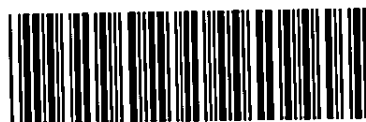


Registered Number 2514081

DASHWOOD HOUSE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

SATURDAY



AYV1ULYH

A25

24/07/2010

204

COMPANIES HOUSE

Directors' Report for the year ended 31 March 2010

The directors submit their report with the audited financial statements of the Company for the year ended 31 March 2010

RESULTS FOR THE YEAR AND DIVIDEND

The results are set out in the Profit and Loss Account on page 4

The directors do not recommend the payment of a dividend for the year ended 31 March 2010 (2009 £Nil)

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company has continued its business of property investment in the United Kingdom. No changes in the Company's principal activity are anticipated in the foreseeable future.

GOING CONCERN

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Land Securities Group PLC. The directors have received confirmation that Land Securities Group PLC intends to support the Company for at least one year after these financial statements are signed.

DIFFERENCES BETWEEN MARKET AND BALANCE SHEET VALUE OF LAND

In the opinion of the directors, the difference between the market value and balance sheet value of land is not significant.

DIRECTORS

The directors who held office during the year and up to the date of this report were

C M Gill
LS Director Limited
Land Securities Portfolio Management Limited

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each director in office at the date the directors' report is approved, the following applies

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

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.



By order of the Board
P M Dudgeon
Company Secretary
22 July 2010

Registered Office
5 Strand
London WC2N 5AF

Registered in England and Wales
Registered number 2514081

Directors' Responsibilities for the year ended 31 March 2010**Statement of directors' responsibilities in respect of the Annual Report and the financial statements**

The directors are responsible for preparing the Directors' 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Members of Dashwood House Limited for the year ended 31 March 2010

We have audited the financial statements of Dashwood House Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Reconciliation of Movements in Total Shareholder's Funds, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

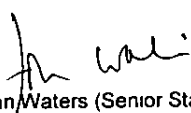
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.


John Waters (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
22 July 2010

Profit and Loss Account for the year ended 31 March 2010

| | Notes | 2010 £'000 | 2009 £'000 |
|---|-------|---------------|---------------|
| Turnover Gross property | 2 | 1,277 | - |
| Net rental expense | 2 | (213) | (562) |
| Property management and administrative expenses | 3 | (242) | (382) |
| Operating loss | 3 | (455) | (944) |
| Interest payable and similar charges | 4 | (5,892) | (5,349) |
| Loss on ordinary activities before taxation | | (6,347) | (6,293) |
| Taxation | 5 | - | - |
| Loss for the financial year | | (6,347) | (6,293) |

Statement of Total Recognised Gains and Losses for the year ended 31 March 2010

| | | 2010 £'000 | 2009 £'000 |
|--|------|---------------|---------------|
| Loss for the financial year | | (6,347) | (6,293) |
| Unrealised surplus / (deficit) on revaluation of investment properties | 6,10 | 14,346 | (52,903) |
| Total gains and losses recognised since the last financial statements | | 7,999 | (59,196) |

Reconciliation of Movements in Total Shareholder's Funds for the year ended 31 March 2010

| | | 2010 £'000 | 2009 £'000 |
|--|------|---------------|---------------|
| Loss for the financial year | | (6,347) | (6,293) |
| Unrealised surplus / (deficit) on revaluation of investment properties | 6,10 | 14,346 | (52,903) |
| Issue of share capital | | 40,000 | 29,600 |
| Reduction from / (addition to) shareholder's deficit | | 47,999 | (29,596) |
| Opening shareholder's deficit | | (41,692) | (12,096) |
| Closing shareholder's funds / (deficit) | | 6,307 | (41,692) |

All amounts arise from continuing operations. There is no difference between reported loss and historical cost loss on ordinary activities before taxation.

Balance Sheet as at 31 March 2010

| | Notes | 2010 £'000 | 2009 £'000 |
|--|-------|---------------|---------------|
| Fixed assets | | | |
| Tangible assets | | | |
| Investment properties | 6 | 94,973 | 80,000 |
| Current assets | | | |
| Debtors | 7 | 2,292 | 120 |
| Creditors amounts falling due within one year | 8 | (90,958) | (121,812) |
| Net current liabilities | | (88,666) | (121,692) |
| Net assets / (liabilities) | | 6,307 | (41,692) |
| Capital and reserves | | | |
| Called up share capital | 9 | 32,350 | 32,350 |
| Share premium account | 10 | 40,000 | - |
| Revaluation reserve | 10 | (44,068) | (58,414) |
| Profit and loss account | 10 | (21,975) | (15,628) |
| Total shareholder's funds / (deficit) | | 6,307 | (41,692) |

The financial statements on pages 4 to 10 were approved and authorised for issue by the board on 22 July 2010 and were signed on its behalf by

C M Gill, Director



1 Accounting policies

The financial statements have been prepared on the going concern basis, under the historical cost convention, in accordance with Companies Act 2006 and applicable United Kingdom accounting standards, modified by the revaluation of investment properties. Compliance with SSAP19 'Accounting for Investment Properties' requires a departure from the requirements of the Companies Act 2006 relating to depreciation and amortisation and an explanation of this departure is given in (e)(iii) below

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

(a) Profit and Loss Account and other primary statements

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

Surpluses and deficits relating to previous years realised on investment properties sold during the year are transferred directly from the revaluation reserve to the profit and loss reserve and do not pass through the Profit and Loss Account

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

(b) Gross property income

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

Income is credited to the Profit and Loss Account as space and other services are provided to customers. Gross property income includes costs recovered from tenants. Rental income includes the net income from managed operations such as car parks, food courts, serviced offices and flats

Service charges and other recoveries include income in relation to service charges and directly recoverable expenditure together with any chargeable management fee. In accordance with the Accounting Standards Board's (ASB) Urgent Issues Task Force Abstract 28 'Operating Lease Incentives' (UITF28) the Company treats any incentive for lessees to enter into lease agreements as a revenue cost and accounts for rental income from the commencement date of any rent-free period. The cost of all lease incentives (such as rent-free periods or contributions to tenants' fitting out costs) is, therefore, offset against the total rent due. The net rental income is then spread evenly over the shorter of the period from the rent commencement date to the date of the next rent review or the lease end date

(c) Interest

Interest is accounted for on an accruals basis

(d) Taxation

Current tax is the tax payable on the taxable income for the year and any adjustment in respect of previous years

(e) Investment properties

(i) Valuation

Investment properties are those properties, either owned by the Company or where the Company is a lessee under a finance lease, 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. After initial recognition at cost, investment properties are carried at their market value based on valuations determined by professional external valuers at each reporting date. Any gain or loss on re-measurement is taken direct to equity unless any loss in the period exceeds any net cumulative gain previously recognised in equity. In the latter case, the amount by which the loss in the period exceeds the net cumulative gain previously recognised is taken to the Profit and Loss Account if considered permanent in nature, otherwise is recognised in equity

Properties are treated as acquired at the point when the Company assumes the significant risks and returns of ownership and as disposed when these are transferred to the buyer. Additions to investment properties consist of costs of a capital nature and, in the case of investment properties under development, capitalised interest (see note (ii) below). Certain internal staff and associated costs directly attributable to the management of major schemes during the construction phase are also capitalised

(ii) Capitalisation of interest

Borrowing costs associated with direct expenditure on properties under development or undergoing major refurbishment are capitalised. The interest capitalised is calculated using the Company's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Interest is capitalised as from the commencement of the development work until the date of practical completion. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of a site or property acquired specifically for redevelopment in the short-term but only where activities necessary to prepare the asset for redevelopment are in progress

(iii) Depreciation and amortisation

In accordance with SSAP19 'Accounting for Investment Properties', 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 Companies Act 2006 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 market value. The effect of depreciation is implicitly reflected in the valuation of investment properties, and the amount attributable 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 been reduced for this and earlier years and revaluation surpluses/deficits would have been correspondingly increased / decreased

1 Accounting policies (continued)

(f) Impairment of assets

Assets are reviewed annually for impairment. Where impairment exists the asset is written down to its net realisable value.

(g) Segmental reporting

The Company's activities consist solely of property investment in the United Kingdom.

2 Net rental expense

| | 2010 £'000 | 2009 £'000 |
|---|---------------|---------------|
| Rental income | 874 | - |
| Service charges and other recoveries | 403 | - |
| Gross property income | 1,277 | - |
| Other direct property or contract expenditure | (1,490) | (562) |
| Net rental expense | (213) | (562) |

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.

3 Property management and administrative expenses

Property management and administrative expenses consist of all costs of managing the property, together with the costs of rent reviews and renewals, re-lettings of the property 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 (2009: None). Management services were provided to the Company throughout the year by Land Securities Properties Limited, which is a group undertaking.

(b) Directors' emoluments

The directors of the Company received no emoluments from Land Securities Properties Limited for their services to the Company. The amounts allocated to services for this Company were of negligible value (2009: £Nil).

(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 £1,520 (2009: £1,520). The auditors received no remuneration for non-audit services provided to the Company during the year (2009: £Nil).

(f) Operating lease rentals

The operating lease rentals for land and buildings for the year amounts to £27 (2009: £216).

4 Interest payable and similar charges

| | 2010 £'000 | 2009 £'000 |
|--|---------------|---------------|
| On an amount owed to a group undertaking | 5,892 | 6,885 |
| Less: Capitalised as costs of properties under development | - | (1,536) |
| | 5,892 | 5,349 |

5 Taxation

| | 2010 £'000 | 2009 £'000 |
|---|---------------|---------------|
| Analysis of tax charge for the year | | |
| Corporation tax on loss for the year | - | - |
| Tax charge on loss on ordinary activities | - | - |
| Factors affecting the tax charge for the year | | |
| The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 28%) | | |
| The differences are explained below | | |
| Loss on ordinary activities before taxation | (6,347) | (6,293) |
| Loss on ordinary activities multiplied by the standard rate in the UK at 28% (2009 28%) | (1,777) | (1,762) |
| Effect of | | |
| Capital allowances | (812) | (1,284) |
| Expenses not deductible for tax purposes | 29 | - |
| Capitalised interest and other timing differences | - | (430) |
| Exempt property rental profits in the year ended 31 March 2010 / 31 March 2009 | 2,560 | 3,476 |
| Current tax charge for the year | - | - |

Land Securities Group PLC is a Real Estate Investment Trust ('REIT') As a result the Company does not pay UK corporation tax on the profits and gains from qualifying rental business in the UK provided it meets certain conditions Non-qualifying profits and gains of the Company continue to be subject to corporation tax as normal

6 Investment properties

| | Freehold £'000 |
|--|-------------------|
| At 1 April 2009 | 80,000 |
| Additions | 627 |
| Unrealised surplus on revaluation of investment properties | 14,346 |
| Net book value at 31 March 2010 | 94,973 |
| Net book value at 31 March 2009 | 80,000 |

The historical cost of the investment properties is £139,040,322 (2009 £138,413,881) The valuations are prepared by Knight Frank LLP, independent valuers in accordance with the valuation principles of the Appraisal and Valuation manual of the Royal Institute of Chartered Surveyors

At 31 March 2010 the cumulative interest capitalised in relation to investment properties under development amounts to £2,524,349 (2009 £2,524,349)

7 Debtors

| | 2010 £'000 | 2009 £'000 |
|--------------------------------|---------------|---------------|
| Trade debtors | 471 | - |
| Taxation and social security | - | 120 |
| Prepayments and accrued income | 1,821 | - |
| | 2,292 | 120 |

8 Creditors amounts falling due within one year

| | 2010 £'000 | 2009 £'000 |
|------------------------------------|---------------|---------------|
| Capital creditors | 2,328 | 5,070 |
| Amount owed to a group undertaking | 87,959 | 116,496 |
| Taxation and social security | 41 | - |
| Accruals and deferred income | 630 | 246 |
| | 90,958 | 121,812 |

The unsecured loan from the group undertaking is repayable on demand with no fixed repayment date Interest is charged at 5.5% per annum (2009 5.5%)

9 Called up share capital

| | Authorised 2010 No | 2009 No | Allotted and fully paid 2010 £'000 | 2009 £'000 |
|-------------------------------|--------------------------|------------|--|---------------|
| Ordinary shares of £1.00 each | 32,350,100 | 32,350,100 | 32,350 | 32,350 |

During the year one ordinary share of £1 was allotted and fully paid for cash at a premium of £39,999,999

10 Reserves

| | Called up Share Capital £'000 | Share Premium Account £'000 | Revaluation Reserve £'000 | Profit and Loss Account £'000 | Total £'000 |
|--|--|--------------------------------------|---------------------------------|--|----------------|
| At 1 April 2009 | 32,350 | - | (58,414) | (15,628) | (41,692) |
| Issue of share capital | - | 40,000 | - | - | 40,000 |
| Unrealised surplus on revaluation of investment properties | - | - | 14,346 | - | 14,346 |
| Loss for the financial year | - | - | - | (6,347) | (6,347) |
| At 31 March 2010 | 32,350 | 40,000 | (44,068) | (21,975) | 6,307 |

11 Contingent liabilities

The Company's properties are charged as security for debenture stocks and other borrowings of a parent company

12 Cash flow statement exemption

The Company is a wholly owned subsidiary of Land Securities Group 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 statement

13 Related party transactions

The Company is a wholly owned subsidiary of Land Securities Group 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

14 Parent company

The immediate parent company is LS London Holdings One Limited

The ultimate parent company at 31 March 2010 was Land Securities Group PLC, which is registered in England and Wales This is the largest parent company of the group to consolidate these financial statements

Consolidated financial statements for the year ended 31 March 2010 for Land Securities Group PLC can be obtained from the Company Secretary, 5 Strand, London WC2N 5AF This is the largest and smallest Group to include these accounts in its consolidated financial statements

15 Financial support

The ultimate parent company has informed the Company that it is its present intention to continue to provide financial support to the Company to enable it to meet its liabilities as they fall due