

LS (A2 LP) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

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Directors' Report for the year ended 31 March 2007

The directors submit their report with the financial statements for the year to 31 March 2007

RESULTS FOR THE YEAR AND DIVIDEND

The results are set out in the profit and loss account on page 3

The directors do not recommend the payment of a dividend for the year ended 31 March 2007 (15 months ended 31 March 2006 £Nil)

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

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

DIRECTORS

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

M R Wood
Land Securities Management Services Limited

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
Secretary
1 April 2008

Registered Office
5 Strand
London WC2N 5AF

Registered in England and Wales
Company No 04970977

Directors' Responsibilities for the year ended 31 March 2007**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 year ended 31 March 2007

We have audited the financial statements of LS (A2 LP) Limited for the year ended 31 March 2007 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

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

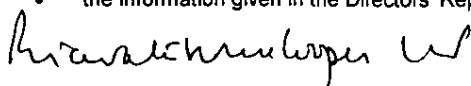
Basis of audit opinion

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 2007 and of its loss 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
1 April 2008

Profit and loss account for the year ended 31 March 2007

		Year ended 31 March 2007 £'000	15 months ended 31 March 2006 £'000
Income from a joint venture	Notes 3	-	83
Administration expenses	2	(7)	(3)
(Loss) / profit before interest and taxation		(7)	80
Interest payable and similar charges	4	(303)	(447)
Loss on ordinary activities before taxation		(310)	(367)
Taxation	5	(216)	52
Accumulated loss for the financial year		(526)	(315)

The loss for the financial year 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 2007

	Notes	2007 £'000	2006 £'000
Fixed assets			
Investment in a joint venture	6	4,436	4,436
Current assets			
Debtors	7	-	59
Creditors falling due within one year	8	(5,739)	(5,272)
Net current liabilities		(5,739)	(5,213)
Net liabilities		(1,303)	(777)
Capital and reserves			
Share capital	9	-	-
Profit and loss account	10	(1,303)	(777)
Equity shareholder's deficit		(1,303)	(777)

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



The financial statements on pages 3 to 7 were approved by the directors on 1 April 2008

1 Accounting policies

The financial statements have been prepared 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) Investment in a joint venture

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

(b) Impairment of assets

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

(c) Taxation

Taxation is charged at the corporation tax rate of 30%

2 Administration expenses

a) Management services

The Company had no employees during the year. 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 (15 months ended 31 March 2006: £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 (15 months ended 31 March 2006: £1,400).

3 Income from a joint venture

	Year ended 31 March 2007 £'000	15 months ended 31 March 2006 £'000
Dividends received	-	83

4 Interest payable and similar charges

	Year ended 31 March 2007 £'000	15 months ended 31 March 2006 £'000
On an amount owed to a group undertaking	303	447

5 Taxation

	Year ended 31 March 2007 £'000	15 months ended 31 March 2006 £'000
Analysis of tax charge / (credit) for the year		
Corporation tax on loss for the year	(88)	(135)
Real Estate Investment Trust entry charge	228	-
Share of corporation tax arising from a joint venture	76	83
Tax charge / (credit) for the year	216	(52)
Factors affecting the tax charge / (credit) for the year		
The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 30% (2006 30%)		
The differences are explained below		
Loss on ordinary activities before taxation	(310)	(367)
Tax at 30%	(93)	(110)
Expenses disallowed / non-taxable income	-	(25)
Share of corporation tax arising from a joint venture	76	83
Real Estate Investment Trust entry charge	228	-
Exempt property rental profits in the three months ended 31 March 2007	5	-
Current tax	216	(52)

Land Securities Group PLC has elected for group Real Estate Investment Trust ('REIT') status with effect from 1 January 2007. As a result the Company will no longer 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. On entering the REIT regime an entry charge equal to 2% of the aggregate market value of the properties associated with the qualifying rental business is payable. Deferred tax accrued at the date of conversion has been released to the profit and loss account, as the relevant timing differences will no longer be taxable on reversal.

6 Investment in a joint venture

	£'000
At 1 April 2006 and 31 March 2007	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

	2007 £'000	2006 £'000
Amount due from a joint venture	-	7
Corporation tax	-	52
	-	59

8 Creditors falling due within one year

	2007 £'000	2006 £'000
Taxation	196	-
Amount owed to a group undertaking	5,543	5,272
	5,739	5,272

The unsecured loan from the group undertaking is repayable on demand with no fixed repayment date. Interest is charged at 5.5% per annum (15 months ended 31 March 2006 5.5%).

9 Called up share capital

	Authorised 2007 No	2006 No	Allotted and fully paid 2007 £	2006 £
Ordinary shares of £1.00 each	1,000	1,000	1	1

10 Movement in shareholder's deficit

	Called up Share Capital £'000	Profit and Loss Account £'000	Total £'000
At 1 April 2006	-	(777)	(777)
Accumulated loss for the year	-	(526)	(526)
At 31 March 2007	-	(1,303)	(1,303)

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 2007 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 2007 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.