

Company No. 52742

L S LEISURE LIMITED
(Formerly Chamberlain King and Jones Limited)

REPORT AND FINANCIAL STATEMENTS

31 MARCH 1997



L S LEISURE LIMITED
(Formerly Chamberlain King and Jones Limited)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 1997

The directors submit their report with the financial statements for the year to 31 March 1997.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

During the year the Company commenced its business activities in the investment in and development of leisure properties. A number of schemes are actively being considered.

CHANGE OF NAME

The Company changed its name to L S Leisure Limited on 8 August 1996.

DIRECTORS

The following were directors during the year:

Sir Peter Hunt, BSc FRICS (Chairman)
I J Henderson, BSc FRICS
K Redshaw, BSc FRICS
J Maynard
R D S Nevett, FRICS

The interests of the directors at 31 March 1997 in the shares of the company were nil throughout the year.

Sir Peter Hunt, I J Henderson and K Redshaw are directors of Land Securities PLC, the ultimate holding company, and their interests in that company are shown in its Report and Financial Statements for the year ended 31 March 1997. The ultimate holding Company's registers of directors' share and debenture interests, which are open to inspection at its Registered Office, contain full details of their shareholdings and share options.

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

Interest in Ordinary Shares	Beneficial		Non-beneficial	
	31 March 1997	31 March 1996	31 March 1997	31 March 1996
J Maynard	20,884	19,885	2,290	3,673
R D S Nevett	6,221	10,468	-	-

L S LEISURE LIMITED
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REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 1997 (CONTINUED)

DIRECTORS (continued)

Options over Ordinary Shares

	No. of Options at 1 April 1996	Exercised during year		No.	Exercise Price (pence)	Market Price on exercise (pence)	Options at 31 March 1997		
		No.	Exercise Price (pence)				Exercise Price (pence)	No.	Exercisable Dates
J Maynard	13,500	13,500	429.9	-	794.5	-	556.8	6,500	1/1992 - 1/1999
	6,500	-	-	-	-	-	503.7	15,800	1/1993 - 1/2000
	15,800	-	-	-	-	-	529.0	6,300	1/1994 - 1/2001
	6,300	-	-	-	-	-	618.6	11,250	8/1997 - 8/2004
	11,250	-	-	-	-	-	504.0 *	3,422	7/2000
	3,422	-	-	-	-	-	-	-	-
R D S Nevett	6,000	-	-	-	-	-	556.8	6,000	1/1992 - 1/1999
	10,300	-	-	-	-	-	503.7	10,300	1/1993 - 1/2000
	4,700	-	-	-	-	-	529.0	4,700	1/1994 - 1/2001
	7,750	-	-	-	-	-	618.6	7,750	8/1997 - 8/2004
	7,631	-	-	-	-	-	436.3 *	7,631	7/1997 - 7/2002

* Weighted average exercise price.

The range of the closing middle market prices for Land Securities shares during the year was 608p to 798p.

No options lapsed during the year.

The share options are held under the 1984 Executive Share Option Scheme, except for those shown in bold which are held under the 1983 and 1993 Savings Related Share Option Schemes. The executive share option scheme expired on 24 April 1995. No options were granted to the directors during the year under the 1993 Savings Related Scheme.

Options granted under the savings related schemes are exercisable at prices between 401p and 504p per share after five or seven years from date of grant.

L S LEISURE LIMITED
(Formerly Chamberlain King and Jones Limited)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 1997

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 affairs of the Company as at the end of the financial year and its profit or loss for that period and 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 safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

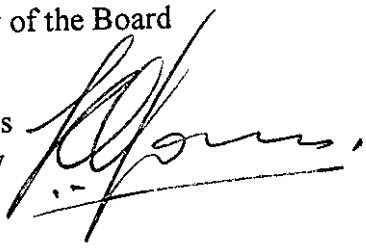
AUDITORS

In accordance with Section 384(1) Companies Act 1985, a resolution will be put to Members at the Annual General Meeting to reappoint the auditors, Price Waterhouse.

Registered Office
5 Strand
London WC2N 5AF

By Order of the Board

L A Jones
Secretary



21 May 1997

Registered in England and Wales

Company No. 52742

AUDITORS' REPORT TO THE MEMBERS OF
LS LEISURE LIMITED
(Formerly Chamberlain King and Jones Limited)

We have audited the financial statements on pages 5 to 8 which have been prepared under the historical cost convention and the accounting policy set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company, 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 affairs of the Company at 31 March 1997 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
Chartered Accountants
and Registered Auditors
Southwark Towers
32 London Bridge Street
London
SE1 9SY

21 May 1997

L S LEISURE LIMITED
(Formerly Chamberlain King and Jones Limited)

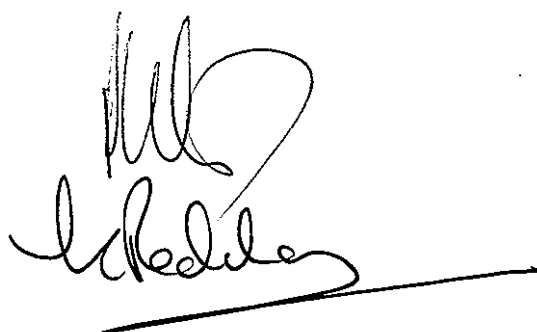
BALANCE SHEET - 31 MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
CURRENT ASSETS			
DEBTORS falling due within one year	3	426,470	282,957
CREDITORS falling due within one year	4	(143,513)	-
NET CURRENT ASSETS		<u>282,957</u>	<u>282,957</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>282,957</u>	<u>282,957</u>
		<u>£282,957</u>	<u>£282,957</u>
CAPITAL AND RESERVES			
Called up share capital	5	96,331	96,331
Other reserves	6	126,677	126,677
Profit and loss account	7	<u>59,949</u>	<u>59,949</u>
EQUITY SHAREHOLDERS' FUNDS		<u>£282,957</u>	<u>£282,957</u>

DIRECTORS

Sir Peter Hunt

K Redshaw



The financial statements on pages 5 to 8 were approved by the directors on 21 May 1997.

L S LEISURE LIMITED
(Formerly Chamberlain King and Jones Limited)

OTHER PRIMARY STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses arising in the year ended 31 March 1997.

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
Opening equity shareholders' funds	<u>282,957</u>	<u>282,957</u>
Closing equity shareholders' funds	<u>£282,957</u>	<u>£282,957</u>

L S LEISURE LIMITED
(Formerly Chamberlain King and Jones Limited)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1997

1. ACCOUNTING POLICY

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

2. ADMINISTRATION EXPENSES

(a) Directors' Emoluments

The directors of the Company receive emoluments from Land Securities Properties Limited for their services to the group. No proportion of their emoluments relates to the management of the affairs of the Company.

(b) Auditors' Remuneration

No fees were paid to the auditors during the year in respect of audit or non-audit work (1996: £Nil).

3. DEBTORS falling due within one year	<u>1997</u>	<u>1996</u>
Amount owed by a group undertaking	-	282,957
Capital debtors	272,153	-
Other debtors	<u>154,317</u>	<u>-</u>
	<u>£426,470</u>	<u>£282,957</u>

4. CREDITORS falling due within one year	<u>1997</u>	<u>1996</u>
Amount owed to a group undertaking	68,876	-
Other creditors	<u>74,637</u>	<u>-</u>
	<u>£143,513</u>	<u>£ -</u>

The amount owed to a group undertaking has no fixed repayment date.

5. CALLED UP SHARE CAPITAL	<u>1997</u>	<u>1996</u>
Authorised		
100,000 Ordinary Shares of £1 each	<u>£100,000</u>	<u>£100,000</u>
Allotted and fully paid		
96,331 Ordinary Shares of £1 each	<u>£96,331</u>	<u>£96,331</u>

L S LEISURE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1997

6. OTHER RESERVES

At 1 April 1996	126,677
Movement during year	-
At 31 March 1997	<u>£126,677</u>

7. PROFIT AND LOSS ACCOUNT

The company did not trade at anytime during the years ended 31 March 1996 and 1997. Consequently it made neither profits nor losses during those years.

8. COMMITMENTS FOR FUTURE CAPITAL EXPENDITURE

	<u>1997</u>	<u>1996</u>
Board authorisations not contracted	<u>£1,054,993</u>	<u>£ -</u>

9. CASH FLOW STATEMENT EXEMPTION

The Company is a wholly owned subsidiary of Land Securities 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 cashflow statement.

10. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Land Securities 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.

11. PARENT COMPANY

Land Securities PLC, which is registered in England and Wales, is the ultimate parent company and is the largest and smallest parent company of the group to consolidate these financial statements.

Consolidated financial statements for the year ended 31 March 1997 for Land Securities PLC can be obtained from the Secretary, 5 Strand, London WC2N 5AF.