

RAVENSEFT INDUSTRIAL ESTATES LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2002



RAVENSEFT INDUSTRIAL ESTATES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

The directors present their report and the audited financial statements for the year ended 31 March 2002.

RESULTS FOR THE YEAR AND DIVIDEND

The results are set out in the Profit and Loss Account on page 6.

The directors recommend that £2,879,591 be paid as a dividend.

PRINCIPAL ACTIVITIES AND PROPERTY PORTFOLIO REVIEW

During the year the Company has continued its business of industrial and warehouse property investment and development throughout the United Kingdom. There will be no change in the Company's principal activities in the foreseeable future.

Portfolio Management

Despite the severe decline in manufacturing output over the last twelve months, warehouse and industrial rental values have remained stable. This is consistent with the fact that the majority of investment grade property in this sector represents warehousing rather than manufacturing activity and, particularly in the South East, is more closely aligned with distribution rather than manufacturing. With the Company's sales programme continuing to focus on the disposal of properties outside the South East, the Company has now just under 90% of its industrial and warehouse portfolio located in its core area of focus.

The Company's strategy for increasing its industrial and warehouse holdings in the South East is primarily via the acquisition of sites for development.

The Company's asset management activities were effective in generating additional rental income and minimising void levels which were kept down to 1.3% on the investment portfolio.

Development

The Company continued to refocus its portfolio on the South East and increased its exposure to this market with a development programme of over 100,000 sq m. The Company completed 35,860 sq m at its schemes in Basildon and Hemel Hempstead, started on site on 30,380 sq m at Basildon, Guildford and Welwyn Garden City, and has a further 37,030 sq m in the pipeline. It has a total of £2.5m of income secured or in solicitors' hands.

RAVENSEFT INDUSTRIAL ESTATES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

DIRECTORS

The directors who held office during the year were:

I J Henderson
M R Griffiths (resigned 8 July 2002)
R D S Nevett
D P Wynne
F W Salway

The interest of the directors in the shares of the Company were nil throughout the year.

I J Henderson, F W Salway and M R Griffiths are directors of Land Securities PLC, the ultimate parent company, and their interests in that company are shown in its Report and Financial Statements for the year ended 31 March 2002. The ultimate parent company's registers of directors' share and debenture interests and holdings of options, which are open to inspection at its registered office, contain full details of their shareholdings and share options.

The beneficial interests of the other directors in the shares of Land Securities PLC and their holdings of options over shares in that company are as set out below and on page 3.

Interest in		
Ordinary Shares	31 March 2002	31 March 2001
R D S Nevett	15,071	13,079
D P Wynne	4,207	2,879

RAVENSEFT INDUSTRIAL ESTATES LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2002 (CONTINUED)

DIRECTORS (continued)

Options over Ordinary Shares

	No. of Options at 1 April	<u>Granted during year</u>		<u>Exercised during year</u>		<u>Options at 31 March 2002</u>	
		No.	Grant Price (pence)	No.	Exercise Price (pence)	No.	Exercise Price (pence)
R Nevett	25,000 5,236	20,500	869.0	-	-	45,500 5,236	842.1 * 582.8 *
D P Wynne	5,000 2,594	8,500	869.0	-	-	13,500 2,594	850.9 * 650.2 *
							10/2004 - 07/2005

* weighted average exercise price

The range of the closing middle market prices for Land Securities shares during the year was 762p to 929.5p. The middle market price at 31 March 2002 was 893p.

Two directors exercised options during the year.

Share options at 1 April are held under the 1984 Executive Share Option Scheme which expired on 24 April 1995, except for those shown in bold which are held under the 1983 and 1993 Savings Related Share Option Schemes. Options granted during the year were under the Land Securities PLC 2000 Executive Share Option Scheme.

Options granted under the savings related schemes are exercisable at prices between 504p and 736p per share after five and seven years from date of grant.

RAVENSEFT INDUSTRIAL ESTATES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

DIRECTORS' RESPONSIBILITIES

The directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Company as at the end of the financial year and of its profit or loss for that year and which comply with the Companies Act 1985.

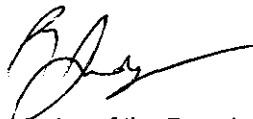
The directors are responsible for ensuring that applicable accounting standards have been followed and that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements.

It is also the responsibility of the directors to 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 also responsible for maintaining proper accounting records so as to enable them to comply with company law. The directors have general responsibilities for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution will be put to the members at the Annual General Meeting to reappoint the auditors, PricewaterhouseCoopers.



By Order of the Board
P M Dudgeon,
Secretary

Registered Office
5 Strand
London WC2N 5AF

6 December 2002

Registered in England and Wales
Company No. 444531

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAVENSEFT INDUSTRIAL ESTATES LIMITED

We have audited the financial statements on pages 6 to 18 which have been prepared under the historical cost convention (as modified by the revaluation of properties) and the accounting policies set out on pages 9 to 11.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this Report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements.

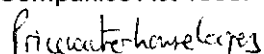
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 judgements made by the directors in the preparation of the financial statements, and 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 of the state of the Company's affairs as at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London
6 December 2002

RAVENSEFT INDUSTRIAL ESTATES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2002

	<u>Notes</u>	<u>2002</u> £	<u>2001</u> (Restated) £
GROSS PROPERTY INCOME	3	28,261,280	31,942,493
NET RENTAL INCOME	3	26,168,904	29,965,709
Property management and administration expenses	4	(3,053,292)	(2,646,737)
OPERATING PROFIT		23,115,612	27,318,972
Profit on sales/transfers of properties		2,846,208	1,757,244
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		25,961,820	29,076,216
Interest receivable and similar income	5	142,485	18,974
Interest payable and similar charges	6	(98,707)	(3,148,513)
Revenue profit		23,159,390	24,189,433
Profit on sales/transfers of properties		2,846,208	1,757,244
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		26,005,598	25,946,677
Taxation on:			
Revenue profit		(7,154,691)	(7,098,120)
Sales/transfers of properties		(931,992)	48,599
Taxation	7	(8,086,683)	(7,049,521)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		17,918,915	18,897,156
Equity dividend	8	(2,879,591)	(19,084,025)
RETAINED PROFIT FOR THE FINANCIAL YEAR		15,039,324	(186,869)
BALANCE BROUGHT FORWARD (as restated)		(13,027,749)	(12,840,880)
BALANCE CARRIED FORWARD		2,011,575	(13,027,749)

All income was derived from the United Kingdom from continuing operations. No operations were discontinued during the year.

The notes on pages 9 to 18 form an integral part of these financial statements.

RAVENSEFT INDUSTRIAL ESTATES LIMITED

BALANCE SHEET 31 MARCH 2002

	<u>Notes</u>	<u>2002</u> £	<u>2001</u> (Restated) £
FIXED ASSETS			
Tangible assets			
Properties	9	376,881,287	374,653,978
CURRENT ASSETS			
Debtors falling due within one year	10	11,800,562	10,586,493
Debtors falling due after one year	10	679,683	605,308
CREDITORS falling due within one year	11	(23,270,892)	(35,489,562)
NET CURRENT LIABILITIES		(10,790,647)	(24,297,761)
TOTAL ASSETS LESS CURRENT LIABILITIES		366,090,640	350,356,217
CREDITORS falling due after more than one year			
Other creditors	12	(2,841)	(2,841)
PROVISIONS FOR LIABILITIES AND CHARGES	13	(15,932,419)	(14,933,567)
		350,155,380	335,419,809
CAPITAL AND RESERVES			
Called up share capital	14	200,563,333	200,563,333
Share premium account	15	59,916	59,916
Revaluation reserve	15	87,117,123	96,703,049
Other reserves	15	60,403,433	51,121,260
Profit and loss account	15	2,011,575	(13,027,749)
EQUITY SHAREHOLDERS' FUNDS		350,155,380	335,419,809

DIRECTORS

R D S Nevett



F W Salway



The financial statements on pages 6 to 18 were approved by the directors on 6 December 2002.

RAVENSEFT INDUSTRIAL ESTATES LIMITED

OTHER PRIMARY STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

	<u>2002</u> £	<u>2001</u> (Restated) £
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES		
Profit on ordinary activities after taxation (page 6)	17,918,915	18,897,156
Unrealised (deficit)/surplus on revaluation of properties (Note 15)	(727,835)	15,284,104
Taxation on revaluation surpluses realised on sales/transfers of properties (Note 15)	424,082	-
Total gains and losses relating to the financial year	17,615,162	34,181,260
Prior year adjustment	(15,039,324)	-
Total gains and losses recognised since last financial statements	<u>2,575,838</u>	<u>34,181,260</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Profit on ordinary activities before taxation (page 6)	26,005,598	25,946,677
Revaluation surplus of previous years realised on sales/transfers of properties (Note 15)	8,858,091	28,115,600
Historical cost profit on ordinary activities before taxation	34,863,689	54,062,277
Taxation (Note 7)	(8,086,683)	(7,049,521)
Equity dividend (page 6)	(2,879,591)	(19,084,025)
Retained historical cost profit for the year	<u>23,897,415</u>	<u>27,928,731</u>

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

Profit on ordinary activities after taxation (page 6)	17,918,915	18,897,156
Equity dividend (page 6)	(2,879,591)	(19,084,025)
Retained profit/(loss) for the financial year (page 6)	15,039,324	(186,869)
Unrealised (deficit)/surplus on revaluation of properties (Note 15)	(727,835)	15,284,104
Taxation on revaluation surpluses realised on sales/transfers of properties (Note 15)	424,082	-
Net change in shareholders' funds	14,735,571	15,097,235
Opening equity shareholders' funds:		
As previously reported	350,459,133	334,572,627
Prior year adjustment	(15,039,324)	(14,250,053)
As restated	335,419,809	320,322,574
Closing equity shareholders' funds	<u>350,155,380</u>	<u>335,419,809</u>

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention modified by the revaluation of investment properties. Compliance with SSAP 19 "Accounting for Investment Properties" requires a departure from the requirements of the Companies Act 1985 relating to depreciation and amortisation and an explanation of this departure is given in (f) on page 11.

The significant accounting policies adopted by the Company are set out below and on pages 10 and 11.

a) Profit and loss account and other primary statements

The profit on ordinary activities before taxation is arrived at after taking into account income and outgoing on all properties, including those under development and, in accordance with FRS3 "Reporting and Financial Performance", profits and losses on properties sold during the year are calculated by comparing net sales proceeds with book values.

Realised surpluses and deficits relating to previous years on properties sold during the year are taken to other reserves, net of attributable taxation. They are not included in the profit and loss account.

Unrealised capital surpluses and deficits, including those arising on valuation of properties, are taken to revaluation reserve.

b) Gross property income

The Company's gross property income comprises rental income, service charges and other recoveries from tenants of its investment properties.

The Accounting Standards Board's Urgent Issues Task Force Abstract 28 "Operating Lease Incentives" (UITF28) requires property companies to treat any incentives for lessees to enter into lease agreements as a revenue cost and also to account for rental income from the commencement and not, as was the Company's prior practice, the expiry date, of any rent-free period. The Company has therefore changed its accounting policy for leases commencing on or after 1 April 2000. The costs of all lease incentives (such as rent-free periods or contributions to fitting out costs) is now offset against the total rent due and the net rental income is then spread evenly over the shorter of the period from the rent-free or rent commencement date, as appropriate, to the date of the next rent review or lease end date.

c) Taxation

In accordance with FRS 16 'Current Taxation', taxation attributable to sales of properties is charged to the profit and loss account and to the statement of total recognised gains and losses as appropriate.

No provision has been made for taxation which would become payable under present legislation in the event of future sales of the properties at the amounts at which they are stated in the financial statements. However an estimate of the potential liability is shown in Note 7.

FRS19 "Deferred Tax" requires that deferred tax is recognised in full in respect of transactions or events that have taken place by the balance sheet date and which would give the Company an obligation to pay more or less tax in the future. However, FRS19 requires that deferred tax is not recognised on revaluation gains or losses where these are not taken to the profit and loss account. The Company's accounting policy had been to account for deferred tax to the extent that liabilities or assets were expected to be payable or receivable in the foreseeable future. In accordance with FRS19, the Company has now changed its policy to make full provision for timing differences which, in the Company's case, arise primarily from capital allowances and industrial building allowances. Following the sale or demolition of a property, any deferred tax provisions not required will be released to the profit and loss account.

d) Properties

Investment properties, including those that comprise part of the development programme are carried in the financial statements at open market values based on the latest professional valuation. At 31 March 2002 a valuation was carried out by Knight Frank. The valuation treats properties as acquired when the Company enters into an unconditional purchase contract and as sold when subject to an unconditional contract for sale.

Additions to properties include costs of a capital nature and in the case of investment properties under development certain capitalised interest (see note (e) on page 10). Other costs in respect of developments and refurbishments are treated as revenue expenditure and written off as incurred.

e) Capitalisation of interest

Interest associated with direct expenditure on properties under development is capitalised. The rate used is the Company's pre-tax weighted average cost of borrowings or, if appropriate, the rate on specific associated borrowings. Interest is capitalised as from the commencement of the development work until the date of practical completion. The capitalisation of finance costs is suspended, however, if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of a site or property if it was acquired specifically for redevelopment in the short term. Interest is not capitalised on the acquisition cost of properties previously held as investments, or on refurbishment projects.

f) Depreciation and amortisation

In accordance with SSAP 19, depreciation is not provided on investment properties that are held as freeholds or on leases having more than 20 years unexpired. This is a departure from the requirements of the Companies Act 1985 which requires all tangible assets to be depreciated. In the opinion of the directors this departure is necessary for the financial statements to give a true and fair view and comply with applicable accounting standards, which require properties to be included in the financial statements at their open market value.

The effect of depreciation on the value is already reflected in the valuation of investment properties and the amount attributed to this factor cannot reasonably be separately identified or quantified by the valuers. Had the provisions of the Act been followed, net assets would not have been affected but revenue profits would have reduced for this and earlier years and revaluation surpluses/deficits would have been correspondingly increased/decreased.

2. COMPARATIVES

The Company's profit and loss account and other primary statements for the year ended 31 March 2001 together with the balance sheet at that date have been restated for the effects of adopting UITF28 and FRS19 as explained in Notes 1 (b) and (c) respectively and the change in accounting policy relating to the capitalisation of interest in Note 1 (e).

The effect of the prior year adjustments on the profit after taxation for the year ended 31 March 2002 was to increase reported profits by £803,931 (2001: profit reduced by £186,869) and the effect on equity shareholders' funds was to reduce those shareholder funds at 31 March 2002 by £16,332,287 (2001: £15,039,324).

3. NET RENTAL INCOME

	<u>2002</u>	<u>2001</u>
	£	(Restated) £
Rental income	26,743,646	30,476,595
Service charges and other recoveries	1,517,634	1,465,898
Gross property income	28,261,280	31,942,493
Ground rents payable	(26,076)	(25,975)
Other property outgoings	(2,066,300)	(1,950,809)
	(2,092,376)	(1,976,784)
	<u>26,168,904</u>	<u>29,965,709</u>

Other property outgoings are costs incurred in the direct maintenance and upkeep of investment properties. Void costs, which include those relating to empty properties pending redevelopment and refurbishment, costs of investigating potential development schemes which are not proceeded with, and costs in respect of housekeepers and outside staff directly responsible for property services, are also included.

4. PROPERTY MANAGEMENT AND ADMINISTRATION EXPENSES

Property management and administration expenses consist of all costs of managing the portfolio, together with costs of rent reviews and renewals, relettings of properties and management services as explained in Note (a) below. No staff costs or overheads are capitalised.

a) Management services

The Company had no employees during the year. Management services were provided to the Company throughout the period by Land Securities Properties Limited, which is a group undertaking.

b) Directors' emoluments

The directors of the Company receive emoluments from Land Securities Properties Limited for their services to the group. These emoluments consist of a basic salary, annual bonus and a bonus of 18% of salary payable under the senior executive annual bonus scheme apportioned equally in cash and shares, pension contribution, car and medical benefits and the value of shares allotted under 1989 and 1999 Land Securities Profit Sharing Schemes. The proportion of their emoluments which relates to the management of the affairs of the Company amounts to approximately £220,000 (2001 : £191,000).

c) Auditors' remuneration

The Group's auditors' remuneration is borne by Land Securities Properties Limited. The proportion of the remuneration which relates to the Company amounts to £10,700 (2001 : £10,400).

No fees were paid to the auditors (2001 : £Nil) during the year in respect of non-audit work.

RAVENSEFT INDUSTRIAL ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2002

5. INTEREST RECEIVABLE

	<u>2002</u>	<u>2001</u>
	£	£
On amount owed by a group undertaking	122,525	-
Sundry	19,960	18,974
	<u>142,485</u>	<u>18,974</u>

6. INTEREST PAYABLE

	<u>2002</u>	<u>2001</u>
	£	(Restated) £
On amount owed to group undertaking	1,212,812	3,379,899
Sundry	2,422	18,494
	<u>1,215,234</u>	<u>3,398,393</u>
Less : Capitalised as costs of properties under development	(1,116,527)	(249,880)
	<u>98,707</u>	<u>3,148,513</u>

7. TAXATION

	<u>2002</u> £	<u>2001</u> (restated) £
Current tax		
Corporation Tax rate on revenue profit for the year at 30% (2001 : 30%):	6,242,755	6,493,437
Adjustments relating to previous years	248,042	52,977
	<u>6,490,797</u>	<u>6,546,414</u>
Deferred taxation on revenue profit	1,109,748	2,185,873
Release of deferred taxation	(445,854)	(1,634,167)
	<u>7,154,691</u>	<u>7,098,120</u>
On property sales and bid costs		
Current taxation	931,992	(48,599)
	<u>8,086,683</u>	<u>7,049,521</u>

Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK as 30% (2001 30%)

The differences are explained below:

Profit on ordinary activities before taxation	26,005,598	25,946,677
Profit on ordinary activity multiplied by the standard rate of corporation tax at 30%	7,801,679	7,784,003
Expenses disallowed	(658)	4,604
Reduced tax on property sales	78,130	(575,772)
Deferred tax - principally capital allowances	(1,109,748)	(2,185,873)
Other items	653,388	1,470,853
Current tax including current tax on property sales and bid costs	7,422,791	6,497,815
Add: Current taxation (charge)/credit on property sales and bid costs	(931,992)	48,599
Current taxation on revenue profit	<u>6,490,799</u>	<u>6,546,414</u>

The amount of tax on capital gains which would become payable in the event of sales of the properties at the amounts which they are stated in Note 9 is in the region of £14,000,000 (2001: £14,000,000).

8. EQUITY DIVIDENDS

	<u>2002</u> £	<u>2001</u> £
Proposed final	<u>2,879,591</u>	<u>19,084,025</u>

9. PROPERTIES

	Freehold	Leasehold over 50 years to run	Total
	£	£	£
At 1 April 2001 : at valuation	369,831,500	5,175,000	375,006,500
Prior year UITF28 adjustment	(352,522)	-	(352,522)
At 1 April 2001 as restated : Net book amount	369,478,978	5,175,000	374,653,978
Additions	24,338,774	7,667,583	32,006,357
Transfer to a group undertaking	(13,161,610)	-	(13,161,610)
Sales	(15,889,603)	-	(15,889,603)
	364,766,539	12,842,583	377,609,122
Unrealised (deficit)/surplus on revaluation	(985,252)	257,417	(727,835)
At 31 March 2002 : Net book amount	363,781,287	13,100,000	376,881,287
Amount included in prepayments under UITF28	1,282,213	-	1,282,213
Open market value	365,063,500	13,100,000	378,163,500

10. DEBTORS

	2002	2001 (Restated)
	£	£
Falling due within one year		
Trade debtors	2,224,918	1,991,991
Amount owed by a group undertaking	4,298,806	5,158,934
Other debtors	1,566,673	1,465,506
Prepayments and accrued income	3,710,165	1,970,062
	11,800,562	10,586,493

The amount owed by a group undertaking has no fixed repayment date.

Falling due after more than one year

Prepayments and accrued income	679,683	605,308
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RAVENSEFT INDUSTRIAL ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2002

11. CREDITORS falling due within one year

	<u>2002</u>	<u>2001</u>
	£	£
Capital creditors	6,333,301	1,816,756
Taxation	6,333,737	6,169,474
Proposed dividend	2,879,591	19,084,025
Other creditors	1,266,377	1,508,965
Accruals and deferred income	6,457,886	6,910,342
	<u>23,270,892</u>	<u>35,489,562</u>

12. CREDITORS falling due after more than one year

	<u>2002</u>	<u>2001</u>
	£	£
Deferred income	<u>2,841</u>	<u>2,841</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation :	<u>2002</u>
	£
At 1 April 2001	-
Prior year adjustment	14,933,567
At 1 April 2001 as restated	14,933,567
Charge for year	998,852
As at 31 March 2002	<u>15,932,419</u>

14. CALLED UP SHARE CAPITAL

	<u>2002</u>	<u>2001</u>
	£	£
Authorised, allotted and fully paid:		
1,002,816,665 Ordinary Shares of 20p each	<u>200,563,333</u>	<u>200,563,333</u>

15. RESERVES

	Share Premium Account	Revaluation Reserve	Other Reserves	Profit and Loss Account
	£		£	£
At 1 April 2001	59,916	97,431,787	51,121,260	1,282,837
Prior year adjustment	-	(728,738)	-	(14,310,586)
At 1 April 2001 as restated	59,916	96,703,049	51,121,260	(13,027,749)
Unrealised deficit on revaluation of properties (Note 9)	-	(727,835)	-	-
Revaluation surplus of previous years realised on sales/transfer of properties	-	(8,858,091)	8,858,091	-
Taxation on revaluation surpluses realised on sales/transfers of properties	-	-	424,082	-
Retained profit for the year				15,039,324
At 31 March 2002	59,916	87,117,123	60,403,433	2,011,575

16. COMMITMENTS FOR FUTURE CAPITAL EXPENDITURE

	<u>2002</u>	<u>2001</u>
	£	£
Under contract	11,554,654	6,873,264
Board authorisations not contracted	3,874,659	30,201,674
	<u>15,429,313</u>	<u>37,074,938</u>

17. CONTINGENT LIABILITIES

Two of the Company's properties are charged as security for debenture stocks and other borrowings of its ultimate parent company and group undertakings.

18. CASH FLOW STATEMENT EXEMPTION

The Company is a wholly owned subsidiary of Land Securities PLC which prepares a consolidated cash flow statement. The Company has therefore elected to make use of the exemption provided in Financial Reporting Standard 1 (revised 1996) "Cash Flow Statements" not to produce its own cash flow statements.

19. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Land Securities PLC and has taken advantage of the exemption provided in paragraph 3(c) of Financial Reporting Standard 8 "Related Party Disclosures" not to make disclosure of transactions with other entities that are part of the group.

20. PARENT COMPANY

The ultimate parent company at 31 March 2002 was Land Securities PLC, which is registered in England and Wales and is the largest and smallest parent company of the group to consolidate these financial statements. From 6 September 2002 the ultimate parent company, through a scheme of arrangement, is now Land Securities Group PLC (see Note 21).

Consolidated financial statements for the year ended 31 March 2002 for Land Securities PLC can be obtained from the Secretary, 5 Strand, London WC2N 5AF.

21. POST BALANCE SHEET EVENTS

On 6 September 2002 the entire share capital of Land Securities PLC, the previous ultimate parent company, was acquired by Land Securities Group PLC under a court-approved scheme of arrangement (see Note 20).