

LAND SECURITIES SPV'S LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008



Directors' Report for the year ended 31 March 2008

The directors submit their report with the audited financial statements of the Company for the year ended 31 March 2008

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

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 2008 (2007 £Nil)

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company has continued its business as an investment holding company. 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

DIRECTORS

The directors who held office during the year and at the date of this report unless otherwise stated were

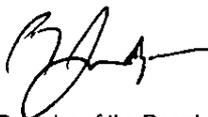
M R Wood	(resigned 26 September 2008)
P M Dudgeon	(appointed 26 September 2008)
Land Securities Management Services Limited	
LS Retail Director Limited	(appointed 26 September 2008)

This directors' report does not contain a statement as to directors' interests in shares, debentures or options over shares in the Company, Land Securities Group PLC, the ultimate parent company of the Company, or any other body corporate in the same group following the repeal of paragraphs 2, 2A and 2B of Schedule 7 to Companies Act 1985 which ceased to be in force on 6 April 2007 in relation to accounts approved following that date by The Companies Act 2006 (Commencement No 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (SI 2007/1093)

AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware and each director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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 LLP



By order of the Board
P M Dudgeon
Company Secretary
12 November 2008

Registered Office
5 Strand
London WC2N 5AF

Registered in England and Wales
Registered number 4365195

Directors' Responsibilities for the year ended 31 March 2008

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

Independent Auditors' Report to the Members of Land Securities SPV's Limited for the year ended 31 March 2008

We have audited the financial statements of Land Securities SPV's Limited for the year ended 31 March 2008 which comprise the profit and loss account, the reconciliation of movements in shareholder's funds, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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). This report, including the opinion, has been prepared for and only for the Company's members as a body 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 into whose hands it may come, other than the Company and the Company's members as a body, 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 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

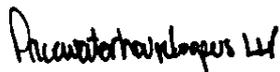
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 2008 and of its 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
12 November 2008

Profit and loss account for the year ended 31 March 2008

	Notes	2008 £'000	2007 £'000
Dividends received from subsidiary undertakings		1,951	979
Administrative expenses	2	(29)	(1,953)
Operating profit / (loss)		1,922	(974)
Profit on disposal of subsidiary undertakings		548	-
Profit / (loss) before interest and taxation		2,470	(974)
Interest payable and similar charges	3	(2,457)	(2,341)
Profit / (loss) on ordinary activities before taxation		13	(3,315)
Taxation	4	737	702
Profit / (loss) on ordinary activities after taxation		750	(2,613)

Reconciliation of movements in shareholder's funds for the year ended 31 March 2008

	2008 £'000	2007 £'000
Profit / (loss) on ordinary activities after taxation	750	(2,613)
Net change in shareholder's funds	750	(2,613)
Opening shareholder's funds	7,002	9,615
Closing shareholder's funds	7,752	7,002

All amounts arise from continuing operations. There is no difference between reported profit / (loss) and historical cost profit / (loss) on ordinary activities before taxation. There are no recognised gains or losses other than those shown in the profit and loss account above.

Balance sheet as at 31 March 2008

	Notes	2008 £'000	2007 £'000
Fixed assets			
Investments – Participating interests			
Investment in subsidiary undertakings	5	59,328	50,507
Current assets			
Debtors	6	737	702
Creditors amounts falling due within one year	7	(52,313)	(44,207)
Net current liabilities		(51,576)	(43,505)
Total assets less current liabilities		7,752	7,002
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	7,752	7,002
Shareholder's funds		7,752	7,002

For and on behalf of Land Securities Management Services Limited
C M Gill



The financial statements on pages 4 to 9 were approved by the directors on 12 November 2008

1 Accounting policies

The financial statements have been prepared on the going concern basis in accordance with applicable United Kingdom accounting standards under the historical cost convention

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) Income from shares in group undertakings

Income from shares in group undertakings is recognised in the period in which the dividends are approved

(b) Interest

Interest is accounted for on an accruals basis

(c) Taxation

Taxation is charged at the corporation tax rate of 30%

(d) Investments in subsidiary undertakings

The Company's investments in the shares of subsidiary undertakings are carried at cost less provision for permanent impairment in value

(e) Impairment of assets

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

2 Management and administrative expenses

(a) Management services

The Company had no employees during the year (2007 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 (2007 £Nil) which were of negligible value

(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 £1,470 (2007 £1,400)

(d) Provision for permanent impairment in value

An impairment of £29,091 (2007 £1,952,893) in respect of an investment in a subsidiary undertaking has been recognised in the profit and loss account for the year

3 Interest payable and similar charges

	2008	2007
	£'000	£'000
On an amount owed to a group undertaking	2,457	2,341

4 Taxation

	2008 £'000	2007 £'000
Analysis of tax credit for the year		
Corporation tax on profit / (loss) for the year	(737)	(702)
Total current tax	<u>(737)</u>	<u>(702)</u>
Tax credit for the year	<u>(737)</u>	<u>(702)</u>
Factors affecting the tax credit for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30% (2007 30%) The differences are explained below		
Profit / (loss) on ordinary activities before taxation	13	(3,315)
Profit / (loss) on ordinary activities multiplied by the standard rate in the UK at 30% (2007 30%)	4	(994)
Effect of		
Non-taxable income	(585)	(294)
Expenses not deductible for tax purposes	8	586
Reduced rate of tax on profits on disposal of assets	(164)	-
Current tax	<u>(737)</u>	<u>(702)</u>

For the year ended 31 March 2009 the basic rate of corporation tax will be 28%, a reduction of 2% from the current year

5 Investment in subsidiary undertakings

	£'000
At 1 April 2007	50,507
Acquisitions made during the year	20,503
Disposals made during the year	(11,653)
Provision following impairment review	(29)
At 31 March 2008	<u>59,328</u>

During the year the Company disposed of its 100% interest in LS Top Cat Limited, LS Wilton Plaza Limited and LS Harvest Limited

The directors believe that the carrying value of the investments is supported by their underlying net assets

5 Investment in subsidiary undertakings (continued)

The principal subsidiary undertakings of the Company are

Name	Class of shares owned	Percentage of share capital owned	Principal country of incorporation	Nature of business
18/28 King Street (Freehold) (No 1) Limited	£1 Ordinary shares	100%	England	Dormant
18/28 King Street (Freehold) (No 2) Limited	£1 Ordinary shares	100%	England	Dormant
484/504 Oxford Street (No 1) Limited	£1 Ordinary shares	100%	England	Dormant
484/504 Oxford Street (No 2) Limited	£1 Ordinary shares	100%	England	Dormant
54 Victoria Street (No 1) Limited	£1 Ordinary shares	100%	England	Dormant
54 Victoria Street (No 2) Limited	£1 Ordinary shares	100%	England	Dormant
66/74 Victoria Street (No 1) Limited	£1 Ordinary shares	100%	England	Dormant
66/74 Victoria Street (No 2) Limited	£1 Ordinary shares	100%	England	Dormant
AH13 Limited	£1 Ordinary shares	100%	England	Dormant
Craven Place Limited	£1 Ordinary shares	100%	England	Dormant
EH53 Limited	£1 Ordinary shares	100%	England	Dormant
LS 120 Cheapside Limited	£1 Ordinary shares	100%	England	Dormant
LS Bull Ring Limited	£1 Ordinary shares	100%	England	Dormant
VS18 Limited	£1 Ordinary shares	100%	England	Dormant
VS85 Limited	£1 Ordinary shares	100%	England	Dormant
WR25 Limited	£1 Ordinary shares	100%	England	Dormant
Metropolitan Regeneration Trust Limited	£1 Ordinary shares	100%	England	Dormant
Rotalodge Limited	£1 Ordinary shares	100%	England	Dormant

A full list of subsidiary undertakings at 31 March 2008 will be appended to the Company's next annual return

6 Debtors

	2008 £'000	2007 £'000
Corporation tax	737	702

7 Creditors amounts falling due within one year

	2008 £'000	2007 £'000
Amount owed to a group undertaking	52,313	44,207

The unsecured loan from the group undertaking is repayable on demand with no fixed repayment date Interest is charged at 5.5% per annum (2007 5.5%)

8 Called up share capital

	Authorised		Allotted and fully paid	
	2008 No	2007 No	2008 £	2007 £
Ordinary shares of £1.00 each	1,000	1,000	2	2

9 Reserves

	Called up Share Capital £'000	Profit and Loss Account £'000	Total £'000
At 1 April 2007	-	7,002	7,002
Profit for the financial year	-	750	750
At 31 March 2008	-	7,752	7,752

10 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.

11 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.

12 Parent company

The immediate parent company is Land Securities Property Holdings Limited.

The ultimate parent company at 31 March 2008 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 2008 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.

13 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.

14 Consolidated financial statements

The Company is exempt from presenting consolidated financial statements as they are included in the consolidated financial statements of Land Securities Group PLC which are prepared in accordance with the EC 7th Directive.