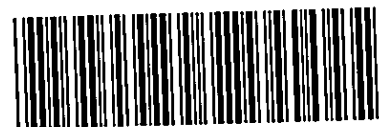


LS (A2 LP) LIMITED
(FORMERLY LXB PROPERTIES (A2) LIMITED)
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY 2005 TO 31 MARCH 2006

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Directors' Report for the fifteen month period ended 31 March 2006

The directors submit their report with the financial statements for the fifteen month period to 31 March 2006

CHANGE OF COMPANY NAME

The Company changed its name from LXB Properties (A2) Limited to LS (A2 LP) Limited on 29 June 2005

CHANGE OF ACCOUNTING REFERENCE DATE

During the period the Company changed its accounting reference date from 31 December to 31 March. These financial statements have been prepared for the fifteen months ended 31 March 2006

RESULTS FOR THE PERIOD 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 period ended 31 March 2006 (2004: £Nil)

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

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

DIRECTORS

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

M R Wood (appointed 29 June 2005)

T P Walton (resigned 29 June 2005)

N B T Alford (resigned 29 June 2005)

Land Securities Management Services Limited (appointed 29 June 2005)

The directors had no interests in the shares of the Company throughout the period

The beneficial interests of the 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 2006**

M R Wood

13,036

LS (A2 LP) Limited

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2006 (CONTINUED)

DIRECTORS (continued)

Options over Ordinary Shares

Name	Granted during year		Exercised during year			Lapsed During the Year		Options as at 31 March 2006		
	No of Options at 1 April	No	Grant Price (pence)	No	Exercise Price (pence)	Market Price on Exercise (pence)	No	No	Exercise Price (pence)	Exerciseable dates
M Wood	48,042 1,362	9,236	1,421 0	(15,000)	756 0	1,665 0		42,278 1,362	1069 3 677 0	12/2005 - 12/2015 07/2006

The range of the closing middle market prices for Land Securities shares during the year was 1292p to 2080p The middle market price at 31 March 2006 was 1928p

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 fifteen month period ended 31 March 2006 (continued)

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
Secretary
29 March 2007

Registered Office
5 Strand
London WC2N 5AF

Registered in England and Wales
Company No 04970977

Directors' Responsibilities for the fifteen month period ended 31 March 2006**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

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

Independent Auditors' Report to the Members of LS (A2 LP) Limited for the fifteen month period ended 31 March 2006

We have audited the financial statements of LS (A2 LP) Limited for the fifteen month period ended 31 March 2006 which comprise the profit and loss account, 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 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 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its loss for the period then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information in the directors report is consistent with the financial statements

PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
29 March 2007

Profit and loss account for the fifteen month period ended 31 March 2006

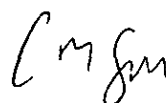
	Notes	15 months ended 31 March 2006 £'000	12 months ended 31 December 2004 £'000
Income from a joint venture	3	83	63
Administration expenses	2	(3)	-
Profit before interest and taxation		80	63
Interest payable and similar charges	4	(447)	(525)
Loss on ordinary activities before taxation		(367)	(462)
Taxation	5	52	-
Retained loss for the financial period		(315)	(462)

The loss for the financial period arises from continuing operations. There is no difference between reported loss and historical cost 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 at 31 March 2006

	Notes	31 March 2006 £'000	31 December 2004 £'000
Fixed assets			
Tangible assets			
Investment in a joint venture	6	4,436	4,427
Current assets			
Debtors	7	59	-
Creditors falling due within one year	8	(5,272)	(4,889)
Net current liabilities		(5,213)	(4,889)
Net liabilities		(777)	(462)
Capital and reserves			
Share capital	9	-	-
Profit and loss account	10	(777)	(462)
Equity shareholder's funds		(777)	(462)

For and on behalf of Land Securities Management Services Limited
Director



The financial statements on pages 5 to 9 were approved by the directors on 29 March 2007

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention

(a) Investment in a joint venture

The Company's investment in a joint venture is carried in the financial statements at cost less any repayment of partnership capital

(b) Impairment of assets

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

2 Administration expenses

a) Management services

The Company had no employees during the period. 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 received no emoluments from Land Securities Properties Limited for their services to the Company (2004 £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 £1,400 (2004 £Nil). In addition to the fees for the audit, £Nil (2004 £Nil) was payable to the auditors for compliance and certification work.

3 Income from a joint venture

	15 months ended 31 March 2006 £'000	Year ended 31 December 2004 £'000
Dividends received	83	63

4 Interest payable and similar charges

	15 months ended 31 March 2006 £'000	Year ended 31 December 2004 £'000
On an amount owed to a group undertaking	447	525

5 Taxation

	15 months ended 31 March 2006 £'000	Year ended 31 December 2004 £'000
Analysis of tax credit for the period / year		
Corporation tax on loss for the period / year	(135)	-
Share of corporation tax arising from a joint venture	83	-
Tax credit for the period / year	(52)	-
Factors affecting the tax credit for the period / year		
The tax assessed for the period / year is lower than the standard rate of corporation tax in the UK of 30% (2004 30%)		
The differences are explained below:		
Loss on ordinary activities before taxation	(367)	(462)
Tax at 30%	(110)	(139)
Expenses disallowed / non-taxable income	(25)	-
Share of corporation tax arising from a joint venture	83	-
Group relief surrendered	-	139
Current tax	(52)	-

6 Investment in a joint venture

	£'000
At 1 January 2005	4,427
Additions	9
At 31 March 2006	4,436

The Company owns 9% of the A2 Limited Partnership which is a joint venture and draws up accounts to 25 March. The A2 Limited Partnership is a joint venture between LS (A2 LP) Limited and Simska Limited.

7 Debtors

	31 March 2006 £'000	31 December 2004 £'000
Amount due from a joint venture	7	-
Corporation tax	52	-
At 31 March 2006	59	-

8 Creditors falling due within one year

	31 March 2006 £'000	31 December 2004 £'000
Amount owed to a group undertaking	5,272	4,889

The unsecured loan from the group undertaking is repayable on demand with no fixed repayment date. Interest is charged at 5.5% per annum (2004: 5.5%).

9 Called up share capital

	Authorised 31 March 2006 No	31 December 2004 No	Allotted and fully paid 31 March 2006 £	31 December 2004 £
Ordinary shares of £1.00 each	1,000	1,000	1	1

10 Reserves

	Called up Share Capital £'000	Profit and Loss Account £'000	Total £'000
At 1 January 2005	-	(462)	(462)
Retained loss for the year	-	(315)	(315)
At 31 March 2006	-	(777)	(777)

11 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.

12 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

13 Parent company

The immediate parent company is LS Gemini Finance Limited

The ultimate parent company at 31 March 2006 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 2006 for Land Securities Group PLC can be obtained from the Secretary, 5 Strand, London WC2N 5AF.

14 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.