

LAND SECURITIES SPV'S LIMITED  
REPORT AND FINANCIAL STATEMENTS  
31 MARCH 2004



<b>DIRECTORS' REPORT</b> <b>FOR THE YEAR ENDED 31 MARCH 2004</b>
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The directors submit their report with the financial statements for the year to 31 March 2004.

#### RESULTS FOR THE YEAR AND DIVIDEND

There was no activity in the Profit and Loss Account for the year ended 31 March 2004 and consequently no Profit and Loss account has been disclosed.

The directors do not recommend the payment of a dividend for the year ended 31 March 2004 (2003: £Nil).

#### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company has continued its business as an investment holding company. There will be no change in the Company's principal activity in the foreseeable future.

#### DIRECTORS

The directors who held office during the year were:

Land Securities Management Services Limited  
 R Bushell (resigned 1 September 2004)  
 A Collins (appointed 1 May 2003)  
 M Wood (appointed 1 May 2003)

The directors had no interests in the shares of the Company throughout the year.

The beneficial interests of the other directors in the shares of Land Securities Group PLC and their holdings of options over shares in that company are set out below and on page 2:

Interest in Ordinary Shares	31 March 2004	1 April 2003
R S Bushell	452	-
A M Collins	9,231	5,145
M Wood	-	-
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Interest in 'B' Shares	31 March 2004	1 April 2003
R S Bushell	-	-
A M Collins	-	-
M Wood	-	-

LAND SECURITIES SPV'S LIMITED

DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2004 (CONTINUED)

DIRECTORS (continued)

Options over Ordinary Shares

Name	No. of Options at 1 April	Granted during year		Exercised during year		Lapsed During the Year		Options as at 31 March 2004	
		No.	Grant Price (pence)	No.	Exercise Price (pence)	Market Price on Exercise (pence)	No.	Exercise Price (pence)	Exercisable dates
R Bushell	15,000	16,656	788.0				31,656	772.8	12/2005 - 07/2013
	0	1,362	677.0				1,362	677.0	07/2006
A Collins (Disclosed in Group Accou.	70,000	34,375	788.0				104,375	804.1	07/2005 - 07/2013
	0	2,477	677.0				2,477	677.0	07/2008
M Wood	15,000	16,750	788.0				31,750	772.9	07/2005 - 07/2013
	0	1,362	677.0				1,362	677.0	07/2006

The range of the closing middle market prices for Land Securities shares during the year was 724.5p to 1121.5p. The middle market price at 31 March 2004 was 1090p.

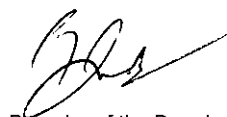
No directors exercised options this year.

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, the Land Securities Group PLC 2002 Executive Share Option Scheme, or the 1993 and 2003 Savings Related Share Option Scheme (if shown in bold).

Options granted under the savings related schemes are exercisable after three, five and seven years from date of grant and are not subject to any performance conditions.

**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 LLP.



By order of the Board  
P M Dudgeon  
Secretary  
21 January 2005

Registered Office  
5 Strand  
London WC2N 5AF

Registered in England and Wales  
Company No. 4365195

## DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 MARCH 2004

### 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 and 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 safe guarding the assets of the Company and 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 2004

We have audited the financial statements which comprise the balance sheet and the related notes which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out in the statement of accounting policies.

### 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.

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 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 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 misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

### 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 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 of the state of the Company's affairs at 31 March 2004 and have been properly prepared in accordance with the Companies Act 1985.

*Matthew Cooper*  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
21 January 2005


## LAND SECURITIES SPV'S LIMITED

Balance sheet at 31 March 2004

	Notes	2004 £'000	2003 £'000
<b>Current assets</b>			
Investment in subsidiary undertakings	2	531	281
<b>Creditors falling due within one year</b>	3	(531)	(281)
<b>Net current liabilities</b>		(531)	(281)
<b>Total assets less current liabilities</b>		-	-
<b>Capital and reserves</b>			
Called up share capital	4	-	-
<b>Shareholders' funds</b>		-	-

Land Securities Management Services Limited

Director



The financial statements on pages 5 to 7 were approved by the directors on 21 January 2005.

## 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 SSAP19 '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 (d)(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) Taxation

In accordance with FRS16 'Current Taxation', taxation arising on the sales of properties is charged to the profit and loss account in respect of the excess of net sale proceeds over book value and to the statement of total recognised gains and losses in respect of prior year revaluation surpluses realised on those sales.

No provision is made for the taxation which would become payable under present legislation if the Company's properties were sold at the amounts at which they are carried in the financial statements.

In accordance with FRS19 'Deferred Tax':

(i) deferred tax is recognised in full in respect of transactions or events that have taken place by the balance sheet date and which could give the Company an obligation to pay more or less tax in the future.

(ii) deferred tax is not recognised on revaluation gains and losses where these are not taken to the profit and loss account.

(iii) full provision is made for timing differences which, in the Company's case, arise primarily from capital allowances and industrial building allowances and the capitalisation and timing of recognition of certain interest payable. Following the sale or demolition of a property, any deferred tax provision not crystallised is released to the profit and loss account.

### (b) Investment in subsidiary

The Company's investment in the shares of other companies is stated at cost.

## 2. Investments in subsidiary undertakings

	£'000
Shares:	
At 1 April 2003	281
Acquisitions	250
At 31 March 2004	531

The shares in subsidiary undertakings are stated in accordance with the accounting policy explained in note 1.

The principal subsidiary undertakings of the Company, each of which are incorporated in the United Kingdom, are:

Name	Percentage of share	Principal country of operation	Nature of business
LS Top Cat Limited	100%	England	Property investment
Burns Precinct (No.1) Limited	100%	England	Property investment
Burns Precinct (No.2) Limited	100%	England	Property investment
18/28 King Street (Leasehold) (No.1) Limited	100%	England	Property investment
18/28 King Street (Leasehold) (No.2) Limited	100%	England	Property investment
18/28 King Street (Freehold) (No.1) Limited	100%	England	Property investment
18/28 King Street (Freehold) (No.2) Limited	100%	England	Property investment

## 3. Creditors falling due within one year

	2004 £'000	2003 £'000
Amount owed to a group undertaking	531	281
	531	281

**4. Called up share capital**

	Authorised 2004 No.	2003 No.	Allotted and fully paid 2004 £	2003 £
Ordinary shares of £1.00 each	1,000	1,000	2	2

**5. Cash flow statement exemption**

The group 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 it's own cash flow statement.

**6. 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.

**7. Parent company**

The ultimate parent company at 31 March 2004 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. The smallest parent company of the group to consolidate these statements is Land Securities PLC.

Consolidated financial statements for the year ended 31 March 2004 for Land Securities Group PLC can be obtained from the Secretary, 5 Strand, London WC2N 5AF.