO, across a number of global investment firms.

### THE ROLE OF OUR NON-EXECUTIVE DIRECTORS

Our Non-executive Directors are responsible for bringing an external perspective, sound judgement and objectivity to the Board's deliberations and decision making. They support and constructively challenge the Executive Directors using their broad range of experience and expertise and monitor the delivery of the agreed strategy within the risk management framework set by the Board.

Our Non-executive Directors have a diverse skill set and background including property, investment, asset management, retail and hospitality, and data and analytics. This expertise enables the Board to constructively challenge management and encourages diversity of thought in the decision making process.

### COMPANY SECRETARY

Marina Thomas is our Company Secretary. Marina provides advice and support to the Board, its Committees and the Chair, is responsible for governance and compliance across the Group, and is a member of our ELT.

The appointment and removal of the Company Secretary is a matter for the Board.

# BOARD OF DIRECTORS CONTINUED

## MARK ALLAN, CHIEF EXECUTIVE, EXECUTIVE DIRECTOR

**BOARD TENURE:** 5 YEARS

**ROLE:** Responsible for the leadership of the Group, development and implementation of strategy, managing overall business performance and leading the ELT.

**SKILLS AND EXPERIENCE:** Mark brings extensive knowledge and experience of the property sector, combined with strong operational leadership and, financial and strategic management skills, to the Board.

Prior to joining Landsec, Mark was Chief Executive of St. Modwen Properties Plc. Prior to that he was Chief Executive of The Unite Group since 2006. He moved to Unite in 1999 from KPMG and held a number of financial and commercial roles in the business, including Chief Financial Officer from 2003 to 2006.

Mark is a qualified Chartered Accountant and a member of the Royal Institution of Chartered Surveyors.

**OTHER CURRENT APPOINTMENTS:** Mark is on the Board of the British Property Federation and an Independent Trustee at the University of Bristol.

**COMMITTEES:** Mark chairs the ELT and attends the Board's Audit, Remuneration and Nomination Committees at the invitation of the chairs of the relevant Committees.

## VANESSA SIMMS, CHIEF FINANCIAL OFFICER, EXECUTIVE DIRECTOR

**BOARD TENURE:** 4 YEARS

**ROLE:** Works closely with the Chief Executive in developing and implementing vision and strategy. Responsible for Group financial performance, financial planning, management of risk and assurance, Group legal and Group procurement.

**SKILLS AND EXPERIENCE:** Vanessa brings extensive financial experience to Landsec from the property sector, most recently as Chief Financial Officer at Grainger plc. Vanessa has particular expertise in leading and implementing strategic change in businesses and substantial experience of leadership roles in a listed environment.

Prior to Grainger plc, Vanessa was Deputy Chief Financial Officer at Unite Group plc and prior to that was UK Finance Director at SEGRO plc. Vanessa is a Chartered Certified Accountant (FCCA) and has an executive MBA (EMBA) from Ashridge Business School.

Vanessa was a Non-executive Director and Audit Chair of Drax Group Plc until June 2024.

**OTHER CURRENT APPOINTMENTS:** Vanessa is a Non-executive Director of Rotork plc.

**COMMITTEES:** A member of the ELT and chairs our Disclosure Committee. Vanessa attends the Board's Audit Committee meetings at the invitation of the Committee Chair.

### CURRENT GENDER DIVERSITY OF BOARD (ALL DIRECTORS)

CHART 19

MALE
55%

FEMALE
45%

### CURRENT BOARD TENURE (NON-EXECUTIVE DIRECTORS INCLUDING CHAIR)

CHART 20

0 TO 3 YEARS
67%

3+ TO 6 YEARS
11%

6+ YEARS
22%

# EXECUTIVE LEADERSHIP TEAM

Our ELT is made up of our Executive Directors and our business unit and enabling function leaders, and is chaired by the Chief Executive.


1 **BRUCE FINDLAY**
MANAGING DIRECTOR, RETAIL

2 **KATE SELLER**
CHIEF PEOPLE OFFICER

3 **CHRIS HOGWOOD**
CHIEF CORPORATE AFFAIRS OFFICER

4 **NISHA MANAKTALA**
CHIEF DATA & TECHNOLOGY OFFICER

5 **MIKE HOOD**
CHIEF OPERATING OFFICER

6 **REMCO SIMON**
CHIEF STRATEGY & INVESTMENT OFFICER

7 **MARCUS GEDDES**
MANAGING DIRECTOR, WORKPLACE

8 **MARINA THOMAS**
HEAD OF GOVERNANCE AND COMPANY SECRETARY

**Biographies for the ELT can be found on our website |** landsec.com/about/our-management

# GOVERNANCE REPORT

## OUR GOVERNANCE STRUCTURE

### BOARD OF DIRECTORS

Responsible for the long-term success of the Group

Provides leadership and direction to the Group on its culture, values and ethics

Sets strategy and oversees its implementation

Agrees risk appetite and is responsible for risk oversight

Responsible for corporate governance

Responsible for the overall financial performance of the Group

Appointment of Executive Directors

Approves property and investment decisions and other commitments above £150m

### Board Committees*

#### AUDIT COMMITTEE

Responsible for oversight of the Group's financial and narrative reporting processes

Responsible for the integrity of financial statements and internal control

Supports the Board in risk identification and management

Ensures transparency and financial governance

#### REMUNERATION COMMITTEE

Recommends to the Board the Directors' Remuneration Policy

Determines remuneration packages of the Executive Directors and the ELT

Oversight of remuneration practices for all employees

#### NOMINATION COMMITTEE

Reviews structure, size and composition of the Board and its Committees

Oversees succession planning of Directors and the ELT

Leads Board appointment processes

Recommends appointments to the Board

### CHIEF EXECUTIVE

Leads the Group

Articulates vision, values and purpose

Develops and implements strategy

Responsible for overall performance of the business

Manages the ELT

### Management committees

#### EXECUTIVE LEADERSHIP TEAM

- Monitor performance and organisational health
- Develop and oversee the Group's people and culture strategy
- Oversight of sustainability and data strategies, risk and compliance

### Management committees

#### INVESTMENT COMMITTEE

- Approve property investment decisions £10m to £150m

#### CAPITAL ALLOCATION AND PERFORMANCE REVIEW

- Business unit performance review
- Prioritise capital allocation

### Management committees

#### BUSINESS UNIT (WORKPLACE, RETAIL, LANDSEC U+I) EXECUTIVE COMMITTEES

- Develop and execute business plans
- Assess and manage operational risks
- Deliver financial performance
- Talent development

*We also operate a Disclosure Committee, chaired by the CFO, which oversees compliance with market abuse requirements and manages inside information.

## OUR GOVERNANCE STRUCTURE

The Board and Committees continue to oversee governance and assurance. They are supported by our ELT, which is responsible for oversight of strategy, organisational health and our people agenda.

Our governance model is evolving alongside our strategy. From 1 April 2025, the Workplace and Lifestyle Boards were removed and our Shadow Boards were moved into Landsec Builds, our development programme for aspiring talent.

During their tenure, the Workplace and Lifestyle Boards served an important purpose as part of the evolution for our teams to be more customer-focused and enable better strategic conversations about the trends and issues facing our business units. The Boards included a diverse range of individuals not only through the Shadow Boards, but also because of strategic projects which often involved seeking input from across business units. These ways of thinking have been successfully embedded and will continue in the various business unit Executive Committees which have proved to be very effective in overseeing the implementation of strategy and the day-to-day running of the business units. By incorporating the Shadow Board concept into Landsec Builds we will also ensure that aspiring talent can continue to contribute to strategic decisions.

The Capital Allocation and Performance Review (tracking performance and prioritisation discussions) and the Investment Committee (for formal investment decisions) have both proved effective since being introduced into our governance structure earlier in the year.

Decisions that can only be made by the Board, together with the terms of reference for our Board Committees, are on our website. Our Delegation of Authorities framework sets out levels of authority for decision making throughout the business. Decision making on investments and commercial agreements, including the acquisition, disposal and development of assets, is delegated according to financial values. Our investment appraisal guidelines include the principles in Section 172 of the Companies Act 2006 requiring consideration of all stakeholders.

## ATTENDANCE

There were seven scheduled meetings this year. All Board members attended those meetings. The Chair holds meetings with the Non-executive Directors without the Executive Directors present at the end of Board meetings.

## BOARD ACTIVITIES

Our Board is responsible for the overall leadership of the Group and throughout the year, Board activities and discussion have continued to focus on the Company's strategic priorities. The Board oversees the Company's strategic direction and supports the ELT with its delivery of the strategy within a transparent governance framework. Alongside the revised strategy and business financial and operational performance, the Board has considered topics including executive succession, diversity and inclusion, data and technology, compliance and governance.

**Board activities are covered in more detail on page 59.**

## STRATEGY REFRESH

Commencing in January 2024, the Board has undertaken a detailed review of the strategy which was last reset in 2020. This involved detailed reviews of development, other real estate sectors, the existing portfolio mix and our current capital allocation. The Board then considered resulting proposals to rebalance the portfolio and capital allocation, aimed at driving a higher income, higher growth business by 2030. Strategic (and execution) risk and the impacts of the portfolio changes on our workforce were also discussed in detail.

## STRATEGY DAY

As the business strategy had been an ongoing focus throughout 2024 into early 2025, the Board took the opportunity to concentrate the annual strategy day in early 2025 on AI and data and technology in real estate. This day included sessions with internal and external AI real estate experts and how this was being or was planned to be applied at Landsec.

## TRAINING AND DEVELOPMENT

Directors received regular market updates in their Board papers, facilitating greater awareness and understanding of the context of the Group's business and strategy. The strategy day on AI and data also included content intended to inform the Board in these areas.

## INDUCTION

Our induction plan is delivered on appointment and aims to enable a new Director to assume their responsibilities as quickly as possible and feel able to contribute to business and strategy discussions, with sufficient knowledge to provide effective challenge.

During 2024/25 induction plans were in place for Moni Mannings (who joined in December 2023) and Louise Casey (who joined in January 2025).

Our induction programmes are designed for Non-executive Directors to:

- support their understanding of Landsec's business and financial position, strategy, culture, risks and opportunities
- enable a good understanding of our Board processes and dynamics
- help them form relationships with the Board, the ELT and other key individuals at Landsec and key external advisers
- help the Directors learn about our business first hand, by site visits across our portfolio. All new Directors visit or are due to visit sites including Victoria, Liverpool ONE, Bluewater, Gunwharf Quays, Mayfield, MediaCity, O2 and Lewisham

In our 2024/25 externally facilitated Board evaluation, the induction programme was well rated by our Directors.

# GOVERNANCE REPORT CONTINUED

## CONFLICTS OF INTEREST AND EXTERNAL APPOINTMENTS

The Board has a policy to (i) identify and manage Directors' conflicts or potential such disclosed conflicts; and (ii) determine any mitigating actions deemed appropriate to ensure that all Board meetings and decisions are conducted solely with a view to promoting the success of Landsec.

Directors' conflicts of interest are reviewed by the Board during the year, with new conflicts arising between meetings dealt with by the Chair and Company Secretary. Details of Non-executive Directors' other appointments are included on pages 51-53. Non-executive Directors' letters of appointment set out the time commitments expected from them. Following consideration, the Nomination Committee has concluded that all the Non-executive Directors continue to devote sufficient time to discharging their duties to the required high standard.

We generally adhere to the Institutional Shareholder Services (ISS) proxy voting guidelines on overboarding and accordingly deem all of our Non-executive Directors to be within these guidelines.

Our policy is to allow Executive Directors to take one non-executive directorship at another FTSE company, subject to Board approval. In June 2024 Vanessa Simms resigned from Drax Group plc and joined the Board at Rotork plc.

## BOARD DIVERSITY

Our latest gender and ethnic diversity data at Board level and below as required under the UK Listing Rules is detailed below. Further diversity data for the wider workforce is on pages 26-27 and in our Sustainability Performance and Data Report.

Landsec was ranked 15th in the FTSE 100 of the FTSE Women Leaders Review, due to the relatively high representation of women in the combined executive committee and direct reports group. Landsec were again included in the 95% of FTSE 100 companies who continue to meet the target of 'at least one ethnic minority director on their board'. The 2023 Parker review introduced a new voluntary target 'for each FTSE 100 and 250 Board to set a target for 2027 for the percentage of its Senior Management group who identify as minority ethnic'. We set a target of 9% representation in our senior management population by 2027. This was a mid-point target to our internal 2030 ethnic minority representation targets (18% ethnic minority representation at Leader and Senior Leader levels and 20% at ELT level). The 2027 target of 9% is close to being achieved as at 31 December 2024 (the Parker Review reporting date) with 8.6% ethnic minority representation within ELT and direct reports.

**BOARD AND EXECUTIVE LEADERSHIP DIVERSITY[1]** TABLE 21

| | Number of Board members | Percentage of the Board | Number of senior positions on the Board (CEO, CFO, SID and Chair) | Number in Executive Leadership Team | Percentage of Executive Leadership Team |
|---|---|---|---|---|---|
| **Gender diversity** | | | | | |
| Men | 6 | 55% | 2 | 6 | 60% |
| Women | 5 | 45% | 2 | 4 | 40% |
| Not specified/prefer not to say | – | – | – | – | – |
| **Ethnic diversity** | | | | | |
| White British or other White (including minority-white groups) | 8 | 73% | 3 | 9 | 90% |
| Mixed/Multiple Ethnic Groups | – | – | – | – | – |
| Asian/Asian British | 2 | 18% | 1 | 1 | 10% |
| Black/African/Caribbean/Black British | 1 | 9% | – | – | – |
| Other ethnic group | – | – | – | – | – |
| Not specified/prefer not to say | – | – | – | – | – |

1. Data disclosed as at the date of this report. The data is collected from individuals when joining the Company. Gender and ethnicity data is shared with the ELT and the Board regularly.

## BOARD DISCUSSIONS DURING THE YEAR

| | TOPICS/ACTIVITIES | OUTCOMES |
|---|---|---|
| STRATEGY | • Retail, Workplace and Landsec U+I business reviews<br>• Acquisitions and disposals<br>• Defence overview, valuations and market reviews<br>• Development deep dive review<br>• Overall Strategy Review<br>• Optimum capital recycling and capital allocation<br>• Westgate Oxford site visit and presentation on retail<br>• Tour of Myo Lucent and review of Below the Lights | • Approval of the updated Landsec strategy and 2030 vision and associated Group strategic plan (five-year view) with integrated view of risk management<br>• Approval of Group business plan<br>• Capital Markets Day to update investors on the next phase of our strategy<br>• Approval of the purchase of Liverpool ONE<br>• Approval of the purchase of the remaining 25% stake in MediaCity<br>• Disposals of other non-core assets |
| FINANCIAL | • Capital allocation<br>• Macroeconomic environment consideration in higher interest rate and development cost environment<br>• Budgets<br>• Key business targets<br>• Dividends, results and reports<br>• Going concern and viability statement<br>• Portfolio valuation<br>• Source of funding and gearing levels<br>• Finance systems transformation | • Preliminary results, Annual Report and half-year results approved<br>• Group budget approved<br>• Dividends approved and paid<br>• Approval of change of frequency of future dividend payments to half-yearly<br>• Approval of budget<br>• New bond issuance in September 2024<br>• Annual tax strategy approved and published<br>• Post investment appraisals of key development projects |
| OPERATIONAL | • Development pipeline and pre-let activity<br>• Market and sector trends<br>• Sustainability progress updates<br>• Updates on UK politics<br>• Health, safety and physical security, including fire safety<br>• AI, data and technology and cyber security | • Board strategy day on AI, data and technology in real estate<br>• Half-yearly health, safety and security updates |
| PEOPLE AND ORGANISATION | • Succession planning for ELT and senior management<br>• Talent management across the Group including review of talent programmes and high potentials<br>• Progress with diversity and inclusion programmes<br>• Review of culture through employee engagement survey and feedback from direct engagement<br>• Attendance at Spotlight Awards to celebrate employee achievements | • Focus on high performance culture and issuing our Landsec DNA and Landsec leader DNA<br>• Refreshed purpose to accompany our updated strategic vision<br>• Continued progress with diversity and inclusion initiatives<br>• Approval of gender and ethnicity pay gap reports |
| GOVERNANCE | • Risk identification, management and internal control<br>• Meeting reports from Chairs of Audit, Remuneration and Nomination Committees<br>• Modern slavery<br>• Board and Committee effectiveness<br>• Litigation and whistleblowing updates<br>• Share register analysis – major shareholder movements<br>• Updates on reports to FTSE Women Leaders Review and Parker Review on Ethnic Diversity<br>• Board succession review and skills matrix refresh<br>• Annual General Meeting | • Agreed risk appetite<br>• Agree externally facilitated Board and Committee evaluation actions<br>• Agreed an updated Board skills matrix<br>• Approval of Modern Slavery Statement<br>• Remuneration Committee Chair meeting with Employee Forum on executive remuneration<br>• Regular meetings between employees and Non-executive Directors with summary feedback covered at the Board<br>• Controls processes reviewed and refreshed to reflect new requirements under the 2024 Code |

# INTRODUCTION FROM THE CHAIR OF THE NOMINATION COMMITTEE

### COMMITTEE MEMBERS

- Sir Ian Cheshire (Chair)
- James Bowling
- Christophe Evain
- Moni Mannings

### KEY ACTIVITIES

- Appointment of new Non-executive Directors
- Improved skills matrix

### KEY RESPONSIBILITIES

- Skills matrix and composition of the Board and Committees
- Succession planning
- Board appointment processes

### MEETINGS

- Three scheduled meetings, one unscheduled meeting
- All members of the Committee attended all scheduled meetings during their membership

## DEAR SHAREHOLDER

I am pleased to present the report from the Nomination Committee for the year.

### BOARD COMPOSITION

We believe that a balanced and diverse Board with a mix of skills, expertise, background and tenure is critical to the success of the business. The composition of the Board underpins the quality of debate and ensures there is appropriate challenge during discussions.

As stated in our Board Diversity Policy (available on our website), diversity at Board level sets the tone for diversity throughout the business and at Landsec we support diversity in the broadest sense, including gender and ethnicity but also experience, skills, professional background and tenure.

**Further information on diversity at Landsec can be found on pages 26-27.**

### INDEPENDENCE AND RE-ELECTION TO THE BOARD

The independence, effectiveness and commitment of each of the Non-executive Directors has been reviewed by the Committee. The Committee is satisfied with the contributions and time commitment of all the Non-executive Directors during the year.

The Committee will always discuss the additional commitments of all Directors (including the Chair) before recommending their approval to the Board. It also considers potential conflict issues as part of that assessment.

Baroness Louise Casey and Michael Campbell are standing for initial election by shareholders at the AGM in July 2025, with all other Directors standing for re-election with the support of the Board, with the exception of Madeleine Cosgrave who is stepping down from the Board at the AGM.

### KEY ACTIVITIES: APPOINTMENTS

The process for Board appointments is led by the Nomination Committee which makes recommendations to the Board for approval. It is the Nomination Committee's responsibility to keep Board composition under review, including maintaining a skills matrix, reviewing Director independence and time commitments, and tenure. During the year the Committee continued to review the composition and skills of the Board and its plan for Board succession.

The Nomination Committee works with executive search consultants to create role profiles for each appointment and to ensure we review and meet a diverse range of candidates for Board appointments. Selection is always based on merit and objective criteria.

As well as the retirement of Edward Bonham Carter in July 2024, Madeleine Cosgrave will retire from the Board and Audit Committee at the AGM in July 2025. Madeleine, an established real estate leader, joined the Board in January 2019 and the Board has benefitted from her deep real estate expertise throughout her tenure of over six years. As a result of these retirements and a review of our skills matrix, a number of Board appointments have been made which are described in more detail in this report.

### KEY ACTIVITIES: SKILLS MATRIX

During 2024, the Committee did some more detailed work to improve our skills matrix and this is described further in this report. The revised matrix reinforced the need to focus our recruitment in specific areas (investment and real estate) and clarified a couple of areas for increased focus in Board briefings.

### BOARD EVALUATION

This year we carried out an externally facilitated evaluation. I managed the process alongside the Senior Independent Director and Company Secretary and the outcomes are described in more detail in this report. Overall, the outcome of the Board review was positive and Board Alchemy also concluded that this Committee had operated effectively during the year in carrying out its responsibilities.

**SIR IAN CHESHIRE, CHAIR**

# REPORT OF THE NOMINATION COMMITTEE

## SKILLS MATRIX AND NON-EXECUTIVE DIRECTOR CHANGES

Early in the year the Nomination Committee led an exercise to review and refresh the Board skills matrix. Having identified the skills required in a facilitated exercise, a new skills matrix was created using a combined process of scaled self-evaluation and peer review. The combined matrix was reviewed by the Committee and the Board. The revised matrix reinforced the need to ensure investment and real estate skills were appropriately represented on the Board given Board changes that had happened or were due to happen. The review also identified that skills around social responsibility and political engagement could be reinforced and resulted in a couple of areas of increased focus for the Board during the year: health and safety and the future of AI in real estate.

As a result of Board changes and the skills matrix work, it was agreed that looking for additional Non-executive Directors with certain skill sets would be of benefit to the Board, so the Committee appointed independent search firms, Lygon Group and Russell Reynolds to assist in search processes during the year. Neither Lygon Group nor Russell Reynolds have any other connection to Landsec.

The search processes involved long and short diverse candidate lists and, following robust selection processes, the following changes were made:

- Baroness Louise Casey joined the Board on 1 January 2025. Louise brings in-depth experience of political engagement and social responsibility matters
- Michael Campbell joined the Board on 1 May 2025 and brings significant experience in real estate investment, including in his current role focused on residential real estate
- Anne Richards will join the Board on 1 September 2025. Anne is a highly accomplished investment leader turned Chief Executive, with a wealth of experience at a number of global investment firms

## BOARD EVALUATION

### PROCESS 2024/25

Our Board evaluation provides the Board and its Committees with an opportunity to reflect on effectiveness and performance. This year our review was externally facilitated – Board Alchemy were selected for this work as a result of a thorough selection process. The review was carried out as follows:

- Agree review process with the Chair, Senior Independent Director and Company Secretary, including those to be involved in the review (the Board, Company Secretary, external advisers, and a number of ELT members who frequently attend the Board/Committees, e.g. Chief People Officer)
- Review of Board and Committee papers
- Completion of a short questionnaire to provoke thoughts and give structure to later discussions
- Interviews/discussions with each Board member (and other review participants) to cover each area of Board performance in more detail

## OUTCOMES

Overall, the Board was satisfied with its performance during the year. The following key themes were identified:

- Overall, Landsec has an effective Board. There is a good understanding of the Board's role. There are good working relationships between the non-executives and executives
- Meetings are well run and supported by good underlying processes effectively facilitated by the Company Secretary
- Non-executives speak positively about their induction experience
- Landsec also gives focus to Board development with periodic updates and briefings provided on topics relevant to the Board
- Board and committee papers are good quality and quality has improved further in recent years
- The Board reflects appropriate levels of gender and ethnic diversity that meet key benchmarks, and the non-executives bring a wide range of relevant skills and experience, including property, finance, accounting, commercial, operations, governance, risk, audit, remuneration as well as data, digital and technology
- Meetings are chaired well and in an inclusive way; they focus on appropriate areas relevant to the business, including stakeholders
- The Committees also provide the Board with appropriate support

The evaluation identified recommendations and suggestions for consideration by the Board. Key themes included:

- The need – also identified during the skills matrix review – to ensure real estate and City/investment skills and experience amongst Non-executive Directors given recent Board changes. This was effectively already being covered with the changes being made to the Board in 2025
- Given the number of changes to the Board in the last few years, it was recommended that later in the year there should be a Board session to further deepen and develop Board relationships and after that session, that there are further opportunities for non-executives and executives to meet together informally
- There were a number of procedural suggestions to help the smooth running of the Board and Committees

The Nomination Committee was also reviewed. There were a few recommendations however overall it was concluded that this Committee had operated effectively during the year. The Audit and Remuneration Committee Reports contain a summary of their own reviews.

# INTRODUCTION FROM THE CHAIR OF THE AUDIT COMMITTEE

### COMMITTEE MEMBERS

- James Bowling (Chair)
- Madeleine Cosgrave
- Miles Roberts

### HIGHLIGHTS

- Integrity of reporting process
- Effectiveness of the risk management and internal controls process
- Cyber and information security
- Financial systems transformation
- Accounting treatment of various financial matters
- Corporate governance changes
- Whistleblowing updates

### KEY RESPONSIBILITIES

- Reliability of the financial statements and internal controls
- Effective risk identification and management
- Overall transparency and financial governance

### MEETINGS AND ADVISERS

- Four scheduled meetings with full attendance from all members
- Meetings are normally attended by the Chair, the Executive Directors, senior members of the finance team, the Head of Risk and Controls
- Representatives of the EY external audit team and the KPMG internal audit team are also in attendance
- All Directors are invited to attend when CBRE and JLL present their valuations
- Committee private sessions are held with EY, KPMG, CBRE and JLL

## DEAR SHAREHOLDER

I am pleased to present my report of the Audit Committee for the year ended 31 March 2025

The Committee has continued to ensure that its key responsibilities highlighted on the left were satisfied and that the Board was provided with comfort on the reliability of the financial statements, the integrity of the reporting process and the Company's system of internal controls, risk identification and management, audit and valuation processes, effective compliance with laws, regulations and ethical codes of practice, and overall financial governance.

## RISK AND CONTROLS

Following changes in the last financial year to the risk management framework, this year the Committee has been monitoring the successful embedding of this decentralised and simplified framework and its associated processes into the day-to-day operations of the business.

The risk relating to the macroeconomic outlook is unchanged in the year but remains the most significant strategic risk. Risks in relation to the office occupier market, capital allocation, development, and people and skills have increased in the year. The Committee is provided with detail to ensure that actions to mitigate these and the other principal risks are appropriate. No material emerging risks have been identified through the risk management process.

## FINANCIAL STATEMENTS AND REPORTING PROCESS

The Group's financial statements are of critical importance to investors and wider stakeholders and the Committee monitors the integrity of the Group's reporting process and financial management. It scrutinises the full and half-yearly financial statements before proposing them to the Board for approval. The Committee reviews in detail the work of the external auditor and external valuers and any significant financial judgements and estimates made by management to ensure that it is satisfied with the outcome.

The Committee also considered the disclosures against the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosure (TNFD) and updates from advisers on these matters.

I am pleased to report that the Financial Reporting Council raised no questions or queries following their recent review of our Annual Report and Accounts for the year ended 31 March 2024[1].

## ASSET VALUATION

The valuation of our assets is a significant constituent of our financial results and measurement of our performance. CBRE and JLL continue to value the office and retail portfolios respectively (with some exceptions). Both CBRE and JLL are industry-leading agencies with extensive expertise and appropriate knowledge who provide us with an external valuation of our portfolio twice a year, in accordance with the relevant industry standards. The Committee has considered a proposal in respect of the Royal Institute of Chartered Surveyors' mandatory rotation policy for valuers.

The valuation process requires the valuers to evaluate the likely future financial performance of each individual asset and apply recent and relevant transactional evidence to determine an appropriate value at the period end. The Committee analyses, challenges and debates the valuations prepared by the valuers who attend Committee meetings for this purpose at the half and full year-end. The external valuation process and the values ascribed to specific assets are also reviewed independently by our auditor, EY, as part of its audit scope.

## TRANSACTIONS

There were a number of transactions during the year (including the acquisitions of Liverpool ONE, an additional 17.5% stake in Bluewater and the remaining interest in MediaCity, and the disposals of the hotel portfolio and Lakeside Retail Park). The Committee considered the accounting treatment and disclosures of these transactions and concluded that they were appropriate.

1. Limitations of FRC Review: The FRC's review provides no assurance that the Annual Report and Accounts are correct in all material respects. The FRC's role is not to verify the information provided to it but to consider compliance with reporting requirements. The FRC (including its officers, employees and agents) accepts no liability for reliance on their review.

#### FAIR, BALANCED AND UNDERSTANDABLE
The Committee considered the Company's 2025 Annual Report in the round and concluded and recommended to the Board that, taken as a whole, the 2025 Annual Report is fair, balanced and understandable.

#### GOING CONCERN AND VIABILITY STATEMENT
The Committee considers the appropriateness of adopting the going concern assumption in preparing the financial statements and the going concern statement is set out on pages 46 and 47, along with the viability statement and the rationale behind the chosen five-year time horizon.

#### INTERNAL AUDIT
KPMG has completed audits on Business Continuity Planning, Movers and Leavers, Joiners and Procurement. This is in line with its 2024-2025 Internal Audit Plan, with three audits postponed to ensure that it had a more in-depth and meaningful review when undertaken. The Audit Committee has agreed KPMG's proposed Internal Audit Plan for the year ended 31 March 2026.

#### CORPORATE GOVERNANCE AND REGULATION
The Committee considered its compliance with the Code and the FRC Guidance on Audit Committees and continues to believe that it has addressed both the spirit and the requirements of each. In addition, the Committee continues to regularly monitor any changes to the corporate governance regime and other regulations. In particular, this year it has considered the Company's preparation to comply with the 2024 Code (effective for our next year-end) and the Economic Crime and Corporate Transparency Act 2023.

#### COMMITTEE CHANGES AND EFFECTIVENESS
We recently announced that Madeleine Cosgrave would be stepping down from the Board and the Committee at the AGM in July. I would like to thank Madeleine for her valued contributions during her six years as part of the Committee. I would also like to welcome Michael Campbell who joined the Board and Committee on 1 May.

An external Board evaluation was undertaken during the year (see process outlined on page 61) which included a few recommendations but concluded overall that the Committee continued to be effective and I would therefore like to thank all members, the internal Landsec teams and our external advisers for their contribution to the successful operation of the Committee.

**JAMES BOWLING, CHAIR**

### AUDIT COMMITTEE MEETINGS

**ATTENDEES AT MEETINGS TO SUPPORT THE COMMITTEE**

- Chair of the Board
- Chief Executive
- Chief Financial Officer
- Head of Governance and Company Secretary
- Deputy Company Secretary
- Head of Risk and Controls
- Members of the senior finance team
- Representatives of the EY external audit team
- Representatives of the KPMG internal audit team

**PROPERTY VALUATION PRESENTATIONS**

- All Directors are invited to attend meetings when CBRE and JLL property valuation presentations are made

**COMMITTEE PRIVATE SESSIONS**

- CBRE valuation team
- JLL valuation team
- EY external audit team
- KPMG internal audit team

# REPORT OF THE AUDIT COMMITTEE

The Audit Committee continued to focus this year on the financial reporting processes, as well as financial systems transformation, and the monitoring of risk assessment and the management and internal controls.

## STRUCTURE AND OPERATIONS

The Audit Committee's structure and operations are governed by terms of reference, which are reviewed annually and approved by the Board. These were last approved in November 2024. The Committee determined that any changes which would be required to the terms of reference as a result of the 2024 Code would be reflected in the next review as the section of the 2024 Code applicable to the Committee was effective for periods starting or after 1 January 2026.

**The terms of reference are available on our website:**
**landsec.com/aboutcorporate-governance/board-committees.**

Set out on page 63 are those Committee members who regularly attend Audit Committee meetings. Their attendance at the meetings ensures that effective communication between all relevant parties is maintained regularly and that the Committee is fully supported by relevant experts.

The Committee members are all independent Non-executive Directors and collectively have a broad range of financial, commercial and property sector expertise that enables them to provide oversight of both financial and risk matters, and to advise the Board accordingly. The Board determined that James Bowling, as Chair of the Committee, has recent and relevant financial experience for the purpose of satisfying the Code. Details of the experience of all members of the Committee can be found on pages 51-53.

The Committee works to a structured programme of activities and meetings to coincide with key events around our financial calendar and, on behalf of the Board, provides oversight of the Group's risk management process. Following each meeting, the Committee Chair reports on the main discussion points and findings to the Board.

## RISK MANAGEMENT

Whilst the Board holds overall responsibility for overseeing risk and ensuring the effective operation of a robust risk management and internal control system, the Audit Committee is responsible for reviewing the effectiveness of the risk management and systems of internal control.

Details on Landsec's risk management framework, governance, risk appetite, risk identification, management and assurance of risks, along with the principal risks and uncertainties, can be found on pages 38-45. These pages outline the roles of the Board, the Committee, the ELT, business unit Executive Committees, risk owners and champions in managing risks.

A risk waterfall on page 41 highlights whether risks are within appetite, enabling the Committee to monitor changes to principal risks and assess the appropriateness of the risk appetite.

The day-to-day operation of the Company's internal control and risk management systems, encompassing financial, operational and compliance controls has been delegated to management and risk owners. These systems align with the FRC's 2014 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'. Risk owners are responsible for managing their respective risks and the associated control mechanisms within risk appetite.

## RISK ASSURANCE AND INTERNAL CONTROL

As part of the Three Lines of Defence Risk Model (as outlined on pages 39-40), the Committee monitors the results of the key controls process, evaluates the control environment and considers the adequacy of assurance activities. Independent assurance, including internal audits conducted by KPMG, provides insight into the adequacy of controls and processes. Throughout the year, the Committee reviewed KPMG's findings on key controls, programme assurance and improvements in key financial processes as part of the agreed annual assurance plan.

Key elements of the Group's risk management and internal control systems include a decentralised risk management framework, clear organisational responsibilities, robust governance structures and comprehensive financial and compliance processes.

Regular activities, such as risk reviews, internal audit assessments and quarterly self-certification by management, ensure these systems remain effective.

The Committee regularly discusses significant and emerging risks, internal audit findings and progress on recommended actions. In addition, a whistleblowing process enables concerns to be brought to the Committee in a confidential and anonymous manner and investigated.

The Committee was satisfied that the system of risk management and internal controls has been effective throughout the year.

## EXTERNAL AUDITOR

EY is Landsec's external auditor and is engaged to conduct a statutory audit and express an opinion on the Company's and the Group's financial statements. A competitive tender to select the auditor was last carried out in 2022. Shareholders confirmed the reappointment of EY at our 2024 Annual General Meeting.

EY's audit scope includes a review of the property valuation process and methodology using its own chartered surveyors (more details on pages 66-67), to the extent necessary to express an audit opinion.

When carrying out its statutory audit work, EY also has access to a broader range of employees and different parts of the business. If it picks up any information as part of this process, it would report to the Audit Committee anything that it believes the Committee should know in order to fulfil its duties and responsibilities. As audit partner, Julie Carlyle is authorised to contact the Committee Chair directly at any time to raise any matter of concern.

The Committee monitors the performance and effectiveness of the external audit and in addition EY, the CFO and senior finance team members continue to have regular meetings to review the audit process.

## AUDIT PLAN

EY presented its proposed audit plan as reviewed by senior management to the Committee for discussion. The audit scope and approach was appropriate with consideration as to the Group's structure and strategy.

The Committee is keen to ensure that its auditor feels able to challenge management, to provide observations or recommendations to management and the Audit Committee. These matters may be financial or non-financial and may be based on fact or opinion (including any concern over culture or behaviour).

EY attends each Committee meeting, supported by other meetings held during the year with the Committee or the Committee Chair without management being present. EY can raise any matter of concern to the Committee Chair at any time without going through management. These regular discussions were useful to the Committee but no matters of concern emerged.

The Committee was informed that the FRC had undertaken an Audit Quality Review of EY's audit for our financial statements for the year ended 31 March 2024, and the FRC assessed the audit as 'Good' indicating that no key or other findings were identified[1].

## INDEPENDENCE AND OBJECTIVITY

The Committee is responsible for monitoring and reviewing the objectivity and independence of the external auditor.

In undertaking its annual assessment, the Committee took into account the UK Ethical Independence Standards.

The Committee reviewed:

- the confirmation from EY that it maintains appropriate internal safeguards in line with applicable professional standards, together with an explanation of the due diligence process followed to provide such a confirmation
- the mitigation actions taken in seeking to safeguard EY's independent status, including the operation of policies designed to regulate the amount of non-audit services provided by EY and the employment of former EY employees
- the tenure of the audit engagement partner (not being greater than five years); Julie Carlyle was appointed as EY audit partner to the Group in July 2022

No Committee member has any connection with the current auditor.

Taking the above review into account, the Committee concluded that EY remained objective and independent in its role as external auditor.

EY will be appointed for the 31 March 2026 financial year at this year's Annual General Meeting, subject to shareholder approval.

The Company has complied with the Statutory Audit Services Order 2014 for the year under review.

## AUDIT FEE

The audit fees payable to EY for 2024/25 (including the audit of the statutory accounts and the Group's joint ventures) are £2.2m (2023/24: £2.1m excluding fees paid for prior years).

## NON-AUDIT SERVICES

To help safeguard EY's objectivity and independence, we operate a non-audit services policy that sets out the circumstances and financial limits within which EY may be permitted to provide certain non-audit services.

The Committee monitors compliance with the policy, including the prior approvals required for non-audit services, and approval levels are as follows:

TABLE 22

| | Per assignment (£) | Aggregate during the year (£) |
|---|---|---|
| **Chief Financial Officer** | 0–25,000 | <100,000 |
| **Audit Committee Chair** | 25,000–100,000 | 100,000–1,050,000* |
| **Committee** | >100,000 | |

*50% of the prior year audit fee.

All approvals are noted at the Audit Committee meetings.

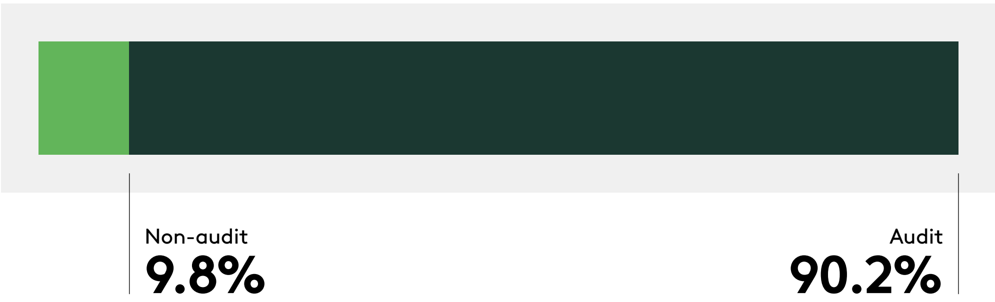
EY was engaged during the year to provide non-audit services to the Group relating to the Company's half-yearly review, the sustainability reporting review, the non-statutory audit of the Security Group and work in relation to the update of the bond programme documentation. The Committee decided that it would be in the interest of the Company to use EY for these services, recognising that the use of audit firms for non-audit work should generally be kept to a minimum and the services were not considered to impact EY's independence and objectivity. Total fees for non-audit services amounted to £298,000. Details of the fees charged by EY during the year can be found in note 8 to the financial statements.

No non-audit fees were approved or paid on a contingent basis.

**AUDIT VS. NON-AUDIT FEES 2024/25**
(INCLUDING THE AUDIT OF THE GROUP'S JOINT VENTURES)

CHART 23

11.5% non-audit fees as a ratio to Group audit fee (excluding the audit of the Group's joint ventures).




1. Limitation of FRC Review: the FRC, its members, officers, staff and agents accept no liability for reliance on their review. The review is not intended to constitute legal or professional advice and should not be relied upon.

# REPORT OF THE AUDIT COMMITTEE CONTINUED

## EXTERNAL VALUATIONS AND VALUERS

The valuation of the Group's property portfolio, including properties held within the development programme and in joint arrangements, is undertaken by external valuers. The Group provides input, such as source data, and support to the valuation process.

CBRE, appointed in 2015, currently values the office portfolio and some of the retail portfolio. JLL, appointed in 2022, undertakes the valuation of a large part of the retail portfolio.

The valuation helps to determine a significant part of the Group's total property return and net asset value, which have consequential implications for the Group's reported performance and the level of variable remuneration received by senior management. Accordingly, the scrutiny of each valuation and the valuer's objectivity and effectiveness represent an important part of the Committee's work.

Valuations for the half-year results and full-year results were presented to the Committee by CBRE and JLL. These were reviewed and challenged by the Committee, with reference to each valuer's approach, methodology, valuation basis and underlying property and market assumptions. Other Non-executive Directors attended the full and half-year presentations. The Committee Chair and other members of the Committee also had separate meetings with each of the valuers as part of this process to provide an opportunity to test and challenge the valuation outcomes and the principles and evidence used in the determination.

Additionally, CBRE and JLL met with EY and exchanged information independently of management as part of EY's review of the valuations. EY has experienced chartered surveyors on its team who consider the valuer's qualifications and assess and challenge the valuation approach, assumptions and judgements made by them. Their audit procedures are targeted at addressing the risks in respect of the valuations and the potential for any undue management influence in arriving at them. This year 40 properties (83% of the portfolio by value) were identified for substantive review based on a range of factors including a comparison to market movements, in progress developments, properties with planned capital expenditure, significant receivables, voids, exposure to climate risk and size, amongst others. The Committee reviewed the auditor's findings.

The Committee monitored the performance and effectiveness of the valuers during the year and also reviewed a proposal in connection with the Royal Institute of Chartered Surveyors Red Book UK Supplement which implements a mandatory rotation policy for valuers. This proposal will be implemented during 2026.

The Committee has considered the independence of CBRE and JLL. Both valuers have appropriate systems in place to check for conflicts of interest and must seek approval for non-valuation activities. Their valuation departments operate separately from other advisory activity, and their valuation remuneration is not linked to other non-valuation work that they undertake.

A fixed-fee arrangement (subject to adjustment for acquisitions and disposals) is in place with the valuers for the valuation of the Group's properties and, given the importance of their work, we have disclosed the fees paid to them in note 9 to the financial statements. These fees reflect the valuers' work on the year-end and half-yearly valuations as well as other work on agency services including investment activity. The total valuation fees paid by the Company to CBRE and JLL during the year represented less than 5% of their total fee income from all clients for the year.

## SIGNIFICANT FINANCIAL MATTERS

The Committee reviewed two significant financial matters in connection with the financial statements, namely the valuation of the Group's property portfolio and revenue recognition.

**Further details are set out in the table on page 67.**

These items were considered to be significant, taking into account the level of materiality and the degree of judgement exercised by management and, in respect of the valuation, the external valuers.

In addition, the Committee considered, and made onward recommendations to the Board as appropriate, other key matters including acquisitions and disposals, provisions, pensions, tax-related matters, financial systems transformation, going concern, receivables, joint ventures, provisions for health & safety remediation and other specific areas of individual property and audit focus.

In respect of the financial systems transformation, the Committee monitored the ERP system implementation and was kept up to date on progress; processes; system upgrades and improvements; governance; and risks in the programme. Team members leading the implementation presented and responded to the Committee's challenges and questions. KPMG provided independent programme assurance and EY reviewed programme governance, data migration, IT general control design and post implementation hypercare.

The Committee was satisfied that all issues had been fully and adequately addressed and that the judgements made were reasonable and appropriate and had been reviewed and debated with the external auditor who concurred with the approach taken by management.

## NON-FINANCIAL MATTERS

The Committee understands the level of reliance that is placed by shareholders on the statutory audit and the report of the external auditor.

We report on alternative performance measures on page 163. The Committee debated and discussed these measures and agreed that they were appropriate for the business.

## FAIR, BALANCED AND UNDERSTANDABLE

The Committee applied the same due diligence approach adopted in previous years in order to assess whether the Annual Report is fair, balanced and understandable, one of the key Code requirements. The Committee received assurance from the verification process carried out on the content of the Annual Report to ensure consistent reporting and the existence of appropriate links between key messages and relevant sections of the Annual Report.

Taking the above into account, together with the views expressed by EY, the Committee recommended, and in turn the Board confirmed, that the 2025 Annual Report, taken as a whole, is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's position, performance, business model and strategy.

## WHISTLEBLOWING POLICY

The Audit Committee provides a regular whistleblowing update to the Board, which has overall responsibility for whistleblowing. The Audit Committee reviews the Group's Speak Up policy which allows employees and third parties to report concerns about suspected impropriety or wrongdoing (whether financial or otherwise) on a confidential basis, and anonymously if preferred. This includes an independent third-party reporting facility comprising a telephone hotline and an alternative online process. Any matters reported are initially investigated by the Head of Governance and Company Secretary, reported to the Audit Committee Chair and the Non-executive Director responsible for whistleblowing and escalated to the Committee and Board.

During the year four whistleblowing incidents were reported. All matters were investigated and appropriate actions or changes were implemented where this was deemed necessary, and the Audit Committee was kept appraised of the details.

We monitor whistleblowing awareness and remind employees that a dedicated hotline exists should they ever need to 'blow the whistle'. The arrangements also form part of the induction programme for new employees. Details of the whistleblowing hotline are included in our Supply Chain Commitment, Sustainable Development Toolkit, procurement tender documentation, on our website, and at our assets and development sites.

## SIGNIFICANT FINANCIAL MATTERS

| SIGNIFICANT FINANCIAL MATTERS – WHAT IS THE RISK? | HOW THE COMMITTEE ADDRESSED THE MATTERS |
|---|---|
| **Valuation of the Group's property portfolio (including investment properties, investment properties held in joint ventures)**<br><br>The valuation of the Group's property portfolio is a major determinant of the Group's performance and drives an element of the variable remuneration for senior management. Although the portfolio valuation is conducted by an external valuer, valuation estimates are inherently subjective and require significant judgements to be made by management and valuers.<br><br>Significant assumptions and judgements made by the valuer in determining valuations may include the appropriate yield (based on recent market evidence), changes to market rents (ERVs), what will occur at the end of each lease, the level of non-recoverable costs and alternative uses. Development valuations also include assumptions around costs to complete the development, the level of letting at completion, incentives, lease terms and the length of time the space remains void. | The Audit Committee adopts a formal approach by which the valuation process, methodology, assumptions and outcomes are reviewed and robustly challenged. This includes separate review and scrutiny by management, the Committee Chair and the Committee itself. The Group uses CBRE and JLL, both leading firms in the UK property market, as its principal valuers. It also involves EY as the external auditor which is assisted by its own specialist team of chartered surveyors who are familiar with the valuation approach and the UK property market.<br><br>EY met with the valuers separately from management and has noted, as part of its procedures, no undue influence being exerted by management in relation to the valuers arriving at their valuations.<br><br>CBRE and JLL submit their valuation reports to the Committee as part of the half-yearly and full-year results process. Both valuers were asked to attend and present their reports to the Board and to highlight any significant judgements made or disagreements which existed between them and management. There were no disagreements identified and the valuations were accepted for reporting purposes.<br><br>Based on the degree of oversight and challenge applied to the valuation process, the Committee concluded that the valuations had each been conducted appropriately, objectively and in accordance with the valuer's professional standards. |
| **Revenue recognition (including the timing of revenue recognition and the treatment of lease incentives)**<br><br>Certain transactions require management to make judgements as to whether and to what extent they should be recognised as revenue in the year. Market expectations and EPRA earnings targets may place pressure on management to distort revenue recognition. This may result in overstatement or deferral of revenues to assist in meeting current or future targets or expectations, including through incorrect treatment of lease incentives. | The Committee and EY considered the main areas of judgement exercised by management in accounting for matters related to revenue recognition, including timing and treatment of rents, incentives, surrender premiums and other property-related revenue.<br><br>In its assessment, the Committee considered all relevant facts, challenged the recoverability of occupier incentives, the options that management had in terms of accounting treatment and the appropriateness of the judgements made by management. These matters had themselves been the subject of prior discussion between EY and management.<br><br>The Committee, having considered the views of EY, concurred with the judgements made by management and was satisfied that the revenue reported for the year had been appropriately recognised. |

The above description of the significant financial matters should be read in conjunction with the Independent Auditor's Report on pages 84-91 and the significant accounting policies disclosed in the notes to the financial statements.

# DIRECTORS' REMUNERATION REPORT – CHAIR'S ANNUAL STATEMENT

### COMMITTEE MEMBERS
- Christophe Evain (Committee Chair)
- Edward Bonham Carter (until 11 July 2024)
- Sir Ian Cheshire
- Moni Mannings
- Manjiry Tamhane

### KEY RESPONSIBILITIES
- Reviewing the link between reward and the Group's purpose and strategy
- Oversight of the Directors' Remuneration Policy and reward matters across the Group
- Maintaining a strong connection between returns to shareholders and reward for executives

### MEETINGS AND ADVISERS
- Three scheduled meetings with full attendance from members at all meetings
- Meetings are normally also attended by the Chief Executive, Chief People Officer and Group Reward Manager
- No individual is involved in discussions on their own remuneration
- FIT Remuneration Consultants LLP provide independent advice to the Committee

## DEAR SHAREHOLDER

I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2025.

This report is split into two sections being: (i) this Annual Statement; and (ii) the Annual Report on Remuneration. The Directors' Remuneration Policy, which was approved by shareholders in 2024, is available on our website: landsec.com/aboutcorporate-governance/board-committees.

### KEY ACTIVITIES DURING 2024/25:
- reviewing salaries for Executive Directors and the ELT taking into account wider workforce salary rises
- setting, reviewing and finalising targets and outcomes of incentive plans, and reviewing variable pay arrangements at and below Executive Director level
- consideration of the cascade of incentive schemes across senior management levels and agreeing incentive plan award levels
- monitoring compliance with Executive Director shareholding requirements, market developments and shareholder sentiment on remuneration and oversight of share plan activity
- approval of gender and ethnicity pay gap reporting
- reviewing proposed share awards for senior business unit employees (below Board) which incentivise performance against new five-year strategic plan targets

### PERFORMANCE FOR FY25
Landsec has delivered strong performance during the year with EPRA earnings up £3m to £374m, as strong 5.0% LFL net rental income growth and lower overhead costs more than offset the impact from significant disposals early in year and a rise in finance costs. EPRA EPS was up 0.4% to 50.3p, in line with expectations and well ahead of initial guidance. Strong 4.2% ERV growth supported a £119m or 1.1% uplift in portfolio value, resulting in a 6.4% return on equity and a 1.7% increase in EPRA NTA per share.

These results are considered by the Committee to be reflected in the variable pay awarded to the Executive Directors as outlined in this report.

### INCENTIVE PLANS
Annual bonus for 2024/25 was awarded at 83.0% of the maximum for the Chief Executive (CEO) (124.5% of salary) and 88.8% of the maximum for the Chief Financial Officer (CFO) (133.2% of salary). Both the EPRA earnings and net rental income targets were between target and maximum and good progress was made against the strategic measures.

Vesting of the 2022 Long Term Incentive Plan (LTIP) Award in 2025 was based on relative TSR versus FTSE 350 Real Estate peers, TRE and environmental targets. On the basis of performance over the three years to 31 March 2025, these awards will vest at 60%.

More detail on bonus awards and LTIP vesting can be found in the Annual Report on Remuneration.

### DISCRETION
No discretion was exercised in the year ended 31 March 2025 in respect of the Executive Directors.

### EXECUTIVE REMUNERATION 2025/26
A summary of the proposed implementation of Remuneration Policy in 2025/26 is included on pages 74-75.

### WIDER WORKFORCE AND EMPLOYEE VOICE
The Committee oversees all remuneration policies and practices across the Group and is regularly briefed by the Chief People Officer. The Committee takes account of the interests of all internal and external stakeholders when making any decisions on remuneration matters.

In March 2025, I again took the opportunity to meet with members of our Employee Forum (representing the wider Landsec workforce). I was pleased to answer a number of questions on the impact of our strategy on remuneration, sustainability, the CEO's salary and remuneration for Non-executive Directors.

### CONCLUSION
I am grateful for the engagement and support provided by our shareholders and welcome your feedback.

Unless otherwise stated in this report, narrative and tables are unaudited.

**CHRISTOPHE EVAIN,**
**CHAIR, REMUNERATION COMMITTEE**

# ANNUAL REPORT ON REMUNERATION

The Annual Report on Remuneration describes how the Directors' Remuneration Policy has been applied in the financial year ended 31 March 2025 and how the Policy will operate in the financial year ending 31 March 2026. The Directors' Remuneration Policy is available on our website: landsec.com/aboutcorporate-governance/board-committees. During the year, the Remuneration Policy operated as intended in terms of Company performance and quantum, and as a result no changes are proposed to the Policy.

## 1. REMUNERATION OUTCOMES FOR DIRECTORS DURING THE YEAR

### 1.1 DIRECTORS' EMOLUMENTS (AUDITED)

**SINGLE FIGURE OF REMUNERATION FOR EACH EXECUTIVE DIRECTOR (£K)** TABLE 24

| | | Base salary[1] | Benefits[2] | Pension allowance[3] | Annual bonus paid in cash[4] | Annual bonus deferred into shares[4] | LTIPs[5] | Total | Total fixed pay | Total variable pay |
|---|---|---|---|---|---|---|---|---|---|---|
| **Executive Directors** | | | | | | | | | | |
| Mark Allan | **2024/25** | **878** | **15** | **92** | **439** | **654** | **1,209** | **3,287** | **985** | **2,302** |
| | 2023/24 | 851 | 15 | 89 | 426 | 174 | 1,541 | 3,096 | 955 | 2,141 |
| Vanessa Simms[6] | **2024/25** | **538** | **82** | **56** | **269** | **448** | **741** | **2,134** | **676** | **1,458** |
| | 2023/24 | 522 | 82 | 55 | 261 | 122 | 944 | 1,986 | 659 | 1,327 |

1. Base salary earned during the year ended 31 March 2025 (with prior year comparatives).
2. The benefits consisted of a car/travel allowance and private medical insurance.
3. The pension contribution was a cash allowance of 10.5% of base salary.
4. Further details of the bonus awards are set out in section 1.3 below.
5. Further details of the estimated LTIP vesting values in respect of the 2022 LTIP Awards are set out in section 1.4 below. LTIP values in respect of the prior year have been updated to reflect actual values at vesting, rather than the estimates presented last year (calculation based on a closing share price of 625.50 pence on the 25 June 2024 vesting date) and the estimated value of dividend equivalents up to vesting.
6. In addition to the above, Vanessa Simms participated in the Sharesave at the maximum monthly savings limit (£500) and participated in the Share Incentive Plan from February 2024.

**SINGLE FIGURE OF REMUNERATION FOR EACH NON-EXECUTIVE DIRECTOR (£K)** TABLE 25

| | | Fees[1] | Benefits | Total |
|---|---|---|---|---|
| **Non-executive Directors** | | | | |
| Ian Cheshire | **2024/25** | **384** | **–** | **384** |
| | 2023/24 | 375 | – | 375 |
| Moni Mannings[2] | **2024/25** | **89** | **–** | **89** |
| | 2023/24 | 22 | – | 22 |
| James Bowling[2] | **2024/25** | **94** | **–** | **94** |
| | 2023/24 | 52 | – | 52 |
| Louise Casey[2] | **2024/25** | **19** | **–** | **19** |
| Madeleine Cosgrave | **2024/25** | **74** | **–** | **74** |
| | 2023/24 | 72 | – | 72 |
| Christophe Evain | **2024/25** | **94** | **–** | **94** |
| | 2023/24 | 92 | – | 92 |
| Miles Roberts | **2024/25** | **74** | **–** | **74** |
| | 2023/24 | 72 | – | 72 |
| Manjiry Tamhane | **2024/25** | **74** | **–** | **74** |
| | 2023/24 | 72 | – | 72 |
| **Former Non-executive Directors** | | | | |
| Nicholas Cadbury[3] | 2023/24 | 63 | – | 63 |
| Edward Bonham Carter[3] | **2024/25** | **21** | **–** | **21** |
| | 2023/24 | 87 | – | 87 |
| Cressida Hogg[3] | 2023/24 | 49 | – | 49 |

1. Fees paid to Directors during the year ended 31 March 2025 (with prior year comparatives).
2. James Bowling joined the Board in September 2023, Moni Mannings in December 2023 and Louise Casey in January 2025.
3. Cressida Hogg left the Board in May 2023, Nicholas Cadbury in December 2023 and Edward Bonham Carter in July 2024.

### 1.2 PAYMENTS TO FORMER DIRECTORS

As disclosed last year, 139,008 LTIP awards held by Colette O'Shea vested in July 2024 with a pre-tax value at vesting of £621K (including dividend equivalents). No other payments have been made in respect of the year ended 31 March 2025.

# ANNUAL REPORT ON REMUNERATION CONTINUED

### 1.3 ANNUAL BONUS OUTTURN

In the year under review, Executive Directors had the potential to receive a maximum annual bonus of up to 150% of base salary. Of this, 105% of salary was dependent on meeting Group financial targets and 45% of salary was dependent on meeting strategic objectives including ESG objectives. All targets were set at the beginning of the year. The following table confirms the targets and their respective outcomes.

**ANNUAL BONUS PERFORMANCE SUMMARY FOR 2024/25** — TABLE 26

| Measure | Weighting | Description | Threshold | Target | Maximum | Actual |
|---|---|---|---|---|---|---|
| EPRA | 35% | EPRA Earnings | £335m | £350m | £380m | £374m (90% of max) |
| LFL NRI | 35% | Like for like net rental income growth[1] | +1% | +2.4% | +5.1% | +4.3% (85.2% of max) |
| Strategic | 30% | Strategic objectives including ESG | | | | Between target and stretch (see below) |
| **Total** | **100%** | | **25%** | **50%** | **100%** | **83% to 89% of max** |

1. Based on the pool of assets considered like-for-like at the time of setting targets at the start of the financial year.

**STRATEGIC OBJECTIVES** — TABLE 27

| Target | Weighting | Description | Assessment |
|---|---|---|---|
| **ESG – Energy intensity** (CEO & CFO) | 5% | Delivery of significant energy intensity reductions across the operational portfolio with demonstrable progress on our net zero transition investment plan, specifically commencing Air Source Heat Pump (ASHP) installations. Targets set were as follows: threshold: a 4% energy intensity reduction and ASHPs in 3 out of 5 properties, target: a 4.5% energy intensity reduction and ASHPs in 4 out of 5 properties. Max: a 5% energy intensity reduction and ASHPs in 5 out of 5 properties. | Target met in full. A 6.6% energy intensity reduction was delivered with ASHPs on site at 5 properties. |
| **ESG – Embodied Carbon** (CEO & CFO) | 5% | Delivery of significant reductions in embodied carbon for new developments and trialling relevant innovations across the pipeline. Targets set were as follows: Threshold: 39% average portfolio embodied carbon intensity reduction and 1 out of 3 stage 4+ developments, target: 40% average portfolio embodied carbon intensity reduction and 2 out of 3 stage 4+ developments, max: 43% average portfolio embodied carbon intensity reduction and 3 out of 3 stage 4+ developments. In addition, at least one small scale innovation was to be trialled. | On Target performance delivered. 41% average portfolio embodied carbon intensity reduction and 3 out of 3 stage 4+ developments. |
| **ESG – D&I** (CEO & CFO) | 5% | Four measures (one for each pillar of Landsec's D&I strategy) based on: (i) diversity of talent shortlists; (ii) diversity of talent development programmes; (iii) delivering at least a 79%+ inclusion index (engagement survey score); and (iv) adopting inclusive design principles on all development schemes, with threshold set at two out of four outcomes achieved, target set at three out of four outcomes achieved and stretch set at four out of four outcomes achieved. | Target met in full. Four out of four outcomes were achieved. |
| **Portfolio priorities** (CEO) | 10% | Three key platform priorities, which were aligned to the Board approved business plan, as follows: (i) to execute the next phase of the South Bank net zero strategy; (ii) to mobilise the next phases of Landsec's urban mixed-use strategy; and (iii) to invest c.£500m into earnings accretive major retail investments. | On Target performance delivered. |
| **Platform priorities** (CEO) | 5% | Three key platform priorities, which were aligned to the Board approved business plan, as follows: (i) core platform modernisation project to be successfully launched and embedded; (ii) each function to develop a cost reduction plan; and (iii) to fully embed the talent management framework with identified short- to medium-term successors for 80% of senior leaders and 50% of leaders which align with Landsec's D&I objectives. | Between on target and maximum performance delivered. |
| **Platform modernisation** (CFO) | 5% | To successfully deliver and embed replacements for the core business systems in year with business case benefits on track to be delivered. | Target met in full. |
| **Refinancing** (CFO) | 5% | To refinance the £2.5bn revolving credit facility, to be in place by year-end, on terms in line with Board approved treasury strategy. | Target met in full. |
| **Operational efficiency** (CFO) | 5% | To oversee the formulation and delivery of cost reduction plans aligned to Landsec's strategy plan objectives, including financing costs. Full plans developed by December 2024. | Target met in full. |
| **Total** | **30% of bonus potential** | | **CEO: 72% of max**<br>**CFO: 91% of max** |

| TOTAL ANNUAL BONUS ACHIEVEMENT | | | | | | TABLE 28 |
|---|---|---|---|---|---|---|
| Director | EPRA (% of max) | NRI (% of max) | Strategic (% of max) | Total (% of max) | Total (% of salary) | Total £k |
| Mark Allan | 90.0% | 85.2% | 72% | 83% | 124% | **1,093** |
| Vanessa Simms | | | 91% | 89% | 133% | **717** |

In line with our Policy, bonus awards between 50% and 100% of salary will be deferred into shares for one year and bonus awards in excess of 100% of salary will be deferred into shares for two years.

### 1.4 LONG-TERM INCENTIVE PLAN OUTTURNS

The table below summarises how we have assessed performance in respect of the 2022 LTIP awards granted on 24 June 2022 to Executive Directors over the three years to 31 March 2025.

TABLE 29

| Measure | Weighting | Description | Performance outcome | | | Outturn (% of max) |
|---|---|---|---|---|---|---|
| Total Shareholder Return (TSR)[1] | 40% | TSR relative to FTSE 350 Real Estate peers, measured over a three-year period, from 1 April 2022 | **Threshold (8%)** Median | **Maximum (40%)** Upper quartile | **Actual** Ranked 1st out of 19 companies | 100% |
| Total Return on Equity (TRE)[2] | 40% | Growth in EPRA NTA per share over the performance period as adjusted for dividends | **Threshold (8%)** 6% p.a. | **Maximum (40%)** 11% p.a. | **Actual** Below threshold (-2%) | 0% |
| ESG[3] | 20% | Reduction of carbon emissions | **Threshold (4%)** 27% | **Maximum (20%)** 33% | **Actual** Above maximum (41%) | 100% |
| **Total** | **100%** | | **20%** | **100%** | | **60%** |

1. TSR calculated from 1 April 2022 to 31 March 2025 based on the constituents of the FTSE 350 Real Estate (excluding agencies).
2. Average TRE over the three years to 31 March 2025.
3. Carbon emissions, as neutralised for the decarbonisation of the UK electricity grid over the three years to 31 March 2025, reduced by 41% calculated from a 2019/20 baseline (46,297t$CO_2$e).

The value of these awards shown in the single figure table for Mark Allan and Vanessa Simms are as follows:

TABLE 30

| | Shares granted[1] | Number of shares that will vest | Number of shares that will lapse | Estimated value of shares vesting[2,5] (£k) | Face value of shares expected to vest[3] (£k) | Impact of share price at vesting[4] (£k) |
|---|---|---|---|---|---|---|
| Mark Allan | 356,042 | 213,625 | 142,417 | 1,209 | 1,483 | -274 |
| Vanessa Simms | 218,075 | 130,845 | 87,230 | 741 | 908 | -167 |

1. 2022 LTIP award granted on 24 June 2022.
2. Based on the average three-month share price to 31 March 2025 (566 pence).
3. Based on the prevailing share price at the relevant grant date (694.3 pence).
4. The difference between the value of the shares under awards vesting and the value of the shares at grant.
5. Dividend equivalents accrue on 2022 LTIP awards during the vesting and holding period (or to the date of exercise if sooner). An estimated value of the dividend equivalents will be included in the actual value of the LTIPs at the vesting date which will be presented in the next year's Annual Report on Remuneration. The actual dividend equivalents will be credited at the point of exercise.

## 2. DIRECTORS' INTERESTS

### 2.1 TOTAL SHAREHOLDING (AUDITED)

Details of the Directors' interests, including those of their immediate families and connected persons, in the issued share capital of the Company at the beginning and end of the year, together with confirmation of whether the required shareholding has been met are set out in the table below.

Executive Directors are expected to meet the minimum shareholding requirements within five years of appointment to the Board. Where the minimum level is not met, the Executive Director is expected to retain 100% of the shares acquired, net of tax, under any share plan awarded by the Company. Non-executive Directors are expected to purchase shares within one year of appointment, as agreed with the Chair.

# ANNUAL REPORT ON REMUNERATION CONTINUED

**DIRECTORS' SHARES AS AT 31 MARCH 2025** TABLE 31

| Name | Salary/ base fee at 31 March 2025 (£) | Minimum shareholding requirements (% of salary/ base fee)[1] | Required holding value (£) | Holding (ordinary shares) 1 Apr 2024[2] | Holding (ordinary shares) 31 Mar 2025 | Deferred bonus shares under holding period | Value of holding (£)[3] | Met requirement or building |
|---|---|---|---|---|---|---|---|---|
| Mark Allan | 882,669 | 300% | 2,648,007 | 348,528 | 537,951[2] | 28,596 | 3,042,088 | Met |
| Vanessa Simms | 540,635 | 200% | 1,081,270 | 108,150 | 222,541[2] | 20,082 | 1,282,515 | Met |
| Ian Cheshire | 386,250 | – | – | 14,840 | 14,840 | – | 81,620 | – |
| Moni Mannings | 74,300 | – | – | – | 4,643 | – | 25,537 | – |
| James Bowling | 94,300 | – | – | 4,557 | 9,199 | – | 50,595 | – |
| Louise Casey[4] | 74,300 | – | – | – | – | – | – | – |
| Madeleine Cosgrave | 74,300 | – | – | 10,535 | 10,535 | – | 57,943 | – |
| Christophe Evain | 94,300 | – | – | 8,000 | 8,000 | – | 44,000 | – |
| Miles Roberts | 74,300 | – | – | 3,645 | 3,645 | – | 20,048 | – |
| Manjiry Tamhane | 74,300 | – | – | 4,473 | 4,473 | – | 24,602 | – |

1. Once the minimum shareholding requirement has been met, the number of shares is frozen with subsequent share price movements disregarded.
2. Figure includes partnership and matching shares held in the Land Securities 2023 Share Incentive Plan (SIP). Since the year-end and up to the date of this report, the following transactions have taken place under the SIP: (1) Mark Allan was awarded a dividend payment of one share; (2) Vanessa Simms purchased 27 shares and received 27 matching shares.
3. Based on a share price of 550 pence on 31 March 2025 and including the value of any deferred bonus shares, net of notional tax and employee NIC.
4. Louise Casey joined the Board in January 2025.

### 2.2 OUTSTANDING SHARE AWARDS HELD BY EXECUTIVE DIRECTORS (AUDITED)

The table below shows share awards granted and vested during the year, together with the outstanding and unvested awards at the year-end. LTIP awards are granted in the form of nil cost options, which may be exercised from the third anniversary of the date of grant, until their expiry on the tenth anniversary of the date of grant.

**OUTSTANDING SHARE AWARDS AND THOSE WHICH VESTED DURING THE YEAR** TABLE 32

| | | Award date | Market price at award date (p) | Options awarded | Options vested | Market price at date of vesting (p) | Vesting date |
|---|---|---|---|---|---|---|---|
| Mark Allan | LTIP | 25/06/2021 | 695.4 | 345,125 | 207,075 | 625.50 | 25/06/2024 |
| | | 24/06/2022[1] | 694.3 | 356,042 | | | 24/06/2025 |
| | | 08/06/2023 | 625.2 | 411,209 | | | 08/06/2026 |
| | | 20/06/2024 | 609.5 | 434,455 | | | 20/06/2027 |
| | Deferred bonus | 25/06/2021 | 695.4 | 26,959 | 26,959 | 625.50 | 25/06/2024 |
| | | 24/06/2022 | 694.3 | 41,008 | 41,008 | 629.50 | 24/06/2024 |
| | | 08/06/2023 | 625.2 | 32,859 | 32,859 | 645.00 | 08/06/2024 |
| | | 20/06/2024 | 609.5 | 28,596 | | | 20/06/2025 |
| Vanessa Simms | LTIP | 25/06/2021 | 695.4 | 211,389 | 126,833 | 625.50 | 25/06/2024 |
| | | 24/06/2022[1] | 694.3 | 218,075 | | | 24/06/2025 |
| | | 08/06/2023 | 625.2 | 251,865 | | | 08/06/2026 |
| | | 20/06/2024 | 609.5 | 266,104 | | | 20/06/2027 |
| | Deferred bonus | 25/05/2021 | 713.4 | 10,122 | 10,122 | 625.50 | 25/05/2024 |
| | | 24/06/2022 | 694.3 | 22,895 | 22,895 | 629.50 | 24/06/2024 |
| | | 08/06/2023 | 625.2 | 20,126 | 20,126 | 645.00 | 08/06/2024 |
| | | 20/06/2024 | 609.5 | 20,082 | | | 20/06/2025 |

1. See section 1.4 in respect of the vesting of the 2022 LTIP awards over three-year performance to 31 March 2025.

### 2.3 SHARE AWARDS GRANTED IN THE YEAR ENDED 31 MARCH 2025

Awards were granted under the LTIP in June 2024, subject to performance conditions measured over a three-year performance period. Awards may normally be exercised between 20 June 2027 and 20 June 2034 and a two-year post-vesting holding period applies.

TABLE 33

| | Number of awards | Basis of grant | Share price (p)[1] | Face value (£) |
|---|---|---|---|---|
| Mark Allan | 434,455 | 300% | 609.5 | 2,648,003 |
| Vanessa Simms | 266,104 | 300% | 609.5 | 1,621,904 |

1. Face value of awards has been determined based on the closing share price on the trading day immediately prior to the date of grant.

The performance targets attached to the June 2024 LTIP awards were as follows:

**LTIP 2024-2027: 300% OF SALARY** TABLE 34

| Measure | Weighting | Description | Performance range[1] | |
|---|---|---|---|---|
| TSR | 40% | TSR relative to the constituents of the FTSE 350 Real Estate Index (excluding agencies), measured over a three-year period, from 1 April 2024. | **Threshold (8%)** Median | **Maximum (40%)** Upper quartile |
| TRE | 35% | Growth in EPRA NTA per share over the three-year performance period as adjusted for dividends. | **Threshold (7%)** 4% p.a. | **Maximum (35%)** 11% p.a. |
| ESG | 15% | Reduction of carbon emissions over the three-year performance period. | **Threshold (3%)** 18.6% | **Maximum (15%)** 25.0% |
| D&I | 5% | Delivery of D&I strategy based on Board approved 2030 gender targets – female representation at Leader level in 2027. | **Threshold (1%)** 38% | **Maximum (5%)** 43% |
| | 5% | Delivery of D&I strategy based on our Board approved 2030 ethnicity targets – ethnic minority representation at Leader level in 2027. | **Threshold (1%)** 9% | **Maximum (5%)** 16% |

1. Vesting takes place on a straight-line basis between threshold and maximum values.

Awards were granted under the Deferred Share Bonus Plan in June 2024. Awards may normally be exercised between 20 June 2025 and 20 June 2029.

TABLE 35

| | Number of awards | Vesting date | Share price (p)[1] | Face value (£) |
|---|---|---|---|---|
| Mark Allan | 28,596 | 20/06/2025 | 609.5 | 174,293 |
| Vanessa Simms | 20,082 | 20/06/2025 | 609.5 | 122,400 |

1. Face value of awards has been determined based on the closing share price on the trading day immediately prior to the date of grant.

### 2.4 DIRECTORS' OPTIONS OVER ORDINARY SHARES (AUDITED)

The options over shares set out below relate to the Land Securities Group PLC Sharesave scheme (Sharesave).

**OUTSTANDING GRANTS AND THOSE WHICH WERE EXERCISED DURING THE YEAR** TABLE 36

| | Number of options at 1 April 2024 | Option price per share[1] (p) | Number of options granted in year to 31 March 2025 | Number options exercised/ lapsed | Market price at exercise (p) | Number of options at 31 March 2025 | Exercisable dates |
|---|---|---|---|---|---|---|---|
| Vanessa Simms | 3,082 | 584 | – | 3,082 | 618.0 | – | 08/2024-02/2025 |
| | – | 529.8 | 3,501 | – | – | 3,501 | 08/2027-02/2028 |

1. The exercise price for the Sharesave awards was determined based on a three-day average mid-market share price prior to the invitation date of the scheme, discounted by 20%.

# ANNUAL REPORT ON REMUNERATION CONTINUED

### 2.5 DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

**DATES OF APPOINTMENT FOR DIRECTORS** TABLE 37

| Name | Date of appointment | Date of contract/ Letter of Appointment |
|---|---|---|
| **Executive Directors** | | |
| Mark Allan | 14 April 2020 | 21 November 2019 |
| Vanessa Simms | 4 May 2021 | 27 October 2020 |
| **Non-executive Directors**[1] | | |
| Ian Cheshire | 23 March 2023 | 19 January 2023 |
| Moni Mannings | 11 December 2023 | 8 December 2023 |
| James Bowling | 7 September 2023 | 26 July 2023 |
| Michael Campbell | 1 May 2025 | 19 March 2025 |
| Louise Casey | 1 January 2025 | 27 September 2024 |
| Madeleine Cosgrave | 1 January 2019 | 22 November 2018 |
| Christophe Evain | 1 April 2019 | 14 March 2019 |
| Miles Roberts | 19 September 2022 | 1 August 2022 |
| Manjiry Tamhane | 1 March 2021 | 29 January 2021 |

1. Anne Richards will join the Board on 1 September 2025 (her Letter of Appointment is dated 19 March 2025).

## 3. REMUNERATION ADVICE

The Committee received advice on remuneration and ancillary share plan matters from FIT. FIT is a member of the Remuneration Consultants Group and is a signatory to its Code of Conduct, which requires its advice to be impartial. The Committee is satisfied that its advice is independent and objective. Aside from some support on senior leader remuneration matters, FIT has no other connection with the Group. For the financial year under review, FIT received fees of £69,534 for advisory services to the Committee (2023/24: £126,028).

## 4. APPLICATION OF POLICY FOR 2025/26

The Directors' Remuneration Policy is available on our website: landsec.com/aboutcorporate-governance/board-committees.

### 4.1 EXECUTIVE DIRECTORS' BASE SALARIES

From 1 June 2025, Executive Director salaries will increase by 2.5%. Pay rises across the wider workforce will generally be in the range of 2.5% and 3.5%.

TABLE 38

| Name | Current salary (£k) | From 1 June 2025 (£k) | Percentage increase |
|---|---|---|---|
| Mark Allan | 883 | 905 | 2.5% |
| Vanessa Simms | 541 | 554 | 2.5% |

### 4.2 NON-EXECUTIVE DIRECTORS' FEES

The fees for the Chair and the Non-executive Directors for 2025/26 are presented below. Base fees for the Chair and the Non-executive Directors will increase from 1 June 2025 by 2.5% (aligned to the level of increase for Executive Directors and below the level of the wider workforce). In line with the Committee's terms of reference, no individual was involved in the decisions relating to their own remuneration.

TABLE 39

| | Current base fee (£k) | From 1 June 2025 (£k) | Percentage increase |
|---|---|---|---|
| Chair | 386 | 396 | 2.5% |
| Non-executive Director | 74 | 76 | 2.5% |
| **Additional fees** | | | |
| Audit/Remuneration Committee Chair | 20 | 20 | 0% |
| Senior Independent Director | 15 | 15 | 0% |

### 4.3 PERFORMANCE TARGETS FOR THE COMING YEAR

The weighting on financial performance is 70% of bonus potential to ensure focus on our key financial performance metrics. For FY26, LFL Net Rental Income Growth (30% weighting) and EPRA Earnings (20% weighting) will be retained as financial measures, and loan to value has been added as a third financial metric with a 20% weighting, recognising the importance of balance sheet management in the year ahead.

The remaining 30% will continue to be based on strategic targets. The number of strategic objectives will normally be limited to no more than seven objectives, with at least three relating to Landsec's ESG agenda (delivering on our environmental and D&I strategies) with the remaining objectives relating to other aspects of Landsec's balanced scorecard.

Challenging sliding scale targets will operate and the Remuneration Committee will retain discretion to ensure any payouts against the targets reflect the underlying performance of the Company. Performance targets are considered to be commercially sensitive although will be disclosed in full, together with the performance and the resulting bonus awards, in next year's Directors' Remuneration Report.

**ANNUAL BONUS 2025/26 PERFORMANCE CRITERIA: AWARDS CAPPED AT 150% OF SALARY** TABLE 40

| Measure | Weighting | Description |
|---|---|---|
| EPRA earnings | 20% | EPRA earnings performance versus budgeted performance |
| LFL NRI | 30% | LFL net rental income percentage growth targets |
| LTV | 20% | Loan to value targets |
| Strategic objectives | 30% | Six individual objectives including two covering environmental targets and one on diversity and inclusion |

In respect of the 2025 LTIP awards, reflecting Landsec's:

- continued focus on delivering returns to shareholders through the cycle, we will continue to operate: (i) relative Total Shareholder Return targets against FTSE 350 sector peers excluding agencies (weighting at 40%), and (ii) Total Return on Equity, being the percentage change in EPRA Net Tangible Assets per share plus dividends (weighting at 35%)
- industry-leading approach to ESG, we will continue to operate carbon reduction targets based on our ambitious, science-based plans to transition to net zero across the value chain by 2040 (weighting at 15%); and D&I targets will again be operated (weighting 10%)

**LTIP 2025-2028 PERFORMANCE CRITERIA: 300% OF SALARY** TABLE 41

| Measure | Weighting | Description | Performance range[1] | |
|---|---|---|---|---|
| TSR | 40% | TSR relative to the selected constituents of the FTSE 350 Real Estate Index (excluding agencies), measured over a three-year period from 1 April 2025. | **Threshold (8%)** Median | **Maximum (40%)** Upper quartile |
| TRE | 35% | Growth in EPRA NTA per share over the three-year performance period as adjusted for dividends. | **Threshold (7%)** 4% p.a. | **Maximum (35%)** 11% p.a. |
| ESG – carbon emissions | 15% | Reduction of carbon emissions over the three-year performance period aligned to achieve our updated science-based target by 2030. | **Threshold (3%)** 12% | **Threshold (15%)** 18% |
| ESG – D&I | 5% | Delivery of our refreshed D&I strategy based on our Board approved 2030 gender targets – female representation at Leader level in 2028. | **Threshold (1%)** 39% | **Threshold (5%)** 44% |
| | 5% | Delivery of our refreshed D&I strategy based on our Board approved 2030 ethnicity targets – ethnic minority representation at Leader level in 2028. | **Threshold (1%)** 10% | **Maximum (5%)** 16% |
| **Total LTIP** | **100%** | | | |

1. Vesting takes place on a straight-line basis between threshold and maximum values.

# ANNUAL REPORT ON REMUNERATION
# CONTINUED

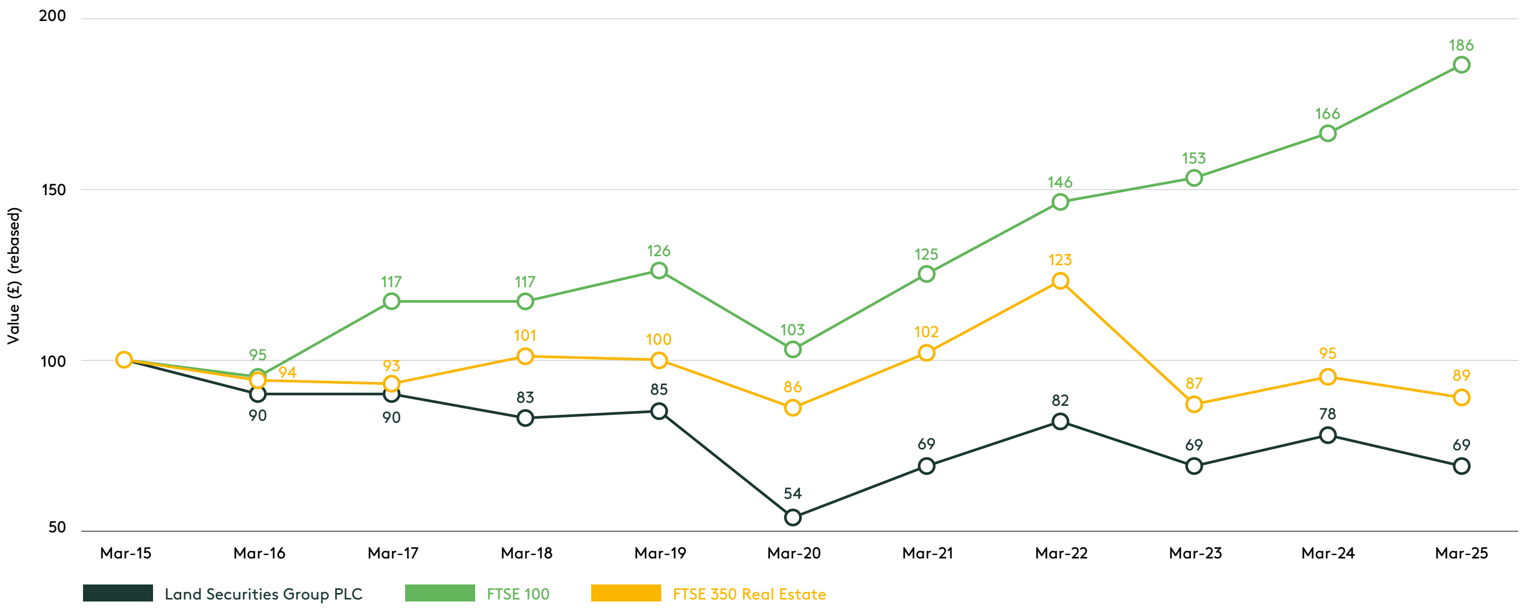
## 5. TOTAL SHAREHOLDER RETURN AND CHIEF EXECUTIVE PAY

The following graph illustrates the performance of the Company measured by TSR (share price growth plus dividends paid) against a 'broad equity market index'. As the Company is a constituent of the FTSE 350 Real Estate Index, this is considered to be the most appropriate benchmark for the purposes of the graph. An additional line to illustrate the Company's performance compared with the FTSE 100 Index over the previous ten years is also included.

This graph shows the value, by 31 March 2025, of £100 invested in Landsec on 31 March 2015, compared with the value of £100 invested in the FTSE 100 and FTSE 350 Real Estate Indices on the same date.

TOTAL SHAREHOLDER RETURN

CHART 42




The following table shows remuneration for the Chief Executive over a period of ten years.

### CHIEF EXECUTIVE REMUNERATION OVER TEN YEARS

TABLE 43

| Year | Chief Executive | Single figure of total remuneration (£k) | Annual bonus payment (% of maximum) | Long-term incentive vesting (% of maximum) |
|---|---|---|---|---|
| 2025 | Mark Allan | 3,287 | 83.0 | 60.0 |
| 2024 | Mark Allan | 3,096[1] | 47.0 | 60.0 |
| 2023 | Mark Allan | 2,628 | 50.0 | 37.7 |
| 2022 | Mark Allan | 2,000 | 90.4 | 0.0 |
| 2021 | Mark Allan | 2,920[2] | 16.2 | n/a |
| 2020 | Robert Noel | 1,569 | 43.8 | 0.0 |
| 2019 | Robert Noel | 1,624 | 50.5 | 0.0 |
| 2018 | Robert Noel | 1,693 | 58.8 | 0.0 |
| 2017 | Robert Noel | 2,692 | 58.8 | 50.0 |
| 2016 | Robert Noel | 2,011 | 67.5 | 13.1 |

1. LTIP values in respect of the prior year have been updated to reflect actual values at vesting (rather than the estimates presented last year) and estimated dividend equivalents over the vesting period. Calculation based on a closing share price of 625.50 pence on the 25 June 2024 vesting date. See section 1.1.
2. Includes £1,692,042 in relation to buyout awards made on appointment.

## 6. THE CONTEXT OF PAY AT LANDSEC

### 6.1 PAY ACROSS THE GROUP

**A. SENIOR MANAGEMENT**

For the year under review, bonus payments to our 38 most senior employees (excluding the Executive Directors) ranged from 42% to 100% of salary (2023/24: 22% to 69%), equating to 134% to 195% of target. The average bonus was 54% of salary (2023/24: 38%), equating to 155% of target.

**B. ALL OTHER EMPLOYEES**

From 1 June 2025, Executive Director salaries will increase by 2.5%. The pay rise across the wider workforce will increase by 3% and will generally be in the range of 2.5% and 3.5%.

As at 31 March 2025, the ratio of the base salary of the Chief Executive to the average base salary across the Group (excluding Executive Directors) was 13:1 (£882,669:£65,997).

**C. PERCENTAGE CHANGE IN REMUNERATION BETWEEN DIRECTORS AND EMPLOYEES**

The table below shows the year-on-year percentage change in salary, benefits and annual bonus earned for all current Directors compared to all employees.

TABLE 44

| | 2020/21 | | | 2021/22 | | | 2022/23 | | | 2023/24 | | | 2024/25 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Salary/ fee change (%) | Benefits change (%) | Bonus change (%) | Salary/ fee change (%) | Benefits change (%) | Bonus change (%) | Salary/ fee change (%) | Benefits change (%) | Bonus change (%) | Salary/ fee change (%) | Benefits change (%) | Bonus change (%) | Salary/ fee change[3] (%) | Benefits change (%) | Bonus change (%) |
| **Executive Directors** | | | | | | | | | | | | | | | |
| Mark Allan | – | – | – | 9 | (75) | 479 | 3 | (3) | (43) | 4 | (50) | (3) | **3** | **(1)** | **82** |
| Vanessa Simms | – | – | – | – | – | – | 13 | 24 | (38) | 4 | 161 | 2 | **3** | – | **87** |
| Colette O'Shea[1] | 3 | (3) | (65) | 5 | – | 389 | (49) | (50) | (71) | – | – | – | **–** | **–** | **–** |
| **Non-executive Directors** | | | | | | | | | | | | | | | |
| Ian Cheshire | – | – | – | – | – | – | – | – | – | – | – | – | **3** | **–** | **–** |
| Cressida Hogg[1] | (5) | – | – | 5 | – | – | – | – | – | – | – | – | **–** | **–** | **–** |
| Moni Mannings | – | – | – | – | – | – | – | – | – | – | – | – | **–** | **–** | **–** |
| Edward Bonham Carter[1] | (15) | – | – | 3 | – | – | – | – | – | 2 | – | – | **–** | **–** | **–** |
| James Bowling | – | – | – | – | – | – | – | – | – | – | – | – | **–** | **–** | **–** |
| Nicholas Cadbury[1] | (5) | – | – | 5 | – | – | – | – | – | – | – | – | **–** | **–** | **–** |
| Louise Casey[2] | – | – | – | – | – | – | – | – | – | – | – | – | **–** | – | – |
| Madeleine Cosgrave | (5) | – | – | 5 | – | – | – | – | – | 3 | – | – | **3** | **–** | **–** |
| Christophe Evain | 16 | – | – | 7 | – | – | – | – | – | 2 | – | – | **3** | **–** | **–** |
| Miles Roberts | – | – | – | – | – | – | – | – | – | – | – | – | **3** | **–** | **–** |
| Manjiry Tamhane | – | – | – | – | – | – | – | – | – | 3 | – | – | **3** | **–** | **–** |
| **Average employee** | 7 | 6 | (49) | (1) | 2 | 219 | 15 | 25 | (12) | 6 | (5) | 2 | **3** | **(1)** | **39** |

1. Colette O'Shea left the Board in September 2022. Cressida Hogg left the Board in May 2023. Nicholas Cadbury left the Board in December 2023. Edward Bonham Carter left the Board in July 2024.
2. Louise Casey joined the Board in January 2025.
3. Reflects the increase to base fees for Non-executive Directors awarded in 2024 for those serving in the full year 2023/24 and 2024/25.

# ANNUAL REPORT ON REMUNERATION CONTINUED

### D. CEO PAY RATIO

The tables below show how pay for the CEO compares to employees at the lower, median and upper quartiles (calculated on a full-time equivalent basis). The ratios have been calculated in accordance with Option A of The Companies (Miscellaneous Reporting) Regulations 2018, which uses the total pay and benefits for all employees, and is the same methodology that is used to calculate the CEO's single figure of remuneration table on page 69. Figures are calculated by reference to 31 March 2025 using actual pay data from April 2024 to March 2025.

Excluded from our analysis are joiners, leavers and long-term absentees from the Company during the year. As the CEO has a larger proportion of his total remuneration linked to business performance than other employees in the UK workforce, the ratio has increased versus last year primarily as a result of the increase in the bonus award (83% of maximum compared to 47% of maximum for the prior year). Given the alignment of incentive arrangements which are cascaded below Board level, the Remuneration Committee believes the pay ratios are consistent with the pay, reward and progression policies for the Group's UK employees taken as a whole.

TABLE 45

| Year | Method | 25th percentile pay ratio | Median pay ratio | 75th percentile pay ratio |
|---|---|---|---|---|
| 2024/25 | Option A | 55:1 | 35:1 | 24:1 |
| 2023/24[1] | Option A | 48:1 | 31:1 | 20:1 |
| 2022/23 | Option A | 47:1 | 29:1 | 18:1 |
| 2021/22 | Option A | 40:1 | 25:1 | 16:1 |
| 2020/21 | Option A | 22:1 | 14:1 | 10:1 |
| 2019/20 | Option A | 36:1 | 23:1 | 15:1 |

| | CEO pay | P25 pay | P50 pay | P75 pay |
|---|---|---|---|---|
| Salary | £878,384 | £48,235 | £66,135 | £94,099 |
| Total pay[2,3] | £3,287,959 | £59,798 | £93,604 | £139,246 |

1. The CEO pay ratios for 2023/24 have been updated to reflect the actual value at vesting for the CEO as detailed in section 1.1.
2. Employees may now participate in our Share Incentive Plan, however this has not been included in the calculations above.
3. Calculations exclude estimated dividend equivalents.

### E. TOTAL PAY AND BENEFITS

TABLE 46

| | | Lower quartile (25th percentile) | | Median | | Upper quartile (75th percentile) | |
|---|---|---|---|---|---|---|---|
| Year | Method | Total Pay and Benefits | Total Salary | Total Pay and Benefits | Total Salary | Total Pay and Benefits | Total Salary |
| 2024/25 | A | £59,798 | £48,235 | £93,604 | £66,135 | £139,246 | £94,099 |
| 2023/24 | A | £59,126 | £46,421 | £93,298 | £69,126 | £142,521 | £102,767 |
| 2022/23 | A | £55,502 | £43,811 | £89,395 | £64,851 | £147,119 | £104,813 |
| 2021/22 | A | £50,620 | £38,038 | £79,746 | £58,083 | £122,832 | £77,600 |
| 2020/21 | A | £45,752 | £39,000 | £73,212 | £55,776 | £105,848 | £77,000 |
| 2019/20 | A | £44,140 | £29,785 | £69,393 | £58,565 | £104,438 | £79,203 |

### 6.2 THE RELATIVE IMPORTANCE OF SPEND ON PAY

The table below shows the total spend on pay for all Landsec employees, compared with our returns to shareholders in the form of dividends.

TABLE 47

| | March 2025 (£m) | March 2024 (£m) | % change |
|---|---|---|---|
| Spend on pay[1] | 77 | 71 | 8 |
| Dividend paid[2] | 297 | 291 | 2 |

1. Including base salaries for all employees, bonuses and share-based payments.
2. Dividend paid represents dividends declared for the year. See note 11 to the financial statements.

## 7. DILUTION

Awards granted under the Company's long-term incentive arrangements (The Land Securities Group Omnibus Share Plan 2024, Land Securities 2015 Long-Term Incentive Plan, Deferred Share Bonus Plan, Restricted Share Plan and the Land Securities 2015 Executive Share Option Plan) are satisfied through the funding of an Employee Benefit Trust (EBT) (administered by an external trustee) which acquires existing Land Securities Group PLC shares in the market. The EBT held 2,061,915 ordinary shares at 31 March 2025 (2023/24: 3,119,107). The exercise of share options under the Land Securities Group PLC Sharesave, which is open to all employees who have completed more than one month's service with the Group, can be satisfied by the allotment of newly issued shares. At 31 March 2025, the total number of shares which could be allotted under this Scheme was 539,248 shares (2023/24: 538,608), which represents less than 0.07% (2023/24: 0.07%) of the issued share capital of the Company.

## 8. SHAREHOLDER ENGAGEMENT AND 2024 AGM VOTING

At our AGM on 11 July 2024, the Directors' Remuneration Policy secured 97.63% votes for and 2.37% votes against (with 37,565 votes withheld). The Directors' Remuneration Policy is available on our website: landsec.com/aboutcorporate-governance/board-committees. The Annual Report on Remuneration secured 96.71% votes for and 3.29% votes against (with 26,388 votes withheld). A vote withheld is not a vote in law. There have been no requests for engagement with shareholders on matters relating to remuneration during the year although remuneration has been covered in wider governance meetings with shareholders and the Chair of the Board.

## 9. CODE PROVISION 40

The Committee has considered the factors set out in provision 40 of the Code. In the Committee's view, the current Policy addresses those factors as set out in the Remuneration Policy available on our website: landsec.com/aboutcorporate-governance/board-committees.

## 10. COMMITTEE EFFECTIVENESS

At the end of the year, as part of the Board evaluation process which was externally facilitated, the Committee reviewed its effectiveness. There were a few recommendations, however overall the outcome was positive and the Committee was considered to be operating effectively. The Committee also reviewed its adviser, FIT, and confirmed it continued to be satisfied with its performance.

The Directors' Remuneration Report was approved by the Board on 15 May 2025 and signed on its behalf by:

**CHRISTOPHE EVAIN,**
**CHAIR, REMUNERATION COMMITTEE**

# DIRECTORS' REPORT

The Directors present their report for the year ended 31 March 2025.

## ADDITIONAL DISCLOSURES

Other information that is relevant to this report, and which is also incorporated by reference, including information required in accordance with the Companies Act 2006 and UK Listing Rule 6.6.1, can be located as follows:

TABLE 48



## UK CORPORATE GOVERNANCE CODE

The Company has complied throughout the year with all relevant provisions of the Code. The Code can be found on the FRC's website: frc.org.uk

## COMPANY STATUS

Land Securities Group PLC is a public limited liability company incorporated under UK law. It has a premium listing on the London Stock Exchange main market for listed securities (LSE:LAND) and is a constituent member of the FTSE 100 Index.

Landsec is a Real Estate Investment Trust (REIT). It is expected that the Company, which has no branches, will continue to operate as the holding company of the Group. A Dividend Reinvestment Plan (DRIP) election is currently available in respect of all dividends paid by Landsec.

## DIVIDENDS

The results for the year are set out in the financial statements on pages 92-151.

The Company has paid three interim dividends to shareholders for the year under review. The first interim dividend of 9.2 pence was paid to shareholders in October 2024, a second interim dividend of 9.4 pence was paid to shareholders in January 2025; and a third interim dividend of 9.5 pence per share was paid to shareholders in April 2025. A final dividend of 12.3 pence per share is being put to shareholders for approval at the AGM in July 2025.

TABLE 49

| | 1st Interim 2024/25 | 2nd Interim 2024/25 | 3rd Interim 2024/25 | Final 2024/25 (proposed) |
|---|---|---|---|---|
| Amount | 9.2 pence[1] | 9.4 pence[2] | 9.5 pence[1] | 12.3 pence[1] |
| Record date | 23 August 2024 | 29 November 2024 | 21 February 2025 | 13 June 2025 |
| Payment date | 4 October 2024 | 8 January 2025 | 11 April 2025 | 25 July 2025 |

1. Property income distribution (PID).
2. Non-property income distribution (non-PID), ordinary dividend.

Whilst Landsec's dividend policy in recent years has been to distribute three quarterly dividends, followed by a final dividend, the Board has approved the move to half-yearly payments with effect from financial year 2025/26. This move will align Landsec to peers and our financial reporting timeline in addition to simplifying the administration.

## DIRECTORS

The names and biographical details of the current Directors and the Board Committees of which they are members are set out on pages 51-54.

All the Directors proposed for election and re-election held office during the financial year except Madeleine Cosgrave, who will retire from the Board on the date of the AGM and therefore will not stand for re-election. Michael Campbell joined the Board on 1 May 2025, after the year-end but before the approval of this Report, and will first stand for election at the July 2025 AGM.

The Service Agreements for our Executive Directors and the Letters of Appointment for our Non-executive Directors are available for inspection at Landsec's registered office.

**A summary of these documents is also included in the Directors' Remuneration Policy on our website**

## APPOINTMENT AND REMOVAL OF DIRECTORS

The appointment and replacement of Directors is governed by Landsec's Articles of Association ('Articles'), the Code, the Companies Act 2006 (the 'Act') and related legislation.

The Board may appoint a Director either to fill a vacancy or as an addition to the Board so long as the total number of Directors does not exceed the limit prescribed in the Articles. An appointed Director must retire and seek election to office at the next Landsec AGM. In addition to any power of removal conferred by the Act, Landsec may by ordinary resolution remove any Director before the expiry of their period of office and may, subject to the Articles, by ordinary resolution appoint another person who is willing to act as a Director in their place. In line with the Code it is the Board's policy that all Directors are required to stand for re-election at each AGM.

## DIRECTORS' POWERS

The Board manages the business of Landsec under the powers set out in the Articles. These powers include the Directors' ability to issue or buy back shares.

Shareholders' authority to empower the Directors to make market purchases of up to 10% of the Company's own ordinary shares is sought at the AGM each year.

The Articles can only be amended, or new Articles adopted, by a resolution passed by shareholders in general meeting and being approved by at least three quarters of the votes cast.

## DIRECTORS' INTERESTS

Save as disclosed in the Directors' Remuneration Report, none of the Directors, nor any person connected with them, has any interest in the share or loan capital of Landsec or any of its subsidiaries. At no time during the year ended 31 March 2025 did any Director hold a material interest, directly or indirectly, in any contract of significance with Landsec or any subsidiary other than the Executive Directors in relation to their Service Agreements.

## DIRECTORS' INDEMNITIES AND INSURANCE

Landsec has agreed to indemnify each Director against any liability incurred in relation to acts or omissions arising in the ordinary course of their duties. The indemnity applies only to the extent permitted by law. A copy of the deed of indemnity is available for inspection at Landsec's registered office. Landsec has appropriate Directors' & Officers' Liability insurance cover in respect of potential legal action against its Directors.

Landsec has a single class of share capital which is divided into ordinary shares of nominal value $10\frac{2}{3}$ pence each ranking pari passu. No other securities have been issued by the Company. At 31 March 2025, there were 751,732,064 ordinary shares in issue and fully paid. As at 31 March 2025 the number of shares held by the Company in Treasury is 6,789,236. The voting rights and dividend entitlements have been waived for the shares held by Treasury and the EBT.

## SHARE CAPITAL

No shares were bought back during the year. Further details relating to share capital, including movements during the year, are set out in note 38 to the financial statements.

At the Company's AGM held on 11 July 2024, shareholders authorised the Company to make market purchases of ordinary shares representing up to 10% of its issued share capital at that time and to allot shares within certain limits approved by shareholders. These authorities will expire at the 2025 AGM and a renewal of that authority will be sought.

The Company has received DTR notifications during the period from 1 April to 15 May 2025, being the period from the year-end through to the date on which this report has been signed and these are indicated as footnotes to Table 50. DTR notifications are displayed as RNS announcements on the Investor section of our website.

## EMPLOYEE BENEFIT TRUST

Equiniti Trust (Jersey) Limited continues as trustee (Trustee) of Landsec's EBT. The EBT is used to purchase Land Securities Group PLC ordinary shares in the market from time to time for the benefit of employees, including to satisfy outstanding awards under Landsec's various employee share plans.

At 31 March 2025 the EBT held 2,061,915 ordinary shares.

A dividend waiver is in place from the Trustee in respect of all dividends payable by Landsec on shares which the EBT holds. Further details regarding the EBT, and of shares issued pursuant to Landsec's various employee share plans during the year, are set out in notes 37-39 to the financial statements.

## SUBSTANTIAL SHAREHOLDERS

As at 31 March 2025, the Company had been notified under the Disclosure and Transparency Rules (DTR 5) of the following holdings of voting rights in its issued share capital:

TABLE 50

| Shareholder name | Number of ordinary shares | Percentage of total voting rights attaching to issued share capital[1,2] |
|---|---|---|
| BlackRock, Inc.[3] | 77,264,244 | 10.36 |
| Schroders Plc | 36,781,617 | 4.96 |
| Legal & General Group Plc | 30,213,841 | 3.99 |

1. Total number of voting rights attaching to the issued share capital of the Company on 31 March 2025 was 744,942,828.
2. The percentage of voting rights detailed above was calculated at the time of the relevant disclosures made in accordance with DTR 5.
3. BlackRock, Inc. notified on 14 May 2025 a total voting rights holding of 76,984,137 representing 10.32% of total voting rights attaching to issued share capital.

# DIRECTORS' REPORT CONTINUED

## SHAREHOLDER VOTING RIGHTS AND RESTRICTIONS ON TRANSFER OF SHARES

All the issued and outstanding ordinary shares of Landsec have equal voting rights with one vote per share. There are no special control rights attached to them save that the control rights of ordinary shares held in the EBT can be directed by the Company to satisfy the vesting of outstanding awards under its various employee share plans.

In relation to the EBT, the Trustee has agreed not to vote any shares held in the EBT at any general meeting. If any offer is made to all shareholders to acquire their shares in Landsec, the Trustee will not be obliged to accept or reject the offer in respect of any shares which are at the time subject to subsisting awards and the Trustee may take such action with respect to an offer as it thinks fit.

Landsec is not aware of any agreements or control rights between existing shareholders that may result in restrictions on the transfer of securities or on voting rights. The rights, including full details relating to voting of shareholders and any restrictions on transfer relating to Landsec's ordinary shares, are set out in the Articles and in the explanatory notes that accompany the Notice of the 2025 AGM. These documents are available on Landsec's website at: landsec.com/agm.

## CHANGE OF CONTROL

There are a number of agreements that take effect, alter or terminate upon a change of control of the Company following a takeover. None of these are considered significant.

The Company's share plans contain provisions that take effect in such an event but do not entitle participants to a greater interest in the shares of the Company than created by the initial grant or award under the relevant plan. There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment or otherwise that occurs specifically because of a takeover.

## HUMAN RIGHTS AND EQUAL OPPORTUNITIES

Landsec operates a Human Rights Policy which aims to recognise and safeguard the human rights of all citizens in the business areas under our control. We support the principles set out within both the UN Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Our Policy is built on these foundations including, without limitation, the principles of equal opportunities, collective bargaining, freedom of association and protection from forced or child labour.

The Policy takes account of the Modern Slavery Act that came into force in October 2015 and requires Landsec to report annually on its workforce and supply chain, specifically to confirm that workers are not enslaved or trafficked. Landsec's Modern Slavery Statement was last approved by the Board in July 2024 and is available on our website.

Landsec is an equal opportunities employer and our range of employment policies and guidelines reflects legal and employment requirements in the UK and safeguards the interests of employees, potential employees and other workers. We do not condone unfair treatment of any kind and offer equal opportunities in all aspects of employment and advancement regardless of race, nationality, gender, age, marital status, sexual orientation, disability, religious or political beliefs.

Landsec recognises that it has clear obligations towards all its employees and the community at large to ensure that disabled people are afforded equal opportunities to enter employment and progress. Landsec has therefore established procedures designed to provide fair consideration and selection of disabled applicants and to satisfy their training and career development needs. If an employee becomes disabled, wherever possible Landsec takes steps to provide reasonable adjustments to their existing employment arrangements, or by redeployment and providing appropriate retraining to enable continued employment in the Group. Further information can be found on pages 25-27.

## POLITICAL DONATIONS

The Company did not make any political donations or expenditure in the year that require disclosure (2024: nil).

## AUDITOR AND DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as the Directors are aware, there is no relevant audit information that has not been brought to the attention of the Company's auditor. Each Director has taken all reasonable steps to make himself or herself aware of any relevant audit information and to establish that such information was provided to the auditor.

A resolution to confirm the reappointment of Ernst & Young LLP (EY) as auditor of the Company will be proposed at the 2025 AGM. The reappointment has been recommended to the Board by the Audit Committee and EY has indicated its willingness to remain in office.

## 2025 ANNUAL GENERAL MEETING

This year's AGM is scheduled to be held at 10.00am on Thursday, 10 July 2025 at 80 Victoria Street, London SW1E 5JL.

A separate circular, comprising a letter from the Chair, Notice of Meeting and explanatory notes in respect of the resolutions proposed, can be found on our website: landsec.com/agm.

## DISCLAIMER

The purpose of this Annual Report is to provide information to the members of the Company and it has been prepared for, and only for, the members of the Company as a body, and no other persons. The Company, its Directors and employees, agents and advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

A cautionary statement in respect of forward-looking statements contained in this Annual Report appears on the inside back cover of this document.

The Directors' Report was approved by the Board on 15 May 2025.

By Order of the Board.

**MARINA THOMAS,**
**COMPANY SECRETARY**
Land Securities Group PLC

Company number 4369054

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with the requirements of the Companies Act 2006. Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules and company law, group financial statements are required to be prepared in accordance with UK adopted international accounting standards (IFRSs and IFRICs).

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 Group and the Company and of the profit and loss of the Group and the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- in respect of the Group financial statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006 (and UK adopted international accounting standards) have been followed, subject to any material departures disclosed and explained in the financial statements
- in respect of the Company financial statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements
- provide additional disclosures when compliance with the specific requirements of UK adopted international accounting standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's and Company's financial position and performance; and
- prepare the Group's and Company's financial statements on a going concern basis, unless it is inappropriate to do so

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company, and to enable them to ensure that the Annual Report complies with the Companies Act 2006 and as regards the Group financial statements, Article 4 of the IAS regulation. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## DIRECTORS' RESPONSIBILITY STATEMENT UNDER THE DISCLOSURE AND TRANSPARENCY RULES

Each of the Directors, whose names and functions appear below, confirm to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 (and UK adopted international accounting standards)
- give a true and fair view of the assets, liabilities, financial position, performance and cash flows of the Company and Group as a whole
- the Strategic Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties faced by the Group and Company

## DIRECTORS' STATEMENT UNDER THE UK CORPORATE GOVERNANCE CODE 2018

Each of the Directors confirm that to the best of their knowledge the Annual Report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position, performance, business model and strategy.

A copy of the financial statements of the Group is placed on the Company's website. The Directors are responsible for the maintenance and integrity of statutory and audited information on the Company's website at landsec.com. Information published on the internet is accessible in many countries with different legal requirements. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors of Land Securities Group PLC as at the date of this report are as set out below:

- Sir Ian Cheshire, Chair*
- Mark Allan, Chief Executive
- Vanessa Simms, Chief Financial Officer
- Moni Mannings, Senior Independent Director*
- James Bowling*
- Michael Campbell*
- Baroness Louise Casey*
- Madeleine Cosgrave*
- Christophe Evain*
- Miles Roberts*
- Manjiry Tamhane*

*Non-executive Directors

The Statement of Directors' Responsibilities was approved by the Board of Directors on 15 May 2025 and is signed on its behalf by:

**MARK ALLAN, CHIEF EXECUTIVE**

**VANESSA SIMMS, CHIEF FINANCIAL OFFICER**

# INDEPENDENT AUDITOR'S REPORT
## TO THE MEMBERS OF LAND SECURITIES GROUP PLC

### OPINION
In our opinion:
- Land Securities Group PLC's Group financial statements and Parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent company's affairs as at 31 March 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Land Securities Group PLC (the 'Parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2025 which comprise:

| Group | Parent company |
|---|---|
| Consolidated balance sheet as at 31 March 2025 | Balance sheet as at 31 March 2025 |
| Consolidated income statement for the year then ended | Statement of changes in equity for the year then ended |
| Consolidated statement of comprehensive income for the year then ended | Statement of cash flows for the year then ended |
| Consolidated statement of changes in equity for the year then ended | Related notes 1 to 45 to the financial statements, including material accounting policy information |
| Consolidated statement of cash flows for the year then ended | |
| Related notes 1 to 45 to the financial statements, including material accounting policy information | |

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with section 408 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### INDEPENDENCE
We are independent of the Group and Parent 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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent company and we remain independent of the Group and the Parent company in conducting the audit.

### 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 Group and Parent company's ability to continue to adopt the going concern basis of accounting included:
- assessing the risk around going concern in planning our audit, at the interim and again at the year-end phase.
- 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 going concern review period to the 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 cash flow, liquidity forecasts and covenant calculations covering the going concern review period to September 2026 and the additional downside scenarios. This has included re-performing calculations and testing the formulas 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 (as defined in the Glossary on page 176) 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 cash flow forecasts with reference to historical trends and assessing the outcome of management's previous forecasts.
- reviewing the disclosures in the 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.

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 to 30 September 2026.

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 Group and Parent company's ability to continue as a going concern for a period to 30 September 2026.

In relation to the Group and Parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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 Group's ability to continue as a going concern.

## OVERVIEW OF OUR AUDIT APPROACH

| | |
|---|---|
| Audit scope | • The Group operates in the United Kingdom through four segments: Central London, Major retail, Mixed-use urban and Subscale sectors.<br>• We have identified the Group as one component and performed full scope procedures across the entire Group. The Group audit team also performed audit procedures on joint venture balances included within the Group financial statements. |
| Key audit matters | • The valuation of property, including investment properties and investment properties held in joint ventures.<br>• Revenue recognition, including service charge income and the treatment of lease incentives. |
| Materiality | • Overall Group materiality of £105m which represents 0.9% of total assets in the Group balance sheet at 31 March 2025. Overall materiality is applied to account balances related to investment properties and trading properties (either wholly owned or within the Joint Venture) and loans and borrowings (excluding the related finance expense).<br>• Specific materiality of £19m, which represents 5% of EPRA Earnings before tax. Specific materiality is applied to account balances which are not account balances related to investment properties, trading properties (either wholly owned or within the Joint Venture) and loans and borrowings.<br>• Parent Company materiality of £48m, which represents 0.9% of total assets in the Parent Company balance sheet. Parent Company materiality is applied to all balances within the Parent Company. |

# INDEPENDENT AUDITOR'S REPORT
CONTINUED

## AN OVERVIEW OF THE SCOPE OF THE PARENT COMPANY AND GROUP AUDITS

### TAILORING THE SCOPE

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the Group, the accounting processes and controls, and the industry in which the group operates. We have identified the Group as one component and performed full scope procedures across the entire Group. All work was carried out by the group audit team.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

### CLIMATE CHANGE

Stakeholders are increasingly interested in how climate change will impact Land Securities Group PLC. The Group has determined that the most significant future impacts from climate change on their operations will be from failure to meet their 2040 science-based net zero target leading to regulatory, reputational and commercial impact and failure to mitigate physical impact on the Group's assets. These are explained in the required Task Force On Climate Related Financial Disclosures and on pages 41-45 in the principal risks and uncertainties. They have also explained their climate commitments on pages 28-32. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in the basis of preparation note within the financial statements how they have reflected the impact of climate change in their financial statements including how this aligns with their commitment to achieve net zero emissions by 2040. The impact of climate change on significant judgements and estimates are included in note 2.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 41-45 and the significant judgements and estimates disclosed in note 2 and whether these have been appropriately reflected in the valuation of the investment properties, investment properties held in joint ventures and trading properties or have any other material impact on the financial statements. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, whilst we have not identified the impact of climate change on the financial statements to be a standalone key audit matter, we have considered the impact on the valuation of property, including investment properties and investment properties held in joint ventures key audit matter. Details of the impact, our procedures and findings are included in our explanation of key audit matter below.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, 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.

| Risk | Our response to the risk | Key observations communicated to the Audit Committee |
|---|---|---|
| **The valuation of property, including investment properties and investment properties held in joint ventures**<br>2025: £10,034m in investment properties and £608m (the Group's share) in investment properties held in joint ventures (2024: £9,330m in investment properties and £585m (the Group's share) in investment properties held in joint ventures)<br>Refer to the Report of the Audit Committee (pages 64-67); Accounting policies (pages 113-114); Note 14 & 16 of the Financial statements (pages 115-124).<br>The valuation of property, including investment properties, development properties and investment properties held in joint ventures, requires significant judgement and estimation by Management and their external valuers. Inaccuracies in inputs or unreasonable bases used in these judgements (including the estimated rental value, yield profile applied and development costs to complete) could result in a material misstatement of the income statement and balance sheet. There is also a risk that management could inappropriately influence the input data and/or the significant judgements and estimates in respect of property valuations in order to meet market expectations or bonus targets. | Our audit procedures over the valuation of property included:<br>We obtained an understanding of the Group's processes and controls around the valuation of properties.<br>We evaluated the competence of the Group's external valuers, CBRE and JLL which included consideration of their qualifications and expertise.<br>We attended meetings between management and CBRE and management and JLL to assess for evidence of undue management influence and we obtained confirmation from CBRE and JLL that they had not been subject to undue influence from management.<br>We met with CBRE and JLL to challenge their valuation approach and the judgements they made in their property valuation. Such judgements included the estimated rental value, yield profile and other significant assumptions that impact the value.<br>We selected properties based on a risk assessment of a number of factors including comparison with market movements, significant debtors, voids, considerations to ESG and size across asset classes and segments, to identify high risk properties. Our high risk properties includes properties not tested in prior years. These properties comprised 83% of the market value of combined portfolio (including investment properties held in joint ventures). For these higher risk properties, we tested source documentation provided by the Group to CBRE and JLL. This included agreeing a sample back to underlying lease data and vouching costs items and assumptions in respect of development properties.<br>We assessed and challenged the judgements made by CBRE and JLL, including through inspection of comparable market evidence, where available.<br>We included chartered surveyors on our audit team who reviewed and challenged the valuation approach and assumptions for the higher risk properties. Our chartered surveyors compared the yields applied to each property to an expected range of yields taking into account available market data and asset specific considerations. They challenged whether the other assumptions applied by the external valuers, such as the estimated rental values, voids, tenant incentives and development costs to complete were supported by available data. They also challenged whether other market transactions contradict the assumptions used in the valuation.<br>Together with our real estate specialists team, we met with the external valuers to further discuss the findings from our audit work described above and to seek further explanations as required.<br>We challenged whether sustainability costs identified by management as part of the Net Zero Investment Plan have been appropriately considered within the valuation. As part of this, we assessed and challenged judgements made by CBRE and JLL for costs associated with ESG and refurbishment capital expenditure costs.<br>We performed analytical procedures on the properties not included in the higher risk properties reviewed in detail by our real estate specialists team by comparing assumptions and the value of those properties by reference to our understanding of the UK real estate market, external market data and asset specific considerations to evaluate the appropriateness of the valuations adopted by the Group. Where values or assumptions were not in line with our expectations, we challenged these further by discussing with management, CBRE, JLL and our real estate specialists team and, where appropriate, obtaining further evidence to support the movement in values.<br>We performed 8 site visits. Where properties are under development, this enabled us to test existence of the property and challenge whether the status of the development was consistent with what we were told by management. We challenged development directors and project managers for major properties in the development programme on the project costs, progress of development and leasing status. We challenged the reasonableness of forecast costs to complete included in the valuations as well as the identified contingencies and the exposure to remaining risks, by comparing the total forecast costs to contractual arrangements and other supporting evidence. We challenged forecast costs to complete for evidence of overruns through risks identified during our development meetings, review of meeting minutes and other supporting information. We challenged the information provided by the development directors and the project managers through our review of cost analysis as well as the valuation outcome.<br>We assessed the adequacy of the disclosures of estimates and valuation assumptions in note 14 including those required by IFRS 13 – Fair Value Measurement.<br>**Scope of our procedures**<br>We performed full scope audit procedures over the valuation of properties, including investment properties and investment properties held in joint ventures. | We have tested the inputs, assumptions and methodology used by CBRE and JLL. We have concluded that the methodology applied is reasonable and that the external valuations are a reasonable assessment of the market value of investment properties at 31 March 2025.<br>We concluded that the properties reviewed by our chartered surveyors were within the reasonable range of values as assessed by them.<br>We concluded that committed capital expenditure and ESG considerations has been appropriately considered within the valuations where appropriate.<br>We consider that management provided an appropriate level of review and challenge over the valuations, and we did not identify evidence of undue management influence.<br>We have reviewed the disclosures in the financial statements including the disclosure of methodology, key unobservable inputs and sensitivity thereof and consider them to be appropriate. |

# INDEPENDENT AUDITOR'S REPORT
## CONTINUED

| Risk | Our response to the risk | Key observations communicated to the Audit Committee |
|---|---|---|
| **Revenue recognition, including service charge income and the treatment of lease incentives.**<br>2025: £600m rental income (2024: £622m rental income)<br>2025: £155m service charge income (2024: £117m service charge income)<br>Refer to the Report of the Audit Committee (pages 64-67); Accounting policies (pages 103-104); Note 6 of the Financial statements (pages 104-105).<br>Market expectations and EPRA earnings-based targets (which include management compensation) may place pressure on management to distort revenue recognition. This may result in overstatement or understatement of rental income and service charge income to assist in meeting current or future targets or expectations, including through the manipulation of timing of revenue recognition of lease incentives (straight line rent), inappropriate income recovered through the service charge and fictitious revenues being recorded via topside journals. | Our audit procedures over revenue recognition included:<br>We selected a sample of new, existing and amended lease agreements in the year and agreed the key lease terms to the Group's property information management systems in use (both pre and post the system migration) throughout the year, including lease incentive clauses.<br>We performed data analytics procedures to set an expectation of rental income across the whole population of leases in the Group's portfolio for the year; this also covers the straight-lining rent adjustment for lease incentives. This was performed for both of the financial reporting systems in use both pre and post the system migration.<br>We obtained the schedules used to calculate straight-lining of revenue in accordance with IFRS 16 Leases. We tested the arithmetical accuracy of these schedules and that the straight lining was calculated in accordance with the guidance. For a sample of leases we agreed the lease information per the schedules back to lease agreements.<br>We performed additional substantive testing procedures over a sample of variable turnover rents by recalculating the expected turnover revenue based on evidence received from tenants and the Group's property information management systems in use throughout the year. We further agreed invoices issued to cash collections received for each of these samples.<br>We have performed testing in relation to service charge income. This has included vouching a sample of income recognised to both invoice and cash collection, and performing an analytical review to challenge unexpected or unusual variances. We have also performed testing on the service charge expense in the year, including the accrual at year end to test cut-off.<br>We performed audit procedures specifically designed to address the risk of management override of controls including topside consolidation adjustments and journal entries which impact revenue.<br>**Scope of our procedures**<br>The Group was subject to full scope audit procedures over revenue. | Based upon the audit procedures performed, we concluded that revenue has been recognised on an appropriate basis in the 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.

The table below sets out the materiality, performance materiality and threshold for reporting audit differences applied on our audit:

| | Basis | Materiality | Performance materiality | Audit differences |
|---|---|---|---|---|
| Overall – all account balances related to investment properties and trading properties (either wholly owned or within the Joint Venture) and loans and borrowings (excluding the related finance expense) | 0.9% of total assets (2024: 0.9% of total assets) | £105m (2024: £96m) | £79m (2024: £72m) | £5m (2024: £5m) |
| Specific – all account balances which are not account balances related to investment properties, trading properties (either wholly owned or within the Joint Venture) and loans and borrowings | 5% of EPRA Earnings before tax (2024: 5% EPRA Earnings before tax) | £19m (2024: £19m) | £14m (2024: £14m) | £1m (2024: £1m) |
| Parent Company | 0.9% of total assets (2024: 0.9% of total assets) | £48m (2024: £51m) | £36m (2024: £38m) | £2m (2024: £3m) |

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole. We determined that an asset-based measure would be the most appropriate basis for determining overall materiality given that key users of the Group's financial statements are primarily focused on the valuation of the Group's assets. Based on this, we determined that it is appropriate to set the overall materiality at 0.9% of total assets (2024: 0.9% of total assets). We applied overall materiality to the investment properties and trading properties balances (either wholly owned or within the Joint Venture) and loans and borrowings (excluding the related finance expense) as the value of loans and borrowings which are secured against the Group's investment properties.

This provided a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

We determined that for other account balances not related to investment properties, trading properties (either wholly owned or held within joint ventures) or loans and borrowings, a misstatement of less than overall materiality for the financial statements as a whole could influence the economic decisions of users. We believe that it is most appropriate to use a profit-based measure as profit is also a focus of users of the financial statements.

We determined that materiality for these areas should be based upon 5% of EPRA earnings before tax. EPRA earnings is considered an important performance metric and aligned with industry earnings measures.

During the course of our audit, we reassessed initial materiality which resulted in a reduction to our overall materiality as a result of total assets having decreased from our initial materiality assessment.

#### 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 Group's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality. 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.

#### 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 £5m (2024: £5m), 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 annual report, including the Strategic Report and Governance section set out on pages 1-82, 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;
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the Company's corporate governance statement and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

# INDEPENDENT AUDITOR'S REPORT
CONTINUED

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION
In the light of the knowledge and understanding of the Group and the Parent company and its environment obtained in the course of the audit, we have not identified material misstatements in
- the strategic report or the directors' report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules

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 by the Parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent company financial statements and the part of the Directors' 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; or
- a Corporate Governance Statement has not been prepared by the Company.

## CORPORATE GOVERNANCE STATEMENT
We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:
- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 46-47 and 83;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on pages 46-47;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 83;
- Directors' statement on fair, balanced and understandable set out on page 83;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 41-45;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 38-45; and
- The section describing the work of the Audit Committee set out on pages 62-67.

## RESPONSIBILITIES OF DIRECTORS
As explained more fully in the directors' responsibilities statement set out on page 83, 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 Group and Parent 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 Group or the Parent 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 on page 91.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (UK adopted international accounting standards, the Companies Act 2006 and UK Corporate Governance Code), Listing Rules, the relevant tax regulations in the United Kingdom, including the UK REIT regulations, the UK General Data Protection Regulation (GDPR), Health & Safety Regulations, Building Safety Act and the Bribery Act. There are no significant industry specific laws or regulations that we considered in determining our approach.
- We understood how Land Securities Group PLC is complying with those frameworks through enquiry with management, and by identifying the Group'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 and the Audit Committee, as well as consideration of the results of our audit procedures across the Group 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 Group's financial statements to material misstatement, including how fraud might occur by reviewing the Company's risk register and enquiry with management and the Audit Committee during the planning and execution phases of our audit. We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those programmes and controls.
- 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, including those of the Risk Committee and the Audit Committee;
  - Reading of internal audit reports;
  - Obtaining electronic confirmations from the Group's banking providers to vouch the existence of cash balances and completeness of loans, borrowings and other treasury positions such as derivatives;
  - 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 valuation of investment property and the fair value of the acquired assets and liabilities of Land Securities Group 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 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.

## OTHER MATTERS WE ARE REQUIRED TO ADDRESS

Following the recommendation from the Audit Committee, we were appointed by the company on 18 July 2013 to audit the financial statements for the year ending 31 March 2014 and subsequent financial periods. Following the conclusion of a formal tender process led by the Audit Committee, we were appointed to continue as auditor for the financial year ending 31 March 2024 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is 12 years, covering the years ending 31 March 2014 to 31 March 2025. The audit opinion is consistent with the additional report to the Audit Committee.

## 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.

**JULIE CARLYLE (SENIOR STATUTORY AUDITOR)**
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
15 May 2025

# INCOME STATEMENT
## FOR THE YEAR ENDED 31 MARCH 2025

| | Notes | 2025 EPRA earnings £m | 2025 Capital and other items £m | 2025 Total £m | 2024 EPRA earnings £m | 2024 Capital and other items £m | 2024 Total £m |
|---|---|---|---|---|---|---|---|
| Revenue | 6 | **797** | **45** | **842** | 766 | 58 | 824 |
| Costs | 7 | **(352)** | **(77)** | **(429)** | (325) | (84) | (409) |
| | | **445** | **(32)** | **413** | 441 | (26) | 415 |
| Share of post-tax profit/(loss) from joint ventures | 16 | **23** | **14** | **37** | 21 | (19) | 2 |
| Loss on disposal of investment properties | | **–** | **(15)** | **(15)** | – | (16) | (16) |
| Net surplus/(deficit) on revaluation of investment properties | 14 | **–** | **91** | **91** | – | (628) | (628) |
| **Operating profit/(loss)** | | **468** | **58** | **526** | 462 | (689) | (227) |
| Finance income | 10 | **15** | **–** | **15** | 11 | 1 | 12 |
| Finance expense | 10 | **(109)** | **(39)** | **(148)** | (102) | (24) | (126) |
| **Profit/(loss) before tax** | | **374** | **19** | **393** | 371 | (712) | (341) |
| Taxation | 12 | | | **3** | | | – |
| **Profit/(loss) for the year** | | | | **396** | | | (341) |
| | | | | | | | |
| **Attributable to:** | | | | | | | |
| Shareholders of the parent | | | | **396** | | | (319) |
| Non-controlling interests | | | | **–** | | | (22) |
| | | | | **396** | | | (341) |
| | | | | | | | |
| **Profit/(loss) per share attributable to shareholders of the parent:** | | | | | | | |
| Basic earnings/(loss) per share | 5 | | | **53.3p** | | | (43.0)p |
| Diluted earnings/(loss) per share | 5 | | | **53.0p** | | | (43.0)p |

# STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 MARCH 2025

| | Notes | 2025 Total £m | 2024 Total £m |
|---|---|---|---|
| **Profit/(loss) for the year** | | **396** | (341) |
| **Items that may be subsequently reclassified to the income statement:** | | | |
| Movement in cash flow hedges | | **–** | (1) |
| Net surplus on revaluation of owner-occupied property | 20 | **12** | – |
| Deferred tax charge on owner-occupied property revaluation surplus | 12 | **(3)** | – |
| **Items that will not be subsequently reclassified to the income statement:** | | | |
| Net remeasurement loss on defined benefit pension scheme | 36 | **–** | (5) |
| Deferred tax credit on remeasurement above | 12 | **–** | 4 |
| **Other comprehensive income/(loss) for the year** | | **9** | (2) |
| **Total comprehensive income/(loss) for the year** | | **405** | (343) |
| **Attributable to:** | | | |
| Shareholders of the parent | | **405** | (321) |
| Non-controlling interests | | **–** | (22) |
| | | **405** | (343) |

# BALANCE SHEETS
## AT 31 MARCH 2025

| | Notes | Group 2025 £m | Group 2024 £m | Company 2025 £m | Company 2024 £m |
|---|---|---|---|---|---|
| **Non-current assets** | | | | | |
| Investment properties | 14 | **10,034** | 9,330 | **–** | – |
| Property, plant and equipment | 20 | **42** | 7 | **–** | – |
| Intangible assets | 21 | **3** | 3 | **–** | – |
| Net investment in finance leases | 19 | **19** | 21 | **–** | – |
| Investments in joint ventures | 16 | **551** | 529 | **–** | – |
| Investments in associates | 17 | **–** | – | **–** | – |
| Investments in subsidiary undertakings | 30 | **–** | – | **5,363** | 5,659 |
| Trade and other receivables | 28 | **229** | 159 | **–** | – |
| Other non-current assets | 31 | **22** | 41 | **–** | – |
| **Total non-current assets** | | **10,900** | 10,090 | **5,363** | 5,659 |
| | | | | | |
| **Current assets** | | | | | |
| Trading properties | 15 | **81** | 100 | **–** | – |
| Trade and other receivables | 28 | **467** | 379 | **–** | – |
| Monies held in restricted accounts and deposits | 24 | **20** | 6 | **–** | – |
| Cash and cash equivalents | 25 | **39** | 78 | **1** | 2 |
| Other current assets | 32 | **4** | 11 | **–** | – |
| Non-current asset held-for-sale | 44 | **110** | – | **–** | – |
| **Total current assets** | | **721** | 574 | **1** | 2 |
| | | | | | |
| **Total assets** | | **11,621** | 10,664 | **5,364** | 5,661 |
| | | | | | |
| **Current liabilities** | | | | | |
| Borrowings | 23 | **(752)** | (975) | **–** | – |
| Trade and other payables | 29 | **(406)** | (348) | **(1,750)** | (2,251) |
| Provisions | 35 | **(44)** | (30) | **–** | – |
| Other current liabilities | 33 | **(6)** | – | **–** | – |
| **Total current liabilities** | | **(1,208)** | (1,353) | **(1,750)** | (2,251) |
| | | | | | |
| **Non-current liabilities** | | | | | |
| Borrowings | 23 | **(3,802)** | (2,805) | **–** | – |
| Trade and other payables | 29 | **(44)** | (4) | **–** | – |
| Provisions | 35 | **(30)** | (42) | **–** | – |
| Other non-current liabilities | 34 | **(5)** | (13) | **–** | – |
| **Total non-current liabilities** | | **(3,881)** | (2,864) | **–** | – |
| | | | | | |
| **Total liabilities** | | **(5,089)** | (4,217) | **(1,750)** | (2,251) |
| | | | | | |
| **Net assets** | | **6,532** | 6,447 | **3,614** | 3,410 |
| | | | | | |
| **Equity** | | | | | |
| **Capital and reserves attributable to shareholders** | | | | | |
| Ordinary shares | 38 | **80** | 80 | **80** | 80 |
| Share premium | | **319** | 319 | **319** | 319 |
| Other reserves | | **30** | 23 | **30** | 23 |
| Merger reserve | | **–** | – | **374** | 374 |
| Retained earnings | | **6,085** | 5,980 | **2,811** | 2,614 |
| **Equity attributable to shareholders of the parent** | | **6,514** | 6,402 | **3,614** | 3,410 |
| Equity attributable to non-controlling interests | | **18** | 45 | | |
| **Total equity** | | **6,532** | 6,447 | | |

The profit for the year of the Company was **£497m** (2024: £280m).

The financial statements on pages 92-151 were approved by the Board of Directors on 15 May 2025 and were signed on its behalf by:

**MARK ALLAN** **VANESSA SIMMS**
**DIRECTORS**

# STATEMENTS OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 MARCH 2025

| | | Attributable to shareholders of the parent | | | | | | Group |
|---|---|---|---|---|---|---|---|---|
| | Notes | Ordinary shares £m | Share premium £m | Other reserves £m | Retained earnings £m | Total £m | Non-controlling interests £m | Total equity £m |
| At 1 April 2023 | | 80 | 318 | 13 | 6,594 | 7,005 | 67 | 7,072 |
| Total comprehensive loss for the financial year | | – | – | – | (321) | (321) | (22) | (343) |
| **Transactions with shareholders of the parent:** | | | | | | | | |
| Share-based payments | 37 | – | 1 | 10 | (2) | 9 | – | 9 |
| Dividends paid to shareholders of the parent | 11 | – | – | – | (291) | (291) | – | (291) |
| **Total transactions with shareholders of the parent** | | – | 1 | 10 | (293) | (282) | – | (282) |
| At 31 March 2024 | | 80 | 319 | 23 | 5,980 | 6,402 | 45 | 6,447 |
| Total comprehensive income for the financial year | | – | – | – | **405** | **405** | – | **405** |
| **Transactions with shareholders of the parent:** | | | | | | | | |
| Share-based payments | 37 | **–** | **–** | **7** | **(3)** | **4** | **–** | **4** |
| Dividends paid to shareholders of the parent | 11 | **–** | **–** | **–** | **(297)** | **(297)** | **–** | **(297)** |
| Acquisition of non-controlling interests | 43 | **–** | **–** | **–** | **–** | **–** | **(56)** | **(56)** |
| **Total transactions with shareholders of the parent** | | **–** | **–** | **7** | **(300)** | **(293)** | **(56)** | **(349)** |
| Dividends paid to non-controlling interests | | – | – | – | – | **–** | **(1)** | **(1)** |
| Issued share capital | | – | – | – | – | **–** | **12** | **12** |
| Acquisition of subsidiaries | | – | – | – | – | **–** | **18** | **18** |
| **Total transactions with shareholders** | | **–** | **–** | **7** | **(300)** | **(293)** | **(27)** | **(320)** |
| **At 31 March 2025** | | **80** | **319** | **30** | **6,085** | **6,514** | **18** | **6,532** |

| | | Attributable to shareholders | | | | | Company |
|---|---|---|---|---|---|---|---|
| | Notes | Ordinary shares £m | Share premium £m | Other reserves £m | Merger reserve £m | Retained earnings[1] £m | Total equity £m |
| At 1 April 2023 | | 80 | 318 | 13 | 374 | 2,625 | 3,410 |
| Total comprehensive income for the financial year | | – | – | – | – | 280 | 280 |
| **Transactions with shareholders:** | | | | | | | |
| Share-based payments | 37 | – | 1 | 10 | – | – | 11 |
| Dividends paid to shareholders | 11 | – | – | – | – | (291) | (291) |
| **Total transactions with shareholders** | | – | 1 | 10 | – | (291) | (280) |
| At 31 March 2024 | | 80 | 319 | 23 | 374 | 2,614 | 3,410 |
| Total comprehensive income for the financial year | | **–** | **–** | **–** | **–** | **497** | **497** |
| **Transactions with shareholders:** | | | | | | | |
| Share-based payments | 37 | **–** | **–** | **7** | **–** | **(3)** | **4** |
| Dividends paid to shareholders | 11 | **–** | **–** | **–** | **–** | **(297)** | **(297)** |
| **Total transactions with shareholders** | | **–** | **–** | **7** | **–** | **(300)** | **(293)** |
| **At 31 March 2025** | | **80** | **319** | **30** | **374** | **2,811** | **3,614** |

1. Available for distribution.

# STATEMENTS OF CASH FLOWS
## FOR THE YEAR ENDED 31 MARCH 2025

| | Notes | Group 2025 £m | Group 2024 £m | Company 2025 £m | Company 2024 £m |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Net cash generated from operations | 13 | **381** | 429 | **–** | – |
| Interest received | | **23** | 24 | **–** | – |
| Interest paid | | **(144)** | (101) | **–** | – |
| Rents paid | | **(12)** | (14) | **–** | – |
| Capital expenditure on trading properties | | **(8)** | (19) | **–** | – |
| Disposal of trading properties | | **13** | 18 | **–** | – |
| Other operating cash flows | | **3** | 1 | **(1)** | – |
| **Net cash inflow/(outflow) from operating activities** | 13 | **256** | 338 | **(1)** | – |
| | | | | | |
| **Cash flows from investing activities** | | | | | |
| Investment property development expenditure | | **(293)** | (202) | **–** | – |
| Other investment property related expenditure | | **(163)** | (126) | **–** | – |
| Acquisition of investment properties, net of cash acquired | | **(325)** | (137) | **–** | – |
| Acquisition of subsidiaries, net of cash acquired | 43 | **(18)** | – | **–** | – |
| Disposal of investment properties | | **404** | 176 | **–** | – |
| Cash distributions from joint ventures | 16 | **12** | 17 | **–** | – |
| **Net cash outflow from investing activities** | | **(383)** | (272) | **–** | – |
| | | | | | |
| **Cash flows from financing activities** | | | | | |
| Net proceeds from new borrowings (net of finance fees) | 23 | **963** | 708 | **–** | – |
| Net repayment of borrowings | 23 | **(562)** | (427) | **–** | – |
| Net cash outflow from derivative financial instruments | 23 | **(6)** | (18) | **–** | – |
| Proceeds from non-controlling interest share capital issuance | | **12** | – | **–** | – |
| Dividends paid to shareholders of the parent | 11 | **(305)** | (291) | **–** | – |
| Dividends paid to non-controlling interests | | **(1)** | – | **–** | – |
| Increase in monies held in restricted accounts and deposits | | **(14)** | (2) | **–** | – |
| Other financing cash flows | | **1** | 1 | **–** | – |
| **Net cash inflow/(outflow) from financing activities** | | **88** | (29) | **–** | – |
| | | | | | |
| (Decrease)/increase in cash and cash equivalents for the year | | **(39)** | 37 | **(1)** | – |
| Cash and cash equivalents at the beginning of the year | | **78** | 41 | **2** | 2 |
| **Cash and cash equivalents at the end of the year** | 25 | **39** | 78 | **1** | 2 |

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

## SECTION 1 – GENERAL

This section contains a description of the Group's significant accounting policies that relate to the financial statements as a whole. A description of accounting policies specific to individual areas (e.g. investment properties) is included within the relevant note to the financial statements.

This section also includes a summary of new accounting standards, amendments and interpretations that have been applied in the year and those not yet adopted, and their actual or expected impact on the reported results of the Group.

## 1› BASIS OF PREPARATION AND CONSOLIDATION

### BASIS OF PREPARATION

These financial statements have been prepared on a going concern basis and in accordance with UK adopted international accounting standards (IFRSs and IFRICs), and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006. The financial statements have been prepared in Pounds Sterling (rounded to the nearest one million), which is the presentation currency of the Group (Land Securities Group PLC and all its subsidiary undertakings), and under the historical cost convention as modified by the revaluation of investment property, financial assets at fair value through profit or loss, derivative financial instruments and pension assets. As applied by the Group and the Company, there are no material differences between UK adopted international accounting standards and EU IFRS.

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Land Securities Group PLC (the Company) has not presented its own statement of comprehensive income (and separate income statement), as permitted by Section 408 of Companies Act 2006. The Merger reserve arose on 6 September 2002 when the Company acquired 100% of the issued share capital of Land Securities PLC. The Merger reserve represents the excess of the cost of acquisition over the nominal value of the shares issued by the Company to acquire Land Securities PLC. The Merger reserve does not represent a realised or distributable profit. Other reserves includes the Capital redemption reserve, which represents the nominal value of cancelled shares, the Share-based payment reserve and Own shares held by the Group.

### GOING CONCERN

Given the impact of international and domestic political and economic events over the course of the year, the Directors have continued to place additional focus on the appropriateness of adopting the going concern assumption in preparing the financial statements for the year ended 31 March 2025. The Group's going concern assessment considers changes in the Group's principal risks (see pages 41-45) and is dependent on a number of factors, including our financial performance and continued access to borrowing facilities. Access to our borrowing facilities is dependent on our ability to continue to operate the Group's secured debt structure within its financial covenants, which are described in note 23.

In order to satisfy themselves that the Group has adequate resources to continue as a going concern for the foreseeable future, the Directors have reviewed the base case, downside and reverse stress test models, as well as a cash flow model which considers the impact of pessimistic assumptions on the Group's operating environment (the 'mitigated downside scenario'). This mitigated downside scenario reflects unfavourable macroeconomic conditions, a deterioration in our ability to collect rent and service charge from our customers and removes uncommitted acquisitions, disposals and developments.

The Group's key metrics from the mitigated downside scenario as at the end of the going concern assessment period, which covers the 16 months to 30 September 2026, are shown below alongside the actual position at 31 March 2025.

| Key metrics | 31 March 2025 | Mitigated downside scenario 30 September 2026 |
|---|---|---|
| Security Group LTV | **41.9%** | 45.8% |
| Adjusted net debt | **£4,304m** | £4,769m |
| EPRA net tangible assets | **£6,530m** | £5,940m |
| Available financial headroom | **£1.1bn** | £0.7bn |

In our mitigated downside scenario, the Group has sufficient cash reserves, with our Security Group LTV ratio remaining less than 65% and interest cover above 1.45x, for a period of 16 months from the date of authorisation of these financial statements. Under this scenario, the Security Group's asset values would need to fall by a further 29% from the sensitised values forecasted at 30 September 2026 to be non-compliant with the LTV covenant. This equates to a 36% fall in the value of the Security Group's assets from the 31 March 2025 values for the LTV to reach 65%. The Directors consider the likelihood of this occurring over the going concern assessment period to be remote.

The Security Group also requires earnings before interest of at least £259m in the full year ending 31 March 2026 and at least £146m in the six-month period ending 30 September 2026 for interest cover to remain above 1.45x in the mitigated downside scenario, which would ensure compliance with the Group's covenant through to the end of the going concern assessment period. Security Group earnings post year-end 31 March 2025 are well above the level required to meet the interest cover covenant for the year ended 31 March 2026. The Directors do not anticipate a reduction in Security Group earnings over the period ending 30 September 2026 to a level that would result in a breach of the interest cover covenant.

The Directors have also considered a reverse stress-test scenario which assumes no further rent will be received, to determine when our available cash resources would be exhausted. Even under this extreme scenario, although breaching the interest cover covenant, the Group continues to have sufficient cash reserves to continue in operation throughout the going concern assessment period.

Based on these considerations, together with available market information and the Directors' knowledge and experience of the Group's property portfolio and markets, the Directors have adopted the going concern basis in preparing these financial statements for the year ended 31 March 2025.

### BASIS OF CONSOLIDATION

The consolidated financial statements for the year ended 31 March 2025 incorporate the financial statements of the Company and all its subsidiary undertakings. Subsidiary undertakings are those entities controlled by the Company. Control exists where an entity is exposed to variable returns and has the ability to affect those returns through its power over the investee.

The results of subsidiaries and joint ventures acquired or disposed of during the year are included from the effective date of acquisition or to the effective date of disposal. Accounting policies of subsidiaries and joint ventures which differ from Group accounting policies are adjusted on consolidation.

Where instruments in a subsidiary held by third parties are redeemable at the option of the holder, these interests are classified as a financial liability, called the redemption liability. The liability is carried at fair value; the value is reassessed at the balance sheet date and movements are recognised in the income statement.

Where equity in a subsidiary is not attributable, directly or indirectly, to the shareholders of the parent, this is classified as a non-controlling interest. Total comprehensive income or loss and the total equity of the Group are attributed to the shareholders of the parent and to the non-controlling interests according to their respective ownership percentages. When the proportion of equity held by the non-controlling interest changes, the Group will adjust the carrying amounts of equity attributable to the shareholders of the parent and non-controlling interest to reflect the changes in their relative interests in the subsidiary. The Group shall recognise directly in equity any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received, and attribute it to the shareholders of the parent.

Joint arrangements are those entities over whose activities the Group has joint control, established by contractual agreement. Interests in joint arrangements are accounted for as either a joint venture or a joint operation. A joint arrangement is accounted for as a joint venture when the Group, along with the other parties that have joint control of the arrangement, have rights to the net assets of the arrangement. Interests in joint ventures are equity accounted. The equity method requires the Group's share of the joint venture's post-tax profit or loss for the year to be presented separately in the income statement and the Group's share of the joint venture's net assets to be presented separately in the balance sheet. A joint arrangement is accounted for as a joint operation when the Group, along with the parties that have joint control of the arrangement, have rights to the assets and obligations for the liabilities relating to the arrangement. Joint operations are accounted for by including the Group's share of the assets, liabilities, income and expenses on a line-by-line basis.

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint ventures are eliminated to the extent of the Group's interest in the joint venture concerned. Unrealised losses are eliminated in the same way, but only to the extent that there is no evidence of impairment.

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

## 2›SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES
The preparation of financial statements in conformity with IFRS requires management to exercise judgement in applying the Group's accounting policies. The areas where the Group considers the judgements to be most significant involve assumptions or key estimates in respect of future events, where actual results may differ from these estimates. These key estimates are deemed to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Other sources of estimation uncertainties identified below are estimates deemed to have a lower risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### JUDGEMENTS
- Recognising revenue where property management activities are performed by a third party (note 6)
- Compliance with the Real Estate Investment Trust (REIT) taxation regime and the recognition of deferred tax assets and liabilities (note 12)
- Accounting for certain property acquisitions and disposals (note 14)
- Accounting for acquisitions of non-controlling interests (note 43)

### KEY ESTIMATES
- Valuation of investment properties (note 14)

### OTHER SOURCES OF ESTIMATION UNCERTAINTIES
- Valuation of trading properties and owner-occupied property (note 15 and note 20)
- Impairment of trade receivables (note 28)
- Estimation of provisions (note 35)

In preparing the financial statements, the Group has considered the impact of climate change, taking into account the relevant disclosures in the Strategic Report, including those made in accordance with the recommendations of the Taskforce on Climate-related Financial Disclosure (TCFD). These considerations included the limited exposure in terms of our investment properties, as we fully costed and committed to invest £135m to achieve our science-based target by 2030 (note this cost will fluctuate year-on-year as we account for changes in inflation and portfolio composition). Related capital expenditure and the expected impact on ERVs associated with this commitment have been factored within property valuations. On this basis, the Group has concluded that climate change did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that this is not expected to have a significant impact on the Group's going concern or viability assessment.

## 3›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 as listed below:

- Amendments to IAS 1 – Classification of liabilities as current or non current and Non-current Liabilities with Covenants
- Amendments to IFRS 16 – Lease liability in a sale and leaseback
- Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier finance arrangements

There has been no material impact on the financial statements of adopting any new standards, amendments and interpretations.

### AMENDMENTS TO IFRS
A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the Group as listed below:

- Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture
- Amendments to IAS 21 – Lack of exchangeability
- IFRS 18 – Presentation and Disclosure in Financial Statements
- Amendments to IFRS 7 and IFRS 9 – Classification and measurement of financial instruments and for Power Purchase Agreements

The Group 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 Group's financial statements. The Group intends to adopt these new standards, amendments and interpretations, if applicable, when they become effective.

## SECTION 2 – PERFORMANCE

This section focuses on the performance of the Group for the year, including segmental information, earnings per share and net assets per share, together with further details on specific components of the income statement and dividends paid.

Our property portfolio is a combination of properties that are wholly owned by the Group, part owned through joint arrangements and properties owned by the Group but where a third party holds a non-controlling interest. Internally, management review the results of the Group on a basis that adjusts for these different forms of ownership to present a proportionate share. The Combined Portfolio, with assets totalling **£10.9bn**, is an example of this approach, reflecting the economic interest we have in our properties regardless of our ownership structure. The Combined Portfolio comprises the investment properties, owner-occupied property and non-current assets held-for-sale of the Group's subsidiaries, on a proportionately consolidated basis when not wholly owned, together with our share of investment properties held in our joint ventures. We consider this presentation provides further understanding to stakeholders of the activities and performance of the Group, as it aggregates the results of all of the Group's property interests which under IFRS are required to be presented across a number of line items in the statutory financial statements.

The same principle is applied to many of the other measures we discuss and, accordingly, a number of our financial measures include the results of our joint ventures and subsidiaries on a proportionate basis. Measures that are described as being presented on a proportionate basis include the Group's share of joint ventures on a line-by-line basis and are adjusted to exclude the non-owned elements of our subsidiaries. This is in contrast to the Group's statutory financial statements, where the Group's interest in joint ventures is presented as one line on the income statement and balance sheet, and all subsidiaries are consolidated at 100% with any non-owned element being adjusted as a non-controlling interest or redemption liability, as appropriate. Our joint operations are presented on a proportionate basis in all financial measures.

EPRA earnings is an alternative performance measure and is the Group's alternative measure of the underlying pre-tax profit of the property rental business. EPRA earnings excludes all items of a capital nature, such as valuation movements and profits and losses on the disposal of investment properties, as well as exceptional items. The Group believes that EPRA earnings provides additional understanding of the Group's operational performance to shareholders and other stakeholder groups. A full definition of EPRA earnings is given in the Glossary. The components of EPRA earnings are presented on a proportionate basis in note 4.

Our income statement has two key components: the income we generate from leasing our investment properties net of associated costs (including interest expense), which we refer to as EPRA earnings, and items not directly related to the underlying rental business, principally valuation changes, profits or losses on the disposal of properties, refinancing activity and exceptional items, which we refer to as Capital and other items. Our income statement is presented in a columnar format, split into those items that relate to EPRA earnings and Capital and other items. The total column represents the Group's results presented in accordance with IFRS; the other columns provide additional information. We believe EPRA earnings provides further understanding of the results of the Group's operational performance to stakeholders as it focuses on the rental income performance of the business and excludes Capital and other items which can vary significantly from year to year.

## 4 › SEGMENTAL INFORMATION

The Group's operations are all in the UK and are managed across four operating segments, being Central London, Major retail destinations (Major retail), Mixed-use urban neighbourhoods (Mixed-use urban) and Subscale sectors.

The Central London segment includes all assets geographically located within Central London. Major retail destinations includes all regional shopping centres and shops outside London and our outlets. The Mixed-use urban segment includes those assets where we see the most potential for capital investment. Subscale sectors mainly includes assets that will not be a focus for capital investment and consists of leisure assets, retail parks and previously hotel assets which were disposed during the current financial year.

Management has determined the Group's operating segments based on the information reviewed by Senior Management to make strategic decisions. The chief operating decision maker is the Executive Leadership Team (ELT), comprising the Executive Directors and the Managing Directors. The information presented to ELT includes reports from all functions of the business as well as strategy, financial planning, succession planning, organisational development and Group-wide policies.

The Group's primary measure of underlying profit before tax is EPRA earnings. However, Segment net rental income is the lowest level to which the profit arising from the ongoing operations of the Group is analysed between the four segments. The administrative costs, which are predominantly staff costs for centralised functions, are all treated as administrative expenses and are not allocated to individual segments.

The Group manages its financing structure, with the exception of joint ventures and non-wholly owned subsidiaries, on a pooled basis. Individual joint ventures and non-wholly owned subsidiaries may have specific financing arrangements in place. Debt facilities and finance expenses, including those of joint ventures, are managed centrally and are therefore not attributed to a particular segment. Unallocated income and expenses are items incurred centrally which are not directly attributable to one of the segments.

All items in the segmental information note are presented on a proportionate basis.

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

## 4 › SEGMENTAL INFORMATION CONTINUED
### SEGMENTAL RESULTS

| EPRA EARNINGS | | | | | 2025 | | | | | 2024[2] |
|---|---|---|---|---|---|---|---|---|---|---|
| | Central London £m | Major retail £m | Mixed-use urban £m | Subscale sectors £m | Total £m | Central London £m | Major retail £m | Mixed-use urban £m | Subscale sectors £m | Total £m |
| Rental income | 302 | 207 | 54 | 72 | 635 | 294 | 188 | 58 | 112 | 652 |
| Finance lease interest | – | – | – | 1 | 1 | – | – | – | 1 | 1 |
| **Gross rental income (before rents payable)** | 302 | 207 | 54 | 73 | 636 | 294 | 188 | 58 | 113 | 653 |
| Rents payable[1] | (3) | (8) | – | (1) | (12) | (3) | (7) | (1) | (1) | (12) |
| **Gross rental income (after rents payable)** | 299 | 199 | 54 | 72 | 624 | 291 | 181 | 57 | 112 | 641 |
| Service charge income[3] | 67 | 70 | 18 | 10 | 165 | 59 | 53 | 11 | – | 123 |
| Service charge expense | (69) | (74) | (22) | (11) | (176) | (63) | (60) | (14) | (2) | (139) |
| Net service charge expense | (2) | (4) | (4) | (1) | (11) | (4) | (7) | (3) | (2) | (16) |
| Other property related income[3] | 23 | 8 | 4 | 1 | 36 | 20 | 11 | 4 | 3 | 38 |
| Direct property expenditure | (46) | (41) | (16) | (6) | (109) | (43) | (42) | (16) | (18) | (119) |
| Other operating income | – | – | 10 | – | 10 | – | – | – | – | – |
| Other operating expense | – | – | (9) | – | (9) | – | – | – | – | – |
| Movement in bad and doubtful debts provision | 1 | 4 | 4 | 2 | 11 | (1) | 8 | – | (1) | 6 |
| **Segment net rental income** | 275 | 166 | 43 | 68 | 552 | 263 | 151 | 42 | 94 | 550 |
| Other income | | | | | 1 | | | | | 1 |
| Administrative expense | | | | | (71) | | | | | (74) |
| Depreciation | | | | | (3) | | | | | (4) |
| **EPRA earnings before interest** | | | | | 479 | | | | | 473 |
| Finance income | | | | | 15 | | | | | 11 |
| Finance expense | | | | | (109) | | | | | (102) |
| Joint venture net finance expense | | | | | (11) | | | | | (11) |
| **EPRA earnings attributable to shareholders of the parent** | | | | | 374 | | | | | 371 |

1. Included within rents payable is lease interest payable of **£8m** (2024: £4m) across the four segments.
2. A reconciliation from the Group income statement to the information presented in the segmental results table for the year ended 31 March 2024 is included in table 73.
3. Current year balances reflect a reclassification of joint venture service charge management fee income from other property related income to service charge income of £3m. While the comparatives have not been restated, the equivalent reclassification would have been £3m.

The following table reconciles the Group's income statement to the segmental results.

## RECONCILIATION OF SEGMENTAL INFORMATION NOTE TO STATUTORY REPORTING

| | Year ended 31 March 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Group income statement £m | Joint Ventures[1] £m | Adjustment for non-wholly owned subsidiaries[2] £m | Total £m | EPRA earnings £m | Capital and other items £m |
| Rental income | 600 | 39 | (4) | 635 | 635 | – |
| Finance lease interest | 1 | – | – | 1 | 1 | – |
| **Gross rental income (before rents payable)** | **601** | **39** | **(4)** | **636** | **636** | – |
| Rents payable | (11) | (1) | – | (12) | (12) | – |
| **Gross rental income (after rents payable)** | **590** | **38** | **(4)** | **624** | **624** | **–** |
| Service charge income[4] | 155 | 11 | (1) | 165 | 165 | – |
| Service charge expense | (165) | (12) | 1 | (176) | (176) | – |
| Net service charge expense | (10) | (1) | – | (11) | (11) | – |
| Other property related income[4] | 35 | 2 | (1) | 36 | 36 | – |
| Direct property expenditure | (104) | (6) | 1 | (109) | (109) | – |
| Other operating income | 10 | – | – | 10 | 10 | – |
| Other operating expense | (9) | – | – | (9) | (9) | – |
| Movement in bad and doubtful debts provision | 9 | 2 | – | 11 | 11 | – |
| **Segment net rental income** | **521** | **35** | **(4)** | **552** | **552** | **–** |
| Other income | 1 | – | – | 1 | 1 | – |
| Administrative expense | (71) | – | – | (71) | (71) | – |
| Depreciation, including amortisation of software | (3) | – | – | (3) | (3) | – |
| **EPRA earnings before interest** | **448** | **35** | **(4)** | **477** | **479** | **–** |
| Share of post-tax profit/(loss) from joint ventures | 37 | (37) | – | – | – | – |
| (Loss)/profit on disposal of investment properties[3] | (15) | 3 | – | (12) | – | (12) |
| Loss on disposal of trading properties | (6) | – | – | (6) | – | (6) |
| Net surplus on revaluation of investment properties | 91 | 13 | 3 | 107 | – | 107 |
| Net development contract and transaction income/(expenditure) | 3 | (2) | – | 1 | – | 1 |
| Reversal of impairment of amounts due from joint ventures | 1 | – | – | 1 | – | 1 |
| Impairment of goodwill | (22) | – | – | (22) | – | (22) |
| Impairment of trading properties | (4) | – | – | (4) | – | (4) |
| Depreciation | (1) | – | – | (1) | – | (1) |
| Other costs | (6) | (1) | – | (7) | – | (7) |
| **Operating profit/(loss)** | **526** | **11** | **(1)** | **536** | **479** | **57** |
| Finance income | 15 | – | – | 15 | 15 | – |
| Finance expense | (148) | (11) | 1 | (158) | (120) | (38) |
| **Profit before tax** | **393** | **–** | **–** | **393** | **374** | **19** |
| Taxation | 3 | – | – | 3 | | |
| **Profit for the year** | **396** | **–** | **–** | **396** | | |

1. Reallocation of the share of post-tax profit from joint ventures reported in the Group income statement to the individual line items reported in the segmental results table.
2. Removal of the non-wholly owned share of results of the Group's subsidiaries. The non-wholly owned subsidiaries are consolidated at 100% in the Group's income statement, but only the Group's share is included in EPRA earnings reported in the segmental results table. The non-owned element of the Group's subsidiaries are included in the 'Capital and other items' column presented in the Group's income statement, together with items not directly related to the underlying rental business such as investment properties valuation changes, profits or losses on the disposal of investment properties, the proceeds from, and costs of, the sale of trading properties, income from and costs associated with development contracts, amortisation and impairment of intangibles, and other attributable costs, arising on business combinations.
3. Included in the loss on disposal of investment properties is a **£1m** charge (2024: £2m charge) related to the provision for fire safety remediation works on properties no longer owned by the Group but for which the Group is responsible for remediating under the Building Safety Act 2022.
4. Current year balances reflect a reclassification of joint venture service charge management fee income from other property related income to service charge income of £3m. While the comparatives have not been restated in table 73, the equivalent reclassification would have been £3m.

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

## 5›PERFORMANCE MEASURES

In the tables below, we present earnings per share attributable to shareholders of the parent, calculated in accordance with IFRS, and net assets per share attributable to shareholders of the parent together with certain measures defined by the European Public Real Estate Association (EPRA), which have been included to assist comparison between European property companies. Three of the Group's key financial performance measures are EPRA earnings per share, EPRA Net Tangible Assets per share and Total return on equity. Refer to table 53 in the Business analysis section for further details on these alternative performance measures.

EPRA earnings, which is a tax adjusted measure of underlying earnings, is the basis for the calculation of EPRA earnings per share. We believe EPRA earnings and EPRA earnings per share provide further insight into the results of the Group's operational performance to stakeholders as they focus on the rental income performance of the business and exclude Capital and other items which can vary significantly from year to year.

| EARNINGS PER SHARE | Year ended 31 March 2025 | | Year ended 31 March 2024 | |
|---|---|---|---|---|
| | Profit for the year £m | EPRA earnings £m | Loss for the year £m | EPRA earnings £m |
| Profit/(loss) attributable to shareholders of the parent | 396 | 396 | (319) | (319) |
| Valuation and loss on disposals | – | (84) | – | 650 |
| Net finance expense (excluded from EPRA earnings) | – | 39 | – | 20 |
| Impairment of goodwill | – | 22 | – | 1 |
| Taxation | – | (3) | – | – |
| Other | – | 4 | – | 19 |
| **Profit/(loss) used in per share calculation** | **396** | **374** | (319) | 371 |
| | IFRS | EPRA | IFRS | EPRA |
| **Basic earnings/(loss) per share** | **53.3p** | **50.3p** | (43.0)p | 50.1p |
| **Diluted earnings/(loss) per share**[1] | **53.0p** | **50.1p** | (43.0)p | 50.1p |

1. In the year ended 31 March 2024, share options are excluded from the weighted average diluted number of shares when calculating IFRS and EPRA diluted (loss)/earnings per share because they are not dilutive.

| NET ASSETS PER SHARE | 31 March 2025 | | | 31 March 2024 | | |
|---|---|---|---|---|---|---|
| | Net assets £m | EPRA NDV £m | EPRA NTA £m | Net assets £m | EPRA NDV £m | EPRA NTA £m |
| Net assets attributable to shareholders of the parent | 6,514 | 6,514 | 6,514 | 6,402 | 6,402 | 6,402 |
| Shortfall of fair value over net investment in finance leases book value | – | (8) | (8) | – | (5) | (5) |
| Other intangible asset | – | – | (2) | – | – | (2) |
| Fair value of interest-rate swaps | – | – | (1) | – | – | (22) |
| Excess of fair value of trading properties over book value | – | 27 | 27 | – | 25 | 25 |
| Shortfall of fair value of debt over book value (note 23) | – | 334 | – | – | 313 | – |
| **Net assets used in per share calculation** | **6,514** | **6,867** | **6,530** | 6,402 | 6,735 | 6,398 |
| | IFRS | EPRA NDV | EPRA NTA | IFRS | EPRA NDV | EPRA NTA |
| **Net assets per share** | **877p** | **n/a** | **n/a** | 863p | n/a | n/a |
| **Diluted net assets per share** | **872p** | **919p** | **874p** | 859p | 904p | 859p |

| NUMBER OF SHARES | 2025 | | 2024 | |
|---|---|---|---|---|
| | Weighted average million | 31 March million | Weighted average million | 31 March million |
| Ordinary shares | **752** | **752** | 751 | 752 |
| Treasury shares | **(7)** | **(7)** | (7) | (7) |
| Own shares | **(2)** | **(2)** | (3) | (3) |
| **Number of shares – basic** | **743** | **743** | 741 | 742 |
| Dilutive effect of share options | **4** | **4** | 3 | 3 |
| **Number of shares – diluted** | **747** | **747** | 744 | 745 |

Total return on equity is calculated as the cash dividends per share paid in the year plus the change in EPRA NTA per share, divided by the opening EPRA NTA per share. We consider this to be a useful measure for shareholders as it gives an indication of the total return on equity over the year.

| TOTAL RETURN ON EQUITY BASED ON EPRA NTA | Year ended 31 March 2025 pence | Year ended 31 March 2024 pence |
|---|---|---|
| Increase/(decrease) in EPRA NTA per share | **15** | (77) |
| Dividend paid per share in the year (note 11) | **40** | 39 |
| **Total return (a)** | **55** | (38) |
| EPRA NTA per share at the beginning of the year (b) | **859** | 936 |
| **Total return on equity (a/b)** | **6.4%** | (4.0)% |

## 6›REVENUE

### A ACCOUNTING POLICY

Rental income, including fixed rental uplifts, is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives being offered to occupiers to enter into a lease, such as an initial rent-free period or a cash contribution to fit-out or similar costs, are an integral part of the net consideration for the use of the property and are therefore recognised on the same straight-line basis. Where the total consideration due under a lease is modified, for example, where a concession is granted to a tenant prior to the date the conceded rent falls due, the revised total amount due under the lease is recognised on a straight-line basis over the remaining term of the lease.

Contingent rents, being lease payments that are not fixed at the inception of a lease, for example turnover rents as well as surrender premiums net of dilapidations, are considered as variable consideration and are recorded as income in the year in which they are earned. Where a single payment is received from a tenant to cover both rent and service charge, the service charge component is separated and reported as service charge income.

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

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

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

Proceeds received on the sale of trading properties are recognised when control of the property transfers to the buyer, i.e. the buyer has the ability to direct the use of the property and the right to the cash inflows and outflows generated by it. This generally occurs on unconditional exchange or on completion. If completion is expected to occur significantly after exchange or if the Group has significant outstanding obligations between exchange and completion, the Group assesses whether there are multiple performance obligations in the contract and recognises revenue as each performance obligation is satisfied.

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

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

### 6 › REVENUE CONTINUED

Revenue on development contracts is recognised over time over the period of the contract as the Group creates or enhances an asset that the customer controls. Progress towards completion of the development, by reference to the value of work completed using the costs incurred to date as a proportion of total costs expected to be incurred over the term of the contract is used as the input method.

Other income includes turnover generated from the provision of equipment, facilities and services to customers through the Group's studio and hotel operations. Revenue is recognised over time as customers obtain control of the promised goods or services, typically upon delivery or as services are rendered.

#### S SIGNIFICANT ACCOUNTING JUDGEMENT

For those properties where the property management activities are performed by a third party, the Group considers the third party to be the principal delivering the service. The key factors considered by the Group when making this judgement include the following responsibilities of the third party:

- selecting suppliers and ensuring all services are delivered
- establishing prices and seeking efficiencies
- risk management and compliance

In addition, the residual rights residing with the Group are generally protective in nature.

All revenue is classified within the 'EPRA earnings' column of the income statement, with the exception of proceeds from the sale of trading properties, income from development contracts or transactions and the non-owned element of the Group's subsidiaries which are presented in the 'Capital and other items' column.

| | | | 2025 | | | 2024 |
|---|---|---|---|---|---|---|
| | EPRA earnings £m | Capital and other items £m | Total £m | EPRA earnings £m | Capital and other items £m | Total £m |
| Rental income (excluding adjustment for lease incentives) | 563 | 4 | 567 | 598 | 8 | 606 |
| Adjustment for lease incentives | 33 | – | 33 | 16 | – | 16 |
| **Rental income** | **596** | **4** | **600** | 614 | 8 | 622 |
| Service charge income[1] | 154 | 1 | 155 | 115 | 2 | 117 |
| Trading property sales proceeds | – | 22 | 22 | – | 26 | 26 |
| Other property related income[1] | 34 | 1 | 35 | 35 | – | 35 |
| Finance lease interest | 1 | – | 1 | 1 | – | 1 |
| Development contract and transaction income | – | 17 | 17 | – | 22 | 22 |
| Other operating income | 10 | – | 10 | – | – | – |
| Other income | 2 | – | 2 | 1 | – | 1 |
| **Revenue per the income statement** | **797** | **45** | **842** | 766 | 58 | 824 |

1. Current year balances reflect a reclassification of joint venture service charge management fee income from other property related income to service charge income of £3m. While the comparatives have not been restated, the equivalent reclassification would have been £3m.

The following table reconciles revenue per the income statement to the individual components of revenue presented in note 4.

| | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | Group £m | Joint ventures £m | Adjustment for non-wholly owned subsidiaries £m | Total | Group £m | Joint ventures £m | Adjustment for non-wholly owned subsidiaries £m | Total |
| Rental income | **600** | **39** | **(4)** | **635** | 622 | 38 | (8) | 652 |
| Service charge income[1] | **155** | **11** | **(1)** | **165** | 117 | 8 | (2) | 123 |
| Other property related income[1] | **35** | **2** | **(1)** | **36** | 35 | 3 | – | 38 |
| Finance lease interest | **1** | **–** | **–** | **1** | 1 | – | – | 1 |
| Other operating income | **10** | **–** | **–** | **10** | – | – | – | – |
| Other income | **2** | **–** | **(1)** | **1** | 1 | – | – | 1 |
| **Revenue in the segmental information note** | **803** | **52** | **(7)** | **848** | 776 | 49 | (10) | 815 |
| Development contract and transaction income | **17** | **–** | **–** | **17** | 22 | – | – | 22 |
| Trading property sales proceeds | **22** | **–** | **–** | **22** | 26 | – | – | 26 |
| **Revenue including Capital and other items** | **842** | **52** | **(7)** | **887** | 824 | 49 | (10) | 863 |

1. Current year balances reflect a reclassification of joint venture service charge management fee income from other property related income to service charge income of £3m. While the comparatives have not been restated, the equivalent reclassification would have been £3m.

## 7 › COSTS

### A ACCOUNTING POLICY

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the income statement 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.

Rents payable reflect amounts due under head leases. Where rents payable are variable, and do not depend on an index or rate, the payments are recognised in the income statement as incurred. Where these rents are fixed, or in-substance fixed, at the inception of the agreement, or become fixed or in-substance fixed at some point over the life of the agreement, an asset representing the right to use the underlying land and a corresponding liability for the present value of the minimum future lease payments are recognised on the Group's balance sheet within Investment properties and borrowings respectively.

All costs are classified within the 'EPRA earnings' column of the income statement, with the exception of the cost of sale of trading properties, costs arising on development contracts or transactions, amortisation and impairments of intangible assets, and other attributable costs, arising on business combinations and the non-owned element of the Group's subsidiaries which are presented in the 'Capital and other items' column.

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

### 7›COSTS CONTINUED

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **EPRA earnings £m** | **Capital and other items £m** | **Total £m** | EPRA earnings £m | Capital and other items £m | Total £m |
| Rents payable | **11** | **–** | **11** | 11 | – | 11 |
| Service charge expense | **164** | **1** | **165** | 130 | 3 | 133 |
| Direct property expenditure | **103** | **1** | **104** | 113 | 1 | 114 |
| Movement in bad and doubtful debts provision | **(9)** | **–** | **(9)** | (6) | – | (6) |
| Administrative expenses | **71** | **–** | **71** | 73 | – | 73 |
| Impairment of trading properties | **–** | **4** | **4** | – | 11 | 11 |
| Cost of trading property disposals | **–** | **28** | **28** | – | 26 | 26 |
| Development contract and transaction expenditure | **–** | **14** | **14** | – | 40 | 40 |
| Depreciation, including amortisation of software | **3** | **1** | **4** | 4 | 2 | 6 |
| (Reversal)/impairment of amounts due from joint ventures | **–** | **(1)** | **(1)** | – | 2 | 2 |
| Impairment of goodwill | **–** | **22** | **22** | – | 1 | 1 |
| Fair value gain on remeasurement of investment | **–** | **–** | **–** | – | (3) | (3) |
| Other operating expense | **9** | **–** | **9** | – | – | – |
| Other costs | **–** | **7** | **7** | – | 1 | 1 |
| **Total costs per the income statement** | **352** | **77** | **429** | 325 | 84 | 409 |

The following table reconciles costs per the income statement to the individual components of costs presented in note 4.

| | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Group £m** | **Joint ventures £m** | **Adjustment for non-wholly owned subsidiaries £m** | **Total £m** | Group £m | Joint ventures £m | Adjustment for non-wholly owned subsidiaries £m | Total £m |
| Rents payable | **11** | **1** | **–** | **12** | 11 | 1 | – | 12 |
| Service charge expense | **165** | **12** | **(1)** | **176** | 133 | 9 | (3) | 139 |
| Direct property expenditure | **104** | **6** | **(1)** | **109** | 114 | 6 | (1) | 119 |
| Administrative expenses | **71** | **–** | **–** | **71** | 73 | 1 | – | 74 |
| Depreciation, including amortisation of software | **3** | **–** | **–** | **3** | 4 | – | – | 4 |
| Movement in bad and doubtful debts provision | **(9)** | **(2)** | **–** | **(11)** | (6) | – | – | (6) |
| **Costs in the segmental information note** | **345** | **17** | **(2)** | **360** | 329 | 17 | (4) | 342 |
| Impairment of trading properties | **4** | **–** | **–** | **4** | 11 | – | – | 11 |
| Cost of trading property disposals | **28** | **–** | **–** | **28** | 26 | – | – | 26 |
| Development contract and transaction expenditure | **14** | **2** | **–** | **16** | 40 | – | – | 40 |
| Depreciation | **1** | **–** | **–** | **1** | 2 | – | – | 2 |
| (Reversal)/impairment of amounts due from joint ventures | **(1)** | **–** | **–** | **(1)** | 2 | – | – | 2 |
| Impairment of goodwill | **22** | **–** | **–** | **22** | 1 | – | – | 1 |
| Fair value gain on remeasurement of investment | **–** | **–** | **–** | **–** | (3) | – | – | (3) |
| Other operating expense | **9** | **–** | **–** | **9** | – | – | – | – |
| Other costs | **7** | **–** | **–** | **7** | 1 | – | – | 1 |
| **Costs including Capital and other items** | **429** | **19** | **(2)** | **446** | 409 | 17 | (4) | 422 |

The Group's costs include employee costs for the year of **£92m** (2024: £83m), of which **£9m** (2024: £7m) is within service charge expense, **£67m** (2024: £62m) is within administrative expenses and **£16m** (2024: £14m) is within direct property expenditure.

| EMPLOYEE COSTS | 2025 £m | 2024 £m |
|---|---|---|
| Salaries and wages | **71** | 63 |
| Employer payroll taxes | **10** | 8 |
| Other employee costs | **5** | 4 |
| Share-based payments (note 37) | **6** | 8 |
| | **92** | 83 |

| | 2025 Number | 2024 Number |
|---|---|---|
| **The average monthly number of employees during the year was:** | | |
| Indirect property or contract and administration | **394** | 382 |
| Direct property or contract services: | | |
| Full-time | **291** | 204 |
| Part-time | **19** | 12 |
| | **704** | 598 |

With the exception of the Executive Directors who are employed by Land Securities Group PLC, all employees are employed by subsidiaries of the Group. The employee costs for Land Securities Group PLC are borne by another Group company.

During the year, **none** (2024: none) of the Executive Directors had retirement benefits accruing under the defined benefit scheme. Information on Directors' emoluments share options and interests in the Company's shares is given in the Directors' Remuneration Report on pages 69-79.

Details of the employee costs associated with the Group's key management personnel are included in note 41.

## 8›AUDITOR REMUNERATION

| | 2025 £m | 2024 £m |
|---|---|---|
| **Services provided by the Group's auditor** | | |
| Audit fees: | | |
| Audit of parent company and consolidated financial statements | **1.3** | 1.3 |
| Audit of subsidiary undertakings | **0.8** | 1.2 |
| Audit of joint ventures | **0.1** | 0.1 |
| | **2.2** | 2.6 |
| Non-audit fees: | | |
| Other assurance services | **0.3** | 0.4 |
| | **2.5** | 3.0 |

It is the Group's policy to employ the Group's auditor on assignments additional to their statutory duties where their expertise and experience with the Group are important. Where appropriate the Group seeks tenders for services. If fees for an assignment are expected to be greater than £25,000, they are pre-approved by the Audit Committee.

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

## 9 › EXTERNAL VALUERS' REMUNERATION

| | 2025 £m | 2024 £m |
|---|---|---|
| **Services provided by the Group's external valuers** | | |
| Year-end and half-yearly valuations – Group | **1.3** | 1.2 |
| – Joint ventures | **0.1** | 0.1 |
| Other consultancy and agency services – CBRE | **3.6** | 2.6 |
| – JLL | **0.5** | 0.8 |
| | **5.5** | 4.7 |

CBRE Limited (CBRE) and Jones Lang LaSalle Limited (JLL) are the Group's principal valuers. The fee arrangements with CBRE and JLL for the valuation of the Group's properties is fixed, subject to an adjustment for acquisitions and disposals. The fees of both CBRE and JLL have been included in the table above. CBRE and JLL undertake other consultancy and agency work on behalf of the Group. CBRE and JLL have confirmed to us that the total fees paid by the Group represented less than 5% of their total revenues from all clients in both the current and prior year.

## 10 › NET FINANCE EXPENSE

| | | | 2025 | | | 2024 |
|---|---|---|---|---|---|---|
| | EPRA earnings £m | Capital and other items £m | Total £m | EPRA earnings £m | Capital and other items £m | Total £m |
| **Finance income** | | | | | | |
| Interest receivable from joint ventures | **11** | **–** | **11** | 11 | – | 11 |
| Other interest receivable | **4** | **–** | **4** | – | 1 | 1 |
| | **15** | **–** | **15** | 11 | 1 | 12 |
| **Finance expense** | | | | | | |
| Bond and debenture debt | **(101)** | **–** | **(101)** | (85) | – | (85) |
| Bank and other short-term borrowings | **(36)** | **(5)** | **(41)** | (35) | (2) | (37) |
| Fair value movement on derivatives | **–** | **(34)** | **(34)** | – | (22) | (22) |
| Other interest payable | **–** | **–** | **–** | (1) | – | (1) |
| | **(137)** | **(39)** | **(176)** | (121) | (24) | (145) |
| Interest capitalised in relation to properties under development | **28** | **–** | **28** | 19 | – | 19 |
| | **(109)** | **(39)** | **(148)** | (102) | (24) | (126) |
| **Net finance expense** | **(94)** | **(39)** | **(133)** | (91) | (23) | (114) |
| Joint venture net finance expense | **(11)** | | | (11) | | |
| **Net finance expense included in EPRA earnings** | **(105)** | | | (102) | | |

Lease interest payable of **£8m** (2024: £4m) is included within rents payable as detailed in note 4.

## 11 › DIVIDENDS

### A ACCOUNTING POLICY

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

All significant cash payments for the parent company, including dividend payments, are made by the Group's treasury function in accordance with the Group's financial risk management policy.

| | | Pence per share | | | Year ended 31 March | |
|---|---|---|---|---|---|---|
| | Payment date | PID | Non-PID | Total | 2025 £m | 2024 £m |
| For the year ended 31 March 2023: | | | | | | |
| Third interim | 6 April 2023 | 9.00 | – | 9.00 | | 67 |
| Final | 21 July 2023 | 12.00 | – | 12.00 | | 89 |
| For the year ended 31 March 2024: | | | | | | |
| First interim | 6 October 2023 | 9.00 | – | 9.00 | | 67 |
| Second interim | 2 January 2024 | 9.20 | – | 9.20 | | 68 |
| Third interim | **12 April 2024** | **9.30** | **–** | **9.30** | **69** | |
| Final | **26 July 2024** | **12.10** | **–** | **12.10** | **90** | |
| For the year ended 31 March 2025: | | | | | | |
| First interim | **4 October 2024** | **9.20** | **–** | **9.20** | **68** | |
| Second interim | **8 January 2025** | **–** | **9.40** | **9.40** | **70** | |
| **Gross dividends** | | | | | **297** | 291 |
| | | | | | | |
| **Dividends in the statement of changes in equity** | | | | | **297** | 291 |
| Timing difference on payment of withholding tax | | | | | **8** | – |
| **Dividends in the statement of cash flows** | | | | | **305** | 291 |

The third quarterly interim dividend of **9.5 pence** per ordinary share, or **£71m** in total (2024: 9.3 pence or £69m in total), was paid on 11 April 2025 as a Property Income Distribution (PID). The Board has recommended a final dividend for the year ended 31 March 2025 of **12.3 pence** per ordinary share (2024: 12.1 pence) to be paid as a PID. This final dividend will result in a further estimated distribution of **£92m** (2024: £90m). Subject to shareholders' approval at the Annual General Meeting, the final dividend will be paid on 25 July 2025 to shareholders registered at the close of business on 13 June 2025.

The total dividend paid and recommended in respect of the year ended 31 March 2025 is **40.4 pence** per ordinary share (2024: 39.6 pence) resulting in a total estimated distribution of **£301m** (2024: £294m).

For the year ending 31 March 2026, the Group will pay two half-yearly dividends, likely to be in January 2026 and July 2026.

A Dividend Reinvestment Plan (DRIP) has been available in respect of all dividends paid during the year. The last day for DRIP elections for the final dividend is close of business on 27 June 2025.

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

## 12 › INCOME TAX

### A ACCOUNTING POLICY

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.

### S SIGNIFICANT ACCOUNTING JUDGEMENT

The Group is a REIT. As a result, the Group does not pay UK corporation tax on its profits and gains from the qualifying rental business in the UK. Non-qualifying profits and gains of the Group continue to be subject to corporation tax as normal. In order to maintain Group REIT status, certain ongoing criteria must be met. The main criteria are as follows:

- at the start of each accounting period, the assets of the tax exempt business must be at least 75% of the total value of the Group's assets
- at least 75% of the Group's total profits must arise from the tax exempt business
- at least 90% of the notional taxable profit of the property rental business must be distributed

The Directors intend that the Group should continue as a REIT for the foreseeable future, with the result that deferred tax is no longer recognised on temporary differences relating to the property rental business.

Deferred tax assets and liabilities require management judgement in determining the amounts, if any, to be recognised. In particular, judgement is required when assessing the extent to which deferred tax assets should be recognised, taking into account the expected timing and level of future taxable income. Deferred tax assets are only recognised when management believes it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

The major components of income tax for the years ended 31 March 2025 and 2024 are:

| | 2025 £m | 2024 £m |
|---|---|---|
| **Income statement:** | | |
| Current income tax charge | **–** | – |
| Deferred income tax credit | **(3)** | – |
| **Statement of other comprehensive income:** | | |
| Deferred income tax charge/(credit) | **3** | (4) |
| **Total income tax charge/(credit) in the consolidated statement of comprehensive income** | **–** | (4) |

The tax for the year is lower than the standard rate of corporation tax in the UK of **25%** (2024: 25%). The differences are explained as below.

| | 2025 £m | 2024 £m |
|---|---|---|
| **Profit/(loss) before tax** | **393** | (341) |
| | | |
| Profit/(loss) before tax multiplied by the rate of corporation tax in the UK of 25% (2024: 25%) | **98** | (85) |
| Adjustment for exempt property rental (profits)/losses and revaluations in the year | **(110)** | 91 |
| | **(12)** | 6 |
| Effects of: | | |
| Timing difference on repurchase of medium-term notes | **(11)** | (14) |
| Interest rate fair value movements and other temporary differences | **6** | 4 |
| Impairment of goodwill | **5** | – |
| Revaluation of owner-occupied property | **(3)** | – |
| Non-allowable expenses and non-taxable items | **12** | – |
| Movement in unrecognised tax losses | **3** | – |
| **Total income tax charge/(credit) in the consolidated statement of comprehensive income** | **–** | (4) |

Deferred tax is calculated at the rate substantively enacted at the balance sheet date of **25%** (2024: 25%). There are unrecognised deferred tax assets on the following items due to the high degree of uncertainty as to their future utilisation by non-REIT qualifying activities.

A £3m deferred tax liability has been recognised in the statement of comprehensive income for the revaluation movement of owner-occupied property utilised against £3m of deferred tax assets arising from brought forward capital losses.

| | 2025 £m | 2024 £m |
|---|---|---|
| Revenue losses | **247** | 264 |
| Capital losses | **263** | 267 |
| Other unrecognised temporary differences | **2** | 7 |
| **Total unrecognised items** | **512** | 538 |

The other unrecognised temporary differences relate primarily to capital allowances and the fair value movement in the owner-occupied property at 31 March 2025. In the prior year, these temporary differences relate primarily to the premium paid on the redemption of the Group's medium-term notes. The premium paid was expensed in full in prior years, whereas a tax deduction is taken over the remaining term.

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

### 13 › NET CASH GENERATED FROM OPERATIONS

| RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH GENERATED FROM OPERATIONS | Group | | Company | |
|---|---|---|---|---|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| **Operating profit/(loss)** | **526** | (227) | **(329)** | (605) |
| | | | | |
| **Adjustments for:** | | | | |
| Net (surplus)/deficit on revaluation of investment properties | **(91)** | 628 | **–** | – |
| Loss on disposal of trading properties | **6** | – | **–** | – |
| Loss on disposal of investment properties | **15** | 16 | **–** | – |
| Share of profit from joint ventures | **(37)** | (2) | **–** | – |
| Share-based payment charge | **6** | 8 | **–** | – |
| Impairment of goodwill | **22** | 1 | **–** | – |
| (Reversal)/impairment of amounts due from joint ventures | **(1)** | 2 | **–** | – |
| Fair value gain on remeasurement of investment | **–** | (3) | **–** | – |
| Non-cash development contract and transaction expenditure | **1** | 26 | **–** | – |
| Impairment of investment in subsidiary | **–** | – | **302** | 578 |
| Rents payable | **11** | 11 | **–** | – |
| Depreciation and amortisation | **4** | 4 | **–** | – |
| Impairment of trading properties | **4** | 11 | **–** | – |
| | **466** | 475 | **(27)** | (27) |
| **Changes in working capital:** | | | | |
| Increase in receivables | **(128)** | (32) | **–** | – |
| Increase/(decrease) in payables and provisions | **43** | (14) | **27** | 27 |
| **Net cash generated from operations** | **381** | 429 | **–** | – |

| RECONCILIATION TO ADJUSTED NET CASH INFLOW FROM OPERATING ACTIVITIES | Group | | Company | |
|---|---|---|---|---|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Net cash inflow from operating activities | **256** | 338 | **–** | – |
| Joint ventures net cash inflow from operating activities | **4** | 15 | **–** | – |
| **Adjusted net cash inflow from operating activities[1]** | **260** | 353 | **–** | – |

1. Includes cash flows relating to the interest in Liverpool ONE (2024: MediaCity) which is not owned by the Group but is consolidated in the Group numbers.

## SECTION 3 – PROPERTIES

This section focuses on the property assets which form the core of the Group's business. It includes details of investment properties, investments in joint ventures and trading properties.

Our property portfolio is a combination of properties that are wholly owned by the Group, part owned through joint arrangements and properties owned by the Group but where a third party holds a non-controlling interest. In the Group's IFRS balance sheet, wholly owned properties and properties owed by the Group but where a third party holds a non-controlling interest are presented as either 'Investment properties' or 'Trading properties'. The Group applies equity accounting to its investments in joint ventures, which requires the Group's share of properties held by joint ventures to be presented within 'Investments in joint ventures'.

Internally, management review the results of the Group on a basis that adjusts for these forms of ownership to present a proportionate share. The Combined Portfolio, with assets totalling **£10.9bn**, is an example of this proportionate share, reflecting the economic interest we have in our properties regardless of our ownership structure. We consider this presentation provides further insight to stakeholders about the activities and performance of the Group, as it aggregates the results of all of the Group's property interests which under IFRS are required to be presented across a number of line items in the statutory financial statements.

The Group's investment properties are carried at fair value and trading properties are carried at the lower of cost and net realisable value. Both of these values are determined by the Group's external valuers. The combined value of the Group's total investment property portfolio (including the Group's share of investment properties held through joint ventures) is shown as a reconciliation in note 14.

### A ACCOUNTING POLICY

### INVESTMENT PROPERTIES

Investment properties are properties, either owned or leased by the Group, that are held either to earn rental income or for capital appreciation, or both. Investment properties are measured initially at cost including related transaction costs, and subsequently at fair value. Fair value is based on market value, as determined by a professional external valuer at each reporting date. The difference between the fair value of an investment property at the reporting date and its carrying amount prior to remeasurement is included in the income statement as a valuation surplus or deficit. Investment properties are presented on the balance sheet within non-current assets.

Some of the Group's investment properties are owned through long-leasehold arrangements, as opposed to the Group owning the freehold. Where the Group is a lessee, a right-of-use asset is recognised at the commencement date of the lease and accounted for as investment property. Initially, the cost of investment properties held under leases includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The investment properties held under leases are subsequently carried at their fair value. A corresponding liability is recorded within borrowings. Each lease payment is allocated between repayment of the liability and a finance charge to achieve a constant interest rate on the outstanding liability.

### TRADING PROPERTIES

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

### ACQUISITION OF PROPERTIES

Properties are treated as acquired when the Group assumes control of the property.

### CAPITAL EXPENDITURE AND CAPITALISATION OF BORROWING COSTS

Capital expenditure on properties consists of costs of a capital nature, including costs associated with developments and refurbishments. Where a property is being developed or undergoing major refurbishment, interest costs associated with direct expenditure on the property are capitalised. Where borrowings are specifically used to finance any capital expenditure on the properties, the actual borrowing costs incurred are capitalised. However, where borrowings are used generally to finance the operations of the Group, the interest capitalised is calculated using the Group's weighted average cost of borrowings. Interest is capitalised from the commencement of the development work until the date of practical completion. Certain internal staff and associated costs directly attributable to the management of major schemes are also capitalised. The total staff and associated costs are capitalised based on the proportion of time spent on the relevant scheme. Internal staff costs are capitalised from the date the Group determines it is probable that the development will progress until the date of practical completion.

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

### TRANSFERS BETWEEN INVESTMENT PROPERTIES AND TRADING PROPERTIES
When the Group begins to redevelop an existing investment property for continued future use as an investment property, the property continues to be held as an investment property. When the Group begins to redevelop an existing investment property with a view to sell, the property is transferred to trading properties and held as a current asset. The property is remeasured to fair value as at the date of the transfer with any gain or loss being taken to the income statement. The remeasured amount becomes the deemed cost at which the property is then carried in trading properties.

### DISPOSAL OF PROPERTIES
Properties are treated as disposed when control of the property is transferred to the buyer. Typically, this will either occur on unconditional exchange or on completion. Where completion is expected to occur significantly after exchange, or where the Group continues to have significant outstanding obligations after exchange, the control will not usually transfer to the buyer until completion.

The profit on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the beginning of the accounting period plus capital expenditure to the date of disposal. The profit on disposal of investment properties is presented separately on the face of the income statement. Proceeds received on the sale of trading properties are recognised within Revenue, and the carrying value at the date of disposal is recognised within Costs.

S SIGNIFICANT ACCOUNTING JUDGEMENT

### ACQUISITION AND DISPOSAL OF PROPERTIES
Property transactions can be complex in nature and material to the financial statements. To determine when an acquisition or disposal should be recognised, management consider whether the Group assumes or relinquishes control of the property, and the point at which this is obtained or relinquished. Consideration is given to the terms of the acquisition or disposal contracts and any conditions that must be satisfied before the contract is fulfilled. In the case of an acquisition, management must also consider whether the transaction represents an asset acquisition or business combination.

### KEY ACCOUNTING ESTIMATES AND OTHER SOURCES OF ESTIMATION UNCERTAINTY
**VALUATION OF THE GROUP'S PROPERTIES**
The valuation of the Group's property portfolio has been undertaken by independent valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards and UK Supplement (together the 'Red Book'). Real estate by its nature is a complex asset class with value determined by a range of factors overlaid by interpretation and judgemental assessment of market data; as such it is classified as 'Level 3 asset' within IFRS. Factors affecting valuation are on an individual property level and include the property type, location, tenure and tenancy characteristics, quality of the asset and prospects for future rental revenue.

The Group's investment property valuation has been undertaken by valuers interpreting market evidence as available in reaching their conclusions on Fair Value, reflecting asset specific data provided by Management, making assumptions that tenure, tenancies, town planning and condition of buildings are as provided. As a result, the valuations the Group places on its property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction volume in the property market.

The estimation of the net realisable value of the Group's trading properties, in particular the development land and infrastructure programmes, is inherently subjective due to a number of factors, including their complexity, unusually large size, the substantial expenditure required and long timescales to completion. In addition, as a result of these timescales to completion, the plans associated with these programmes could be subject to significant market variation over the course of development. As a result, and similar to the valuation of investment properties, the net realisable values of the Group's trading properties are subject to a degree of uncertainty and are determined on the basis of assumptions which may not prove to be accurate.

If the assumptions upon which the external valuer has based its valuations prove to be inaccurate, this may have an impact on the value of the Group's investment and trading properties, which could in turn have an effect on the Group's financial position and results.

## 14 › INVESTMENT PROPERTIES

| | 2025 £m | 2024 £m |
|---|---|---|
| **Net book value at the beginning of the year** | **9,330** | 9,658 |
| Acquisitions of investment properties | **642** | 144 |
| Capital expenditure | **473** | 374 |
| Capitalised interest | **27** | 19 |
| Net movement in head leases capitalised[1] | **86** | (30) |
| Disposals[2] | **(479)** | (207) |
| Net surplus/(deficit) on revaluation of investment properties | **91** | (628) |
| Transfer to property, plant and equipment (note 20) | **(26)** | – |
| Transfer to assets held-for-sale (note 44) | **(110)** | – |
| **Net book value at the end of the year** | **10,034** | 9,330 |

1. See note 23 for details of the amounts payable under head leases and note 4 for details of the rents payable in the income statement.
2. Includes impact of disposals of finance leases.

The market value of the Group's investment properties, as determined by the Group's external valuers, differs from the net book value presented in the balance sheet due to the Group presenting tenant finance leases, head leases and lease incentives separately. The following table reconciles the net book value of the investment properties to the market value.

| | | | | 2025 | | | | 2024 |
|---|---|---|---|---|---|---|---|---|
| | Group £m | Joint ventures[1] £m | Adjustment for non-wholly owned subsidiaries £m | Combined Portfolio £m | Group £m | Joint ventures[1] £m | Adjustment for non-wholly owned subsidiaries £m | Combined Portfolio £m |
| Market value | **10,125** | **636** | **(33)** | **10,728** | 9,465 | 616 | (118) | 9,963 |
| Less: properties treated as finance leases | **(12)** | **–** | **–** | **(12)** | (18) | – | – | (18) |
| Plus: head leases capitalised | **158** | **1** | **–** | **159** | 77 | 1 | – | 78 |
| Less: tenant lease incentives | **(237)** | **(29)** | **–** | **(266)** | (194) | (32) | – | (226) |
| **Net book value** | **10,034** | **608** | **(33)** | **10,609** | 9,330 | 585 | (118) | 9,797 |
| | | | | | | | | |
| **Net surplus/(deficit) on revaluation of investment properties** | **91** | **13** | **3** | **107** | (628) | (19) | 22 | (625) |

1. Refer to note 16 for a breakdown of this amount by entity.

The net book value of leasehold properties where head leases have been capitalised is **£1,761m** (2024: £1,604m).

Investment properties include capitalised interest of **£317m** (2024: £290m). The average rate of interest capitalisation for the year is **4.8%** (2024: 4.8%). The gross historical cost of investment properties is **£9,136m** (2024: £8,502m).

### VALUATION PROCESS

The fair value of investment properties at 31 March 2025 was determined by the Group's external valuers, CBRE and JLL. The valuations are in accordance with RICS standards and were arrived at by reference to market evidence of transactions for similar properties. The valuations performed by the valuers are reviewed internally by Senior Management and other relevant people within the business. This process includes discussions of the assumptions used by the valuers, as well as a review of the resulting valuations. Discussions of the valuation process and results are held between Senior Management, the Audit Committee and the valuers on a half-yearly basis.

The valuers' opinion of fair value was primarily derived using comparable recent market transactions on arm's-length terms and using appropriate valuation techniques. The fair value of investment properties is determined using the income capitalisation approach. Under this approach, forecast net cash flows, based upon existing leases and current market derived estimated rental values (market rents) together with estimated costs, are discounted at market derived capitalisation rates to produce the valuers' opinion of fair value. The average discount rate, which, if applied to all cash flows would produce the fair value, is described as the equivalent yield.

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

### 14 › INVESTMENT PROPERTIES CONTINUED

Properties in the development programme are typically valued using a residual valuation method. Under this methodology, the valuer assesses the completed development value using income and yield assumptions. Deductions are then made for estimated costs to complete, including finance and developer's profit, to arrive at the valuation. Costs include future estimated costs associated with refurbishment or development (excluding finance costs), together with an estimate of cash incentives to be paid to tenants. As the development approaches completion, the valuer may consider the income capitalisation approach to be more appropriate.

The Group considers all of its investment properties to fall within 'Level 3', as defined by IFRS 13 and as explained in note 27(iii). Accordingly, there have been no transfers of properties within the fair value hierarchy in the financial year.

The table below summarises the key unobservable inputs used in the valuation of the Group's wholly owned investment properties, and properties owned by the Group but where a third party holds a non-controlling interest, at 31 March 2025:

| | | | | | | | | | | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Market value £m | Estimated rental value £ per sq ft | | | Equivalent yield % | | | Costs £ per sq ft | | |
| | | Low | Average | High | Low | Average | High | Low | Average[1] | High |
| **Central London** | | | | | | | | | | |
| West End offices | **2,760** | **21** | **91** | **140** | **4.4%** | **5.4%** | **6.1%** | **–** | **49** | **134** |
| City offices | **1,445** | **57** | **87** | **107** | **5.9%** | **6.2%** | **7.5%** | **–** | **88** | **226** |
| Retail and other | **986** | **15** | **66** | **102** | **3.5%** | **5.0%** | **6.8%** | **–** | **33** | **237** |
| **Total Central London** | **5,191** | **15** | **85** | **140** | **3.5%** | **5.6%** | **7.5%** | **–** | **57** | **237** |
| | | | | | | | | | | |
| **Major retail** | | | | | | | | | | |
| Shopping centres | **1,836** | **8** | **12** | **39** | **6.8%** | **4.8%** | **8.7%** | **2** | **6** | **36** |
| Outlets | **626** | **49** | **53** | **56** | **6.5%** | **6.9%** | **8.1%** | **12** | **20** | **24** |
| **Total Major retail** | **2,462** | **8** | **23** | **56** | **6.5%** | **5.3%** | **8.7%** | **2** | **10** | **36** |
| | | | | | | | | | | |
| **Mixed-use urban** | | | | | | | | | | |
| London | **190** | **8** | **22** | **27** | **5.6%** | **6.6%** | **10.0%** | **–** | **22** | **34** |
| Major regional cities | **530** | **17** | **28** | **73** | **5.8%** | **7.7%** | **10.1%** | **–** | **3** | **17** |
| **Total Mixed-use urban** | **720** | **8** | **26** | **73** | **5.6%** | **7.4%** | **10.1%** | **–** | **8** | **34** |
| | | | | | | | | | | |
| **Subscale sectors** | | | | | | | | | | |
| Leisure | **392** | **6** | **13** | **19** | **6.0%** | **8.8%** | **12.2%** | **–** | **3** | **26** |
| Retails parks | **252** | **14** | **17** | **24** | **6.1%** | **6.9%** | **7.7%** | **4** | **4** | **4** |
| **Total Subscale sectors** | **644** | **6** | **15** | **24** | **6.0%** | **8.0%** | **12.2%** | **–** | **3** | **26** |
| | | | | | | | | | | |
| Developments: income capitalisation method | **137** | **60** | **128** | **155** | **5.8%** | **5.9%** | **6.0%** | **–** | **–** | **–** |
| Developments: residual method | **971** | **80** | **95** | **164** | **5.2%** | **5.2%** | **5.4%** | **–** | **–** | **–** |
| **Development programme** | **1,108** | **60** | **99** | **164** | **5.2%** | **5.3%** | **6.0%** | **–** | **–** | **–** |
| | | | | | | | | | | |
| **Market value at 31 March 2025 – Group** | **10,125** | | | | | | | | | |

1. The calculation for average costs excludes those properties which are assumed by the Group's external valuer to be substantially refurbished or redeveloped, but which do not yet form part of the development programme.

The sensitivities below illustrate the impact of changes in key unobservable inputs (in isolation) on the fair value of the Group's properties:

**SENSITIVITIES**

| 2025 | Market value £m | Impact on valuations of 5% change in estimated rental value | | Impact on valuations of 25 bps change in equivalent yield | | Impact on valuations of 5% change in costs | |
|---|---|---|---|---|---|---|---|
| | | Increase £m | Decrease £m | Decrease £m | Increase £m | Decrease £m | Increase £m |
| Total Central London (excluding developments) | 5,191 | 197 | (197) | 271 | (254) | 7 | (9) |
| Total Major retail (excluding developments) | 2,462 | 102 | (102) | 87 | (82) | 4 | (4) |
| Total Mixed-use urban (excluding developments) | 720 | 23 | (21) | 19 | (16) | 1 | (1) |
| Total Subscale sectors (excluding developments) | 644 | 23 | (21) | 23 | (22) | – | – |
| Developments: income capitalisation method | 137 | 11 | (13) | 8 | (10) | 3 | (3) |
| Developments: residual method | 971 | 109 | (109) | 120 | (109) | 81 | (76) |
| **Market value at 31 March 2025 – Group** | **10,125** | **465** | **(463)** | **528** | **(493)** | **96** | **(93)** |

The table below summarises the key unobservable inputs used in the valuation of the Group's wholly owned investment properties, and properties owned by the Group but where a third party holds a non-controlling interest, at 31 March 2024:

| 2024 | Market value £m | Estimated rental value £ per sq ft | | | Equivalent yield % | | | Costs £ per sq ft | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Low | Average | High | Low | Average | High | Low | Average[1] | High |
| **Central London** | | | | | | | | | | |
| West End offices | 2,754 | 20 | 85 | 132 | 4.3% | 5.3% | 5.8% | – | 51 | 151 |
| City offices | 1,192 | 56 | 80 | 96 | 5.8% | 6.0% | 7.5% | – | 124 | 226 |
| Retail and other | 956 | 15 | 57 | 121 | 4.5% | 5.0% | 6.5% | – | 28 | 113 |
| **Total Central London** | 4,902 | 15 | 78 | 132 | 4.3% | 5.4% | 7.5% | – | 64 | 226 |
| **Major retail** | | | | | | | | | | |
| Shopping centres | 1,059 | 10 | 17 | 39 | 7.0% | 7.9% | 9.5% | – | 5 | 12 |
| Outlets | 605 | 48 | 51 | 53 | 6.5% | 7.0% | 8.0% | 14 | 16 | 17 |
| **Total Major retail** | 1,664 | 10 | 29 | 53 | 6.5% | 7.6% | 9.5% | – | 9 | 17 |
| **Mixed-use urban** | | | | | | | | | | |
| London | 191 | 10 | 21 | 27 | 5.7% | 6.6% | 10.0% | – | 2 | 2 |
| Major regional cities | 600 | 16 | 24 | 47 | 5.7% | 7.7% | 9.7% | – | 3 | 13 |
| **Total Mixed-use urban** | 791 | 10 | 23 | 47 | 5.7% | 7.5% | 10.0% | – | 3 | 13 |
| **Subscale sectors** | | | | | | | | | | |
| Leisure | 392 | 9 | 13 | 17 | 6.3% | 8.9% | 12.1% | – | 3 | 29 |
| Hotels | 400 | 8 | 19 | 40 | 6.3% | 7.2% | 8.8% | – | – | – |
| Retails parks | 390 | 13 | 18 | 26 | 6.0% | 6.8% | 8.5% | – | 1 | 5 |
| **Total Subscale sectors** | 1,182 | 8 | 17 | 40 | 6.0% | 7.6% | 12.1% | – | 1 | 29 |
| Developments: income capitalisation method | 167 | 60 | 68 | 76 | 5.3% | 5.7% | 6.3% | – | – | – |
| Developments: residual method | 759 | 73 | 89 | 103 | 5.0% | 5.4% | 6.2% | – | – | – |
| **Development programme** | 926 | 60 | 85 | 103 | 5.0% | 5.4% | 6.3% | – | – | – |
| **Market value at 31 March 2024 – Group** | 9,465 | | | | | | | | | |

1. The calculation for average costs excludes those properties which are assumed by the Group's external valuer to be substantially refurbished or redeveloped, but which do not yet form part of the development programme.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2025 CONTINUED

### 14 › INVESTMENT PROPERTIES CONTINUED

The sensitivities illustrate the impact of changes in key unobservable inputs (in isolation) on the fair value of the Group's properties:

**SENSITIVITIES** 2024

| | Market value £m | Impact on valuations of 5% change in estimated rental value | | Impact on valuations of 25 bps change in equivalent yield | | Impact on valuations of 5% change in costs | |
|---|---|---|---|---|---|---|---|
| | | Increase £m | Decrease £m | Decrease £m | Increase £m | Decrease £m | Increase £m |
| Total Central London (excluding developments) | 4,902 | 188 | (188) | 260 | (238) | 9 | (23) |
| Total Major retail (excluding developments) | 1,664 | 68 | (68) | 58 | (55) | 4 | (4) |
| Total Mixed-use urban (excluding developments) | 791 | 24 | (22) | 22 | (20) | 4 | (3) |
| Total Subscale sectors (excluding developments) | 1,182 | 47 | (45) | 82 | (41) | – | – |
| Developments: income capitalisation method | 167 | 13 | (13) | 15 | (14) | 4 | (4) |
| Developments: residual method | 759 | 94 | (94) | 106 | (90) | 54 | (54) |
| **Market value at 31 March 2024 – Group** | 9,465 | 434 | (430) | 543 | (458) | 75 | (88) |

### 15 › TRADING PROPERTIES

| | Development land and infrastructure £m | Residential £m | Total £m |
|---|---|---|---|
| At 1 April 2023 | 98 | 20 | 118 |
| Capital expenditure | 6 | 7 | 13 |
| Capitalised interest | – | 1 | 1 |
| Disposals | (21) | – | (21) |
| Impairment provision | (11) | – | (11) |
| At 31 March 2024 | 72 | 28 | 100 |
| **Acquisitions** | **10** | **–** | **10** |
| **Capital expenditure** | **5** | **6** | **11** |
| **Capitalised interest** | **–** | **1** | **1** |
| **Disposals** | **(19)** | **(7)** | **(26)** |
| **Impairment provision** | **(4)** | **–** | **(4)** |
| **Transfer to development contract and transaction expenditure** | **(11)** | **–** | **(11)** |
| **At 31 March 2025** | **53** | **28** | **81** |

The cumulative impairment provision at 31 March 2025 in respect of Development land and infrastructure was **£31m** (2024: £36m); and in respect of Residential was **£nil** (2024: £nil).

## 16 › JOINT ARRANGEMENTS

### A ACCOUNTING POLICY

Joint arrangements are those entities over whose activities the Group has joint control, established by contractual agreement. Interests in joint arrangements are accounted for as either a joint venture or a joint operation. The treatment as either a joint venture or a joint operation will depend on whether the Group has rights to the net assets, or a direct interest in the assets and liabilities of the arrangement.

A joint arrangement is accounted for as a joint venture when the Group, along with the other parties that have joint control of the arrangement, has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method of accounting. The equity method requires the Group's share of the joint venture's post-tax profit or loss for the year to be presented separately in the income statement and the Group's share of the joint venture's net assets to be presented separately in the balance sheet.

A joint arrangement is accounted for as a joint operation when the Group, along with the parties that have joint control of the arrangement, has rights to the assets and obligations for the liabilities relating to the arrangement. The Group's share of jointly controlled assets, related liabilities, income and expenses are combined with the equivalent items in the financial statements on a line-by-line basis.

The Group's principal joint arrangements are described below:

| Joint ventures[1] | Percentage owned & voting rights[2] | Business segment | Year-end date[3] | Joint venture partner |
|---|---|---|---|---|
| **Held at 31 March 2025** | | | | |
| Nova, Victoria[4] | 50% | Central London | 31 March | Suntec Real Estate Investment Trust |
| Southside Limited Partnership | 50% | Major retail | 31 March | Invesco Real Estate European Fund |
| Westgate Oxford Alliance Limited Partnership | 50% | Major retail, Subscale sectors | 31 March | The Crown Estate Commissioners |
| Harvest[5] | 50% | Subscale sectors | 31 March | J Sainsbury plc |
| The Ebbsfleet Limited Partnership[7] | 50% | Subscale sectors | 31 March | Ebbsfleet Property Limited |
| West India Quay Unit Trust[7] | 50% | Subscale sectors | 31 March | Schroder UK Real Estate Fund |
| Mayfield[6, 7] | 50% | Mixed-use urban | 31 March | LCR Limited, Manchester City Council, Transport for Greater Manchester |
| Curzon Park Limited[7] | 50% | Subscale sectors | 31 March | Derwent Developments (Curzon) Limited |
| Landmark Court Partnership Limited[7] | 51% | Central London | 31 March | TTL Landmark Court Properties Limited |
| Opportunities for Sittingbourne Limited[7] | 50% | Mixed-use urban | 31 March | Swale Borough Council |
| Cathedral (Movement, Greenwich) LLP[7] | 52% | Mixed-use urban | 31 March | Mr Richard Upton |
| Circus Street Developments Limited[7] | 50% | Mixed-use urban | 31 March | High Wire Brighton Limited |

| Joint operation | Ownership interest | Business segment | Year-end date[3] | Joint operation partners |
|---|---|---|---|---|
| **Held at 31 March 2025** | | | | |
| Bluewater, Kent | 66.25% | Major retail | 31 March | M&G Real Estate, Royal London Asset Management, Aberdeen Standard Investments |

1. Refer to Additional information pages 169-172 for the full list of the Group's related undertakings.
2. Investments under joint arrangements are not always represented by an equal percentage holding by each partner. In a number of joint ventures that are not considered principal joint ventures and therefore not included in the table above, the Group holds a majority shareholding but has joint control and therefore the arrangement is accounted for as a joint venture.
3. The year-end date shown is the accounting reference date of the joint arrangement. In all cases, the Group's accounting is performed using financial information for the Group's own reporting year and reporting date.
4. Nova, Victoria includes the Nova Limited Partnership, Nova Residential Limited Partnership, Nova GP Limited, Nova Business Manager Limited, Nova Residential (GP) Limited, Nova Residential Intermediate Limited, Nova Estate Management Company Limited, Nova Nominee 1 Limited and Nova Nominee 2 Limited.
5. Harvest includes Harvest 2 Limited Partnership, Harvest Development Management Limited, Harvest 2 Selly Oak Limited, Harvest 2 GP Limited and Harvest GP Limited.
6. Mayfield includes Mayfield Development Partnership LP and Mayfield Development (General Partner) Limited.
7. Included within Other in subsequent tables.

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

### 16› JOINT ARRANGEMENTS CONTINUED

All of the Group's joint arrangements listed above have their principal place of business in the United Kingdom. All of the Group's principal joint arrangements own and operate investment property, with the exception of:

- the Ebbsfleet Limited Partnership, which is a holding company
- Harvest, which is engaged in long-term development contracts
- Curzon Park Limited, Landmark Court Partnership Limited, Opportunities for Sittingbourne Limited and Circus Street Developments Limited, which are companies continuing their business of property development

The activities of all the Group's principal joint arrangements are therefore strategically important to the business activities of the Group.

All joint ventures listed above are registered in England and Wales with the exception of Southside Limited Partnership and West India Quay Unit Trust which are registered in Jersey.

**JOINT VENTURES** — Year ended 31 March 2025

| Comprehensive income statement | Nova, Victoria 100% £m | Southside Limited Partnership 100% £m | Westgate Oxford Alliance Partnership 100% £m | Other 100% £m | Total 100% £m | Total Group share £m |
|---|---|---|---|---|---|---|
| **Revenue**[1] | **49** | **17** | **35** | **3** | **104** | **52** |
| **Gross rental income (after rents payable)** | **35** | **13** | **26** | **3** | **77** | **38** |
| **Net rental income** | **35** | **11** | **21** | **3** | **70** | **35** |
| **EPRA earnings before interest** | **33** | **11** | **21** | **3** | **68** | **34** |
| Finance expense | (15) | (6) | – | – | (21) | (11) |
| **Net finance expense** | **(15)** | **(6)** | **–** | **–** | **(21)** | **(11)** |
| **EPRA earnings** | **18** | **5** | **21** | **3** | **47** | **23** |
| **Capital and other items** | | | | | | |
| Net surplus on revaluation of investment properties | 22 | 2 | 3 | – | 27 | 13 |
| Profit on disposal of investment properties | – | – | – | 5 | 5 | 3 |
| Other costs | – | – | – | (4) | (4) | (2) |
| **Profit before tax** | **40** | **7** | **24** | **4** | **75** | **37** |
| **Post-tax profit** | **40** | **7** | **24** | **4** | **75** | **37** |
| **Total comprehensive income** | **40** | **7** | **24** | **4** | **75** | **37** |
| **Group share of profit before tax** | **20** | **3** | **12** | **2** | **37** | |
| **Group share of post-tax profit** | **20** | **3** | **12** | **2** | **37** | |
| **Group share of total comprehensive income** | **20** | **3** | **12** | **2** | **37** | |

1. Revenue includes gross rental income (before rents payable), service charge income, other property related income, trading properties disposal proceeds and income from long-term development contracts.

**JOINT VENTURES**

Year ended 31 March 2024

| Comprehensive income statement | Nova, Victoria 100% £m | Southside Limited Partnership 100% £m | Westgate Oxford Alliance Partnership 100% £m | Other 100% £m | Total 100% £m | Total Group share £m |
|---|---|---|---|---|---|---|
| **Revenue**[1] | 49 | 11 | 35 | 5 | 100 | 49 |
| | | | | | | |
| **Gross rental income (after rents payable)** | 34 | 11 | 26 | 5 | 76 | 37 |
| | | | | | | |
| **Net rental income** | 34 | 10 | 22 | 1 | 67 | 33 |
| | | | | | | |
| **EPRA earnings before interest** | 32 | 9 | 21 | 1 | 63 | 32 |
| | | | | | | |
| Finance expense | (16) | (6) | – | – | (22) | (11) |
| **Net finance expense** | (16) | (6) | – | – | (22) | (11) |
| | | | | | | |
| **EPRA earnings** | 16 | 3 | 21 | 1 | 41 | 21 |
| | | | | | | |
| **Capital and other items** | | | | | | |
| Net deficit on revaluation of investment properties | (24) | (3) | (1) | (9) | (37) | (19) |
| **(Loss)/profit before tax** | (8) | – | 20 | (8) | 4 | 2 |
| **Post-tax (loss)/profit** | (8) | – | 20 | (8) | 4 | 2 |
| **Total comprehensive (loss)/income** | (8) | – | 20 | (8) | 4 | 2 |
| | | | | | | |
| **Group share of (loss)/profit before tax** | (4) | – | 10 | (4) | 2 | |
| **Group share of post-tax (loss)/profit** | (4) | – | 10 | (4) | 2 | |
| **Group share of total comprehensive (loss)/income** | (4) | – | 10 | (4) | 2 | |

1. Revenue includes gross rental income (before rents payable), service charge income, other property related income, trading properties disposal proceeds and income from long-term development contracts.

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

### 16› JOINT ARRANGEMENTS CONTINUED

#### JOINT VENTURES

| Balance sheet | Nova, Victoria 100% £m | Southside Limited Partnership 100% £m | Westgate Oxford Alliance Partnership 100% £m | Other 100% £m | 31 March 2025 Total 100% £m | Total Group share £m |
|---|---|---|---|---|---|---|
| Investment properties[1] | 753 | 138 | 229 | 96 | 1,216 | 608 |
| **Non-current assets** | **753** | **138** | **229** | **96** | **1,216** | **608** |
| Cash and cash equivalents | 28 | 5 | 11 | 5 | 49 | 24 |
| Other current assets | 59 | 5 | 14 | 90 | 168 | 84 |
| **Current assets** | **87** | **10** | **25** | **95** | **217** | **108** |
| **Total assets** | **840** | **148** | **254** | **191** | **1,433** | **716** |
| Trade and other payables and provisions | (33) | (6) | (14) | (58) | (111) | (55) |
| **Current liabilities** | **(33)** | **(6)** | **(14)** | **(58)** | **(111)** | **(55)** |
| Non-current liabilities | (78) | (148) | – | – | (226) | (113) |
| **Non-current liabilities** | **(78)** | **(148)** | **–** | **–** | **(226)** | **(113)** |
| **Total liabilities** | **(111)** | **(154)** | **(14)** | **(58)** | **(337)** | **(168)** |
| **Net assets/(liabilities)** | **729** | **(6)** | **240** | **133** | **1,096** | **548** |
| Comprised of: | | | | | | |
| **Net assets** | **729** | **–** | **240** | **133** | **1,102** | **551** |
| **Accumulated losses recognised as net liabilities**[2] | **–** | **(6)** | **–** | **–** | **(6)** | **(3)** |
| **Market value of investment properties**[1] | **802** | **139** | **235** | **96** | **1,272** | **636** |
| **Net cash**[3] | **28** | **5** | **11** | **5** | **49** | **24** |

1. The difference between the book value and the market value of investment properties is the amount recognised in respect of lease incentives, head leases capitalised and properties treated as finance leases, where applicable.
2. The Group's share of accumulated losses of a joint venture interest are recognised as net liabilities (see note 34) where there is an obligation to provide for these losses.
3. Excludes funding provided by the Group and its joint venture partners.

**JOINT VENTURES**

| Balance sheet | Nova, Victoria 100% £m | Southside Limited Partnership 100% £m | Westgate Oxford Alliance Partnership 100% £m | Other 100% £m | Total 100% £m | Total Group share £m |
|---|---|---|---|---|---|---|
| | | | | | | 31 March 2024 |
| Investment properties[1] | 727 | 130 | 223 | 91 | 1,171 | 585 |
| **Non-current assets** | 727 | 130 | 223 | 91 | 1,171 | 585 |
| Cash and cash equivalents | 32 | 4 | 21 | 4 | 61 | 31 |
| Other current assets | 58 | 7 | 11 | 85 | 161 | 80 |
| **Current assets** | 90 | 11 | 32 | 89 | 222 | 111 |
| **Total assets** | 817 | 141 | 255 | 180 | 1,393 | 696 |
| Trade and other payables and provisions | (23) | (6) | (16) | (35) | (80) | (40) |
| **Current liabilities** | (23) | (6) | (16) | (35) | (80) | (40) |
| Non-current liabilities | (104) | (147) | – | (19) | (270) | (135) |
| **Non-current liabilities** | (104) | (147) | – | (19) | (270) | (135) |
| **Total liabilities** | (127) | (153) | (16) | (54) | (350) | (175) |
| **Net assets/(liabilities)** | 690 | (12) | 239 | 126 | 1,043 | 521 |
| Comprised of: | | | | | | |
| **Net assets** | 690 | – | 239 | 130 | 1,059 | 529 |
| **Accumulated losses recognised as net liabilities[2]** | – | (12) | – | (4) | (16) | (8) |
| **Market value of investment properties[1]** | 780 | 131 | 230 | 91 | 1,232 | 616 |
| **Net cash[3]** | 32 | 4 | 21 | 4 | 61 | 31 |

1. The difference between the book value and the market value of investment properties is the amount recognised in respect of lease incentives, head leases capitalised and properties treated as finance leases, where applicable.
2. The Group's share of accumulated losses of a joint venture interest are recognised as net liabilities (see note 34) where there is an obligation to provide for these losses.
3. Excludes funding provided by the Group and its joint venture partners.

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

## 16 › JOINT ARRANGEMENTS CONTINUED

### JOINT VENTURES

| Net investment | Nova, Victoria Group share £m | Southside Limited Partnership Group share £m | Westgate Oxford Alliance Partnership Group share £m | Other Group share £m | Total Group share £m |
|---|---|---|---|---|---|
| At 1 April 2023 | 348 | (5) | 124 | 61 | 528 |
| Total comprehensive (loss)/income | (4) | – | 10 | (3) | 3 |
| Cash and other distributions | – | – | (12) | (5) | (17) |
| Other non-cash movements | – | – | (1) | 8 | 7 |
| At 31 March 2024 | 344 | (5) | 121 | 61 | 521 |
| **Total comprehensive (loss)/income** | **20** | **3** | **12** | **2** | **37** |
| **Cash and other distributions** | **–** | **–** | **(11)** | **(1)** | **(12)** |
| **Other non-cash movements** | **1** | **(1)** | **(2)** | **4** | **2** |
| **At 31 March 2025** | **365** | **(3)** | **120** | **66** | **548** |
| Comprised of: | | | | | |
| At 31 March 2024 | | | | | |
| Non-current assets | 344 | – | 121 | 64 | 529 |
| Non-current liabilities[1] | – | (5) | – | (3) | (8) |
| **At 31 March 2025** | | | | | |
| **Non-current assets** | **365** | **–** | **120** | **66** | **551** |
| **Non-current liabilities[1]** | **–** | **(3)** | **–** | **–** | **(3)** |

1. The Group's share of accumulated losses of a joint venture interest are recognised as net liabilities (see note 34) where there is an obligation to provide for these losses.

## 17 › INVESTMENTS IN ASSOCIATES

### A ACCOUNTING POLICY

Associates are those entities over whose financial and operating policy decisions the Group has significant influence, established by contractual agreement, but over which the Group does not have control or joint control over those policies. Interests in associates are accounted for using the equity method of accounting. The equity method requires the Group's share of the associate's post-tax profit or loss for the year to be presented separately in the income statement and the Group's share of the associate's net assets to be presented separately in the balance sheet.

The Group's principal interests in associates are described below:

| Associates[1] | Percentage owned and voting rights | Year-end date | Business segment |
|---|---|---|---|
| CDSR Burlington House Developments Limited | 20% | 31 December | Subscale sectors |

1. Refer to Additional information pages 169-172 for the full list of the Group's related undertakings.

During the year the Group's investment in Northpoint Developments Limited increased from 42% to 71%. The investment in associate was reclassified to investment in subsidiaries as we consider the Group to now hold significant control over the operations of the investment. The value at the time of reclassification was £nil due to the investment being fully impaired on acquisition of U and I Group PLC.

CDSR Burlington House Developments Limited operates in Ireland and they are registered in Ireland. The Group's associates are engaged in property development.

The investment in CDSR Burlington House Developments Limited was fully impaired on acquisition of U+I Group PLC.

The Group's share of profit or loss from its investments in associates was **£nil** (2024: £nil).

## 18 › CAPITAL COMMITMENTS

| | 2025 £m | 2024 £m |
|---|---|---|
| **Contracted capital commitments at the end of the year in respect of:** | | |
| Investment properties | **276** | 353 |
| Trading properties | **6** | 10 |
| Joint ventures (our share) | **1** | 4 |
| **Total capital commitments** | **283** | 367 |

Capital commitments include contractually committed obligations to purchase goods or services used in the construction, development, repair, maintenance or other enhancement of the Group's properties.

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

## 19 › NET INVESTMENT IN FINANCE LEASES

### A ACCOUNTING POLICY

Where the Group's leases transfer the significant risks and rewards incidental to ownership of the underlying asset to the tenant, the lease is accounted for as a finance lease. At the outset of the lease the fair value of the asset is derecognised from investment property and recognised as a finance lease receivable. The finance lease receivable is derecognised in the event that the lease is terminated. Lease income is recognised over the period of the lease, reflecting a constant rate of return. The difference between the gross receivable and the present value of the receivable is recognised as finance income within Revenue over the lease term.

| | 2025 £m | 2024 £m |
|---|---|---|
| **Non-current** | | |
| Finance leases – gross receivables | **35** | 37 |
| Unguaranteed residual value | **2** | 3 |
| Unearned finance income | **(18)** | (19) |
| | **19** | 21 |
| | | |
| **Current**[1] | | |
| Finance leases – gross receivables | **2** | 2 |
| Unearned finance income | **(1)** | (1) |
| | **1** | 1 |
| **Net investment in finance leases** | **20** | 22 |
| | | |
| **Gross receivables from finance leases due:** | | |
| No later than one year | **1** | 2 |
| One to two years | **1** | 2 |
| Two to three years | **2** | 2 |
| Three to four years | **2** | 2 |
| Four to five years | **2** | 1 |
| More than five years | **29** | 30 |
| | **37** | 39 |
| Unguaranteed residual value | **2** | 3 |
| Unearned finance income | **(19)** | (20) |
| **Net investment in finance leases** | **20** | 22 |

1. Included in Other Receivables in note 28.

The Group has leased out several investment properties under finance leases, which range from 25 to 125 years in duration from the inception of the lease.

## 20 › PROPERTY, PLANT AND EQUIPMENT

### A ACCOUNTING POLICY

Property, plant and equipment comprise owner-occupied property, improvements, furniture, fixtures and fittings in the Group's offices.

Owner-occupied property arises from the Group's acquisition of MediaCity, namely the studio operations that are conducted from premises previously held as investment property. This property is carried at fair value and is valued in the same manner as the Group's investment properties. Refer to note 14 for more information. Any revaluation surplus arising on revaluing the owner-occupied property is recognised in other comprehensive income and accumulated in equity. Any residual revaluation deficits after reversing previous revaluation gains recognised in equity are recorded as a Capital and other item on the income statement.

The remaining property, plant and equipment assets are stated at cost less accumulated depreciation and are depreciated to their residual value on a straight-line basis over their estimated useful lives of between two and five years.

| | Owner-occupied property £m | Furniture and fittings £m | Total £m |
|---|---|---|---|
| At 1 April 2023 | – | 9 | 9 |
| Depreciation | – | (2) | (2) |
| At 31 March 2024 | – | 7 | 7 |
| **Transfer from investment property (note 14)** | **26** | **–** | **26** |
| **Revaluation** | **12** | **–** | **12** |
| **Depreciation** | **–** | **(3)** | **(3)** |
| **At 31 March 2025** | **38** | **4** | **42** |

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

## 21›INTANGIBLE ASSETS

### A ACCOUNTING POLICY

Intangible assets comprise goodwill and other intangible assets arising on business combinations and software used internally within the business. Intangible assets arising on business combinations are initially recognised at fair value. Goodwill is not amortised but is tested at least annually for impairment. Other intangible assets arising on business combinations are amortised to the income statement over their expected useful lives. Software assets are stated at cost less accumulated amortisation and are amortised on a straight-line basis over their estimated useful economic lives, normally three to five years.

| | Goodwill £m | Software £m | Other intangible asset £m | Total £m |
|---|---|---|---|---|
| At 1 April 2023 | 1 | 3 | 2 | 6 |
| Amortisation | – | (2) | – | (2) |
| Impairment | (1) | – | – | (1) |
| At 31 March 2024 | – | 1 | 2 | 3 |
| **Additions** | **22** | **1** | **–** | **23** |
| **Amortisation** | **–** | **(1)** | **–** | **(1)** |
| **Impairment** | **(22)** | **–** | **–** | **(22)** |
| **At 31 March 2025** | **–** | **1** | **2** | **3** |

Additions to goodwill in the current year ended 31 March 2025 relate primarily to the acquisition of MediaCity of **£21m**, which has been discussed further in note 43.

The other intangible asset relates to the Group's acquisition of its interest in Bluewater, Kent in 2014 and represents the estimated fair value of the management rights for the centre. The fair value at the date of acquisition was £30m and the asset is being amortised over a period of 20 years. On recognition of the other intangible asset, the Group recognised a deferred tax liability of £6m, and corresponding goodwill of the same amount. The deferred tax liability is being released to the income statement as the other intangible asset is amortised or impaired, and the corresponding element of the goodwill is tested for impairment.

In the year ended 31 March 2025, the other intangible asset has been impaired by **£nil** (2024: £nil). The recoverable amount of the other intangible asset has been based on its fair value less costs of disposal applying discounted cash flow projections, using a discount rate of **8.0%** with cash flows projected over a period of **ten years** and a growth rate applied of **3.1%**.

## SECTION 4 – CAPITAL STRUCTURE AND FINANCING

This section focuses on the Group's financing structure, including borrowings and financial risk management. The total capital of the Group consists of shareholders' equity and net debt. The Group's strategy is to maintain an appropriate net debt to total equity ratio (gearing) and loan-to-value ratio (LTV) to ensure that asset level performance is translated into enhanced returns for shareholders while maintaining an appropriate risk reward balance to accommodate changing financial and operating market cycles. The table in note 22 details a number of the Group's key metrics in relation to managing its capital structure.

A key element of the Group's capital structure is that the majority of our borrowings are secured against a large pool of our assets (the Security Group). This enables us to raise long-term debt in the bond market, as well as shorter-term flexible bank facilities, both at competitive rates. In general, we follow a secured debt strategy as we believe this gives the Group better access to borrowings at a lower cost.

In addition, the Group holds a number of assets outside the Security Group structure (in the Non-restricted Group). By having both the Security Group and the Non-restricted Group, and considerable flexibility to move assets between the two, we are able to raise the most appropriate finance for each specific asset or joint venture.

## 22 › CAPITAL STRUCTURE

| | | | | 2025 | | | | 2024 |
|---|---|---|---|---|---|---|---|---|
| | Group £m | Joint ventures £m | Adjustment for non-wholly owned subsidiaries £m | Combined £m | Group £m | Joint ventures £m | Adjustment for non-wholly owned subsidiaries £m | Combined £m |
| **Property portfolio** | | | | | | | | |
| Market value of non-current property assets[1] | **10,277** | **636** | **(33)** | **10,880** | 9,465 | 616 | (118) | 9,963 |
| Trading properties and long-term contracts | **81** | **–** | **–** | **81** | 100 | – | – | 100 |
| **Total property portfolio (a)** | **10,358** | **636** | **(33)** | **10,961** | 9,565 | 616 | (118) | 10,063 |
| | | | | | | | | |
| **Net debt** | | | | | | | | |
| Borrowings | **4,396** | **–** | **(15)** | **4,381** | 3,703 | – | (73) | 3,630 |
| Monies held in restricted accounts and deposits | **(20)** | **–** | **1** | **(19)** | (6) | – | – | (6) |
| Cash and cash equivalents | **(39)** | **(24)** | **–** | **(63)** | (78) | (31) | 4 | (105) |
| Fair value of interest-rate swaps | **(1)** | **–** | **–** | **(1)** | (23) | – | 2 | (21) |
| Fair value of foreign exchange swaps and forwards | **5** | **–** | **–** | **5** | (2) | – | – | (2) |
| **Net debt (b)** | **4,341** | **(24)** | **(14)** | **4,303** | 3,594 | (31) | (67) | 3,496 |
| Add/(less): Fair value of interest-rate swaps | **1** | **–** | **–** | **1** | 23 | – | (2) | 21 |
| **Adjusted net debt (c)** | **4,342** | **(24)** | **(14)** | **4,304** | 3,617 | (31) | (69) | 3,517 |
| | | | | | | | | |
| Adjusted total equity | | | | | | | | |
| Total equity (d) | **6,532** | **–** | **(18)** | **6,514** | 6,447 | – | (45) | 6,402 |
| Fair value of interest-rate swaps | **(1)** | **–** | **–** | **(1)** | (23) | – | 2 | (21) |
| **Adjusted total equity (e)** | **6,531** | **–** | **18** | **6,513** | 6,424 | – | (43) | 6,381 |
| | | | | | | | | |
| **Gearing (b/d)** | **66.5%** | | | **66.1%** | 55.7% | | | 54.6% |
| **Adjusted gearing (c/e)** | **66.5%** | | | **66.1%** | 56.3% | | | 55.1% |
| **Group LTV (c/a)** | **41.9%** | | | **39.3%** | 37.8% | | | 35.0% |
| **EPRA LTV[2]** | | | | **41.0%** | | | | 36.3% |
| **Security Group LTV** | **41.9%** | | | | 37.0% | | | |
| **Weighted average cost of debt** | **3.4%** | | | **3.4%** | 3.3% | | | 3.3% |

1. Includes owner-occupied property and non-current assets held-for-sale.
2. EPRA LTV differs from Group LTV as it includes net payables and receivables, and includes trading properties at fair value and debt instruments at nominal value rather than book value. Group LTV remains our core performance measure used by external investors and lenders.

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

## 23› BORROWINGS

### A ACCOUNTING POLICY

Borrowings, other than bank overdrafts, 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 the redemption value being recognised in the income statement over the period of the borrowings, using the effective interest method.

When debt refinancing exercises are carried out, existing liabilities will be treated as being extinguished when the new liability is substantially different from the existing liability. In making this assessment, the Group will consider the transaction as a whole, taking into account both qualitative and quantitative characteristics.

| | Secured/ unsecured | Fixed/ floating | Effective interest rate % | 2025 Nominal/ notional value £m | 2025 Fair value £m | 2025 Book value £m | 2024 Nominal/ notional value £m | 2024 Fair value £m | 2024 Book value £m |
|---|---|---|---|---|---|---|---|---|---|
| **Current borrowings** | | | | | | | | | |
| **Commercial paper** | | | | | | | | | |
| Sterling | Unsecured | Floating | Various[1] | **270** | **270** | **270** | 15 | 15 | 15 |
| Euro | Unsecured | Floating | Various[1] | **310** | **310** | **310** | 518 | 518 | 518 |
| US Dollar | Unsecured | Floating | Various[1] | **170** | **170** | **170** | 148 | 148 | 148 |
| Syndicated and bilateral bank debt | Secured | Floating | SONIA + margin | **–** | **–** | **–** | 292 | 292 | 292 |
| **Total current borrowings** | | | | **750** | **750** | **750** | 973 | 973 | 973 |
| Amounts payable under head leases | | | | **2** | **2** | **2** | 2 | 2 | 2 |
| **Total current borrowings including amounts payable under head leases** | | | | **752** | **752** | **752** | 975 | 975 | 975 |
| **Non-current borrowings** | | | | | | | | | |
| **Medium-term notes (MTN)** | | | | | | | | | |
| A5 5.391% MTN due 2027 | Secured | Fixed | 5.4 | **–** | **–** | **–** | 87 | 86 | 87 |
| A16 2.375% MTN due 2029 | Secured | Fixed | 2.5 | **350** | **333** | **349** | 350 | 325 | 349 |
| A6 5.376% MTN due 2029 | Secured | Fixed | 5.4 | **65** | **65** | **65** | 65 | 66 | 65 |
| A13 2.399% MTN due 2031 | Secured | Fixed | 2.4 | **300** | **274** | **300** | 300 | 270 | 299 |
| A7 5.396% MTN due 2032 | Secured | Fixed | 5.4 | **77** | **78** | **77** | 77 | 78 | 77 |
| A18 4.750% MTN due 2033 | Secured | Fixed | 4.9 | **300** | **294** | **295** | 300 | 299 | 297 |
| A17 4.875% MTN due 2034 | Secured | Fixed | 5.0 | **400** | **393** | **396** | 400 | 403 | 393 |
| A11 5.125% MTN due 2036 | Secured | Fixed | 5.1 | **50** | **47** | **50** | 50 | 48 | 50 |
| A19 4.625% MTN due 2036 | Secured | Fixed | 4.9 | **350** | **330** | **346** | – | – | – |
| A14 2.625% MTN due 2039 | Secured | Fixed | 2.6 | **500** | **371** | **495** | 500 | 387 | 495 |
| A15 2.750% MTN due 2059 | Secured | Fixed | 2.7 | **500** | **275** | **495** | 500 | 309 | 495 |
| | | | | **2,892** | **2,460** | **2,868** | 2,629 | 2,271 | 2,607 |
| Syndicated and bilateral bank debt | Secured | Floating | SONIA + margin | **778** | **778** | **778** | 123 | 123 | 123 |
| **Total non-current borrowings** | | | | **3,670** | **3,238** | **3,646** | 2,752 | 2,394 | 2,730 |
| Amounts payable under head leases | Unsecured | Fixed | 4.0 | **156** | **230** | **156** | 75 | 98 | 75 |
| **Total non-current borrowings including amounts payable under head leases** | | | | **3,826** | **3,468** | **3,802** | 2,827 | 2,492 | 2,805 |
| **Total borrowing including amounts payable under head leases** | | | | **4,578** | **4,220** | **4,554** | 3,802 | 3,467 | 3,780 |
| **Total borrowings excluding amounts payable under head leases** | | | | **4,420** | **3,988** | **4,396** | 3,725 | 3,367 | 3,703 |

1. Non-Sterling commercial paper is immediately swapped into Sterling. The interest rate is fixed at the time of the issuance for the duration (1 to 3 months) and tracks SONIA swap rates.

## RECONCILIATION OF THE MOVEMENT IN BORROWINGS

| | 2025 £m | 2024 £m |
|---|---|---|
| At the beginning of the year | **3,780** | 3,538 |
| Net proceeds from ECP issuance | **69** | 378 |
| Net proceeds from bank debt | **538** | 33 |
| Repayment of bank debt | **(475)** | – |
| Net facilities acquired | **300** | – |
| Repayment of MTNs | **(87)** | (427) |
| Issue of MTNs (net of finance fees) | **346** | 297 |
| Foreign exchange movement on non-Sterling borrowings | **2** | (9) |
| Movement in amounts payable under head leases | **81** | (30) |
| **At 31 March** | **4,554** | 3,780 |

## RECONCILIATION OF MOVEMENTS IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

| 2025 | At the beginning of the year £m | Cash flows £m | Non-cash changes: Foreign exchange movements £m | Non-cash changes: Other changes in fair values £m | Non-cash changes: Other changes £m | At the end of the year £m |
|---|---|---|---|---|---|---|
| Borrowings | **3,780** | **401** | **2** | **(10)** | **381** | **4,554** |
| Derivative financial instruments | **(25)** | **(6)** | **11** | **23** | **1** | **4** |
| | **3,755** | **395** | **13** | **13** | **382** | **4,558** |
| 2024 | | | | | | |
| Borrowings | 3,538 | 281 | (9) | – | (30) | 3,780 |
| Derivative financial instruments | (38) | (18) | 10 | 21 | – | (25) |
| | 3,500 | 263 | 1 | 21 | (30) | 3,755 |

The MTNs are secured on the fixed and floating pool of assets of the Security Group. The Security Group includes wholly owned investment properties, development properties and a number of the Group's investment in other assets, in total valued at **£10bn** 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 LTV and interest cover in the Security Group are less than 65% and more than 1.45x 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 the MTN. 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 and discount to redemption value. The MTNs are listed on the Irish Stock Exchange and their fair values are based on their respective market prices.

At 31 March 2025, the Group's committed facilities totalled **£2,590m** (2024: £2,907m).

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

## 23 › BORROWINGS CONTINUED

### SYNDICATED AND BILATERAL BANK DEBT

| | | Authorised | | Drawn | | Undrawn | |
|---|---|---|---|---|---|---|---|
| | Maturity as at 31 March 2025 | 2025 £m | 2024 £m | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Syndicated debt | **2026-29** | **2,490** | 2,682 | **778** | 415 | **1,712** | 2,267 |
| Bilateral debt | **2026** | **100** | 225 | **–** | – | **100** | 225 |
| | | **2,590** | 2,907 | **778** | 415 | **1,812** | 2,492 |

The majority of the Group's syndicated and bilateral facilities are secured on the assets of the Security Group, with the exception of facilities secured on the assets at Liverpool ONE of which **£240m** was drawn at 31 March 2025, and MediaCity of which **£nil** was drawn at 31 March 2025 (2024: £292m).

During the year ended 31 March 2025, the amounts drawn under the Group's facilities increased by **£363m**. The MediaCity bank facility was successfully refinanced on 13 June 2024 to £195m and subsequently fully repaid and closed on 6 November 2024 (2024: £292m drawn). Also during the year, the Liverpool ONE shopping centre was acquired with a fully drawn £300m secured bank facility. On 27 January 2025, £60m of this facility was repaid.

The terms of the Security Group funding arrangements require undrawn facilities to be reserved where syndicated and bilateral facilities mature within one year, or when commercial paper is issued. Commercial paper in issuance at 31 March 2025 was **£750m** (2024: £681m). The total amount of cash and available undrawn facilities, net of commercial paper, at 31 March 2025 was **£1,101m** (2024: £1,889m).

## 24 › MONIES HELD IN RESTRICTED ACCOUNTS AND DEPOSITS

### A ACCOUNTING POLICY

Monies held in restricted accounts and deposits represent cash held by the Group in accounts with conditions that restrict the access of these monies by the Group and, as such, does not meet the definition of cash and cash equivalents.

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Short-term deposits | **15** | 6 | **–** | – |
| Cash at bank and in hand | **5** | – | **–** | – |
| | **20** | 6 | **–** | – |

The credit quality of monies held in restricted accounts and deposits can be assessed by reference to external credit ratings of the counterparty where the account or deposit is placed.

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Counterparties with external credit ratings | | | | |
| AAA | **8** | – | **–** | – |
| A+ | **12** | 6 | **–** | – |
| | **20** | 6 | **–** | – |

## 25 › CASH AND CASH EQUIVALENTS

### A ACCOUNTING POLICY

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 less. Monies that are restricted by use only, and not restricted by access, are classified as cash and cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are deducted from cash and cash equivalents for the purpose of the statement of cash flows.

| | Group | | Company | |
|---|---|---|---|---|
| | **2025 £m** | 2024 £m | **2025 £m** | 2024 £m |
| Cash at bank and in hand | **30** | 78 | **1** | 2 |
| Short-term deposits | **9** | – | **–** | – |
| | **39** | 78 | **1** | 2 |

The credit quality of cash and cash equivalents can be assessed by reference to external credit ratings of the counterparty where the account or deposit is placed.

| | Group | | Company | |
|---|---|---|---|---|
| | **2025 £m** | 2024 £m | **2025 £m** | 2024 £m |
| Counterparties with external credit ratings | | | | |
| AAA | **4** | – | **–** | – |
| A+ | **30** | 78 | **–** | – |
| A | **3** | – | **1** | 2 |
| A- | **1** | – | **–** | – |
| BBB+ | **1** | – | **–** | – |
| | **39** | 78 | **1** | 2 |

The Group's cash and cash equivalents and bank overdrafts are subject to cash pooling arrangements. The following table provides details of cash balances and bank overdrafts which are subject to offsetting agreements.

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | **Gross amounts of financial assets £m** | **Gross amounts of financial liabilities £m** | **Net amounts recognised in the balance sheet £m** | Gross amounts of financial assets £m | Gross amounts of financial liabilities £m | Net amounts recognised in the balance sheet £m |
| **Assets** | | | | | | |
| Cash and cash equivalents | **140** | **(101)** | **39** | 230 | (152) | 78 |
| | **140** | **(101)** | **39** | 230 | (152) | 78 |

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

## 26 › DERIVATIVE FINANCIAL INSTRUMENTS

### A ACCOUNTING POLICY

The Group uses interest-rate and foreign exchange swaps and forwards to manage its market risk. In accordance with its treasury policy, the Group does not hold or issue derivatives for trading purposes.

All derivatives are recognised on the balance sheet at fair value. The fair value of interest-rate and foreign exchange swaps is based on counterparty or market quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market rates for similar instruments at the measurement date. The gain or loss on derivatives are recognised immediately in the income statement, within net finance expense.

| CARRYING VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS | 2025 £m | 2024 £m |
|---|---|---|
| Current assets | **2** | 8 |
| Non-current assets | **2** | 22 |
| Current liabilities | **(6)** | – |
| Non-current liabilities | **(2)** | (5) |
| | **(4)** | 25 |

| NOTIONAL AMOUNT AT THE EFFECTIVE DATE | 2025 £m | 2024 £m |
|---|---|---|
| Interest-rate swaps[1] | **1,645** | 1,484 |
| Foreign exchange swaps | **486** | 664 |
| | **2,131** | 2,148 |

1. At 31 March 2025, the Group held forward starting pay-fixed and receive-floating rate interest-rate swaps with the notional of **£500m** (2024: accretive notional of up to £1,170m) which are included in the notional amounts above.

## 27 › FINANCIAL RISK MANAGEMENT

### INTRODUCTION

A review of the Group's objectives, policies and processes for managing and monitoring risk is set out in 'Managing risk' and 'Our principal risks and uncertainties' (pages 38-45). This note provides further detail on financial risk management and includes quantitative information on specific financial risks.

The Group is exposed to a variety of financial risks: market risks (principally interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise the potential adverse effects of these on the Group's financial performance and includes the use of derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by the Group's treasury function under policies approved by the Board of Directors, except where the relevant arrangements have been put in place by an individual subsidiary or at a joint venture level prior to acquisition.

The Group assesses whether it intends to hold its financial assets to collect the contractual cash flows, or whether it intends to sell them before maturity and classifies its financial instruments into the appropriate categories. The following table summarises the Group's financial assets and liabilities into the categories required by IFRS 7 Financial Instruments: Disclosures:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Financial assets at amortised cost | **551** | 455 | **–** | – |
| Cash and cash equivalents | **39** | 78 | **1** | 2 |
| Financial liabilities at amortised cost | **(5,004)** | (4,003) | **(1,750)** | (2,820) |
| Financial instruments at fair value through profit or loss | **4** | 32 | **–** | – |
| | **(4,410)** | (3,438) | **(1,749)** | (2,818) |

## FINANCIAL RISK FACTORS

### (I) CREDIT RISK

The Group's principal financial assets are cash and cash equivalents, trade and other receivables, net investment in finance leases and amounts due from joint ventures. Further details concerning the credit risk of counterparties are provided in the note that specifically relates to each type of asset.

#### BANK AND FINANCIAL INSTITUTIONS

The principal credit risks of the Group arise from financial derivative instruments and deposits with banks and financial institutions. In line with the policy approved by the Board of Directors, financial instruments, including derivatives and cash deposits, are only placed with banks and financial institutions with a minimum credit rating of BBB+ or equivalent. The Group aims to place financial instrument transactions with banks and financial institutions with which it has a committed lending relationship. The Group's treasury function performs regular reviews of the credit ratings of all financial counterparties and monitors the existing derivatives and cash investment exposures to ensure that they remain within the Group's policy limits.

#### TRADE RECEIVABLES

Trade receivables are presented in the balance sheet net of allowances for doubtful receivables. The Group assesses on a forward-looking basis the expected credit losses associated with its trade receivables. A provision for impairment is made for the lifetime expected credit losses on initial recognition of the receivable. In determining the expected credit losses the Group takes into account any recent payment behaviours and future expectations of likely default events (i.e. not making payment on the due date) based on individual customer credit ratings, actual or expected insolvency filings or company voluntary arrangements, likely deferrals of payments due, agreed rent concessions and market expectations and trends in the wider macroeconomic environment in which our customers operate. These assessments are made on a customer by customer basis.

To limit the Group's exposure to credit risk on trade receivables, a credit report is usually obtained from an independent rating agency prior to the inception of a lease with a new counterparty. This report, alongside the Group's internal assessment of credit risk, is used to determine the size of the deposit that is required, if any, from the tenant at inception. In general, these deposits represent between three and six months' rent.

#### NET INVESTMENT IN FINANCE LEASES

This balance relates to amounts receivable from tenants in respect of tenant finance leases. This is not considered a significant credit risk as the tenants are generally of good financial standing.

### (II) LIQUIDITY RISK

The Group has a well spread maturity profile with expected maturities on its MTNs between 2027 and 2057 and diversified shorter-term maturities in commercial paper and committed bank facilities which are designed to ensure that the Group has sufficient available funds for its operations, committed capital expenditure programme and refinancing of upcoming MTNs.

Management monitors the Group's available funds as follows:

| | 2025 £m | 2024 £m |
|---|---|---|
| Cash and cash equivalents | **39** | 78 |
| Commercial paper | **(750)** | (681) |
| Undrawn facilities | **1,812** | 2,492 |
| Cash and available undrawn facilities | **1,101** | 1,889 |
| **As a proportion of drawn debt**[1] | **24.9%** | 50.7% |

1. Based on nominal values, including MTNs and commercial paper.

The Group's core financing structure is in the Security Group, although the Non-restricted Group may also secure independent funding.

#### SECURITY GROUP

The Group's principal financing arrangements utilise the credit support of a ring-fenced group of assets (the Security Group) that comprises the majority of the Group's investment properties, development properties and a number of investments in other assets. These arrangements operate in 'tiers' determined by LTV and interest cover ratio (ICR). This structure is most flexible at lower tiers (with a lower LTV and a higher ICR) and allows property acquisitions, disposals and developments to occur with relative freedom. In higher tiers, the requirements become more restrictive. No financial covenant default is triggered until the applicable LTV exceeds 100% or the ICR is less than 1.0x.

As at 31 March 2025, the reported LTV for the Security Group was **41.9%** (2024: 37.0%), meaning that the Group was operating in Tier 1 and benefitted from maximum operational flexibility.

Management monitors the key Security Group covenants including LTV, ICR, sector and regional concentration, and disposals on a monthly basis or semi-annual basis, depending on the covenant.

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

## 27 › FINANCIAL RISK MANAGEMENT CONTINUED

### NON-RESTRICTED GROUP

The Non-restricted Group obtains funding when required from a combination of inter-company loans from the Security Group, equity and external bank debt. Bespoke credit facilities are established with banks when required for the Non-restricted Group and joint ventures, usually on a limited-recourse basis.

The table below analyses the Group's financial liabilities 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 (inclusive of interest).

| 2025 | Less than 1 year £m | Between 1 and 2 years £m | Between 2 and 5 years £m | Over 5 years £m | Total £m |
|---|---|---|---|---|---|
| Borrowings (excluding lease liabilities) | **880** | **130** | **1,548** | **2,799** | **5,357** |
| Derivative financial instruments | **6** | **2** | **–** | **–** | **8** |
| Lease liabilities | **9** | **8** | **25** | **1,043** | **1,085** |
| Trade payables | **30** | **–** | **–** | **–** | **30** |
| Capital accruals | **70** | **–** | **–** | **–** | **70** |
| Accruals | **155** | **–** | **–** | **–** | **155** |
| Other payables | **22** | **–** | **44** | **–** | **66** |
| | **1,172** | **140** | **1,617** | **3,842** | **6,771** |

| 2024 | Less than 1 year £m | Between 1 and 2 years £m | Between 2 and 5 years £m | Over 5 years £m | Total £m |
|---|---|---|---|---|---|
| Borrowings (excluding lease liabilities) | 1,161 | 217 | 951 | 2,444 | 4,773 |
| Derivative financial instruments | – | – | 5 | – | 5 |
| Lease liabilities | 4 | 4 | 11 | 441 | 460 |
| Trade payables | 56 | – | – | – | 56 |
| Capital accruals | 48 | – | – | – | 48 |
| Accruals | 90 | – | – | – | 90 |
| Other payables | 25 | – | – | – | 25 |
| | 1,384 | 221 | 967 | 2,885 | 5,457 |

### (III) MARKET RISK

The Group is exposed to market risk through interest rates, availability and price of credit and foreign exchange movements.

### INTEREST RATES

The Group uses derivative products to manage its interest rate exposure and has a hedging policy that generally requires at least 70% of its forecast debt from committed cash flows for the coming three years and at least 50% for years four and five. Due to a combination of factors, including the degree of certainty required under IFRS 9 Financial instruments, the Group does not apply hedge accounting to hedging instruments used in this context. Specific interest-rate hedges are also used from time to time to fix the interest rate exposure on our debt. Where specific hedges are used to fix the interest exposure on floating rate debt, these may qualify for hedge accounting.

At 31 March 2025, the Group (including the Group's share of joint ventures and non-wholly owned subsidiaries) had pay-fixed and receive-floating interest-rate swaps in place with a nominal value of **£1,145m** (2024: £864m) and forward starting pay-fixed and receive-floating interest-rate swaps with the notional of **£500m** (2024: accretive notional of up to £1,170m). The Group's gross debt (including the Group's share of joint ventures and non-wholly owned subsidiaries) was **91.3%** fixed (2024: 94.2%) and based on the Group's debt balances at 31 March 2025, a 1% increase/(decrease) in interest rates would increase/(decrease) the annual net finance expense in the income statement and reduce/(increase) equity by **£8m** (2024: £2m). The sensitivity has been calculated by applying the interest rate change to the floating rate components of borrowings, interest rate swaps as well as cash and cash equivalents.

## FOREIGN EXCHANGE

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency.

As the Group is UK based, foreign exchange exposure from operations is low. The majority of the Group's foreign currency transactions relate to foreign currency borrowing under the Group's commercial paper programme. It is the Group's policy to hedge 100% of this exposure. At 31 March 2025, the Group had issued **€370m** (2024: €607m) and **$220m** (2024: $185m) of commercial paper, fully hedged through foreign exchange swaps. A 10% weakening or strengthening of Sterling would therefore have **£nil** (2024: £nil) impact in the income statement and equity arising from foreign currency borrowings.

Where additional foreign exchange risk is identified (not linked to borrowings), it is the Group's policy to assess the likelihood of the risk crystallising and if deemed appropriate use derivatives to hedge some or all of the risk. At 31 March 2025, the Group had no foreign currency exposures (other than those linked to borrowings) being managed using foreign currency derivative contracts (2024: £nil exposure). A 10% weakening or strengthening of Sterling would therefore have no impact on the loss before tax and or total equity (2024: £nil impact).

## FINANCIAL MATURITY ANALYSIS

The interest rate profile of the Group's borrowings is set out below (based on notional values):

| | | | 2025 | | | 2024 |
|---|---|---|---|---|---|---|
| | **Fixed rate £m** | **Floating rate £m** | **Total £m** | Fixed rate £m | Floating rate £m | Total £m |
| Sterling | **3,050** | **1,048** | **4,098** | 2,706 | 431 | 3,137 |
| Euro | **–** | **310** | **310** | – | 519 | 519 |
| US Dollar | **–** | **170** | **170** | – | 147 | 147 |
| | **3,050** | **1,528** | **4,578** | 2,706 | 1,097 | 3,803 |

The expected maturity profiles of the Group's borrowings are as follows (based on notional values):

| | | | 2025 | | | 2024 |
|---|---|---|---|---|---|---|
| | **Fixed rate £m** | **Floating rate £m** | **Total £m** | Fixed rate £m | Floating rate £m | Total £m |
| One year or less, or on demand | **–** | **750** | **750** | 86 | 973 | 1,059 |
| More than one year but not more than two years | **1** | **240** | **241** | – | 123 | 123 |
| More than two years but not more than five years | **718** | **538** | **1,256** | 715 | – | 715 |
| More than five years | **2,331** | **–** | **2,331** | 1,904 | – | 1,904 |
| **Borrowings** | **3,050** | **1,528** | **4,578** | 2,705 | 1,096 | 3,801 |
| Effect of hedging | **1,145** | **(1,145)** | **–** | 864 | (864) | – |
| **Borrowings net of interest-rate swaps** | **4,195** | **383** | **4,578** | 3,569 | 232 | 3,801 |

The expected maturity profiles of the Group's derivative instruments are as follows (based on notional values):

| | | 2025 | | 2024[1] |
|---|---|---|---|---|
| | **Foreign exchange swaps £m** | **Interest-rate swaps £m** | Foreign exchange swaps £m | Interest-rate swaps £m |
| One year or less, on demand | **486** | **455** | 664 | 669 |
| More than one year but not more than two years | **–** | **740** | – | 865 |
| More than two years but not more than five years | **–** | **150** | – | 500 |
| More than five years | **–** | **300** | – | – |
| | **486** | **1,645** | 664 | 2,034 |

1. At 31 March 2024, the maturity analysis table disclosed the incorrect maturity profile for the interest-rate swaps and did not include all their notional value accretions. The prior period comparative has been updated to correct for this. No change to the prior year-end fair value disclosed for the interest-rate swaps or the notional amount at the effective date disclosures are required within note 26.

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

## 27 › FINANCIAL RISK MANAGEMENT CONTINUED

### VALUATION HIERARCHY

Derivative financial instruments and financial assets at fair value through profit and loss (other investments) are the only financial instruments which are carried at fair value. For financial instruments other than borrowings disclosed in note 22, the carrying value in the balance sheet approximates their fair values. The table below shows the aggregate assets and liabilities carried at fair value by valuation method:

| | | | | 2025 | | | | 2024 |
|---|---|---|---|---|---|---|---|---|
| | Level 1 £m | Level 2 £m | Level 3 £m | Total £m | Level 1 £m | Level 2 £m | Level 3 £m | Total £m |
| Assets | **–** | **4** | **8** | **12** | – | 30 | 7 | 37 |
| Liabilities | **–** | **(8)** | **–** | **(8)** | – | (5) | – | (5) |

Note:
Level 1: valued using unadjusted quoted prices in active markets for identical financial instruments.
Level 2: valued using techniques based on information that can be obtained from observable market data.
Level 3: valued using techniques incorporating information other than observable market data.

The fair value of the amounts payable under the Group's lease obligations, using a discount rate of **3.4%** (2024: 3.3%), is **£232m** (2024: £100m). The fair value of the Group's net investment in tenant finance leases, calculated by the Group's external valuer by applying a weighted average equivalent yield of **8.8%** (2024: 7.8%), is **£12m** (2024: £17m).

The fair values of any floating rate financial liabilities are assumed to be equal to their nominal value. The fair values of the MTNs fall within Level 1 of the fair value hierarchy, the syndicated and bilateral facilities, commercial paper, interest-rate swaps and foreign exchange swaps fall within Level 2, and the amounts payable and receivable under leases fall within Level 3.

The fair values of the financial instruments have been determined by reference to relevant market prices, where available. The fair values of the Group's outstanding interest-rate swaps have been estimated by calculating the present value of future cash flows, using appropriate market discount rates. These valuation techniques fall within Level 2.

The fair value of the other investments is calculated by reference to the net assets of the underlying entity. The valuation is not based on observable market data and therefore the other investments are considered to fall within Level 3.

## SECTION 5 – WORKING CAPITAL

This section focuses on our working capital balances, including trade and other receivables, and trade and other payables.

## 28 › TRADE AND OTHER RECEIVABLES

### A ACCOUNTING POLICY

Trade and other receivables are recognised initially at fair value, subsequently at amortised cost and, where relevant, adjusted for the time value of money. The Group assesses on a forward-looking basis the expected credit losses associated with its trade receivables. A provision for impairment is made for the lifetime expected credit losses on initial recognition of the receivable. If collection is expected in more than one year, the balance is presented within non-current assets.

In determining the expected credit losses, the Group takes into account any recent payment behaviours and future expectations of likely default events (i.e. not making payment on the due date) based on individual customer credit ratings, actual or expected insolvency filings or company voluntary arrangements and market expectations and trends in the wider macroeconomic environment in which our customers operate. Where a concession is agreed with a customer after the due date for the rent, this amount is recognised as an impairment of the related trade receivable.

Trade and other receivables are written off once all avenues to recover the balances are exhausted and the lease has ended. Receivables written off are no longer subject to any enforcement activity.

### S SOURCE OF ESTIMATION UNCERTAINTY

### IMPAIRMENT OF TRADE RECEIVABLES

The Group's assessment of expected credit losses is inherently subjective due to the forward-looking nature of the assessments. As a result, the value of the provisions for impairment of the Group's trade receivables are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate. See note 27 for further details of the Group's assessment of the credit risk associated with trade receivables.

| | 2025 £m | 2024 £m |
|---|---|---|
| Net trade receivables | **70** | 46 |
| Tenant lease incentives | **242** | 195 |
| Prepayments | **69** | 58 |
| Accrued income | **21** | 22 |
| Amounts due from joint ventures and associates | **12** | 17 |
| Deferred consideration | **2** | 16 |
| Other receivables | **51** | 25 |
| **Total current trade and other receivables** | **467** | 379 |
| Non-current amounts due from joint ventures and associates | **116** | 129 |
| Non-current prepayments | **24** | – |
| Non-current deferred consideration | **78** | 30 |
| Other non-current receivables | **11** | – |
| **Total trade and other receivables** | **696** | 538 |

The accounting for lease incentives is set out in note 6. The value of the tenant lease incentive, included in current trade and other receivables, is spread over the lease term.

The non-current amounts due from joint ventures have maturity dates ranging from April 2028 to the dissolution of the joint venture. Interest is charged at rates ranging from **4%** to **5%** (2024: 4% to 5%).

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

## 28 › TRADE AND OTHER RECEIVABLES CONTINUED

### AGEING OF TRADE RECEIVABLES

| | Not past due £m | Up to 30 days past due £m | Up to 6 months past due £m | Up to 12 months past due £m | More than 12 months past due £m | Total £m |
|---|---|---|---|---|---|---|
| **As at 31 March 2025** | | | | | | |
| Not impaired | **–** | **28** | **25** | **10** | **7** | **70** |
| Impaired | **–** | **–** | **1** | **4** | **24** | **29** |
| **Gross trade receivables** | **–** | **28** | **26** | **14** | **31** | **99** |
| | | | | | | |
| As at 31 March 2024 | | | | | | |
| Not impaired | – | 20 | 16 | 5 | 5 | 46 |
| Impaired | – | – | 4 | 4 | 31 | 39 |
| **Gross trade receivables** | – | 20 | 20 | 9 | 36 | 85 |

None of the Group's other receivables are past due and therefore no ageing has been shown (2024: £nil).

## 29 › TRADE AND OTHER PAYABLES

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 £m | 2024 £m | 2025 £m | 2024 £m |
| Trade payables | **30** | 56 | **–** | – |
| Capital accruals | **70** | 48 | **–** | – |
| Other payables | **8** | 20 | **–** | 8 |
| Accruals | **155** | 90 | **–** | – |
| Deferred income | **129** | 129 | **–** | – |
| Contract liabilities | **–** | 5 | **–** | – |
| Amounts owed to joint ventures | **14** | – | **–** | – |
| Loans from Group undertakings | **–** | – | **1,750** | 2,243 |
| **Total current trade and other payables** | **406** | 348 | **1,750** | 2,251 |
| Non-current other payables | **44** | – | **–** | – |
| Deferred income | **–** | 4 | **–** | – |
| **Total trade and other payables** | **450** | 352 | **1,750** | 2,251 |

Capital accruals represent amounts due for work completed on investment properties but not paid for at the year-end. Deferred income principally relates to rents received in advance.

The Loans from Group undertakings are repayable on demand with no fixed repayment date. Interest is charged at **4.95%** per annum (2024: 4.9%).

## SECTION 6 – OTHER REQUIRED DISCLOSURES

This section gives further disclosure in respect of other areas of the financial statements, together with mandatory disclosures required in accordance with IFRS.

## 30 › INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

### A ACCOUNTING POLICY

Investments in subsidiary undertakings are stated at cost in the Company's balance sheet, less any provision for impairment in value.

In accordance with IFRS 2 Share Based Payments the equity settled share-based payment charge for the employees of the Company's subsidiaries is treated as an increase in the cost of investment in the subsidiaries, with a corresponding increase in the Company's equity.

| | 2025 £m | 2024 £m |
|---|---|---|
| At the beginning of the year | **5,659** | 6,229 |
| Capital contributions relating to share-based payments (note 37) | **6** | 8 |
| Impairment charge | **(302)** | (578) |
| **At 31 March** | **5,363** | 5,659 |

A full list of subsidiary undertakings at 31 March 2025 is included on pages 169-172. This includes those which are exempt from the requirement of the Companies Act 2006 ('the Act') relating to the audit of individual accounts by virtue of Section 479A of the Act.

In the year ended 31 March 2025, there has been an impairment charge on the Company's investment in its subsidiaries of **£302m** (2024: charge of £578m) due to corporate restructuring activities in the year. This has resulted in a change in the overall net asset values of the subsidiary companies being assessed for impairment. The recoverable amount of the investments has been based on the fair value of each of the subsidiaries at 31 March 2025 as determined by their individual net asset values at that date, totalling **£5,363m** (2024: £5,659m).

## 31 › OTHER NON-CURRENT ASSETS

| | 2025 £m | 2024 £m |
|---|---|---|
| Net pension surplus (note 36) | **11** | 11 |
| Derivative financial instruments (note 26) | **2** | 22 |
| Other investments | **9** | 8 |
| **Total other non-current assets** | **22** | 41 |

## 32 › OTHER CURRENT ASSETS

| | 2025 £m | 2024 £m |
|---|---|---|
| Derivative financial instruments (note 26) | **2** | 8 |
| Current tax assets | **2** | 3 |
| **Total other current assets** | **4** | 11 |

## 33 › OTHER CURRENT LIABILITIES

| | 2025 £m | 2024 £m |
|---|---|---|
| Derivative financial instruments (note 26) | **6** | – |
| **Total other current liabilities** | **6** | – |

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

## 34 › OTHER NON-CURRENT LIABILITIES

| | 2025 £m | 2024 £m |
|---|---|---|
| Net liabilities incurred on behalf of joint ventures[1] (note 16) | 3 | 8 |
| Derivative financial instruments (note 26) | 2 | 5 |
| **Total other non-current liabilities** | **5** | **13** |

1. The Group's share of accumulated losses of a joint venture interest are recognised as net liabilities (see note 16) where there is an obligation to provide for these losses.

## 35 › PROVISIONS

### A ACCOUNTING POLICY

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are estimated considering various possible outcomes and determining the most likely outcome. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

| | | | 2025 |
|---|---|---|---|
| | Building and fire safety remediation £m | Transaction and contract related £m | Total £m |
| At 1 April 2024 | 23 | 49 | 72 |
| Charge for the year | 5 | 22 | 27 |
| Utilised during the year | (2) | (5) | (7) |
| Reversed during the year | (3) | (15) | (18) |
| **At 31 March 2025** | **23** | **51** | **74** |
| | | | |
| Current | 23 | 21 | 44 |
| Non-current | – | 30 | 30 |
| **At 31 March 2025** | **23** | **51** | **74** |

### BUILDING AND FIRE SAFETY REMEDIATION PROVISIONS

Management have assessed their legal and constructive obligations arising from the Building Safety Act 2022 and other associated fire regulations and remediation works for identified Reinforced Autoclaved Aerated Concrete. Where an obligation exists, including for properties no longer owned by the Group but for which the Group is responsible for remediation works, a provision is recorded on the Group's balance sheet. **£10m** of the provision recorded at 31 March 2025 relates to properties no longer owned by the Group. Moreover, a receivable of **£5m** has been recorded in note 28 where the Group is virtually certain that the provision recorded will be reimbursed by the original developer of the property for such remediation works.

### TRANSACTION AND CONTRACT RELATED PROVISIONS

Relate to historic or ongoing transactions and contracts that the Group is party to wherein an obligation arises as part of its developer contractual arrangements, queries received from tax authorities, or contractor claims. These provisions are classed together as they pertain to past transactions or contracts executed to acquire or dispose of assets or queries arising therefrom. The provisions reflect management's best estimate of the costs required to settle these obligations, however owing to the nature of these provisions there is uncertainty over both the amount and the timing of the potential cash outflows.

## 36 › NET PENSION SURPLUS

### A ACCOUNTING POLICY

Contributions to defined contribution schemes are charged to the income statement as incurred.

The pension obligations arising under the Group's defined benefit pension scheme are measured at discounted present value. The scheme assets are measured at fair value, except annuities which are valued to match the liability or benefit value. The operating and financing costs of the scheme are recognised separately in the income statement. Service costs are spread using the projected unit credit method. Past service costs are recognised immediately in the income statement in the period in which they are identified. Net financing costs are recognised in the period in which they arise, calculated with reference to the discount rate, and are included in finance income or expense on a net basis. Remeasurement gains and losses arising from either experience differing from previous actuarial assumptions, or changes to those assumptions, are recognised immediately in other comprehensive income.

### DEFINED CONTRIBUTION SCHEMES

The charge to operating profit for the year in respect of defined contribution schemes was **£4m** (2024: £4m).

### DEFINED BENEFIT SCHEME

The Pension & Assurance Scheme of the Land Securities Group of Companies (the Scheme) is a registered defined benefit final salary scheme subject to the UK regulatory framework for pensions, including the Scheme Specific Funding requirements. The Scheme is operated under trust and as such, the Trustees of the Scheme are responsible for operating the Scheme and they have a statutory responsibility to act in accordance with the Scheme's Trust Deed and Rules, in the best interest of the beneficiaries of the Scheme and UK legislation (including trust law). The Trustees and the Group have the joint power to set the contributions that are paid to the Scheme.

In setting contributions to the Scheme, the Trustees and the Group are guided by the advice of a qualified independent actuary on the basis of triennial valuations using the projected unit credit method. The Scheme is closed to new members (and was closed to future accrual on 31 October 2019). A full actuarial valuation of the Scheme was undertaken on 30 June 2021 by the independent actuaries, Hymans Robertson LLP. This valuation was updated to 31 March 2025 using, where required, assumptions prescribed by IAS 19 Employee Benefits. The 30 June 2024 actuarial valuation has not yet been completed.

There have been no employer or employee contributions following the closure of the Scheme to future accrual on 31 October 2019. Prior to this, the employer contribution rate was 43.1% of pensionable salary to cover the costs of accruing benefits and the employee contributions were at 8% of monthly pensionable salary. It was also agreed that no further deficit contributions were required from the Group. Employee contributions were paid by salary sacrifice, and therefore appeared as Group contributions. The Group does not expect to make any employee or employer contributions to the Scheme in the year to 31 March 2026 (2025: £nil).

All death-in-service and incapacity benefits arising during employment are wholly insured. No post-retirement benefits other than pensions are made available to employees of the Group.

| ANALYSIS OF THE AMOUNTS CHARGED TO THE INCOME STATEMENT | 2025 £m | 2024 £m |
|---|---|---|
| **Analysis of the amount charged to operating profit** | | |
| Current service costs | – | – |
| Past service costs | – | – |
| **Charge to operating profit** | **–** | – |
| **Analysis of amount credited to net finance expense** | | |
| Interest income on plan assets | **(8)** | (8) |
| Interest expense on defined benefit scheme liabilities | **8** | 8 |
| Impact on net finance expense | **–** | – |

| ANALYSIS OF THE AMOUNTS RECOGNISED IN OTHER COMPREHENSIVE INCOME | 2025 £m | 2024 £m |
|---|---|---|
| **Analysis of gains and losses** | | |
| Net remeasurement gains on scheme assets | **18** | – |
| Net remeasurement (losses)/gain on scheme liabilities | **(18)** | (1) |
| Net remeasurement loss related to authorised payments charge due on net pension surplus | **–** | (4) |
| **Net remeasurement loss** | **–** | (5) |
| **Cumulative net remeasurement loss recognised in other comprehensive income** | **(41)** | (41) |

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

### 36 › NET PENSION SURPLUS CONTINUED

The net surplus recognised in respect of the defined benefit scheme can be analysed as follows:

| | % | 2025 £m | % | 2024 £m |
|---|---|---|---|---|
| Bonds – Government | **–** | **–** | – | – |
| Proceeds from corporate bond sale | **–** | **–** | – | – |
| Insurance contracts | **90** | **132** | 83 | 151 |
| Cash and cash equivalents | **10** | **15** | 17 | 15 |
| Fair value of scheme assets | **100** | **147** | 100 | 166 |
| Fair value of scheme liabilities | | **(132)** | | (151) |
| Net pension surplus as per IAS 19 | | **15** | | 15 |
| Expected authorised payments charge | | **(4)** | | (4) |
| **Net pension surplus** | | **11** | | 11 |

In the year ended 31 March 2025, **£9m** (2024: £11m) of benefits were paid to members.

In December 2022, the Scheme transacted a buy-in policy for £79m covering all remaining uninsured members. This insurance contract is valued as an asset using the same IAS 19 assumptions. Insurance contracts are annuities which are unquoted assets. All other Scheme assets have quoted prices in active markets. The Scheme assets do not include any directly owned financial instruments issued by the Group. Indirectly owned financial instruments had a fair value of **£nil** (2024: £nil).

In the most recent triennial valuation, the defined benefit scheme liabilities were split **nil%** (2024: nil%) in respect of active scheme participants, **31%** (2024: 31%) in respect of deferred scheme participants, and **69%** (2024: 69%) in respect of retirees. As the scheme is now closed to future accrual, there are no longer any active scheme participants. The weighted average duration of the defined benefit scheme liabilities at 31 March 2025 is **10.7** years (2024: 11.5 years).

The assumptions agreed with the Trustees of the Scheme for the triennial valuation at 30 June 2021 have been restated to the assumptions described by IAS 19 Employee Benefits. The major assumptions used in the valuation were (in nominal terms):

| | 2025 % | 2024 % |
|---|---|---|
| Rate of increase in pensionable salaries | **n/a** | n/a |
| Rate of increase in pensions with no cap | **3.40** | 3.45 |
| Rate of increase in pensions with 5% cap | **3.30** | 3.30 |
| Discount rate | **5.70** | 4.80 |
| Inflation – Retail Price Index | **3.40** | 3.45 |
| – Consumer Price Index | **2.75** | 2.75 |

The mortality assumptions used in this valuation were:

| | 2025 Years | 2024 Years |
|---|---|---|
| Life expectancy at age 60 for current pensioners – Men | **25.9** | 26.8 |
| – Women | **28.5** | 29.1 |
| Life expectancy at age 60 for future pensioners (current age 40) – Men | **27.3** | 29.8 |
| – Women | **30.9** | 31.9 |

The sensitivities regarding the principal assumptions used to measure the Scheme liabilities are set out below. These were calculated using approximate methods taking into account the duration of the Scheme liabilities.

| Assumption | Change in assumption | Impact on Scheme liabilities |
|---|---|---|
| Discount rate | Decrease by 0.5% | Increase by £7m |
| Life expectancy | Increase by 1 year | Increase by £5m |
| Rate of inflation | Increase by 0.5% | Increase by £5m |

The above sensitivities show the impact on liabilities only and do not reflect the hedging the scheme has in place. In December 2022, the Scheme transacted a buy-in policy for £79m covering all remaining uninsured members. As a result, the Group no longer bears any longevity, interest rate or inflation risk in respect of the pension scheme. The buy-in policy is an investment asset of the Scheme.

The Company did not operate any defined contribution schemes or defined benefit schemes during the financial years ended 31 March 2025 or 31 March 2024.

On 25 July 2024, the Court of Appeal upheld the High Court's decision in the Virgin Media Limited v NTL Pension Trustees II Limited case, ruling that historical amendments for contracted-out defined benefit schemes were invalid without a section 37 actuarial confirmation. However, the appeal did not address the form of the section 37 confirmation or the necessary actuarial remedies if these were absent. Consequently, the Trustees have not initiated a formal due diligence exercise to investigate this matter following discussions with their legal advisers. The Trustees and the Group continue to monitor developments and will assess any implications for the Scheme.

## 37›SHARE-BASED PAYMENTS

### A ACCOUNTING POLICY

The cost of granting shares, options over shares and other share-based remuneration to employees and Executive Directors is recognised through the income statement. All awards are equity settled and therefore the fair value is measured at the grant date. Where the awards have non-market related performance criteria, the Group uses the Black-Scholes option valuation model to establish the relevant fair values. Where the awards have Total Shareholder Return (TSR) market related performance criteria, the Group has used the Monte Carlo simulation valuation model to establish the relevant fair values. The resulting values are amortised through the income statement over the vesting period of the awards. For awards with non-market related criteria, the charge is reversed if it appears probable that the performance or service criteria will not be met.

The following table analyses the total cost recognised in the income statement for the year between each plan, together with the number of options outstanding.

| | 2025 Charge £m | 2025 Number (millions) | 2024 Charge £m | 2024 Number (millions) |
|---|---|---|---|---|
| Long-Term Incentive Plan | **1** | **4** | 3 | 3 |
| Deferred Share Bonus Plan | **1** | **–** | 2 | – |
| Executive Share Option Scheme | **–** | **1** | – | 1 |
| Sharesave Plan | **–** | **1** | – | 1 |
| Restricted Share Plan | **4** | **2** | 3 | 2 |
| | **6** | **8** | 8 | 7 |

A summary of the main features of each type of plan is given below. The plans have been split into two categories: Executive plans and Other plans. For further details on the Executive plans, see the Directors' Remuneration Report on pages 68-79.

### EXECUTIVE PLANS:

#### LONG-TERM INCENTIVE PLAN (LTIP)

The LTIP is open to Executive Directors, ELT and senior management members with awards made at the discretion of the Remuneration Committee. In addition, other than for Executive Directors, an award of 'matching shares' could be made where the individual acquired shares in Land Securities Group PLC and pledged to hold them for a period of three years. The awards are issued at nil consideration, subject to performance and vesting conditions being met. Awards of LTIP shares and matching shares are subject to the same performance criteria and normally vest after three years. Awards are satisfied by the transfer of existing shares held by the Employee Benefit Trust (EBT). The weighted average share price at the date of vesting was **622 pence** (2024: 635 pence). The estimated fair value of awards granted during the year under the scheme was **£8m** (2024: £8m).

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

## 37› SHARE-BASED PAYMENTS CONTINUED

### DEFERRED SHARE BONUS PLAN (DSBP)

The Executive Directors' annual bonus is structured in two distinct parts made up of an initial payment and deferred shares. The shares are usually deferred for one or two years. The shares are deferred for one year and are not subject to additional performance criteria. Awards are satisfied by the transfer of existing shares held by the EBT at nil consideration. The weighted average share price at the date of vesting during the year was **635 pence** (2024: 565 pence). The estimated fair value of awards granted during the year under the scheme was **£1m** (2024: £1m).

## OTHER PLANS:

### EXECUTIVE SHARE OPTION SCHEME (ESOS)

The 2005 ESOS was previously open to managers not eligible to participate in the LTIP, but was largely replaced by the Restricted Share Option Plan in the year ended 31 March 2020. Awards are discretionary and are granted over ordinary shares of the Company at the middle market price on the three dealing days immediately preceding the date of grant. Awards normally vest after three years and are not subject to performance conditions. Awards are satisfied by the transfer shares from the EBT and lapse ten years after the date of grant. There were no awards exercised during the year (2024: none). The estimated fair value of awards granted during the year under the scheme was **£nil** (2024: £nil).

### SHARESAVE PLAN

Under the Sharesave Plan, Executive Directors and other eligible employees are invited to make regular monthly contributions into a Sharesave Plan operated by Equiniti. On completion of the three or five-year contract period, ordinary shares in the Company may be purchased at a price based upon the middle market price on the three dealing days immediately preceding the date of invitation less 20% discount. The weighted average share price at the date of exercise for awards exercised during the year was **620 pence** (2024: 641 pence). The estimated fair value of awards granted during the year under the scheme was **£1m** (2024: £1m).

### RESTRICTED SHARE PLAN (RSP)

The RSP started in the year ended 31 March 2020. It is open to qualifying management level employees with awards granted as nil cost options. Awards are discretionary and are granted over ordinary shares of the Company at the middle market price on the day immediately preceding date of grant. Awards normally vest after three years and are not subject to performance conditions. Awards are satisfied by the transfer of shares from the EBT and lapse ten years after the date of grant. The weighted average share price at the date of exercise for awards exercised during the year was **631 pence** (2024: 648 pence). The estimated fair value of awards granted during the year under the scheme was **£3m** (2024: £2m).

### SHARE INCENTIVE PLAN (SIP)

The SIP started in the year ended 31 March 2024. All employees and Executive Directors are invited to make contributions up to the annual limit set by HMRC. The contributions are invested into a trust account managed by Equiniti who purchase partnership shares at the market price on behalf of participants. Landsec grants one matching share for each partnership share purchased. Free shares can also be granted up to an annual limit. The matching and free shares vest after three years and are not subject to performance conditions. The weighted average share price at the date of exercise for awards exercised during the year was **615 pence** (2024: none). The estimated fair value of awards granted during the year under the scheme was **£1m** (2024: £nil).

The aggregate number of awards outstanding, and the weighted average exercise price, are shown below:

| | Executive plans[1] | | Other plans | | | |
|---|---|---|---|---|---|---|
| | Number of awards | | Number of awards | | Weighted average exercise price | |
| | **2025 Number (millions)** | 2024 Number (millions) | **2025 Number (millions)** | 2024 Number (millions) | **2025 Pence** | 2024 Pence |
| At the beginning of the year | **4** | 3 | **3** | 3 | **759** | 758 |
| Granted | **2** | 2 | **1** | 1 | **521** | 563 |
| Exercised | **–** | – | **–** | (1) | **522** | 540 |
| Lapsed | **(1)** | (1) | **(1)** | – | **922** | 755 |
| **At 31 March** | **5** | 4 | **3** | 3 | **706** | 755 |
| **Exercisable at the end of the year** | **–** | – | **1** | 1 | **794** | 978 |
| | **Years** | Years | **Years** | Years | | |
| Weighted average remaining contractual life | **1** | 1 | **1** | 2 | | |

1. Executive plans are granted at nil consideration.

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

| Exercise price – range | Outstanding at 31 March 2025 Weighted average exercise price | Number of awards | Weighted average remaining contractual life | Outstanding at 31 March 2024 Weighted average exercise price | Number of awards | Weighted average remaining contractual life |
|---|---|---|---|---|---|---|
| Pence | Pence | Number (millions) | Years | Pence | Number (millions) | Years |
| Nil[1] | **–** | **5** | **2** | – | 6 | 1 |
| 400 – 599 | **544** | **1** | **1** | 535 | – | 2 |
| 600 – 799 | **670** | **2** | **–** | 633 | – | 1 |
| 800 – 999 | **948** | **–** | **3** | 953 | – | 4 |
| 1,000 – 1,199 | **1,017** | **–** | **2** | 1,022 | 1 | 2 |
| 1,200 – 1,399 | **1,328** | **–** | **–** | 1,328 | – | 1 |

1. Executive plans are granted at nil consideration.

## FAIR VALUE INPUTS FOR AWARDS WITH NON-MARKET PERFORMANCE CONDITIONS

Fair values are calculated using the Black-Scholes option pricing model for awards with non-market performance conditions. The weighted average inputs into this model for the grants under each plan in the financial year are as follows:

| | Long-Term Incentive Plan | | Deferred Share Bonus Plan | | Restricted Share Plan | | Sharesave Plan | |
|---|---|---|---|---|---|---|---|---|
| Year ended 31 March | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Share price at grant date | **625p** | 625p | **637p** | 621p | **630p** | 619p | **628p** | 574p |
| Exercise price | **n/a** | n/a | **n/a** | n/a | **n/a** | n/a | **530p** | 502p |
| Expected volatility | **27%** | 33% | **29%** | 35% | **27%** | 35% | **29%** | 35% |
| Expected life | **3 years** | 3 years | **1 year** | 1 year | **3 years** | 3 years | **3 to 5 years** | 3 to 5 years |
| Risk-free rate | **4.23%** | 4.36% | **4.63%** | 4.75% | **4.00%** | 4.45% | **4.09% to 4.17%** | 4.66% to 5.05% |
| Expected dividend yield | **Nil** | Nil | **Nil** | Nil | **6.32%** | 6.23% | **6.34%** | 6.72% |

Expected volatility is determined by calculating the historical volatility of the Group's share price over the previous ten years. The expected life used in the model has been determined based upon management's best estimate for the effects of non-transferability, vesting/exercise restrictions and behavioural considerations. The risk-free rate is the yield at the date of the grant of an award on a gilt-edged stock with a redemption date equal to the anticipated vesting of that award.

## FAIR VALUE INPUTS FOR AWARDS WITH MARKET PERFORMANCE CONDITIONS

Fair values are calculated using the Monte Carlo simulation option pricing model for awards with market performance conditions. Awards made under the Omnibus Share Plan (2024: 2015 LTIP) include a TSR condition, which is a market-based condition. The weighted average inputs into this model for the scheme are as follows:

| | Share price at date of grant | | Exercise price | | Expected volatility – Group | | Expected volatility – index of comparator companies | | Correlation – Group vs. index | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year ended 31 March | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Long-Term Incentive Plan | **625p** | 625p | **n/a** | n/a | **29%** | 33% | **27%** | 34% | **66%** | 55% |

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

## 38 › ORDINARY SHARE CAPITAL

### A ACCOUNTING POLICY

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

The consideration paid by any Group entity to acquire the Company's equity share capital, including any directly attributable incremental costs, is deducted from equity until the shares are cancelled, reissued or sold. Where own shares are sold or reissued, the net consideration received is included in equity.

| | Group and Company Allotted and fully paid | |
|---|---|---|
| | 2025 £m | 2024 £m |
| Ordinary shares of 10⅔p each | **80** | 80 |

| | Numbers of shares | |
|---|---|---|
| | 2025 £m | 2024 £m |
| At the beginning of the year | **751,676,657** | 751,381,219 |
| Issued on the exercise of options | **55,407** | 295,438 |
| **At 31 March** | **751,732,064** | 751,676,657 |

The number of options over ordinary shares from Executive plans that were outstanding at 31 March 2025 was **6,622,885** (2024: 5,836,592). If all the options were exercisable at that date then **6,622,885** (2024: 5,836,592) shares would be required to be transferred from the EBT. The number of options over ordinary shares from Other plans that were outstanding at 31 March 2025 was **1,119,835** (2024: 1,498,647). If all the options were exercisable at that date then **539,248** new ordinary shares (2024: 538,608) would be issued and **580,587** shares would be required to be transferred from the EBT (2024: 960,039).

Shareholders at the Annual General Meeting have previously authorised the acquisition of shares by the Company representing up to 10% of its share capital, to be held as treasury shares. There were no treasury shares transferred to the EBT during the year ended 31 March 2025 (2024: none) to satisfy future awards under employee share plans. At 31 March 2025, the Group held **6,789,236** ordinary shares (2024: 6,789,236) with a market value of **£37m** (2024: £45m) in treasury. The Company's voting rights and dividends in respect of the treasury shares, including those own shares which the EBT holds, continue to be waived.

## 39 › OWN SHARES

### A ACCOUNTING POLICY

Shares acquired by the EBT are presented on the Group and Company balance sheets within 'Other reserves'. Purchases of treasury shares are deducted from retained earnings.

| | Group and Company | |
|---|---|---|
| | 2025 £m | 2024 £m |
| At the beginning of the year | **23** | 29 |
| Transfer of shares to employees on exercise of share options | **(9)** | (6) |
| **At 31 March** | **14** | 23 |

Own shares consist of shares in Land Securities Group PLC held by the EBT in respect of the Group's commitment to a number of its employee share option schemes (note 37).

The number of shares held by the EBT at 31 March 2025 was **2,061,915** (2024: 3,119,107). The market value of these shares at 31 March 2025 was **£11m** (2024: £21m).

## 40 › CONTINGENCIES

The Group has contingent liabilities in respect of legal claims, contractor claims, remediation for building defects, developer contractual arrangements, guarantees and warranties arising in the ordinary course of business. A provision for such matters is only recognised to the extent that the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation.

## 41 › RELATED PARTY TRANSACTIONS

### SUBSIDIARIES

During the year, the Company entered into transactions, in the normal course of business, with related parties as follows:

| | 2025 £m | 2024 £m |
|---|---|---|
| **Transactions with subsidiary undertakings[1]:** | | |
| Recharge of costs | **(306)** | (281) |
| Dividends received | **900** | 1,000 |
| Interest paid | **(108)** | (148) |

1. All significant cash payments for the parent company, including dividend payments, are made by the Group's treasury function in accordance with the Group's financial risk management policy.

### JOINT ARRANGEMENTS

As disclosed in note 16, the Group has investments in a number of joint arrangements. Details of transactions and balances between the Group and its joint arrangements are as follows:

| | **Year ended and as at 31 March 2025** | | | | Year ended and as at 31 March 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Income/ (expense) £m** | **Net investments into joint ventures £m** | **Amounts owed by joint ventures £m** | **Amounts owed to joint ventures £m** | Income/ (expense) £m | Net investments into joint ventures £m | Amounts owed by joint ventures £m | Amounts owed to joint ventures £m |
| Nova, Victoria | **10** | **1** | **45** | **–** | 6 | – | 54 | – |
| Southside Limited Partnership | **4** | **(1)** | **74** | **–** | 3 | – | 74 | – |
| Westgate Oxford Alliance Limited Partnership | **1** | **(13)** | **4** | **–** | (2) | (13) | 6 | – |
| Other | **1** | **4** | **5** | **(14)** | (1) | 4 | 8 | – |
| | **16** | **(9)** | **128** | **(14)** | 6 | (9) | 142 | – |

### ASSOCIATES

Details of transactions and balances between the Group and its associates are as follows:

| | **Year ended and as at 31 March 2025** | | | | Year ended and as at 31 March 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| | **Income £m** | **Net investments into associates £m** | **Amounts owed by associates £m** | **Amounts owed to associates £m** | Income £m | Net investments into associates £m | Amounts owed by associates £m | Amounts owed to associates £m |
| Associates | **–** | **–** | **–** | **–** | – | – | 4 | – |

### REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration of the Directors, who are the key management personnel of the Group and Company, is set out below in aggregate for each of the applicable categories specified in IAS 24 Related Party Disclosures. Further information about the remuneration of individual Directors is provided in the audited part of the Directors' Remuneration Report on pages 69-79.

| | 2025 £m | 2024 £m |
|---|---|---|
| Short-term employee benefits[1] | **5** | 5 |
| Share-based payments | **3** | 3 |
| | **8** | 8 |

1. Short-term employee benefits include pension allowances.

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

## 42 › OPERATING LEASE ARRANGEMENTS

### A ACCOUNTING POLICY

The Group earns rental income by leasing its properties to tenants under non-cancellable operating leases. Leases in which substantially all risks and rewards incidental to ownership of investment properties are retained by the Group as the lessor are classified as operating leases. Payments, including prepayments, received under operating leases (net of any incentives paid) are charged to the income statement on a straight-line basis over the period of the lease.

At the balance sheet date, the Group had contracted with tenants to receive the following undiscounted future minimum lease payments:

| | 2025 £m | 2024 £m |
|---|---|---|
| Not later than one year | **484** | 416 |
| Later than one year, but not more than two years | **449** | 395 |
| Later than two years, but not more than three years | **414** | 356 |
| Later than three years, but not more than four years | **364** | 330 |
| Later than four years, but not more than five years | **304** | 286 |
| More than five years | **1,763** | 2,371 |
| | **3,778** | 4,154 |

The total of contingent rents, primarily turnover based rents, recognised as income during the year was **£25m** (2024: £61m).

## 43 › ACQUISITION OF NON-CONTROLLING INTERESTS

### A ACCOUNTING POLICY

Refer to note 1 for the Group's policy on recognition of subsidiary undertakings.

### SIGNIFICANT ACCOUNTING JUDGEMENT

Acquisitions of subsidiaries, and the method applied on the initial recognition of the subsidiary or group of subsidiaries, by nature can be complex and material to the financial statements. When a subsidiary is acquired, management considers the substance of the assets and activities of the acquired entity to determine whether the acquisition represents the acquisition of a business or an acquisition of an asset. An acquisition is accounted for as a business combination where an integrated set of activities and assets, including property, is acquired. Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. The non-controlling interest in the acquiree is initially measured at their proportion of the net fair value of the assets, liabilities and contingent liabilities recognised. When the acquisition of a subsidiary does not represent a business combination, it is accounted for as an acquisition of a group of assests and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

### ACQUISITION OF NON-CONTROLLING INTERESTS AND RELATED BUSINESS COMBINATION

On 30 October 2024, Landsec acquired the residual 25% interest in MediaCity, including the management rights, as well as a 100% interest in entities previously wholly owned by The Peel Group ('MediaCity acquirees'). The entities acquired operate a 218-bed hotel, are involved with studio operations, perform facilities management services, own the residential freehold and perform related management services for the MediaCityUK development.

The Group has accounted for this acquisition in accordance with IFRS 3 Business Combinations. The cash consideration was **£23m** and Landsec assumed **£61m** of debt. The Group incurred **£5m** of business combination costs in connection with the transaction. The consideration paid by the Group relating to the acquisition of the 25% non-controlling interest in MediaCity was equivalent to the non-controlling interest balance as at the date of acquisition, which was also its fair value. These cash flows have been presented as cash flows from investing activities.

Goodwill of **£21m** arose on the transaction because of the difference between the fair value of the net assets acquired and the consideration paid, relating to the additional skills and operations that the Group acquired related to the studios operations and from obtaining full control of the MediaCity acquirees. The Group has considered whether the goodwill is recoverable, and has concluded that it is not. The Group's longer-term plans for the acquired entities and any potential synergies with the Group's existing holdings are at an early stage, making the recoverable amount uncertain at this time. **£21m** of goodwill has therefore been written off to the income statement in the year.

The fair value of the assets and liabilities recognised at the date of acquisition is set out in the table below. As at 31 March 2025, the Group remains in the measurement period for the recognition of assets and liabilities on the acquisition of the MediaCity acquirees. The values provided in the table below are therefore provisional and could be subject to adjustment until the measurement period ends in October 2025:

| | MediaCity acquirees £m |
|---|---|
| **Assets** | |
| Investment property | 63 |
| Trade receivables and other assets | 12 |
| Cash | 10 |
| **Total assets** | **85** |
| | |
| **Liabilities** | |
| Borrowings | (61) |
| Trade payables and other liabilities | (22) |
| **Total liabilities** | **(83)** |
| | |
| **Net assets** | **2** |
| | |
| Fair value of consideration paid | 23 |
| Goodwill recognised | 21 |
| Goodwill impairment | (21) |
| Business combination costs | (5) |

## PRO-FORMA INFORMATION

Since the acquisition date, the MediaCity acquirees have contributed the following to the revenue and loss before tax of the Group for the year:

| | MediaCity £m |
|---|---|
| Revenue | 19 |
| Loss before tax | (1) |

If the acquisition had been made on 1 April 2024, the Group's revenue would have been higher by £24m and profit before tax would have been lower by £41m. The pro-forma information is provided for illustrative purposes only and is not necessarily indicative of the results of the combined Group that would have occurred had the purchases actually been made at the beginning of the financial year, or indicative of future results of the combined Group.

## 44 › ASSETS HELD-FOR-SALE

On 28 March 2025, the Group exchanged contracts for the sale of Land Securities Lakeside Limited, which owns the Lakeside Retail Park in West Thurrock, for a headline property price of £114m. Since the risks and returns of ownership had not fully transferred to the buyer at 31 March 2025, the property was classified as a Non-current asset held-for-sale with a carrying value of £110m. On 29 April 2025, the Group completed on the sale.

## 45 › EVENTS AFTER THE REPORTING PERIOD

On 29 April 2025, the Group completed on the sale of Land Securities Lakeside Limited.

On 2 May 2025, the Group put in place a new £300m bank facility with a November 2027 maturity.

On 14 May 2025, the Group increased its interest in Liverpool ONE to 96.5% following the full repayment of the £240m asset level bank facility.

Subsequent to the year-end, the Group also exchanged or completed on disposals of properties totalling £45m in value.

No other significant events occurred after the reporting period but before the financial statements were authorised for issue.

# BUSINESS ANALYSIS – EPRA DISCLOSURES

**EPRA NET ASSET MEASURES** TABLE 51

| | 31 March 2025 | | |
|---|---|---|---|
| | EPRA NRV £m | EPRA NTA £m | EPRA NDV £m |
| Net assets attributable to shareholders | 6,514 | 6,514 | 6,514 |
| Shortfall of fair value over net investment in finance lease book value | (8) | (8) | (8) |
| Other intangible asset | – | (2) | – |
| Fair value of interest-rate swaps | (1) | (1) | – |
| Shortfall of fair value of debt over book value (note 23) | – | – | 334 |
| Excess of fair value of trading properties over book value | 27 | 27 | 27 |
| Purchasers' costs[1] | 668 | – | – |
| **Net assets used in per share calculation** | **7,200** | **6,530** | **6,867** |

| | EPRA NRV | EPRA NTA | EPRA NDV |
|---|---|---|---|
| **Diluted net assets per share** | **964p** | **874p** | **919p** |

**EPRA NET ASSET MEASURES** TABLE 52

| | 31 March 2024 | | |
|---|---|---|---|
| | EPRA NRV £m | EPRA NTA £m | EPRA NDV £m |
| Net assets attributable to shareholders | 6,402 | 6,402 | 6,402 |
| Shortfall of fair value over net investment in finance lease book value | (5) | (5) | (5) |
| Other intangible asset | – | (2) | – |
| Fair value of interest-rate swaps | (22) | (22) | – |
| Shortfall of fair value of debt over book value ((note 23) | – | – | 313 |
| Excess of fair value of trading properties over book value | 25 | 25 | 25 |
| Purchasers' costs[1] | 605 | – | – |
| **Net assets used in per share calculation** | 7,005 | 6,398 | 6,735 |

| | EPRA NRV | EPRA NTA | EPRA NDV |
|---|---|---|---|
| **Diluted net assets per share** | 940p | 859p | 904p |

1. EPRA NTA and EPRA NDV reflect IFRS values which are net of purchasers' costs. Purchasers' costs are added back when calculating EPRA NRV.

## EPRA PERFORMANCE MEASURES

TABLE 53

| Measure | Definition for EPRA measure | Notes | 31 March 2025 EPRA measure |
|---|---|---|---|
| EPRA earnings | Recurring earnings from core operational activity | 5 | **£374m** |
| EPRA earnings per share | EPRA earnings per weighted number of ordinary shares | 5 | **50.3p** |
| EPRA diluted earnings per share | EPRA diluted earnings per weighted number of ordinary shares | 5 | **50.1p** |
| EPRA Net Tangible Assets (NTA) | Net assets adjusted to exclude the fair value of interest-rate swaps, intangible assets and excess of fair value over net investment in finance lease book value | 5 | **£6,530m** |
| EPRA Net Tangible Assets per share | Diluted Net Tangible Assets per share | 5 | **874p** |
| EPRA net disposal value (NDV) | Net assets adjusted to exclude the fair value of debt and goodwill on deferred tax and to include excess of fair value over net investment in finance lease book value | 5 | **£6,867m** |
| EPRA net disposal value per share | Diluted net disposal value per share | 5 | **919p** |
| EPRA loan-to-value (LTV)[1] | Ratio of adjusted net debt, including net payables, to the sum of the net assets, including net receivables, of the Group, its subsidiaries and joint ventures, all on a proportionate basis, expressed as a percentage | 22 | **41.0%** |
| | | **Table** | **EPRA measure** |
| Voids/vacancy rate | ERV of vacant space as a % of ERV of Combined Portfolio excluding the development programme[2] | 18 | **2.8%** |
| Net initial yield (NIY) | Annualised rental income less non-recoverable costs as a % of market value plus assumed purchasers' costs[3] | 20 | **5.4%** |
| Topped-up NIY | NIY adjusted for rent-free periods[3] | 20 | **6.0%** |
| Cost ratio[4] | Total costs as a percentage of gross rental income (including direct vacancy costs)[4] | 21 | **21.7%** |
| | Total costs as a percentage of gross rental income (excluding direct vacancy costs)[4] | 21 | **18.8%** |

1. EPRA LTV differs from the Group LTV presented in note 22 as it includes net payables and receivables and includes trading properties at fair value and debt instruments at nominal value rather than book value.
2. This measure reflects voids in the Combined Portfolio excluding only properties under development.
3. This measure relates to the Combined Portfolio, excluding properties currently under development, and are calculated by our external valuer. Topped-up NIY reflects adjustments of £60m.
4. This measure is calculated based on gross rental income after rents payable and excluding costs recovered through rents but not separately invoiced of £12m. Further information on the Group's accounting policies pertaining to capitalised costs can be found in section 3 of the financial statements.

## EPRA VACANCY RATE

The EPRA vacancy rate is based on the ratio of the estimated market rent for vacant properties versus total estimated market rent, for the Combined Portfolio excluding properties under development. There are no significant distorting factors influencing the EPRA vacancy rate.

TABLE 54

| | 31 March 2025 £m |
|---|---|
| ERV of vacant properties | **20** |
| ERV of Combined Portfolio excluding properties under development | **711** |
| **EPRA vacancy rate (%)** | **2.8** |

# BUSINESS ANALYSIS – EPRA DISCLOSURES
## CONTINUED

**CHANGE IN NET RENTAL INCOME FROM THE LIKE-FOR-LIKE PORTFOLIO[1]** TABLE 55

| | 2025 £m | 2024 £m | Change £m | Change % |
|---|---|---|---|---|
| Central London | **244** | 229 | **15** | **6.6%** |
| Major retail | **144** | 137 | **7** | **5.1%** |
| Subscale sectors | **60** | 60 | **–** | **0.0%** |
| Mixed-use | **37** | 36 | **1** | **2.8%** |
| | **485** | 462 | **23** | **5.0%** |

1. Excludes movement in bad/doubtful debts and surrender premiums received during the period.

**EPRA NET INITIAL YIELD (NIY) AND TOPPED-UP NIY** TABLE 56

| | 31 March 2025 £m |
|---|---|
| Combined Portfolio[1] | 10,880 |
| Trading properties | 108 |
| Less: Properties under development, trading properties under development and land | (1,283) |
| **Like-for-like investment property portfolio, proposed and completed developments, and completed trading properties** | **9,705** |
| Plus: Allowance for estimated purchasers' costs | 575 |
| **Grossed-up completed property portfolio valuation (a)** | **10,280** |
| | |
| EPRA annualised cash passing rental income[2] | 634 |
| Net service charge expense[3] | (11) |
| Void costs and other deductions | (71) |
| **EPRA Annualised net rent[2] (b)** | **552** |
| Plus: Rent-free periods and other lease incentives (annualised) | 60 |
| **Topped-up annualised net rents (c)** | **612** |
| | |
| **EPRA NIY (b/a)** | **5.4%** |
| **EPRA Topped-up NIY (c/a)** | **6.0%** |

1. Includes owner-occupied property and non-current assets held-for-sale.
2. EPRA annualised cash passing rental income and EPRA annualised net rent as calculated by the Group's external valuer.
3. Including costs recovered through rents but not separately invoiced.

**COST ANALYSIS** TABLE 57

| | £m |
|---|---|
| **Gross rental income (before rents payable)** | **636** |
| Rents payable | (12) |
| **Gross rental income (after rents payable)** | **624** |
| Net service charge expense | (11) |
| Net direct property expenditure | (73) |
| Net other operating income | 1 |
| Movement in bad and doubtful debts provision | 11 |
| **Segment net rental income** | **552** |
| Net indirect expenses | (73) |
| **Segment profit before finance expense** | **479** |
| Net finance expense – Group | (94) |
| Net finance expense – joint ventures | (11) |
| **EPRA earnings** | **374** |

**Direct property costs £72m**

**Net indirect expenses £73m**

| | 2025 Total £m | 2025 Cost ratio %[1] | 2024 Total £m | 2024 Cost ratio %[1] |
|---|---|---|---|---|
| **Gross rental income (before rents payable)** | **636** | | 653 | |
| Costs recovered through rents but not separately invoiced | (12) | | (9) | |
| **Adjusted gross rental income** | **624** | | 644 | |
| Rents payable | (12) | | (12) | |
| **EPRA gross rental income** | **612** | | 632 | |
| Managed operations | **20** | | 10 | |
| Tenant default | **(11)** | | (6) | |
| Void related costs | **18** | | 30 | |
| Other direct property costs | **42** | | 54 | |
| Development expenditure | **6** | | 9 | |
| Asset management, administration and compliance | **70** | | 70 | |
| **Total (incl. direct vacancy costs)** | **145** | | 167 | |
| Costs recovered through rents | (12) | | (9) | |
| **EPRA costs (incl. direct vacancy costs)** | **133** | **21.7** | 158 | 25.0 |
| Less: Direct vacancy costs | (18) | | (30) | |
| **EPRA (excl. direct vacancy costs)** | **115** | **18.8** | 128 | 20.3 |

1. Percentages represent costs divided by EPRA gross rental income.

# BUSINESS ANALYSIS – EPRA DISCLOSURES
## CONTINUED

### ACQUISITIONS, DISPOSALS AND CAPITAL EXPENDITURE

TABLE 58

| Investment properties | Group (excl. joint ventures) £m | Joint ventures £m | Adjustment for non-wholly owned subsidiaries[1] £m | Year ended 31 March 2025 Combined Portfolio £m | Year ended 31 March 2024 Combined Portfolio £m |
|---|---|---|---|---|---|
| **Net book value at the beginning of the year** | **9,330** | **585** | **(118)** | **9,797** | 10,120 |
| Acquisitions | 642 | – | 82 | **724** | 144 |
| Capital expenditure | 473 | 13 | – | **486** | 376 |
| Capitalised interest | 27 | – | – | **27** | 19 |
| Net movement in head leases capitalised | 86 | – | – | **86** | (30) |
| Disposals | (479) | (3) | – | **(482)** | (207) |
| Net surplus/(deficit) on revaluation of investment properties | 91 | 13 | 3 | **107** | (625) |
| Transfer to non-current assets held-for-sale[2] | (110) | – | – | **(110)** | – |
| Transfer to property, plant and equipment[3] | (26) | – | – | **(26)** | – |
| **Net book value at the end of the year** | **10,034** | **608** | **(33)** | **10,609** | 9,797 |
| | | | | | |
| **(Loss)/profit on disposal of investment properties** | **(15)** | **3** | **–** | **(12)** | (16) |
| | | | | | |
| **Trading properties** | **£m** | **£m** | **£m** | **£m** | **£m** |
| **Net book value at the beginning of the year** | **100** | **–** | **–** | **100** | 118 |
| Transfer to trade and other receivables | (11) | – | – | **(11)** | – |
| Acquisitions | 10 | – | – | **10** | – |
| Capital expenditure | 11 | – | – | **11** | 13 |
| Capitalised interest | 1 | – | – | **1** | 1 |
| Disposals | (26) | – | – | **(26)** | (21) |
| Movement in impairment | (4) | – | – | **(4)** | (11) |
| **Net book value at the end of the year** | **81** | **–** | **–** | **81** | 100 |
| | | | | | |
| **Loss on disposal of trading properties** | **(6)** | **–** | **–** | **(6)** | – |

### ACQUISITIONS, DEVELOPMENT AND OTHER CAPITAL EXPENDITURE

| Acquisitions, development and other capital expenditure | Investment properties[4] £m | Trading properties £m | Combined Portfolio £m | Combined Portfolio £m |
|---|---|---|---|---|
| Acquisitions[5] | 724 | 10 | **734** | 144 |
| Development capital expenditure[6] | 312 | 6 | **318** | 226 |
| Other capital expenditure | 174 | 5 | **179** | 163 |
| Capitalised interest | 27 | 1 | **28** | 20 |
| **Acquisitions, development and other capital expenditure** | **1,237** | **22** | **1,259** | 553 |

| Disposals | £m | £m |
|---|---|---|
| Net book value – investment property disposals | **482** | 207 |
| Net book value – trading property disposals | **26** | 21 |
| Net book value – other net assets | **(1)** | 3 |
| Loss on disposal – investment properties | **(15)** | (16) |
| Profit on disposal – trading properties | **(6)** | – |
| Other | **61** | 1 |
| **Total disposal proceeds** | **547** | 216 |

1. This represents the interest in Liverpool ONE which we do not own but consolidate in the Group numbers. The movement in acquisitions includes the acquisition of the remaining non-controlling interest in MediaCity which was purchased during the financial year.
2. Refer to note 44 for further information.
3. Refer to note 20 for further information.
4. See EPRA analysis of capital expenditure table 59 for further details.
5. Properties acquired during the year.
6. Development capital expenditure for investment properties comprises expenditure on the development pipeline and completed developments.

**EPRA ANALYSIS OF CAPITAL EXPENDITURE**

TABLE 59

| | | | Other capital expenditure | | | | | | | | Year ended 31 March 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Acquisitions[1] £m | Development capital expenditure[2] £m | Incremental lettable space[3] £m | No incremental lettable space £m | Tenant improvements £m | Total £m | Capitalised interest £m | Total capital expenditure – Combined Portfolio £m | Total capital expenditure – joint ventures (Group share) £m | Adjustment for non-wholly owned subsidiaries £m | Total capital expenditure – Group £m |
| **Central London** | | | | | | | | | | | |
| West End offices | – | 8 | – | 19 | 3 | 22 | – | 30 | 1 | – | 29 |
| City offices | – | – | – | 70 | – | 70 | 2 | 72 | – | – | 72 |
| Retail and other | – | – | – | 16 | – | 16 | – | 16 | 1 | – | 15 |
| Developments | – | 272 | – | – | – | – | 25 | 297 | – | – | 297 |
| **Total Central London** | – | 280 | – | 105 | 3 | 108 | 27 | 415 | 2 | – | 413 |
| **Major retail** | | | | | | | | | | | |
| Shopping centres | 630 | – | 5 | 21 | 6 | 32 | – | 662 | 5 | (33) | 690 |
| Outlets | – | – | – | 15 | 2 | 17 | – | 17 | – | – | 17 |
| **Total Major retail** | 630 | – | 5 | 36 | 8 | 49 | – | 679 | 5 | (33) | 707 |
| **Mixed-use urban** | | | | | | | | | | | |
| London | 2 | 17 | – | – | – | – | – | 19 | – | – | 19 |
| Other cities | 92 | 15 | – | 8 | – | 8 | – | 115 | 6 | 115 | (6) |
| **Total Mixed-use urban** | 94 | 32 | – | 8 | – | 8 | – | 134 | 6 | 115 | 13 |
| **Subscale sectors** | | | | | | | | | | | |
| Leisure | – | – | – | 1 | 6 | 7 | – | 7 | – | – | 7 |
| Hotels | – | – | – | – | – | – | – | – | – | – | – |
| Retail parks | – | – | 2 | – | – | 2 | – | 2 | – | – | 2 |
| **Total Subscale sectors** | – | – | 2 | 1 | 6 | 9 | – | 9 | – | – | 9 |
| **Total capital expenditure** | 724 | 312 | 7 | 150 | 17 | 174 | 27 | 1,237 | 13 | 82 | 1,142 |
| Timing difference between accrual and cash basis | | | | | | | | (488) | (2) | (82) | (404) |
| **Total capital expenditure on a cash basis** | | | | | | | | 749 | 11 | – | 738 |

1. Investment properties acquired in the year.
2. Expenditure on the future development pipeline and completed developments.
3. Capital expenditure where the lettable area increases by at least 10%.

# BUSINESS ANALYSIS – GROUP

**TOP 12 OCCUPIERS AT 31 MARCH 2025** TABLE 60

| | % of Group rent[1] |
|---|---|
| Central Government | 5.2% |
| Deloitte | 2.1% |
| BBC | 1.5% |
| ITX | 1.5% |
| Taylor Wessing | 1.5% |
| Cineworld | 1.4% |
| Boots | 1.3% |
| Qube RT | 1.1% |
| M&S | 1.0% |
| H&M | 0.9% |
| Q Park Limited | 0.9% |
| Sainsbury's | 0.9% |
| | 19.3% |

1. On a proportionate basis.

**PROPERTY INCOME DISTRIBUTION (PID) CALCULATION** TABLE 61

| | Year ended 31 March 2025 £m | Year ended 31 March 2024 £m |
|---|---|---|
| Profit/(loss) before tax per income statement | **393** | (341) |
| Accounting profit/(loss) on residual operations | **45** | (23) |
| **Profit/(loss) attributable to tax-exempt operations** | **438** | (364) |
| | | |
| **Adjustments** | | |
| Capital allowances | **(56)** | (55) |
| Capitalised interest | **(29)** | (20) |
| Revaluation deficit/(surplus) | **(117)** | 649 |
| Tax exempt disposals | **(18)** | 12 |
| Capital expenditure | **5** | 6 |
| Other tax adjustments | **6** | (9) |
| REIT dividends received | **(11)** | (10) |
| **Estimated tax-exempt income for the year** | **218** | 209 |
| PID thereon (90%) | **197** | 188 |
| REIT dividends received (100%) | **11** | 10 |
| Minimum PID to be paid | **208** | 198 |

As a Real Estate Investment Trust (REIT), our income and capital gains from qualifying activities are exempt from corporation tax. 90% of this income must be distributed as a Property Income Distribution (PID) and is taxed at the shareholder level to give a similar tax position to direct property ownership. Non-qualifying activities, such as sales of trading properties, are subject to corporation tax. This year, there was a £3m current tax credit (2024: £nil).

The table above provides a reconciliation of the Group's profit/(loss) before tax to its estimated tax exempt income, 90% of which the Company is required to distribute as a PID to comply with REIT regulations. The Company also needs to distribute 100% of REIT dividends received. The comparatives have been updated to reflect the actual balances for the year ended 31 March 2024.

The Company has 12 months after the year-end to make the minimum distribution. Accordingly, PID dividends paid in the year may relate to the distribution requirements of previous periods. The table below sets out the dividend allocation for the years ended 31 March 2025 and 31 March 2024:

TABLE 62

| | PID allocation | | | Dividends in excess of minimum PID | Total dividend |
|---|---|---|---|---|---|
| | **Year ended 31 March 2025 £m** | Year ended 31 March 2024 £m | Pre-31 March 2024 £m | £m | £m |
| Dividends paid in year to 31 March 2024 | **–** | 198 | 63 | 30 | 291 |
| Dividends paid in year to 31 March 2025 | **208** | – | – | 89 | 297 |
| Minimum PID to be paid by 31 March 2026 | **–** | – | n/a | n/a | – |
| **Total PID required** | **208** | 198 | | | |

The Group has met all the REIT requirements, including the payment by 31 March 2025 of the minimum PID for the year ended 31 March 2024. The forecast minimum PID for the year ended 31 March 2025 is £208m, which must be paid by 31 March 2026. The Group has already made PID dividends relating to 31 March 2025 of £208m.

Our latest tax strategy can be found on our corporate website. In the year, the total taxes we incurred and collected were **£135m** (2024: £136m), of which **£36m** (2024: £37m) was directly borne by the Group including environmental taxes, business rates and stamp duty land tax.

## REIT BALANCE OF BUSINESS

To retain the Group's REIT status, it must meet conditions from the REIT legislation. At least 75% of the Group's assets and 75% of the Group's income must relate to qualifying activities. The results of these tests at the balance sheet date are below:

TABLE 63

| | For the year ended 31 March 2025 | | | For the year ended 31 March 2024 | | |
|---|---|---|---|---|---|---|
| | **Tax-exempt business** | **Residual business** | **Adjusted results** | Tax-exempt business | Residual business | Adjusted results |
| Profit before tax (£m)[1] | **317** | **(54)** | **263** | 271 | (3) | 268 |
| Balance of business – 75% profits test | **100.0%** | **0.0%** | | 100.0% | 0.0% | |
| Adjusted total assets (£m)[1] | **10,872** | **761** | **11,633** | 10,063 | 606 | 10,669 |
| Balance of business – 75% assets test | **93.5%** | **6.5%** | | 94.3% | 5.7% | |

1. Calculated according to REIT rules.

**FLOOR SPACE** (MILLION SQ FT[1])

CHART 64

| | |
|---|---|
| Central London | 5.3 |
| Major retail | 10.4 |
| Mixed-use urban | 2.9 |
| Subscale sectors | 4.9 |
| Total | 23.5 |

1. Joint ventures are reflected at 100% values, not Group share.

TABLE 65

| | **31 March 2025 Million sq ft** |
|---|---|
| **Central London** | |
| West End offices | 2.7 |
| City offices | 1.7 |
| Retail and other | 0.9 |
| **Total Central London** | **5.3** |
| **Major retail** | |
| Shopping centres | 9.4 |
| Outlets | 1.0 |
| **Total Major retail** | **10.4** |
| **Mixed-use urban** | |
| London | 0.8 |
| Major regional cities | 2.1 |
| **Total Mixed-use urban** | **2.9** |
| **Subscale sectors** | |
| Leisure | 3.3 |
| Retail parks | 1.6 |
| **Total Subscale sectors** | **4.9** |
| **Total** | **23.5** |

# SUSTAINABILITY PERFORMANCE

## GREENHOUSE GAS REPORTING

In line with requirements set out in the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, and in accordance with the Streamlined Energy and Carbon Reporting (SECR), this statement reports our greenhouse gas (GHG) emissions for financial year ending 31 March 2025.

## STREAMLINED ENERGY AND CARBON REPORTING (SECR)

Our streamlined energy and carbon reporting figures include energy consumption and carbon emissions associated with all properties under our operational control (i.e. absolute portfolio). Energy consumption is reported as kWh and no normalisation technique is applied. Carbon emissions are reported as tonnes of carbon dioxide equivalent ($tCO_2e$). We report our full GHG emissions annually in accordance to the World Resources Institute (WRI) GHG Protocol.

GHG emissions are broken down into three scopes: Scopes 1, 2 and 3.

Scope 1 emissions are direct emissions from activities controlled by us that release emissions into the atmosphere, while Scope 2 emissions are indirect emissions associated with our consumption of purchased energy.

At Landsec, Scope 1 comprises emissions from natural gas purchased for common areas and shared services and refrigerant gas losses based on top-ups recorded on our compliance reporting system – Riskwise. Scope 2 emissions are from electricity, heating and cooling purchased for common areas and shared services. All material sources of Scope 1 and 2 emissions are reported. As the remaining sources (e.g. diesel used in generator testing) represent such a small proportion of total emissions, we do not report them.

Scope 2 emissions are reported using both the 'location-based' and 'market-based' accounting methods. Location-based emissions are reported using the UK Government's 'Greenhouse gas reporting: conversion factors 2024'. Scope 2 market-based emissions are reported using the conversion factor associated with each individual electricity, heating and cooling supply, either obtained directly from the supplier or from their official company website.

Scope 3 emissions are those that are a consequence of our business activities, but which occur at sources we do not own or control and which are not classified as Scope 2 emissions. The GHG Protocol identifies 15 categories of of which eight are directly relevant for Landsec. Our Scope 3 reporting methodology is detailed in our Sustainability Performance and Data Report 2025 at landsec.com/sustainability/reports-benchmarking.

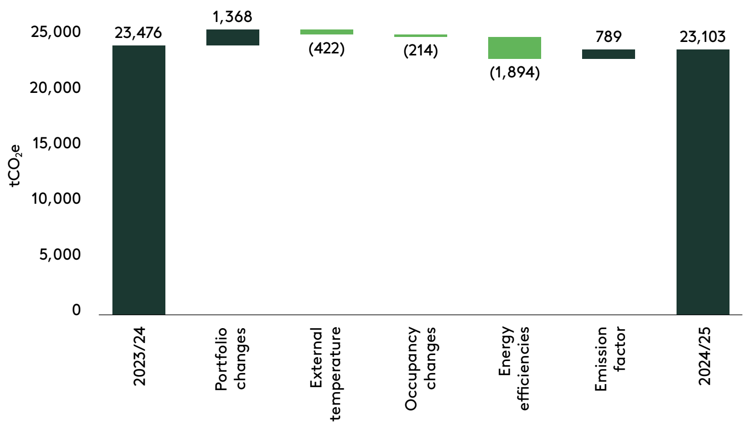
### SCOPE 1 AND 2 EMISSIONS

TABLE 66

| Emissions | Unit | 2024/25 | 2023/24 | 2022/23 |
|---|---|---|---|---|
| Scope 1 | $tCO_2e$ | **5,165** | 5,809 | 6,950 |
| Scope 2 (location-based method) | $tCO_2e$ | **17,938** | 17,667 | 16,798 |
| Scope 2 (market-based method) | $tCO_2e$ | **4,133** | 2,760 | 2,954 |
| Scope 1 and 2 (location-based method) | $tCO_2e$ | **23,103** | 23,476 | 23,748 |
| Scope 1 and 2 (market-based method) | $tCO_2e$ | **9,298** | 8,569 | 9,904 |

| Intensity | Unit | 2024/25 | 2023/24 | 2022/23 |
|---|---|---|---|---|
| Scope 1 and 2 (location-based method) | $kgCO_2e/m^2$ | **13.45** | 13.01 | 12.84 |
| Scope 1 and 2 (market-based method) | $kgCO_2e/m^2$ | **5.41** | 4.75 | 5.36 |

**SCOPE 1 AND 2 EMISSIONS – YEAR-ON-YEAR DRIVING FACTORS** CHART 67




Scope 1 and 2 emissions using location-based emission factors have decreased by 2% compared with the previous reporting year. The key reduction driver comes from our energy efficiency initiatives across our assets; however the impact has been partially offset by the change of emissions factors, particularly district heating and cooling, and portfolio acquisitions. The detailed breakdown of main factors driving the change in our Scope 1 and Scope 2 emissions can be seen in the waterfall chart 67.

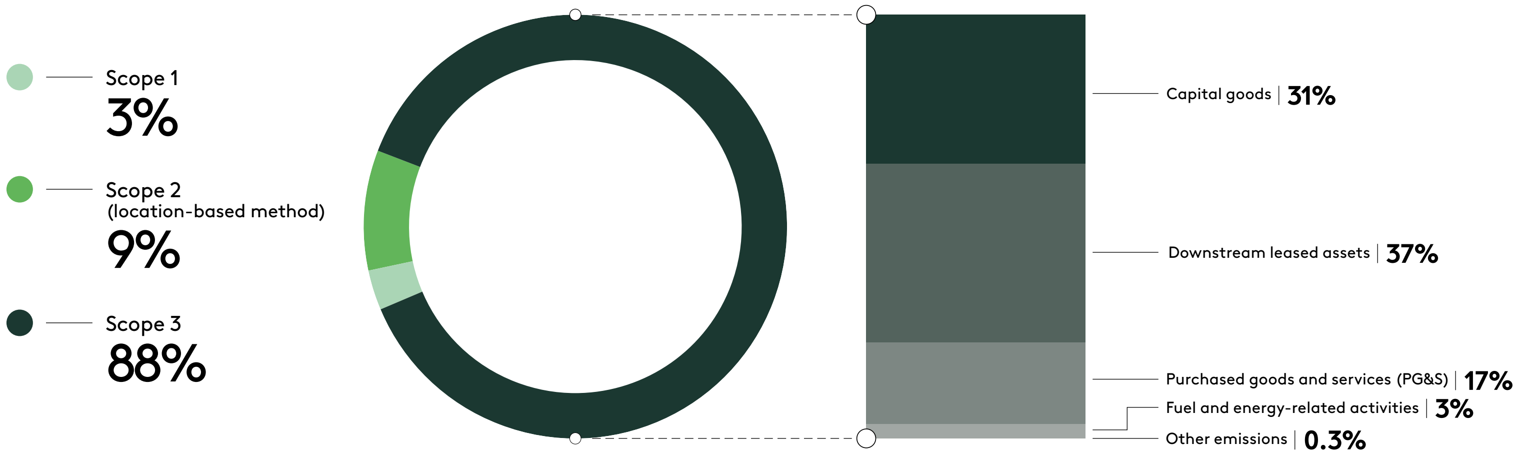
In terms of market-based emissions, the 9% year-on-year increase is primarily attributable to the acquisition of assets that are not supplied by REGO-backed renewable electricity.

**SCOPE 3 EMISSIONS** TABLE 68

| Scope 3 Category | Unit | 2024/25 | 2023/24 | 2022/23 |
|---|---|---|---|---|
| Purchased goods and services (PG&S) | $tCO_2e$ | **35,016** | 35,354 | 27,516 |
| Capital goods | $tCO_2e$ | **62,279** | 73,355 | 52,987 |
| Fuel- and energy-related activities | $tCO_2e$ | **6,406** | 6,575 | 6,792 |
| Upstream transportation and distribution | $tCO_2e$ | **under PG&S** | under PG&S | under PG&S |
| Waste generated in operations | $tCO_2e$ | **160** | 605 | 625 |
| Business travel | $tCO_2e$ | **249** | 274 | 135 |
| Employee commuting | $tCO_2e$ | **161** | 132 | 104 |
| Downstream leased assets | $tCO_2e$ | **73,273** | 88,415 | 87,551 |
| Scope 3 | $tCO_2e$ | **177,545** | 204,709 | 175,710 |
| Scope 1, 2 and 3 (location-based method) | $tCO_2e$ | **200,648** | 228,185 | 199,458 |
| Scope 1, 2 and 3 (market-based method) | $tCO_2e$ | **186,843** | 213,278 | 185,614 |

The following Scope 3 emissions are considered not applicable to us thus are excluded from the above table: 8. Upstream leased assets; 9. Downstream transportation and distribution; 10. Processing of sold products; 11. Use of sold products; 12. End-of-life treatment of sold products; 14. Franchises; and 15. Investments. Our Scope 3 reporting methodology is detailed in our Sustainability Performance and Data Report 2025 at landsec.com/sustainability/reports-benchmarking.

**EMISSIONS INVENTORY (% OF TOTAL EMISSIONS)** CHART 69



# SUSTAINABILITY PERFORMANCE
## CONTINUED

Our emissions inventory can be seen in table 68. The two largest Scope 3 categories are capital goods and downstream leased assets, making up over 68% of our total emissions, as shown in chart 69.

Capital goods include the emissions associated with the manufacture and transport of materials used within our development activities and portfolio projects. Downstream leased assets are those emissions associated with energy consumed by our customers within our assets.

Emissions from capital goods have decreased by 15% compared with last year, primarily due to the completion of several development projects in the previous reporting period, including Lucent, n2 and The Forge. In addition, our improved approach in capturing supplier-specific emission factors for calculating supplier emissions has also contributed to the reduction in capital goods emissions this year. We continue making considerable progress in reducing upfront embodied carbon at our developments, as discussed on pages 28-30. Our development pipeline performance, which includes our targets and performance of upfront embodied carbon, is detailed in our Sustainability Performance and Data Report 2025.

In relation to downstream leased assets, we continue engaging with our tenants of our FRI assets and retail brand partners to increase the share of primary tenant energy usage data (76% of our total downstream leased assets data), thereby increasing actual performance data. The 17% reduction in carbon emissions compared with last year for this category has been driven by a combination of energy efficiencies, changes in the portfolio and updated benchmarks to estimate tenant energy consumption.

**ENERGY CONSUMPTION** TABLE 70

| | Unit | | 2024/25 | 2023/24 | 2022/23 |
|---|---|---|---|---|---|
| Natural Gas | kWh | for landlord shared services | **25,406,940** | 28,558,903 | 31,202,547 |
| | | (sub)metered to tenants | **15,925,042** | 16,912,876 | 19,526,063 |
| | | Total Natural Gas consumption | **41,331,982** | 45,471,779 | 50,728,610 |
| Electricity | kWh | for landlord shared services | **80,345,185** | 81,052,747 | 82,227,618 |
| | | (sub)metered to tenants | **45,160,499** | 50,356,156 | 51,168,405 |
| | | Total Electricity consumption | **125,505,684** | 131,408,903 | 133,396,023 |
| District Heating and Cooling | kWh | for landlord shared services | **7,216,433** | 5,022,348 | 4,973,961 |
| | | (sub)metered to tenants | **3,600,824** | 3,991,868 | 4,263,285 |
| | | Total Heating and Cooling consumption | **10,817,257** | 9,014,216 | 9,237,246 |
| Total Energy Consumption | kWh | for landlord shared services | **112,968,557** | 114,633,998 | 118,404,126 |
| | | (sub)metered to tenants | **64,686,366** | 71,260,900 | 74,957,753 |
| | | Total Energy consumption | **177,654,923** | 185,894,898 | 193,361,879 |
| Energy intensity | kWh/m² | | **103** | 103 | 105 |

The table above presents the absolute energy consumption, broken down by landlord and tenant usage. This year, energy intensity has remained stable and total energy consumption has reduced by 4% compared with the previous year. The significant energy reductions achieved through optimisation of HVAC systems across our Workplace assets, strategic investments in plant upgrades and the installation of Air Source Heat Pumps (ASHPs) as part of our Net Zero Transition Investment Plan (NZTIP) programme have been partially offset by acquisition of some high-energy intensive assets, resulting in stable energy intensity compared with last year. For details on the progress of our NZTIP and energy performance, see page 29.

### ASSURANCE

Landsec's auditor, EY, has once again conducted sustainability assurance. This is part of our journey to embed sustainability across the business and enhance the integrity, quality and usefulness of the information we provide. EY performed a limited assurance engagement on selected performance data and qualitative statements in the 'Our People and Culture', 'Our approach to sustainability', and 'TCFD' sections of the Strategic Report pages 25-37; the sustainability content in the 'Additional Information' section of the Landsec 2025 Annual Report pages 160-162; and the online Sustainability Performance and Data Report 2025.

The Sustainability Performance and Data Report 2025 and the full assurance statement are available at landsec.com/sustainability/reports-benchmarking.

# ALTERNATIVE PERFORMANCE MEASURES

The Group has applied the European Securities and Markets Authority (ESMA) 'Guidelines on Alternative Performance Measures' in these results. In the context of these results, an alternative performance measure (APM) is a financial measure of historical or future financial performance, position or cash flows of the Group which is not a measure defined or specified in IFRS.

The table below summarises the APMs included in these results and where the reconciliations of these measures can be found. The definitions of APMs are included in the Glossary.

TABLE 71

| Alternative performance measure | Nearest IFRS measure | Reconciliation |
|---|---|---|
| EPRA earnings | Profit/loss before tax | Note 4 |
| EPRA earnings per share | Basic earnings/loss per share | Note 5 |
| EPRA diluted earnings per share | Diluted earnings/loss per share | Note 5 |
| EPRA Net Tangible Assets | Net assets attributable to shareholders | Note 5 |
| EPRA Net Tangible Assets per share | Net assets attributable to shareholders | Note 5 |
| Total return on equity | n/a | Note 5 |
| Adjusted net cash inflow from operating activities | Net cash inflow from operating activities | Note 13 |
| Combined Portfolio | Investment properties | Note 14 |
| Adjusted net debt | Borrowings | Note 22 |
| Group LTV | n/a | Note 22 |
| EPRA LTV | n/a | Note 22 |

# COMBINED PORTFOLIO ANALYSIS

## TOTAL PORTFOLIO ANALYSIS

| | Market value[1] | | Valuation movement[1] | | Rental income[1] | | Annualised rental income[2] | | Net estimated rental value[3] | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 31 March 2025 £m | 31 March 2024 £m | Surplus/ (deficit) £m | Surplus/ (deficit) % | 31 March 2025 £m | 31 March 2024 £m | 31 March 2025 £m | 31 March 2024 £m | 31 March 2025 £m | 31 March 2024 £m |
| **Central London** | | | | | | | | | | |
| West End offices | **3,124** | 3,109 | **17** | **0.6** | **162** | 148 | **164** | 160 | **202** | 186 |
| City offices | **1,445** | 1,192 | **20** | **1.4** | **80** | 68 | **85** | 70 | **111** | 93 |
| Retail and other[11] | **1,022** | 991 | **(2)** | **(0.2)** | **58** | 58 | **58** | 58 | **54** | 55 |
| Developments[6] | **1,108** | 926 | **27** | **2.5** | **2** | 20 | **–** | 8 | **85** | 93 |
| **Total Central London** | **6,699** | 6,218 | **62** | **1.0** | **302** | 294 | **307** | 296 | **452** | 427 |
| **Major retail** | | | | | | | | | | |
| Shopping centres | **1,977** | 1,226 | **81** | **4.3** | **156** | 131 | **186** | 121 | **188** | 122 |
| Outlets | **626** | 605 | **4** | **0.5** | **51** | 57 | **48** | 48 | **52** | 49 |
| **Total Major retail** | **2,603** | 1,831 | **85** | **3.4** | **207** | 188 | **234** | 169 | **240** | 171 |
| **Mixed-use urban** | | | | | | | | | | |
| London | **190** | 191 | **(18)** | **(8.1)** | **11** | 17 | **10** | 11 | **14** | 16 |
| Major regional cities[9] | **599** | 510 | **(24)** | **(4.0)** | **43** | 41 | **37** | 37 | **49** | 38 |
| **Total Mixed-use urban[8]** | **789** | 701 | **(42)** | **(5.0)** | **54** | 58 | **47** | 48 | **63** | 54 |
| **Subscale sectors** | | | | | | | | | | |
| Leisure | **423** | 423 | **(5)** | **(1.2)** | **44** | 48 | **44** | 46 | **41** | 42 |
| Hotels | **–** | 400 | **–** | **–** | **2** | 35 | **–** | 35 | **–** | 29 |
| Retail parks[10] | **366** | 390 | **19** | **5.4** | **27** | 30 | **25** | 27 | **27** | 29 |
| **Total Subscale sectors** | **789** | 1,213 | **14** | **1.8** | **73** | 113 | **69** | 108 | **68** | 100 |
| **Combined Portfolio** | **10,880** | 9,963 | **119** | **1.1** | **636** | 653 | **657** | 621 | **823** | 752 |
| Properties treated as finance leases | **–** | – | **–** | **–** | **(1)** | (1) | | | | |
| **Combined Portfolio** | **10,880** | 9,963 | **119** | **1.1** | **635** | 652 | | | | |
| **Represented by:** | | | | | | | | | | |
| Investment portfolio | **10,244** | 9,347 | **106** | **1.1** | **585** | 613 | **575** | 584 | **735** | 712 |
| Share of joint ventures | **636** | 616 | **13** | **2.2** | **50** | 39 | **82** | 37 | **88** | 40 |
| **Combined Portfolio** | **10,880** | 9,963 | **119** | **1.1** | **635** | 652 | **657** | 621 | **823** | 752 |

**TOTAL PORTFOLIO ANALYSIS CONTINUED** TABLE 72

| | Net initial yield[4] | | Equivalent yield[5] | |
|---|---|---|---|---|
| | 31 March 2025 % | Movement in like-for-like[7] bps | 31 March 2025 % | Movement in like-for-like[7] bps |
| **Central London** | | | | |
| West End offices | **4.6** | 36 | **5.4** | 14 |
| City offices | **4.2** | 89 | **6.2** | 13 |
| Retail and other | **4.3** | (11) | **4.9** | (2) |
| Developments[6] | **0.0** | n/a | **5.3** | n/a |
| **Total Central London** | **4.4** | 40 | **5.5** | 12 |
| **Major retail** | | | | |
| Shopping centres | **7.2** | (51) | **7.7** | (31) |
| Outlets | **6.3** | – | **6.9** | (7) |
| **Total Major retail** | **7.0** | (33) | **7.5** | (22) |
| **Mixed-use urban** | | | | |
| London | **4.3** | 18 | **6.6** | 8 |
| Major regional cities[9] | **6.6** | 7 | **8.2** | 47 |
| **Total Mixed-use urban[9]** | **5.9** | 8 | **7.7** | 36 |
| **Subscale sectors** | | | | |
| Leisure | **7.8** | (94) | **8.8** | (8) |
| Retail parks | **6.1** | 9 | **6.7** | (24) |
| **Total Subscale sectors** | **7.0** | (51) | **7.7** | (22) |
| **Combined Portfolio** | **5.4** | 14 | **6.3** | 3 |
| | | | | |
| **Represented by:** | | | | |
| Investment portfolio | **5.4** | n/a | **6.3** | n/a |
| Share of joint ventures | **5.8** | n/a | **6.2** | n/a |
| **Combined Portfolio** | **5.4** | n/a | **6.3** | n/a |

**Notes**
1. Refer to Glossary for definition.
2. Annualised rental income is annual 'rental income' (as defined in the Glossary) at the balance sheet date, except that car park and commercialisation income are included on a net basis (after deduction for operational outgoings). Annualised rental income includes temporary lettings.
3. Net estimated rental value is gross estimated rental value, as defined in the Glossary, after deducting expected rent payable.
4. Net initial yield – refer to Glossary for definition. This calculation includes all properties including those sites with no income.
5. Equivalent yield – refer to Glossary for definition. Future developments are excluded from the calculation of equivalent yield on the Combined Portfolio.
6. Comprises the development pipeline – refer to Glossary for definition.
7. The like-for-like portfolio – refer to Glossary for definition.
8. The prior year data has been represented to align with the updated categories disclosed.
9. Includes owner-occupied property.
10. Includes non-current assets held-for-sale.
11. Short-term commercialisation income from Piccadilly Lights has been included in the current year disclosure and to ensure year-on-year alignment the comparatives have been updated by £15m.

# RECONCILIATION OF SEGMENTAL INFORMATION NOTE TO STATUTORY REPORTING

**RECONCILIATION OF SEGMENTAL INFORMATION NOTE TO STATUTORY REPORTING FOR THE YEAR ENDED 31 MARCH 2024** TABLE 73

| | Year ended 31 March 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Group income statement £m | Joint ventures[1] £m | Adjustment for non-wholly owned subsidiaries[2] £m | Total £m | EPRA earnings £m | Capital and other items £m |
| Rental income | 622 | 38 | (8) | 652 | 652 | – |
| Finance lease interest | 1 | – | – | 1 | 1 | – |
| **Gross rental income (before rents payable)** | **623** | **38** | **(8)** | **653** | **653** | **–** |
| Rents payable | (11) | (1) | – | (12) | (12) | – |
| **Gross rental income (after rents payable)** | **612** | **37** | **(8)** | **641** | **641** | **–** |
| Service charge income | 117 | 8 | (2) | 123 | 123 | – |
| Service charge expense | (133) | (9) | 3 | (139) | (139) | – |
| Net service charge expense | (16) | (1) | 1 | (16) | (16) | – |
| Other property related income | 35 | 3 | – | 38 | 38 | – |
| Direct property expenditure | (114) | (6) | 1 | (119) | (119) | – |
| Movement in bad and doubtful debt provision | 6 | – | – | 6 | 6 | – |
| **Segment net rental income** | **523** | **33** | **(6)** | **550** | **550** | **–** |
| Other income | 1 | – | – | 1 | 1 | – |
| Administrative expenses | (73) | (1) | – | (74) | (74) | – |
| Depreciation, including amortisation of software | (4) | – | – | (4) | (4) | – |
| **EPRA earnings before interest** | **447** | **32** | **(6)** | **473** | **473** | **–** |
| Share of post-tax loss from joint ventures | 2 | (2) | – | – | – | – |
| Loss on disposal of investment properties[3] | (16) | – | – | (16) | – | (16) |
| Net deficit on revaluation of investment properties | (628) | (19) | 22 | (625) | – | (625) |
| Net development contract and transaction expenditure | (18) | – | – | (18) | – | (18) |
| Fair value gain on remeasurement of investment | 3 | – | – | 3 | – | 3 |
| Impairment of amounts due from joint ventures | (2) | – | – | (2) | – | (2) |
| Impairment of goodwill | (1) | – | – | (1) | – | (1) |
| Impairment of trading properties | (11) | – | – | (11) | – | (11) |
| Depreciation | (2) | – | – | (2) | – | (2) |
| Other costs | (1) | – | – | (1) | – | (1) |
| **Operating (loss)/profit** | **(227)** | **11** | **16** | **(200)** | **473** | **(673)** |
| Finance income | 12 | – | – | 12 | 11 | 1 |
| Finance expense | (126) | (11) | 6 | (131) | (113) | (18) |
| **(Loss)/profit before tax** | **(341)** | **–** | **22** | **(319)** | **371** | **(690)** |
| Taxation | – | – | – | – | | |
| **(Loss)/profit for the year** | **(341)** | **–** | **22** | **(319)** | | |

1. Reallocation of the share of post-tax profit from joint ventures reported in the Group income statement to the individual line items reported in the segmental results table.
2. Removal of the non-wholly owned share of results of the Group's subsidiaries. The non-wholly owned subsidiaries are consolidated at 100% in the Group's income statement, but only the Group's share is included in EPRA earnings reported in the segmental results table. The non-owned element of the Group's subsidiaries is included in the 'Capital and other items' column presented in the Group's income statement, together with items not directly related to the underlying rental business such as investment properties valuation changes, profits or losses on the disposal of investment properties, the proceeds from, and costs of, the sale of trading properties, income from and costs associated with development contracts, amortisation and impairment of intangibles, and other attributable costs, arising on business combinations.
3. Included in the loss on disposal of investment properties is a £2m charge related to the provision for fire safety remediation works on properties no longer owned by the Group but for which the Group is responsible for remediating under the Building Safety Act 2022.

# TEN-YEAR SUMMARY

**INCOME STATEMENT** TABLE 74

Year ended and as at 31 March

| | 2025 £m | 2024 £m | 2023 £m | 2022 £m | 2021 £m | 2020 £m | 2019 £m | 2018 £m | 2017 £m | 2016 £m |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | **842** | 824 | 791 | 679 | 635 | 741 | 757 | 830 | 781 | 936 |
| Costs | **(429)** | (409) | (382) | (308) | (333) | (274) | (271) | (321) | (260) | (404) |
| | **413** | 415 | 409 | 371 | 302 | 467 | 486 | 509 | 521 | 532 |
| Share of post-tax profit/(loss) from joint ventures | **37** | 2 | (1) | 33 | (192) | (151) | (85) | 27 | 69 | 199 |
| (Loss)/profit on disposal of investment properties | **(15)** | (16) | (144) | 107 | 8 | (6) | – | 1 | 19 | 75 |
| Profit/(loss) on disposal of investments in joint ventures | **–** | – | – | 2 | – | – | – | 66 | (2) | – |
| Profit on disposal of other investments | **–** | – | – | – | – | – | – | – | 13 | – |
| Net surplus/(deficit) on revaluation of investment properties | **91** | (628) | (827) | 416 | (1,448) | (1,000) | (441) | (98) | (186) | 739 |
| (Loss)/gain on changes in finance leases | **–** | – | (6) | 6 | – | – | – | – | – | – |
| **Operating profit/(loss)** | **526** | (227) | (569) | 935 | (1,330) | (690) | (40) | 505 | 434 | 1,545 |
| Net finance expense | **(133)** | (114) | (53) | (60) | (63) | (147) | (83) | (548) | (268) | (185) |
| **Profit/(loss) before tax** | **393** | (341) | (622) | 875 | (1,393) | (837) | (123) | (43) | 166 | 1,360 |
| Taxation | **3** | – | – | – | – | 5 | 4 | (1) | 1 | 2 |
| **Profit/(loss) for the year** | **396** | (341) | (622) | 875 | (1,393) | (832) | (119) | (44) | 167 | 1,362 |
| | | | | | | | | | | |
| **Net surplus/(deficit) on revaluation of investment properties[1]:** | | | | | | | | | | |
| Investment portfolio | **91** | (628) | (827) | 416 | (1,448) | (998) | (440) | (98) | (187) | 736 |
| Share of joint ventures | **13** | (19) | (30) | (3) | (198) | (181) | (117) | 7 | 40 | 171 |
| Adjustment for non-wholly owned subsidiaries[2] | **3** | 22 | 9 | (4) | – | – | – | – | – | – |
| **Total** | **107** | (625) | (848) | 409 | (1,646) | (1,179) | (557) | (91) | (147) | 907 |
| | | | | | | | | | | |
| **EPRA earnings** | **374** | 371 | 393 | 355 | 251 | 414 | 442 | 406 | 382 | 362 |
| | | | | | | | | | | |
| **Results per share** | | | | | | | | | | |
| Total dividend payable in respect of the financial year | **40.4p** | 39.6p | 38.6p | 37.0p | 27.0p | 23.2p | 45.55p | 44.2p | 38.55p | 35.0p |
| Basic earnings/(loss) per share | **53.3p** | (43.0)p | (83.6)p | 117.4p | (188.2)p | (112.4)p | (16.1)p | (5.8)p | 21.1p | 172.4p |
| Diluted earnings/(loss) per share | **53.0p** | (43.0)p | (83.6)p | 117.1p | (188.2)p | (112.4)p | (16.1)p | (5.8)p | 21.1p | 171.8p |
| EPRA earnings per share | **50.3p** | 50.1p | 53.1p | 48.0p | 33.9p | 55.9p | 59.7p | 53.1p | 48.4p | 45.9p |
| EPRA diluted earnings per share | **50.1p** | 50.1p | 53.1p | 47.8p | 33.9p | 55.9p | 59.7p | 53.1p | 48.3p | 45.7p |
| Net assets per share | **877p** | 863p | 945p | 1,070p | 975p | 1,182p | 1,341p | 1,404p | 1,418p | 1,434p |
| Diluted net assets per share | **872p** | 859p | 942p | 1,067p | 973p | 1,181p | 1,339p | 1,404p | 1,416p | 1,431p |
| EPRA Net Tangible Assets per share | **874p** | 859p | 936p | 1,063p | 985p | 1,192p | 1,348p | 1,410p | 1,422p | 1,433p |

1. Includes our non-wholly owned subsidiaries on a proportionate basis.
2. This represents the non-controlling interest share in MediaCity during the periods we did not own this 100% but consolidated it in the Group numbers.

# TEN-YEAR SUMMARY
## CONTINUED

**BALANCE SHEET** TABLE 75

As at 31 March

| | 2025 £m | 2024 £m | 2023 £m | 2022 £m | 2021 £m | 2020 £m | 2019 £m | 2018 £m | 2017 £m | 2016 £m |
|---|---|---|---|---|---|---|---|---|---|---|
| Investment properties | **10,034** | 9,330 | 9,658 | 11,207 | 9,607 | 11,297 | 12,094 | 12,336 | 12,144 | 12,358 |
| Property, plant and equipment | **42** | 7 | – | – | – | – | – | – | – | – |
| Intangible assets | **3** | 3 | 6 | 8 | 8 | 14 | 20 | 34 | 36 | 38 |
| Net investment in finance leases | **19** | 21 | 21 | 70 | 152 | 156 | 159 | 162 | 165 | 183 |
| Investment in joint ventures | **551** | 529 | 533 | 700 | 625 | 824 | 1,031 | 1,151 | 1,734 | 1,668 |
| Investment in associates | **–** | – | 3 | 4 | – | – | – | – | – | – |
| Trade and other receivables | **229** | 159 | 146 | 177 | 170 | 178 | 176 | 165 | 123 | 86 |
| Other non-current assets | **22** | 41 | 67 | 61 | 22 | 32 | 30 | 49 | 51 | 44 |
| **Total non-current assets** | **10,900** | 10,090 | 10,434 | 12,227 | 10,584 | 12,501 | 13,510 | 13,897 | 14,253 | 14,377 |
| | | | | | | | | | | |
| Trading properties and long-term development contracts | **81** | 100 | 118 | 145 | 36 | 24 | 23 | 24 | 122 | 124 |
| Trade and other receivables | **467** | 379 | 365 | 368 | 354 | 433 | 437 | 471 | 418 | 445 |
| Monies held in restricted accounts and deposits | **20** | 6 | 4 | 22 | 10 | 9 | 36 | 15 | 21 | 19 |
| Cash and cash equivalents | **39** | 78 | 41 | 128 | – | 1,345 | 14 | 62 | 30 | 25 |
| Other current assets | **4** | 11 | 4 | 5 | 6 | 48 | 14 | – | – | – |
| Non-current asset held-for-sale | **110** | – | – | – | – | – | – | – | – | – |
| **Total current assets** | **721** | 574 | 532 | 668 | 406 | 1,859 | 524 | 572 | 591 | 613 |
| | | | | | | | | | | |
| Borrowings | **(752)** | (975) | (315) | (541) | (906) | (977) | (934) | (872) | (404) | (19) |
| Trade and other payables | **(406)** | (348) | (306) | (320) | (252) | (270) | (273) | (294) | (302) | (289) |
| Provisions | **(44)** | (30) | – | – | – | – | – | – | – | – |
| Other current liabilities | **(6)** | – | (24) | (11) | (7) | (2) | (18) | (14) | (7) | (19) |
| **Total current liabilities** | **(1,208)** | (1,353) | (645) | (872) | (1,165) | (1,249) | (1,225) | (1,180) | (713) | (327) |
| | | | | | | | | | | |
| Borrowings | **(3,802)** | (2,805) | (3,223) | (4,012) | (2,610) | (4,355) | (2,847) | (2,858) | (2,859) | (3,222) |
| Trade and other payables | **(44)** | (4) | (17) | (8) | (1) | (1) | (1) | – | (25) | (28) |
| Provisions | **(30)** | (42) | – | – | – | – | – | – | – | – |
| Other non-current liabilities | **(5)** | (13) | (9) | (12) | (2) | (5) | (5) | (8) | (9) | (47) |
| Redemption liability | **–** | – | – | – | – | – | (36) | (37) | (36) | (35) |
| **Total non-current liabilities** | **(3,881)** | (2,864) | (3,249) | (4,032) | (2,613) | (4,361) | (2,889) | (2,903) | (2,929) | (3,332) |
| | | | | | | | | | | |
| **Net assets** | **6,532** | 6,447 | 7,072 | 7,991 | 7,212 | 8,750 | 9,920 | 10,386 | 11,202 | 11,331 |
| **Net debt[1]** | **(4,303)** | (3,496) | (3,348) | (4,254) | (3,509) | (3,942) | (3,747) | (3,654) | (3,219) | (3,229) |
| | | | | | | | | | | |
| **Market value of the Combined Portfolio** | **10,880** | 9,963 | 10,239 | 12,017 | 10,791 | 12,781 | 13,750 | 14,103 | 14,439 | 14,471 |
| **Adjusted net debt[1]** | **(4,304)** | (3,517) | (3,287) | (4,179) | (3,489) | (3,926) | (3,737) | (3,652) | (3,261) | (3,239) |

1. Net debt and adjusted net debt exclude amounts payable under head leases for reporting periods from, and including, the year ended 31 March 2022. Net debt and adjusted net debt for prior periods included in the table above have not been restated, but would have excluded amounts payable under head leases of £61m (2021), £30m (2020 and 2019), £31m (2018 and 2017), £14m (2016) and £17m (2015).

# SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

As at 31 March 2025, the Company had a 100% interest, direct or indirect, in the ordinary share capital of the following subsidiaries, all of which are registered in the UK at 100 Victoria Street, London, SW1E 5JL, except for entities with a footnote indicating their country of registration and address.

| Company name |
|---|
| B.M. COM. Lease Extension LLP[10] |
| Barrack Close Limited |
| Beyond Green Developments (Broadland) Limited[10] |
| Blueco Limited[10] |
| Bluewater Outer Area Limited[10] |
| Bluewater Two Limited |
| Burlington House Developments Limited[2] |
| Castleford (UK) Limited |
| Cathedral (Brighton) Limited[10] |
| Cathedral (Bromley 2) Limited[10] |
| Cathedral (Bromley Esco) Limited |
| Cathedral (Bromley) Limited[10] |
| Cathedral (Greenwich Beach) Limited[10] |
| Cathedral (Preston Barracks) Limited[10] |
| Central Research Laboratory (Hayes) Limited[10] |
| Cathedral (Sittingbourne) Limited[10] |
| Dashwood House Limited[10] |
| Deadhare Limited |
| Development Securities (Curzon Park) Limited |
| Development Securities (Edgware Road No.1) Limited |
| Development Securities (Furlong) Limited[10] |
| Development Securities (Greenwich) Limited[10] |
| Development Securities (Hammersmith) Limited |
| Development Securities (HDD) Limited[10] |
| Development Securities (Ilford) Limited[10] |
| Development Securities (Investment Ventures) Limited[10] |
| Development Securities (Investments) Limited[10] |
| Development Securities (Launceston) Limited[10] |
| Development Securities (No.22) Limited[10] |
| Development Securities (Romford) Limited |
| Development Securities (Sevenoaks) Limited[3] |
| Development Securities (Slough) Limited[10] |
| Development Securities Estates Limited |
| Dock 10 Limited |
| DS Investment Properties LLP |
| DS Jersey (Capital Partners) Limited[4] |
| DS Jersey (Notting Hill) Limited[4] |
| DS Renewables LLP[10] |
| EPD Buckshaw Village Limited[10] |
| Greenhithe Holdings Limited[5] |

| Company name |
|---|
| Greenwitch Limited[10] |
| Gunwharf Quays Limited[10] |
| HDD Didcot Limited |
| HDD Lawley Village Limited |
| Kingsland Shopping Centre Limited |
| L.& P. Estates Limited |
| Land Securities (Finance) Limited |
| Land Securities Buchanan Street Developments Limited[10] |
| Land Securities Capital Markets PLC |
| Land Securities Development Limited[10] |
| Land Securities Ebbsfleet Limited[10] |
| Land Securities Insurance Limited[9] |
| Land Securities Intermediate Limited |
| Land Securities Lakeside Limited[10,11] |
| Land Securities Management Limited[10] |
| Land Securities Management Services Limited |
| Land Securities Partnerships Limited[10] |
| Land Securities Pensions Trustee Limited |
| Land Securities PLC |
| Land Securities Portfolio Management Limited |
| Land Securities Properties Limited |
| Land Securities Property Holdings Limited[1] |
| Land Securities SPV'S Limited[10] |
| Land Securities Trading Limited[10] |
| Land Securities Trinity Limited[10] |
| Landsec 1 Limited[10] |
| Landsec 2 Limited |
| Landsec 5 Limited |
| Landsec 7 Limited |
| Landsec 8 Limited |
| Landsec 9 Limited |
| Landsec 10 Limited[10] |
| Landsec 11 Limited |
| Landsec 12 Limited[10] |
| Landsec 13 Limited |
| Landsec 14 Limited |
| Landsec 15 Limited |
| Landsec 16 Limited |
| Landsec 17 Limited |
| Landsec 18 Limited |
| Landsec 19 Limited |
| Landsec 20 Limited |
| Landsec 21 Limited[10] |

# SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES
## CONTINUED

| Company name |
|---|
| Landsec 22 Limited |
| Landsec 23 Limited |
| Landsec Investment Services Limited |
| Landsec Limited |
| Landsec U and I Developer Limited[10] |
| Landsec Workplace Developer Limited[10] |
| LC25 Limited[10] |
| Leisure II (West India Quay LP) Shareholder Limited |
| Leisure II (West India Quay Two) Limited[6] |
| Leisure II (West India Quay) Limited[6] |
| Leisure Parks I Limited[10] |
| Leisure Parks II Limited[10] |
| Liverpool Property Investments Limited[10] |
| Liverpool One GP Limited |
| Liverpool One Residential GP Limited |
| LS (Jaguar) GP Investments Limited |
| LS 1 New Street Square Developer Limited |
| LS 1 Sherwood Street Developer Limited[10] |
| LS 1 Sherwood Street Limited[10] |
| LS 123 Victoria Street Limited[10] |
| LS 21 Moorfields Development Management Limited[10] |
| LS 60-78 Victoria Street Limited[10] |
| LS 62 Buckingham Gate Limited[10] |
| LS Aberdeen Limited[10] |
| LS Aldersgate Limited[10] |
| LS Banbridge Phase Two Limited |
| LS Bexhill Limited[10] |
| LS Bluewater Investments Limited[10] |
| LS Bracknell Limited[10] |
| LS Braintree Limited[10] |
| LS Brighton Marina Limited[10] |
| LS Buchanan Limited[10] |
| LS Canterbury Limited |
| LS Cambridge Limited[10] |
| LS Cardiff (GP) Investments 2 Limited |
| LS Cardiff (GP) Investments Limited |
| LS Cardiff 2 Limited[10] |
| LS Cardiff Holdings Limited[10] |
| LS Cardiff Limited[10] |
| LS Cardinal Limited[10] |
| LS Chadwell Heath Limited[10] |
| LS Chesterfield Limited[10] |

| Company name |
|---|
| LS City Gate House Limited[10] |
| LS Company 33 Limited |
| LS Company 34 Limited |
| LS Company 35 Limited |
| LS Company 36 Limited |
| LS Company 37 Limited |
| LS Company 38 Limited |
| LS Company 39 Limited |
| LS Company Secretaries Limited |
| LS Denman Street Residential Limited |
| LS Development Holdings Limited[10] |
| LS Director Limited |
| LS Dundas Square Limited |
| LS Eastbourne Terrace Limited[10] |
| LS Easton Park Development Limited[10] |
| LS Easton Park Investments Limited[10] |
| LS Entertainment Venues Limited[10] |
| LS Ewer Street Limited[10] |
| LS Finchley Road Limited[10] |
| LS Forge Bankside Limited[10] |
| LS Great North Finchley Limited[10] |
| LS Gunwharf Limited |
| LS Harrogate Limited |
| LS Harvest 2 Limited[10] |
| LS Harvest Limited |
| LS Hill House Developer Limited |
| LS Hill House Limited[10] |
| LS Kings Gate Residential Limited[10] |
| LS Kingsmead Limited[10] |
| LS Leisure Parks Investments Limited[10] |
| LS Lewisham Limited[10] |
| LS Liberty of Southwark Limited[10] |
| LS Liverpool Limited[10] |
| LS London Holdings One Limited[10] |
| LS London Holdings Three Limited[10] |
| LS Media City Hotel Limited[10] |
| LS Moorgate Limited[10] |
| LS MYO 123 Victoria Street Limited |
| LS MYO Dashwood House Limited |
| LS Myo Limited[10] |
| LS MYO New Street Square Limited[10] |
| LS MYO St Pauls Limited |
| LS MYO The Forge Limited |

| Company name |
|---|
| LS n2 Limited[10] |
| LS New Street Square Investments Limited |
| LS Nominees Holdings Limited[10] |
| LS Nova Development Management Limited[10] |
| LS Nova GP Investments Limited |
| LS Nova LP1 Limited[10] |
| LS Nova LP2 Limited[10] |
| LS Nova Place Limited[10] |
| LS Occupier Limited[10] |
| LS Old Broad Street Developer Limited |
| LS Old Broad Street Limited[10] |
| LS One New Change Limited[10] |
| LS Oval Limited[10] |
| LS Poole Retail Limited[10] |
| LS Portfolio Investments Limited[10] |
| LS Portland House Developer Limited[10] |
| LS Project 92 Limited[10] |
| LS Property Finance Company Limited |
| LS QAM Limited[10] |
| LS Red Lion Court Developer Limited[10] |
| LS Red Lion Court Limited[10] |
| LS Regent Quarter Limited[10] |
| LS Regent Quarter Residential Limited |
| LS Retail Warehouses Limited[10] |
| LS Rome Limited |
| LS Shepherds Bush Limited[10] |
| LS Southside Limited[10] |
| LS Street Limited[10] |
| LS Studios Limited |
| LS Thanet Limited[10] |
| LS Timber Square Developer Limited[10] |
| LS Timber Square Limited[10] |
| LS Tottenham Court Road Limited[10] |
| LS Victoria Properties Limited[10] |
| LS West India Quay Limited[10] |
| LS Westminster Limited[10] |
| LS White Rose Limited[10] |
| LS Workplace Managed Services Limited[10] |
| LS Xscape Castleford Limited[10] |
| LS Xscape Milton Keynes Limited[10] |
| LS Zig Zag Limited[10] |
| Luneside East Limited[10] |
| Mayfield Chapelfield Limited |

| Company name |
| --- |
| Mayfield Medlock Limited[10] |
| Mayfield Poulton Limited[10] |
| Mayfield Republic Limited[10] |
| Media City UK Holdings Limited[10] |
| Media City Development Holdings Limited[10] |
| Media City Investment Holdings Limited[10] |
| Media City Lightbox Limited[10] |
| Media City Canalside Limited[10] |
| Media City Developments Limited[10] |
| Media City Residential 1 Limited[10] |
| Media City Residential 2 Limited[10] |
| Media City Salford Limited |
| Media City Residential Holdings Limited[10] |
| Media City UK FM Limited[10] |
| Media City Living 1 Limited[10] |
| Media City Living 2 Limited[10] |
| Media City UK Telecoms Limited[10] |
| Njord Wind Developments Limited[10] |
| Nova Developer Limited[10] |
| Oriana GP Limited[10] |
| OSB (Holdco 1) Limited[10] |
| OSB (Holdco 2) Limited[10] |
| Oxford Castle Apartments Limited |
| Plus X Brighton Limited[10] |
| Plus X Holdings Limited[10] |
| Plus X Shepherds Bush Limited[10] |
| Plus X Slough Limited[10] |
| Prime London Net Zero Office GP Limited |
| Prime London Net Zero Office LP |
| Prime London Net Zero Office REIT Limited |
| Public Private Partnership (H) Limited |
| Purplexed LLP[10] |
| Ravenseft Properties Limited[10] |
| Retail Property Holdings Trust Limited[10] |
| Rivella Properties Bicester Limited |
| Rosefarm Leisure Limited |
| St David's (Cardiff Residential) Limited[10] |
| St David's (General Partner) Limited[10] |
| St. David's (No.1) Limited |
| St. David's (No.2) Limited |
| St. David's Limited Partnership[10] |
| The Bund Limited[10] |
| The City of London Real Property Company Limited[10] |

| Company name |
| --- |
| The Deptford Project 2 Limited[10] |
| The Deptford Project Limited[10] |
| The Imperial Hotel Hull Limited |
| The Telegraph Works Limited[10] |
| The X-Leisure (General Partner) Limited[10] |
| The X-Leisure Unit Trust[6] |
| Tops Shop Estates Limited |
| Triangle Developments Limited |
| Triangle London Limited |
| U and I (8AE) Limited[10] |
| U and I (Bromley Commercial) Limited[10] |
| U and I (Cambridge) Limited[10] |
| U and I (Development and Trading) Limited[10] |
| U and I (Golf) Limited[10] |
| U and I (Harwell) Limited[10] |
| U and I (Innovation Hubs) Limited[10] |
| U and I (PB) Commercial Limited[10] |
| U and I (Pincents Lane) Limited[10] |
| U and I (White Heather) Limited[2] |
| U and I (WIE) Limited[10] |
| U and I Company Secretaries Limited |
| U and I Director 1 Limited |
| U and I Director 2 Limited |
| U and I Exit Limited[10] |
| U and I Finance Limited[10] |
| U and I Group Limited |
| U and I Investment Portfolio Limited[10] |
| U and I IPA Limited[10] |
| U and I IPA SC Limited[10] |
| U and I IPB Limited[10] |
| U and I IPC Limited[10] |
| U and I Netherlands B.V.[7] |
| U and I Plus X TC Limited[10] |
| U and I PPP Limited[10] |
| Westminster Trust Limited (The) |
| Willett Developments Limited |
| X-Leisure Limited[10] |
| X-Leisure Management Limited |
| Xscape Castleford Limited[6] |
| Xscape Castleford No.2 Limited[6] |
| Xscape Milton Keynes (Jersey) No.2 Limited[6] |
| Xscape Milton Keynes Limited[6] |

1. Subsidiary directly held by the Company, Land Securities Group PLC.
2. C/O William Fry, 2 Grand Canal Square, Dublin 2, Ireland, D02 A342.
3. C/O James Cowper Kreston, The White Building, 1-4 Cumberland Place, Southampton, SO15 2NP.
4. Fifth Floor, 37 Esplanade, St. Helier, JE1 2TR, Jersey.
5. 44 Esplanade, St Helier, JE4 9WG, Jersey.
6. IFC 5, St Helier, JE1 1ST, Jersey.
7. Prins Bernhardplein 200, 1097 JB Amsterdam, PO Box 990, 1000 AZ Amsterdam, Netherlands.
8. 85 Great Portland Street, First Floor, London, England, W1W 7LT.
9. PO BOX 33, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 4AT.
10. Exempt from the requirement of the Companies Act 2006 ('the Act') relating to the audit of individual accounts by virtue of Section 479A of the Act.
11. This entity was sold on 29 April 2024.

# SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES
## CONTINUED

As at 31 March 2025, the Company had an interest (as shown), direct or indirect, in the ordinary share capital of the following subsidiaries, joint ventures and associates. All entities included below are registered in the UK at 100 Victoria Street, London, SW1E 5JL, except for entities with a footnote indicating their country of registration and address. Where the Group share of ordinary share capital is from 75% to 100%, these entities are subsidiaries of the Company. Where the share of ordinary share capital is from 50% to 74%, these entities are joint venture interests based on contractually agreed sharing of control with joint venture partners. All other holdings are associate interests.

| Company name | Group share % |
|---|---|
| Bluewater REIT | 75% |
| BWAT Retail Nominee (1) Limited | 99% |
| BWAT Retail Nominee (2) Limited | 99% |
| Cathedral (Movement, Greenwich) LLP | 52% |
| Circus Street Developments Limited | 50% |
| Curzon Park Limited | 50% |
| Ebbsfleet Investment (GP) Limited[8] | 50% |
| Ebbsfleet Nominee No.1 Limited | 50% |
| Harvest 2 GP Limited | 50% |
| Harvest 2 Limited Partnership | 50% |
| Harvest 2 Selly Oak Limited | 50% |
| Harvest Development Management Limited | 50% |
| Harvest GP Limited | 50% |
| Heart of Slough Management Company Limited | 67% |
| Kensington & Edinburgh Estates (South Woodham Ferrers) Limited | 50% |
| Landmark Court Partnership Limited | 51% |
| Mayfield Development (General Partner) Limited | 50% |
| Mayfield Development Partnership LP | 50% |
| Minevote Public Limited Company | 50% |
| Northpoint (No.4) Limited | 71% |
| Northpoint CH Limited | 71% |
| Northpoint Developments Limited | 71% |
| Northpoint KC Limited | 71% |
| Nova Business Manager Limited | 50% |
| Nova Estate Management Company Limited | 64% |
| Nova GP Limited | 50% |
| Nova Limited Partnership | 50% |
| Nova Nominee 1 Limited | 50% |
| Nova Nominee 2 Limited | 50% |
| Nova Residential (GP) Limited | 50% |

| Company name | Group share % |
|---|---|
| Nova Residential Intermediate Limited | 50% |
| Nova Residential Limited Partnership | 50% |
| Opportunities For Sittingbourne Limited | 50% |
| Schofield Centre Limited[3] | 50% |
| Southside General Partner Limited | 50% |
| Southside Limited Partnership[2] | 50% |
| Southside Nominees No.1 Limited | 50% |
| Southside Nominees No.2 Limited | 50% |
| Spirit of Sittingbourne LLP | 65% |
| Tarmac Clayform Limited | 50% |
| Tarmac Guildford Limited[3] | 50% |
| The Ebbsfleet Limited Partnership | 50% |
| The Liverpool One Limited Partnership | 93.7% |
| The Liverpool One Residential Limited Partnership | 93.7% |
| TLD (Landmark Court) Limited | 99% |
| TLD Kidbrooke LLP[4] | 50% |
| Triangle London Developments LLP | 50% |
| Victoria Circle Developer Limited | 50% |
| West India Quay Limited | 50% |
| West India Quay Management Company Limited | 63% |
| Westgate Oxford Alliance GP Limited | 50% |
| Westgate Oxford Alliance Limited Partnership | 50% |
| Westgate Oxford Alliance Nominee No.1 Limited | 50% |
| Westgate Oxford Alliance Nominee No.2 Limited | 50% |
| White Lion Walk Limited[3] | 50% |
| YC Shepherds Bush (Market) Limited | 14% |
| YC Shepherds Bush Limited | 14% |

| Limited by guarantee | Group share % |
|---|---|
| Lightbox (MediaCityUK) Management Company Limited | n/a |
| Liverpool One Management Company Limited | n/a |
| Lovibond Lane Management Company Limited | n/a |
| Mayfield Estate Management Company Limited[8] | n/a |
| No.1 MediaCity UK Management Company Limited | n/a |
| Preston Barracks Management Company Limited | n/a |
| St David's Dewi Sant Merchant's Association Limited[8] | n/a |
| The Heart (Mediacity) Management Company Limited | n/a |
| The Old Vinyl Factory Management Company Limited[8] | n/a |

| Unit Trusts | Group share % |
|---|---|
| BWAT Retail Property Trust Fund[5] | 99% |
| Urban Retail III (Liverpool) Unit Trust[6] | 100% |
| Green Leaf ZB 2018 Unit Trust[6] | 100% |
| Regent Quarter Unit Trust[7] | 100% |
| Trematon Property Unit Trust | 100% |
| West India Quay Unit Trust[1] | 50% |
| Xscape Castleford Property Unit Trust[1] | 100% |
| Xscape Milton Keynes Property Unit Trust[1] | 100% |

1. IFC 5, St Helier, JE1 1ST, Jersey.
2. 26 New Street, St Helier, JE2 3RA, Jersey.
3. Ground Floor T3 Trinity Park, Bickenhall Lane, Birmingham.
4. Bruce Kenrick House, 2 Killick Street, London, N1 9FL, England.
5. c/o Pavilion Trustees Limited, 47 Esplanade, St Helier, Jersey, JE1 0BD, Jersey.
6. IFC 1,St. Helier, Jersey, JE2 3BX.
7. 50, La Colomberie, St Helier, JE24QB, Jersey.
8. Exempt from the requirement of the Companies Act 2006 ('the Act') relating to the audit of individual accounts by virtue of Section 479A of the Act.

# SHAREHOLDER INFORMATION

## ANNUAL GENERAL MEETING AND ORDINARY SHARES

The Annual General Meeting is due to be held at 10.00am on Thursday 10 July 2025 at 80 Victoria Street, London SW1E 5JL. The Notice of Meeting can be found on our website: landsec.com/agm.

The Company's Annual Report, results announcements and presentations and other shareholder information can be viewed on the website: landsec.com/investors.

## DIVIDENDS

Our final dividend for FY2024/25 will be paid on 25 July 2025 to shareholders on the register on 13 June 2025.

Whilst Landsec's dividend policy in recent years has been to distribute three quarterly dividends, followed by a final dividend, the Board has approved the move to half yearly payments with effect from financial year 2025/26. This move will align Landsec to peers and our financial reporting timeline in addition to simplifying the administration.

All shareholders (including those from overseas) are required to have their dividends paid directly into their personal bank or building society account or alternatively sign up to our Dividend Reinvestment Plan (see below). Shareholders who have not already done so should contact Equiniti or complete a mandate instruction available on our website landsec.com/investorsshareholders-equity-investors/dividend-information and return it to Equiniti or send it directly to Equiniti on Shareview: shareview.co.uk.

Further information on UK REITs and the forms required to be completed to apply for PIDs to be paid gross are available from the Registrar or the Landsec website: landsec.com/investorsshareholders-equity-investors/uk-reit-regime-and-dividends.

Payments to overseas accounts are enabled via the Equiniti Overseas Payment Service (OPS) provided by Citibank. Please contact Equiniti on +44 (0)371 384 2030 for an OPS application form which can also be downloaded from shareview.co.uk.

The DRIP provides shareholders with the opportunity to use cash dividends to increase their shareholding in Landsec. It is a convenient and cost-effective facility provided by Equiniti Financial Services Limited. Under the DRIP, cash dividends are automatically used to purchase shares in the market as soon as possible after the dividend payment. Any residual cash will be carried forward to the next dividend payment. Details of the DRIP, including terms and conditions and participation election forms, are available on our website: landsec.com/investorsshareholders-equity-investors/dividend-reinvestment-plan-drip.

## SHAREHOLDER DETAIL CHANGES AND SHARE DEALING FACILITY

Our Registrar, Equiniti, can assist with queries regarding administration of shareholdings, such as bank account payment details, dividends, lost share certificates, change of address or personal details, and amalgamation of accounts. Equiniti also provide existing and prospective UK shareholders with an easy to use online, telephone and post share dealing facility. The online and telephone dealing service allows shareholders to trade 'real-time' at a known price that will be given to them at the time they give their instruction. For full details of these services and how to contact Equiniti please see landsec.com/investors.

## ELECTRONIC COMMUNICATIONS

We encourage shareholders to consider receiving their communications electronically enabling you to receive them more quickly and securely, whilst supporting Landsec's sustainability commitment by communicating in a more environmentally friendly and cost-effective manner. Registration for electronic communications is available on shareview.co.uk.

## SHAREGIFT

Shareholders with a small number of shares, the value of which would make them uneconomic to sell, may wish to consider donating them to a charity through ShareGift, a registered charity (No. 1052686) which specialises in using such holdings for charitable benefit. A ShareGift donation form can be obtained from Equiniti; for further information see sharegift.org.uk or email: help@sharegift.org.

## SHAREHOLDER SECURITY

Landsec is required by law to make its share register available on request to other organisations. This may result in the receipt of unsolicited mail. To limit this, shareholders may register with the Mailing Preference Service. For more information, or to register, visit mpsonline.org.uk. Shareholders are also advised to be vigilant in regard to share fraud which includes telephone calls offering free investment advice or offers to buy and sell shares at discounted or highly inflated prices. Further information can be found on the Financial Conduct Authority's website: fca.org.uk/scams or by calling the FCA Consumer Helpline on 0800 111 6768.

## SHARE REGISTER ANALYSIS AS AT 31 MARCH 2025

TABLE 76

| Type of holder: | Number of shareholders | % of total shareholders | Number of shares | % of total shares |
|---|---|---|---|---|
| Private shareholders | 6,641 | 84.00 | 6,954,281 | 0.93 |
| Nominee and institutional investors[1] | 1,265 | 16.00 | 744,777,783 | 99.07 |
| **Total** | **7,906** | **100** | **751,732,064** | **100** |
| Size of holding (number of ordinary shares) | | | | |
| 1–1,000 | 5,249 | 66.39 | 1,821,885 | 0.24 |
| 1,001–5,000 | 1,540 | 19.48 | 3,159,979 | 0.42 |
| 5,001–10,000 | 252 | 3.19 | 1,759,723 | 0.23 |
| 10,001–50,000 | 349 | 4.41 | 8,507,236 | 1.13 |
| 50,001–100,000 | 108 | 1.37 | 7,704,834 | 1.02 |
| 100,001–500,000 | 217 | 2.74 | 51,013,257 | 6.79 |
| 500,001–highest[1] | 191 | 2.42 | 677,765,150 | 90.17 |
| **Total** | **7,906** | **100** | **751,732,064** | **100** |

1. Including 6,789,236 shares held in treasury by the Company.

## DATA PROTECTION

A copy of our Shareholder Privacy Notice can be found on our website: landsec.com/policies/privacy-policy/shareholders.

# KEY CONTACTS AND ADVISERS

## REGISTERED OFFICE AND PRINCIPAL UK ADDRESS

Land Securities Group PLC
100 Victoria Street
London SW1E 5JL
Registered in England and Wales
Company No. 4369054
Telephone: +44 (0)20 7413 9000
landsec.com

## COMPANY SECRETARY

Marina Thomas
Company Secretary
shareholderenquiries@landsec.com

## INVESTOR RELATIONS

Edward Thacker
Head of Investor Relations
enquiries@landsec.com

## REGISTRAR

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Telephone: +44 (0)371 384 2128
If calling from outside the UK, please ensure the country code is used.
For deaf and speech impaired customers, Equiniti welcome calls
via Relay UK. Please see relayuk.bt.com for more information.
shareview.co.uk

## AUDITOR

Ernst & Young LLP
1 More London Place
London SE1 2AF
Telephone: +44 (0)20 7951 2000
ey.com

## EXTERNAL ADVISERS

Principal valuers: CBRE and JLL
Financial advisers: UBS, Robey Warshaw
Solicitors: Slaughter and May
Brokers: UBS, Deutsche Numis, Barclays

# GLOSSARY

**Adjusted net cash inflow from operating activities**
Net cash inflow from operating activities including the Group's share of our joint ventures' net cash inflow from operating activities.

**Adjusted net debt**
Net debt excluding cumulative fair value movements on interest-rate swaps and amounts payable under head leases. It generally includes the net debt of subsidiaries and joint ventures on a proportionate basis.

**Combined Portfolio**
The Combined Portfolio comprises the investment properties, owner-occupied property and non-current assets held-for-sale of the Group's subsidiaries, on a proportionately consolidated basis when not wholly owned, together with our share of investment properties held in our joint ventures.

**Developments/development pipeline**
Development pipeline consists of future developments, committed developments, projects under construction and developments which have reached practical completion within the last two years but are not yet 95% let.

**Development gross yield on total development cost**
Gross ERV, before adjustment for lease incentives, divided by total development cost. Gross ERV reflects Landsec's or the valuer's view of expected ERV at completion of the scheme.

**EPRA earnings**
Profit before tax, excluding profits on the sale of non-current assets and trading properties, profits on development contracts, valuation movements, fair value movements on interest-rate swaps and similar instruments used for hedging purposes, debt restructuring charges, and any other items of an exceptional nature.

**EPRA loan-to-value (LTV)**
Ratio of adjusted net debt, including net payables, to the sum of the net assets, including net receivables, of the Group, its subsidiaries and joint ventures, all on a proportionate basis, expressed as a percentage. The calculation includes trading properties at fair value and debt at nominal value.

**EPRA net disposal value (NDV) per share**
Diluted net assets per share adjusted to remove the impact of goodwill arising as a result of deferred tax, and to include the difference between the fair value and the book value of the net investment in tenant finance leases and fixed interest rate debt.

**EPRA net initial yield**
EPRA net initial yield is defined within EPRA's Best Practice Recommendations as the annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the gross market value of the property. It is consistent with the net initial yield calculated by the Group's external valuer.

**EPRA Net Reinstatement Value (NRV) per share**
Diluted net assets per share adjusted to remove the cumulative fair value movements on interest-rate swaps and similar instruments, the carrying value of deferred tax on intangible assets and to include the difference between the fair value and the book value of the net investment in tenant finance leases and add back purchasers' costs.

**EPRA Net Tangible Assets (NTA) per share**
Diluted net assets per share adjusted to remove the cumulative fair value movements on interest-rate swaps and similar instruments, the carrying value of goodwill arising as a result of deferred tax and other intangible assets, deferred tax on intangible assets and to include the difference between the fair value and the book value of the net investment in tenant finance leases.

**Equivalent yield**
Calculated by the Group's external valuer, equivalent yield is the internal rate of return from an investment property, based on the gross outlays for the purchase of a property (including purchase costs), reflecting reversions to current market rent and such items as voids and non-recoverable expenditure but ignoring future changes in capital value. The calculation assumes rent is received annually in arrears.

**ERV – Gross estimated rental value**
The estimated market rental value of lettable space as determined biannually by the Group's external valuer. For investment properties in the development programme, which have not yet reached practical completion, the ERV represents management's view of market rents.

**Gearing**
Total borrowings, including bank overdrafts, less short-term deposits, corporate bonds and cash, at book value, plus cumulative fair value movements on financial derivatives as a percentage of total equity. For adjusted gearing, see note 22.

**Gross market value**
Market value plus assumed usual purchaser's costs at the reporting date.

**Interest Cover Ratio (ICR)**
A calculation of a company's ability to meet its interest payments on outstanding debt. It is calculated using EPRA earnings before interest, divided by net interest (excluding the mark-to-market movement on interest-rate swaps, foreign exchange swaps, capitalised interest and interest on the pension scheme assets and liabilities). The calculation excludes joint ventures.

**Investment portfolio**
The investment portfolio comprises the investment properties of the Group's subsidiaries on a proportionately consolidated basis where not wholly owned.

**Lease incentives**
Any incentive offered to occupiers to enter into a lease. Typically, the incentive will be an initial rent-free period, or a cash contribution to fit-out or similar costs. For accounting purposes, the value of the incentive is spread over the non-cancellable life of the lease.

**Like-for-like portfolio**
The like-for-like portfolio includes all properties which have been in the portfolio since 1 April 2023 but excluding those which are acquired or sold since that date. Properties in the development pipeline and completed developments are also excluded.

**Loan-to-value (LTV)**
Group LTV is the ratio of adjusted net debt, including subsidiaries and joint ventures, to the sum of the market value of investment properties and the book value of trading properties of the Group, its subsidiaries and joint ventures, all on a proportionate basis, expressed as a percentage. For the Security Group, LTV is the ratio of net debt lent to the Security Group divided by the value of secured assets.

**Market value**
Market value is determined by the Group's external valuer, in accordance with the RICS Valuation Standards, as an opinion of the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing.

**Net initial yield**
Net initial yield is a calculation by the Group's external valuer of the yield that would be received by a purchaser, based on the Estimated Net Rental Income expressed as a percentage of the acquisition cost, being the market value plus assumed usual purchasers' costs at the reporting date. The calculation is in line with EPRA guidance. Estimated Net Rental Income is determined by the valuer and is based on the passing cash rent less rent payable at the balance sheet date, estimated non-recoverable outgoings and void costs including service charges, insurance costs and void rates.

**Net rental income**
Net rental income is the net operational income arising from properties, on an accruals basis, including rental income, finance lease interest, rents payable, service charge income and expense, other property related income, direct property expenditure and bad debts. Net rental income is presented on a proportionate basis.

**Net zero carbon building**
A building for which an overall balance has been achieved between carbon emissions produced and those taken out of the atmosphere, including via offset arrangements. This relates to operational emissions for all buildings while, for a new building, it also includes supply-chain emissions associated with its construction.

**Passing rent**
The estimated annual rent receivable as at the reporting date which includes estimates of turnover rent and estimates of rent to be agreed in respect of outstanding rent review or lease renewal negotiations. Passing rent may be more or less than the ERV (see over-rented, reversionary and ERV). Passing rent excludes annual rent receivable from units in administration save to the extent that rents are expected to be received. Void units at the reporting date are deemed to have no passing rent. Although temporary lets of less than 12 months are treated as void, income from temporary lets is included in passing rents.

# GLOSSARY
## CONTINUED

**Property Income Distribution (PID)**
A PID is a distribution by a REIT to its shareholders paid out of qualifying profits. A REIT is required to distribute at least 90% of its qualifying profits as a PID to its shareholders.

**Rental income**
Rental income is as reported in the income statement, on an accruals basis, and adjusted for the spreading of lease incentives over the term certain of the lease in accordance with IFRS 16. It is stated gross, prior to the deduction of ground rents and without deduction for operational outgoings on car park and commercialisation activities.

**Reversionary or under-rented**
Space where the passing rent is below the ERV.

**Reversionary yield**
The anticipated yield to which the initial yield will rise (or fall) once the rent reaches the ERV.

**Security Group**
Security Group is the principal funding vehicle for the Group and properties held in the Security Group are mortgaged for the benefit of lenders. It has the flexibility to raise a variety of different forms of finance.

**Topped-up net initial yield**
Topped-up net initial yield is a calculation by the Group's external valuer. It is calculated by making an adjustment to net initial yield in respect of the annualised cash rent foregone through unexpired rent-free periods and other lease incentives. The calculation is consistent with EPRA guidance.

**Total return on equity**
Dividend paid per share in the year plus the change in EPRA Net Tangible Assets per share, divided by EPRA Net Tangible Assets per share at the beginning of the year.

**Total cost ratio**
Total cost ratio represents all costs included within EPRA earnings, other than rents payable, financing costs and provisions for bad and doubtful debts, expressed as a percentage of gross rental income before rents payable adjusted for costs recovered through rents but not separately invoiced.

**Total development cost (TDC)**
Total development cost refers to the book value of the site at the commencement of the project, the estimated capital expenditure required to develop the scheme from the start of the financial year in which the property is added to our development programme, together with capitalised interest, being the Group's borrowing costs associated with direct expenditure on the property under development. Interest is also capitalised on the purchase cost of land or property where it is acquired specifically for redevelopment. The TDC for trading property development schemes excludes any estimated tax on disposal.

**Trading properties**
Properties held for trading purposes and shown as current assets in the balance sheet.

**Vacancy rates**
Vacancy rates are expressed as a percentage of ERV and represent all unlet space, including vacant properties where refurbishment work is being carried out and vacancy in respect of pre-development properties, unless the scale of refurbishment is such that the property is not deemed lettable. The screen at Piccadilly Lights, W1 is excluded from the vacancy rate calculation as it will always carry advertising although the number and duration of our agreements with advertisers will vary.

**Valuation surplus/deficit**
The valuation surplus/deficit represents the increase or decrease in the market value of the Combined Portfolio, adjusted for net investment and the effect of accounting for lease incentives under IFRS 16. The market value of the Combined Portfolio is determined by the Group's external valuer.

**Voids**
Voids are expressed as a percentage of ERV and represent all unlet space, including voids where refurbishment work is being carried out and voids in respect of pre-development properties. Temporary lettings for a period of one year or less are also treated as voids. The screen at Piccadilly Lights, W1 is excluded from the void calculation as it will always carry advertising although the number and duration of our agreements with advertisers will vary. Commercialisation lettings are also excluded from the void calculation.

**Weighted average unexpired lease term**
The weighted average of the unexpired term of all leases other than short-term lettings such as car parks and advertising hoardings, temporary lettings of less than one year, residential leases and long ground leases.

# CAUTIONARY STATEMENT

This Annual Report and Landsec's website may contain certain 'forward-looking statements' with respect to Land Securities Group PLC (the Company) and the Group's financial condition, results of its operations and business, and certain plans, strategy, objectives, goals and expectations with respect to these items and the economies and markets in which the Group operates. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'anticipates', 'aims', 'ambition', 'milestones', 'objectives', 'outlook', 'plan', 'probably', 'project', 'risks', 'schedule', 'seek', 'due', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'plans', 'targets', 'goal' or 'estimates' or, in each case, their negative or other variations or comparable terminology. Forward-looking statements are not guarantees of future performance. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely. There are a number of such factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in the political conditions, economies and markets in which the Group operates; changes in the legal, regulatory and competition frameworks in which the Group operates; changes in the markets from which the Group raises finance; the impact of legal or other proceedings against or which affect the Group; changes in accounting practices and interpretation of accounting standards under IFRS; changes in interest and exchange rates; and emerging and developing ESG reporting standards.

Any forward-looking statements made in this Annual Report or Landsec's website, or made subsequently, which are attributable to the Company or any other member of the Group, or persons acting on their behalf, are expressly qualified in their entirety by the factors referred to above. Each forward-looking statement speaks only as of the date it is made. Except as required by its legal or statutory obligations, the Company does not intend to update any forward-looking statements.

Nothing contained in this Annual Report or Landsec's website should be construed as a profit forecast or an invitation to deal in the securities of the Company.



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Pureprint Ltd aims to reduce at source the effect its operations have on the environment and is committed to continual improvement, prevention of pollution and compliance with any legislation or industry standards.

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