

LAND SECURITIES SPV'S LIMITED  
REPORT AND FINANCIAL STATEMENTS  
31 MARCH 2005



**Directors' Report for the year ended 31 March 2005**

The directors submit their report with the financial statements for the year to 31 March 2005.

**RESULTS FOR THE YEAR AND DIVIDEND**

The results are set out in the profit and loss account on page 5.

The directors do not recommend the payment of a dividend for the year ended 31 March 2005 (2004: £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 and up to the date of this report were:

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

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

A M Collins is a director of Land Securities Group PLC, the ultimate parent company, and his interests in that company are shown in its Report and Financial Statements for the year ended 31 March 2005. 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 his shareholdings and share options.

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:

<b>Interest in ordinary shares</b>	<b>31 March 2005</b>	<b>1 April 2004</b>
M R Wood	1,687	-
<b>Interest in 'B' shares</b>	<b>31 March 2005</b>	<b>1 April 2004</b>
M R Wood	-	-

LAND SECURITIES SPV'S LIMITED

DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2005 (CONTINUED)

DIRECTORS (continued)

Options over Ordinary Shares

Name	Granted during year		Exercised during year			Lapsed During the Year		Options as at 31 March 2005		
	No. of Options at 1 April	No.	Grant Price (pence)	No.	Exercise Price (pence)	Market Price on Exercise (pence)	No.	No.	Exercise Price (pence)	Exercisable dates
M Wood	31,750	16,292	1,159.0					48,042	903.8	12/2005 - 12/2014
	<b>1,362</b>							<b>1,362</b>	<b>677.0</b>	<b>07/2006</b>

The range of the closing middle market prices for Land Securities shares during the year was 1050p to 1470p. The middle market price at 31 March 2004 was 1293p.

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.

Directors' Report for the year ended 31 March 2005 (continued)

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  
20 January 2006

Registered Office  
5 Strand  
London WC2N 5AF

Registered in England and Wales  
Company No. 4365195

**Directors' Responsibilities for the year ended 31 March 2005****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 2005**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention 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.

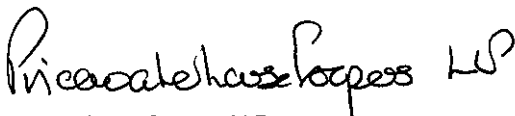
**Basis of audit opinion**

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 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
20 January 2006

**Profit and loss account for the year ended 31 March 2005**

	Notes	2005 £'000	2004 £'000
Dividends Received		11,600	-
<b>Profit on ordinary activities before taxation</b>		<b>11,600</b>	<b>-</b>
Taxation	2	-	-
<b>Retained profit for the financial year</b>		<b>11,600</b>	<b>-</b>

The profit for the financial year arises from continuing operations. There is no difference between reported profit and historical cost profit 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 at 31 March 2005

	Notes	2005 £'000	2004 £'000
<b>Fixed assets</b>			
Tangible assets			
Investments in group undertakings	3	7,101	531
		<u>7,101</u>	<u>531</u>
<b>Current assets</b>			
Debtors	4	4,499	-
<b>Creditors falling due within one year</b>	5	-	(531)
<b>Net current assets / (liabilities)</b>		<u>4,499</u>	<u>(531)</u>
<b>Total assets less current liabilities</b>		<u>11,600</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital	6	-	-
Profit and loss account	7	11,600	-
<b>Equity shareholder's funds</b>		<u>11,600</u>	<u>-</u>

Land Securities Management Services Limited

Director

The financial statements on pages 5 to 9 were approved by the directors on 20 January 2006.

## 1. Accounting policies

The financial statements have been prepared in accordance with applicable 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) 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) Investments in group undertakings

The Company's investment in the shares of group undertakings are stated at cost less any provision for impairment.

## 2. Taxation

	2005 £'000	2004 £'000
<b>Analysis of tax charge for the year</b>		
Corporation tax on profit for the year at 30% (2004: 30%)	-	-
<b>Total current tax</b>	-	-
<b>Tax charge for the year</b>	-	-
<b>Factors affecting the tax charge for the year</b>		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30% (2004: 30%).		
The differences are explained below:		
Profit on ordinary activities before taxation	11,600	-
Tax at 30% Taxation on non taxable income	3,480	-
Non taxable income	(3,480)	-
<b>Current tax</b>	-	-



**3. Investments in subsidiary undertakings**

	Shares £'000
Shares:	
At 1 April 2004	531
Acquisitions	6,570
<b>At 31 March 2005</b>	<b>7,101</b>

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 is 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
LS 120 Cheapside Limited	100%	England	Property Investment
LS Securitisation 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 St (Leasehold) (No.1) Limited	100%	England	Property Investment
18/28 King St (Leasehold) (No.2) Limited	100%	England	Property Investment
18/28 King St (Freehold) (No.1) Limited	100%	England	Property Investment
18/28 King St (Freehold) (No.2) Limited	100%	England	Property Investment
LS Wilton Plaza Limited	100%	England	Property Investment
PS68 Limited	100%	England	Property Investment
LS Eastern Quarry Limited	100%	England	Property Investment
LS Bull Ring Limited	100%	England	Property Investment

**4. Debtors**

	2005 £'000	2004 £'000
Amounts owed by a group undertaking	4,499	-

**5. Creditors falling due within one year**

	2005 £'000	2004 £'000
Amount owed to a group undertaking	-	531

The unsecured loan from the group undertaking is repayable on demand with no fixed repayment date. Interest is charged at a market rate.

## 6. Share capital

	Authorised 2005 No.	2004 No.	Allotted and fully paid 2005 £	2004 £
Ordinary shares of £1.00 each	1,000	1,000	2	2

## 7. Reserves

	Ordinary Shares £'000	Profit and Loss Account £'000	Total £'000
At 1 April 2004	-	-	-
Retained profit for the year	-	11,600	11,600
At 31 March 2005	-	11,600	11,600

## 8. 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.

## 9. 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.

## 10. Parent company

The ultimate parent company at 31 March 2005 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 2005 for Land Securities Group PLC can be obtained from the Secretary, 5 Strand, London WC2N 5AF.