
Selected Land and Property Company

Annual Report and Accounts

Year ended 31 March 2009

TUESDAY



L0YIDDA1

LD2

15/09/2009

285

COMPANIES HOUSE

Company number: 228839

Selected Land and Property Company

REPORT OF THE DIRECTORS for the year ended 31 March 2009

The directors submit their report and financial statements for the year ended 31 March 2009.

Principal activities

The company is a wholly owned subsidiary of Pencilscreen Limited, which itself is a wholly owned subsidiary of BL Sainsbury Superstores Limited. BL Sainsbury Superstores Limited operates as a joint venture between The British Land Company PLC and J Sainsbury plc. This joint venture was created on 26 March 2008 when The British Land Company PLC sold a 50% interest to J Sainsbury plc. During the year to 31 March 2008, the company ceased to trade having transferred its properties to a fellow subsidiary company.

Business review

On 20 March 2008 the company was re-registered as an unlimited company.

As shown in the company's profit and loss account on page 5, the company's turnover is £nil compared to a turnover of £5,434,951 in the prior year and profit before tax is £nil compared to a profit before tax of £2,066,026 in the prior year.

Dividends of £nil (2008: £43,609,703) were paid in the year. Dividends paid are shown in note 12.

The balance sheet on page 7 shows that the company's financial position at the year end is, in net asset terms, consistent with the prior year.

Details of significant events since the balance sheet date, if any, are contained in note 16.

The subsidiaries, if any, held by the company are listed in note 6. Where the company has subsidiaries, consolidated financial statements are not presented as the company takes advantage of the exemption afforded by Section 228 of the Companies Act 1985.

Risk management

This company is part of a large property investment group. As such, the fundamental underlying risks for this company are those of the property group as discussed below.

The group generates returns to shareholders through long-term investment decisions requiring the evaluation of opportunities arising in the following areas:

- demand for space from occupiers against available supply;
- differential pricing for premium locations and buildings;
- alternative use for buildings;
- demand for returns from investors in property, compared to other asset classes;
- economic cycles, including their impact on tenant covenant quality, interest rates, inflation and property values;
- price differentials for capital to finance the business;
- legislative changes, including planning consents and taxation; and
- construction pricing and programming.

These opportunities also represent risks, the most significant being change to the value of the property portfolio. This risk has high visibility to senior executives and is considered and managed on a continuous basis. Executives use their knowledge and experience to knowingly accept a measured degree of market risk.

The group's preference for prime assets and their secure long term contracted rental income, primarily with upward only rent review clauses, presents lower risks than many other property portfolios.

The company has no third party debt. It therefore has no interest rate exposure.

Selected Land and Property Company

REPORT OF THE DIRECTORS **for the year ended 31 March 2009**

Environment

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the company's activities. The company operates in accordance with best practice policies and initiatives designed to minimise the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

Directors

The directors who served during the year were:

P C Clarke
B Lewis
P J Baguley (resigned 10 February 2009)
J M Birch
C M J Forshaw
R Fleming
A M Jones
R J Learmont
J T Rogers (appointed 10 February 2009)

Statement of directors' responsibilities

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

The directors have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Payments policy

In the absence of dispute, amounts due to trade and other suppliers are settled as expeditiously as possible within their terms of payment. Suppliers' days outstanding at 31 March 2009 were 42 (31 March 2008: 40).

Selected Land and Property Company

**REPORT OF THE DIRECTORS
for the year ended 31 March 2009**

Disclosure of information to Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Annual General Meeting

At the Annual General Meeting of the company held on 18 December 1998 Elective Resolutions were passed to dispense with the following requirements:

- to lay accounts and reports before a general meeting of the company;
- to appoint auditors annually (Deloitte LLP are willing to continue in office); and
- to hold annual general meetings in the future.

This report was approved by the Board on 02 September 2009



N Ekpo
Secretary

Selected Land and Property Company

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
Selected Land and Property Company
for the year ended 31 March 2009**

We have audited the financial statements of Selected Land and Property Company for the year ended 31 March 2009 which comprise the profit and loss account, balance sheet, statement of total recognised gains and losses, note of historical cost profits and losses and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

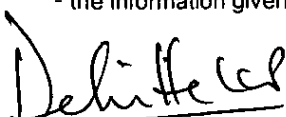
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its nil profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.


Deloitte LLP

Chartered Accountants and Registered Auditors
London

11 September 2009

Selected Land and Property Company

**PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2009**

	Note	2009 £	2008 £
Turnover			
Rental income			164,951
Fees and commissions			
Other trading income			
Property sales			5,270,000
Total turnover			5,434,951
 Cost of sales			(3,680,487)
Gross profit			1,754,464
 Administrative expenses			
Operating profit			1,754,464
 Profit on disposal of properties			
Profit on disposal of investments			
Group transfer of investments			311,562
 Write down of investments in subsidiaries			
 Dividends receivable			
Profit on ordinary activities before interest			2,066,026
 Interest receivable			
Group			
Associated companies			
External - other			
 Interest payable			
Group			
Associated companies			
External			
- bank overdrafts and loans			
- other loans			
 Profit on ordinary activities before taxation	2	-	2,066,026
 Taxation	4		(1,390,939)
 Profit for the financial year		-	675,087

Due to the transfer of the company's properties to another subsidiary during the previous year, the above operations are discontinued.

Selected Land and Property Company

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2009

	2009	2008
	£	£
Profit on ordinary activities after taxation		675,087
Unrealised surplus (deficit) on revaluation of investment properties		
Unrealised surplus (deficit) on revaluation of investments		
Unrealised surplus (deficit) on revaluation of subsidiaries		
Derivative valuation and exchange translation movements on net investments		
Taxation on realisation of prior year revaluations		
Total recognised gains and losses relating to the financial year	-	675,087

NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the year ended 31 March 2009

	2009	2008
	£	£
Profit on ordinary activities before taxation		2,066,026
Realisation of prior year revaluations		
Historical cost profit on ordinary activities before taxation	-	2,066,026
Historical cost profit for the year retained after taxation	-	675,087


Selected Land and Property Company

**BALANCE SHEET
as at 31 March 2009**

	Note	2009 £	£	2008 £	£
Fixed assets					
Plant and Machinery					
Investments	5				
Current assets					
Trading properties	6				
Debtors	7	1		1	
Cash and deposits					
		<u>1</u>		<u>1</u>	
Creditors due within one year	8				
Net current assets			1		1
Total assets less current liabilities			<u>1</u>		<u>1</u>
Creditors due after one year	9				
Provision for liabilities	10				
Net assets			<u><u>1</u></u>		<u><u>1</u></u>
Capital and reserves					
Called up share capital	11		1		1
Share premium	12				
Revaluation reserve	12				
Profit and loss account	12				
Shareholders' funds	12		<u><u>1</u></u>		<u><u>1</u></u>

These financial statements were approved by the Board of Directors on

2 September 2009



Director

Selected Land and Property Company

Notes to the accounts for the year ended 31 March 2009

1. Accounting policies

The principal accounting policies adopted by the directors are summarised below. They have been applied consistently throughout the current and previous year.

These financial statements are designed to cover a wide variety of companies and circumstances. As a result some notes or some entries in the primary statements or the notes may not be relevant for this company and so may be left blank intentionally.

Accounting basis

The financial statements are prepared in accordance with applicable United Kingdom law and Accounting Standards and under the historical cost convention as modified by the revaluation of investment properties and other fixed asset investments.

Where the company has subsidiaries, it has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of another company. Group financial statements, which include the company, for The British Land Company PLC are publicly available (see note 17).

Basis of preparation

As explained in note 18, the company transferred its properties to a fellow subsidiary company during the year to 31 March 2008 and has ceased trading. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. The assets were transferred to the fellow subsidiary company at their book value.

Cash flow statement

The company is exempt under FRS 1 (Revised) from preparing a cashflow statement.

Properties

Properties are externally valued on an open market basis at the balance sheet date. Investment and development properties are recorded at valuation. Any surplus or deficit arising is transferred to revaluation reserve, unless a deficit is expected to be permanent, in which case it is charged to the profit and loss account. Disposals are recognised on completion or unconditional exchange of contracts: profit on disposal is determined as the difference between sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus additions in the period.

In accordance with Statement of Standard Accounting Practice 19, no depreciation is provided in respect of investment property. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view. The financial effect of the departure from these rules cannot reasonably be quantified as depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Financial liabilities

Debt instruments are stated at their net proceeds on issue. Finance charges including premiums payable on settlement or redemption and direct issue costs are spread over the period to redemption, using the effective interest method.

Selected Land and Property Company

Notes to the accounts for the year ended 31 March 2009

1. Accounting policies (continued)

Investments

Fixed asset investments are stated at cost less provision for impairment.

Taxation

Current tax is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantively enacted. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are not taxable (or tax deductible). In particular the group (including this company) became a REIT on 1 January 2007 and, following its entry into a joint venture arrangement on 26 March 2008, 50% of income and gains on qualifying assets are exempt from taxation.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Net rental income

Rental income is recognised on an accruals basis. A rent adjustment based on open market estimated rental value is recognised from the rent review date in relation to unsettled rent reviews. Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the next rent review date. Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight-line basis over the shorter of the entire lease term or the period to the first break option. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure the carrying value of the related property including the accrued rent does not exceed the external valuation.

Initial direct costs incurred in negotiating and arranging a new lease are amortised on a straight-line basis over the period from the date of lease commencement to the next rent review date.

Where a lease incentive payment, including surrender premiums paid, does not enhance the value of a property, it is amortised on a straight-line basis over the period from the date of lease commencement to the next rent review date. Upon receipt of a surrender premium for the early determination of a lease, the profit, net of dilapidations and non-recoverable outgoings relating to the lease concerned is immediately reflected in income.

Selected Land and Property Company

**Notes to the accounts
for the year ended 31 March 2009**

2. Profit (loss) on ordinary activities before taxation

2009
£

2008
£

Profit (loss) on ordinary activities before taxation is stated after charging (crediting):

Amortisation

Depreciation

Auditors' remuneration

A notional charge of £1,200 (2008: £1,150) per company is deemed payable to Deloitte LLP in respect of the audit of the financial statements.

3. Staff costs

2009
£

2008
£

Wages and salaries

Social security costs

Pension costs

_____	_____
_____	_____
_____	_____

No director received any remuneration for services to the company in either period.

Average number of employees, excluding directors, of the company during the year was nil (2008 - nil).

Selected Land and Property Company

**Notes to the accounts
for the year ended 31 March 2009**

4. Taxation	2009	2008
	£	£
Current tax		
UK corporation tax		1,390,939
Adjustments in respect of prior years		
Total current tax charge (credit)		<u>1,390,939</u>
Deferred tax		
Origination and reversal of timing differences		
Prior year items		
Total deferred tax charge (credit)		<u></u>
Total taxation charge (credit)	<u>-</u>	<u>1,390,939</u>
Tax reconciliation		
Profit on ordinary activities before taxation		<u>2,066,026</u>
Tax on profit on ordinary activities at UK corporation tax rate of 28% (2008: 30%)		619,808
Effects of:		
REIT conversion charge		
REIT exempt income and gains		
Capital allowances		
Tax losses and other timing differences		
(Income not taxable) expenses not deductible for tax purposes		(93,469)
Transfer pricing adjustments		864,600
Group relief (claimed) surrendered for nil consideration		
Adjustments in respect of prior years		
Current tax charge (credit)	<u>-</u>	<u>1,390,939</u>

Included in the tax charge is a net charge of £nil (2008: £nil) attributable to property sales.

The unprovided tax which would arise on the disposal of properties at valuation after available loss relief but without recourse to tax structuring is in the region of £nil (2008: £nil).

Selected Land and Property Company

**Notes to the accounts
for the year ended 31 March 2009**

5. Investments

	Shares in subsidiaries £	Other investments £	Total £
At cost or directors' valuation			
1 April 2008			
Additions			
Disposals			
Group Transfers - in			
Group Transfers - out			
Provision for write-down			
Revaluation			
31 March 2009	<u>-</u>	<u>-</u>	<u>-</u>
Provision for write-down			
1 April 2008			
Provision for write-down			
Disposals			
31 March 2009	<u>-</u>	<u>-</u>	<u>-</u>
At cost or directors' valuation excluding provision for write-down			
31 March 2009	<u>-</u>	<u>-</u>	<u>-</u>
1 April 2008	<u>-</u>	<u>-</u>	<u>-</u>

Selected Land and Property Company

**Notes to the accounts
for the year ended 31 March 2009**

6. Trading properties	2009	2008
	£	£
Freehold		
Long leasehold		
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

7. Debtors	2009	2008
	£	£
Current debtors (receivable within one year)		
Trade debtors		
Amounts owed by group companies - current accounts	1	1
Amounts owed by associated companies - current accounts		
Corporation tax		
Other debtors		
Prepayments and accrued income		
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

Included in prepayments and accrued income is an amount of £nil (2008 : £nil), relating to lease incentives which are amortised over the period to the next rent review which may be due after more than one year.

Long-term debtors (receivable after more than one year)

Amounts owed by group companies - Long term loans	<u> </u>	<u> </u>
---	-------------------	-------------------

8. Creditors due within one year	2009	2008
	£	£
Trade creditors		
Amounts owed to group companies - current accounts		
Amounts owed to associated companies - current accounts		
Corporation tax		
Other taxation and social security		
Other creditors		
Accruals and deferred income		
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

Amounts owed to fellow group companies are repayable on demand. There is no interest charged on these balances.

Selected Land and Property Company

**Notes to the accounts
for the year ended 31 March 2009**

9. Creditors due after one year (including borrowings.)

		2009	2008
		£	£
Debentures and loans	due 1 to 2 years		
	due 2 to 5 years		
	due after 5 years		
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>

10. Provision for liabilities

	Sinking fund	Deferred tax	Total
	£	£	£
1 April 2008			
Charged (credited) to the profit and loss account			
Released			
Utilised in year			
31 March 2009	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>

Deferred tax is provided as follows

	2009	2008
	£	£
Accelerated capital allowances		
Other timing differences		
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

The deferred tax provision relates primarily to capital allowances claimed on plant and machinery within investment properties.

Selected Land and Property Company

**Notes to the accounts
for the year ended 31 March 2009**

11. Share capital

	2009 £	2008 £
Authorised share capital		
Ordinary Shares		
Balance as at 1 April 2008 : 40,000,000 shares at £0.000000025	1	
Balance as at 1 April 2007 : 40,000,000 shares at £0.50		20,000,000
Reduction in share capital (40,000,000 shares to the extent of £0.499999975)		(19,999,999)
Balance as at 31 March : 40,000,000 shares at £0.000000025	<u>1</u>	<u>1</u>
Issued share capital - allotted, called up and fully paid		
Ordinary Shares		
Balance as at 1 April 2008 : 31,159,984 shares at £0.000000025	1	
Balance as at 1 April 2007 : 31,159,984 shares at £0.50		15,579,992
Reduction in share capital (31,159,984 shares to the extent of £0.499999975)		(15,579,991)
Balance as at 31 March : 31,159,984 shares at £0.000000025	<u>1</u>	<u>1</u>

On 20 March 2008, the company was re-registered as an unlimited company. On 26 March 2008, a special resolution was passed permitting the company to reduce its authorised share capital from £20,000,000 (comprising 40,000,000 ordinary shares of £0.5) to £1 (comprising 40,000,000 ordinary shares of £0.000000025). The company's issued paid up capital was cancelled to the extent of £0.499999975 on each of the 31,159,984 issued ordinary shares of £0.5 and the nominal value of each ordinary share (issued or unissued) reduced to £0.000000025.

Selected Land and Property Company

**Notes to the accounts
for the year ended 31 March 2009**

12. Reconciliation of movements in shareholders' funds and reserves

	Share capital £	Share premium £	Revaluation reserve £	Hedging & translation reserve £	Profit and loss account £	Total £
Opening shareholders' funds	1					1
Profit for the financial year						
Dividends						
Share issues in the year						
Unrealised surplus (deficit) on revaluation of investment properties						
Unrealised surplus (deficit) on revaluation of investments						
Unrealised surplus (deficit) on revaluation of subsidiaries						
Realisation of prior year revaluations						
Taxation on the realisation of prior year revaluations						
Derivative valuation and exchange translation movements on net investments						
Closing shareholders' funds	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

Selected Land and Property Company

Notes to the accounts **for the year ended 31 March 2009**

13. Capital commitments

The company had capital commitments contracted as at 31 March 2009 of £nil (2008 : £nil).

14. Contingent liabilities

The company had no contingent liabilities as at as at 31 March 2009 (2008: £nil).

15. Related parties

The company has taken advantage of the exemption granted to 90% subsidiaries not to disclose transactions with group companies under the provisions of Financial Reporting Standard 8.

16. Subsequent events

There have been no significant events since the year end.

17. Immediate parent and ultimate holding company

The immediate parent company is Pencilscreen Limited.

BL Sainsbury Superstores Limited is the smallest and largest group for which group accounts are available and which include the company.

The ultimate holding company is BL Sainsbury Superstores Limited, a joint venture between Linestair Limited, which is a wholly owned subsidiary of The British Land Company PLC and Sainsbury Property Investments Limited, which is a wholly owned subsidiary of J Sainsbury plc, and which are incorporated in Great Britain.

The accounts of BL Sainsbury Superstores Limited can be obtained from The British Land Company PLC, York House, 45 Seymour Street, London W1H 7LX.

18. Going concern

During the year to 31 March 2008, the British Land group was restructured. As a result of this all the properties were transferred to a another subsidiary company.

Due to the above the financial statements have been prepared on a basis other than that of a going concern. However, the financial statements do not include any adjustments which might arise from the liquidation of the company.