

LAND SECURITIES SPV'S LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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Directors' Report for the year ended 31 March 2010

The directors submit their report with the audited financial statements of the Company for the year ended 31 March 2010

RESULTS FOR THE YEAR AND DIVIDEND

The results are set out in the Profit and Loss Account on page 4

The directors do not recommend the payment of a dividend for the year ended 31 March 2010 (2009 £Nil)

DIRECTORS

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

P M Dudgeon
Land Securities Management Services Limited
LS Retail Director Ltd

INDEMNITY

The Company has made qualifying third party indemnity provisions for the benefit of the respective directors which were in place throughout the year and which remain in place at the date of this report

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each director in office at the date the directors' report is approved, the following applies

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting



By order of the Board
P M Dudgeon
Company Secretary
19 August 2010

Registered Office
5 Strand
London WC2N 5AF

Registered in England and Wales
Registered number 4365195

Directors' Responsibilities for the year ended 31 March 2010**Statement of directors' responsibilities in respect of the Annual Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence 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 2010

We have audited the financial statements of Land Securities SPV's Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Reconciliation of Movements in Total Shareholder's Funds, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

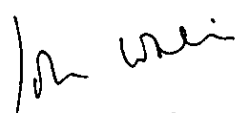
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



John Waters (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
19 August 2010

Profit and Loss Account for the year ended 31 March 2010

	Notes	2010 £'000	2009 £'000
Dividends received from subsidiary undertakings		43,934	2,393
Provision for impairment in value	2	(43,931)	(1,201)
Operating profit		3	1,792
Loss on disposal of subsidiary undertakings		-	(15)
Profit before interest and taxation		3	1,777
Interest receivable and similar income	3	163	-
Interest payable and similar charges	4	(938)	(2,700)
Loss on ordinary activities before taxation		(772)	(923)
Taxation	5	217	756
Loss for the financial year		(555)	(167)

Reconciliation of Movements in Total Shareholder's Funds for the year ended 31 March 2010

	2010 £'000	2009 £'000
Loss for the financial year	(555)	(167)
Reduction from shareholder's funds	(555)	(167)
Opening shareholder's funds	7,585	7,752
Closing shareholder's funds	7,030	7,585

All amounts arise 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 as at 31 March 2010

	Notes	2010 £'000	2009 £'000
Fixed assets			
Investments			
Investment in subsidiary undertakings	6	99	44,030
Current assets			
Debtors	7	6,931	756
Creditors amounts falling due within one year	8	-	(37,201)
Net current assets / (liabilities)		6,931	(36,445)
Net assets		7,030	7,585
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	7,030	7,585
Total shareholder's funds		7,030	7,585

The financial statements on pages 4 to 8 were approved and authorised for issue by the board on 19 August 2010 and were signed on its behalf by

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



1 Accounting policies

The financial statements have been prepared on the going concern basis, under the historical cost convention, in accordance with Companies Act 2006 and applicable United Kingdom accounting standards

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) Income from shares in group undertakings

Income from shares in group undertakings is recognised in the period in which the dividends are approved

(b) Interest

Interest is accounted for on an accruals basis

(c) Taxation

Taxation is charged at the corporation tax rate of 28%

(d) Investment in subsidiary undertakings

The Company's investments in the shares of subsidiary undertakings are carried at cost less provision for impairment in value

(e) Impairment of assets

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

(f) Segmental reporting

The Company's activities consist solely of investments in the United Kingdom

(g) Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The Company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary of Land Securities Group PLC, a company incorporated in England and Wales whose consolidated financial statements are publicly available

2 Management and administrative expenses

(a) Management services

The Company had no employees during the year (2009: None). 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. The amounts allocated to services for this Company were of negligible value (2009: £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 £1,520 (2009: £1,520). The auditors received no remuneration for non-audit services provided to the Company during the year (2009: £Nil)

(d) Provision for impairment in value

An impairment of £43,931,231 (2009: £1,201,155) in respect of investment in subsidiary undertakings has been recognised in the Profit and Loss Account for the year. The subsidiaries have been impaired due to a reduction in their net assets

3 Interest receivable and similar income

	2010 £'000	2009 £'000
On an amount owing from a group undertaking	163	-

4 Interest payable and similar charges

	2010 £'000	2009 £'000
On an amount owed to a group undertaking	938	2,700

5 Taxation

	2010 £'000	2009 £'000
Analysis of tax credit for the year		
Corporation tax on loss for the year	(217)	(756)
Tax credit on loss on ordinary activities	<u>(217)</u>	<u>(756)</u>
Factors affecting the tax credit for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 28%)		
The differences are explained below		
Loss on ordinary activities before taxation	(772)	(923)
Loss on ordinary activities multiplied by the standard rate in the UK at 28% (2009 28%)	(216)	(258)
Effect of		
Expenses not deductible for tax purposes	12,300	(502)
Increased rate of tax on profits on disposal of assets	-	4
Non-taxable income	(12,301)	-
Current tax credit for the year	<u>(217)</u>	<u>(756)</u>

Land Securities Group PLC is a Real Estate Investment Trust ('REIT'). As a result the Company does not 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.

6 Investment in subsidiary undertakings

	£'000
At 1 April 2009	44,030
Provision following impairment review	(43,931)
At 31 March 2010	<u>99</u>

During the year the Company disposed of its 100% interest in LS Bedford House Limited, LS Millshaw Limited, Land Securities Buchanan Street Development Limited, Chancellor (No. 3) Limited and Chancellor (No. 4) Limited.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The principal subsidiary undertakings of the Company are

Name	Class of shares owned	Percentage of share capital owned	Principal country of incorporation	Nature of business
484/504 Oxford Street (No. 1) Limited	£1 Ordinary shares	100%	England	Dormant
484/504 Oxford Street (No. 2) Limited	£1 Ordinary shares	100%	England	Dormant
54 Victoria Street (No. 1) Limited	£1 Ordinary shares	100%	England	Dormant
54 Victoria Street (No. 2) Limited	£1 Ordinary shares	100%	England	Dormant
66/74 Victoria Street (No. 1) Limited	£1 Ordinary shares	100%	England	Dormant
66/74 Victoria Street (No. 2) Limited	£1 Ordinary shares	100%	England	Dormant
AH13 Limited	£1 Ordinary shares	100%	England	Dormant
EH53 Limited	£1 Ordinary shares	100%	England	Dormant
VS18 Limited	£1 Ordinary shares	100%	England	Dormant
VS85 Limited	£1 Ordinary shares	100%	England	Dormant
WR25 Limited	£1 Ordinary shares	100%	England	Dormant

7 Debtors

	2010 £'000	2009 £'000
Corporation tax	217	756
Amount owed from a group undertaking	6,714	-
	<u>6,931</u>	<u>756</u>

The unsecured loan to the group undertaking is repayable on demand with no fixed repayment date Interest is charged at 5.5% per annum (2009 5.5%)

8 Creditors amounts falling due within one year

	2010 £'000	2009 £'000
Amount owed to a group undertaking	-	37,201

The unsecured loan was repaid during the year Interest was charged at 5.5% per annum (2009 5.5%)

9 Called up share capital

	Authorised 2010 No	2009 No	Allotted and fully paid 2010 £	2009 £
Ordinary shares of £1.00 each	1,000	1,000	2	2

10 Reserves

	Called up Share Capital £'000	Profit and Loss Account £'000	Total £'000
At 1 April 2009	-	7,585	7,585
Loss for the financial year	-	(555)	(555)
At 31 March 2010	<u>-</u>	<u>7,030</u>	<u>7,030</u>

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 Land Securities Property Holdings Limited

The ultimate parent company at 31 March 2010 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 2010 for Land Securities Group PLC can be obtained from the Company Secretary, 5 Strand, London WC2N 5AF This is the largest and smallest Group to include these accounts in its consolidated financial statements