

Registered Number 3934761

LAND SECURITIES TRADING LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

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Directors' Report for the year ended 31 March 2009

The directors submit their report with the audited financial statements of the Company for the year ended 31 March 2009.

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 2009 (2008: £Nil).

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company has continued its business of property trading and as a holding company in the United Kingdom. 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 unless otherwise stated were:

M R Wood
LS Director Limited
Land Securities Management Limited
E Cariaga (appointed 13 February 2009)
C O'Shea (appointed 13 February 2009)

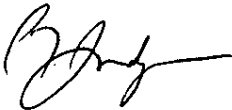
This directors' report does not contain a statement as to directors' interests in shares, debentures or options over shares in the Company, Land Securities Group PLC, the ultimate parent company of the Company, or any other body corporate in the same group following the repeal of paragraphs 2, 2A and 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).

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. 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.



By order of the Board
P M Dudgeon
Company Secretary
14 January 2010

Registered Office
5 Strand
London WC2N 5AF

Registered in England and Wales
Registered number: 3934761

Directors' Responsibilities for the year ended 31 March 2009

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 those 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, in which case there should be supporting assumptions or qualifications as necessary.

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

The directors are responsible for keeping proper accounting records that 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 1985. 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 Trading Limited for the year ended 31 March 2009

We have audited the financial statements of Land Securities Trading Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Reconciliation of Movements in Total Shareholder's Deficit, 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 2009 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
14 January 2010

Profit and Loss Account for the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
Rental income		114	116
Proceeds of trading stock sales		250	1,932
Service charges and other recoveries		(8)	20
Turnover		356	2,068
Trading stock cost of sales		174	(700)
Other direct property or contract expenditure	2	(2,155)	(272)
Net (loss) / profit		(1,625)	1,096
Property management and administrative expenses	3	-	(112)
Impairment of trading properties	7	(29,613)	-
Operating (loss) / profit		(31,238)	984
Loss on disposal of subsidiary undertakings		(5,650)	-
(Loss) / profit before interest and taxation		(36,888)	984
Interest payable and similar charges	4	(240)	(751)
(Loss) / profit on ordinary activities before taxation		(37,128)	233
Taxation	5	-	(70)
(Loss) / profit for the financial year		(37,128)	163

Reconciliation of Movements in Total Shareholder's Deficit for the year ended 31 March 2009

	2009 £'000	2008 £'000
(Loss) / profit for the financial year	(37,128)	163
Issue of share capital	-	13,650
(Reduction from) / addition to shareholder's funds	(37,128)	13,813
Opening shareholder's funds	25,126	11,313
Closing shareholder's (deficit) / funds	(12,002)	25,126

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 2009

	Notes	2009 £'000	2008 (As restated) £'000
Fixed assets			
Investments			
Investment in a subsidiary undertaking	6	-	13,650
Current assets			
Stock: Trading properties	7	1,357	23,531
Debtors falling due after one year	8	2,063	928
Debtors falling due within one year	9	264	2,168
		3,684	26,627
Creditors: amounts falling due within one year	10	(15,686)	(15,151)
Net current (liabilities) / assets		(12,002)	11,476
Total assets less current liabilities		(12,002)	25,126
Capital and reserves			
Called up share capital	11	16,650	16,650
Profit and loss account	12	(28,652)	8,476
Total shareholder's (deficit) / funds		(12,002)	25,126

The financial statements on pages 4 to 9 were approved by the directors on 14 January 2010.

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



1. Accounting policies

The financial statements have been prepared on the going concern basis, under the historical cost convention, in accordance with Companies Act 1985 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) Profit and Loss Account and other primary statements

The loss on ordinary activities before taxation is arrived at after taking into account income and outgoings on all properties, including those under development. In accordance with FRS3 'Reporting Financial Performance', profits and losses on properties sold during the year are calculated by comparing net sales proceeds with book values.

(b) Turnover

Turnover is made up of proceeds on sale of trading properties, rental income, service charges and other recoveries from tenants of its trading properties.

Income is credited to the Profit and Loss Account as space and other services are provided to customers. Gross property income includes costs recovered from tenants. Rental income includes the net income from managed operations such as car parks, food courts, serviced offices and flats.

Service charges and other recoveries include income in relation to service charges and directly recoverable expenditure together with any chargeable management fee. In accordance with the Accounting Standards Board's (ASB) Urgent Issues Task Force Abstract 28 'Operating Lease Incentives' (UITF28) the Company treats any incentive for lessees to enter into lease agreements as a revenue cost and accounts for rental income from the commencement date of any rent-free period. The cost of all lease incentives (such as rent-free periods or contributions to tenants' fitting out costs) is, therefore, offset against the total rent due. The net rental income is then spread evenly over the shorter of the period from the rent commencement date to the date of the next rent review or the lease end date.

(c) Interest

Interest is accounted for on an accruals basis.

(d) Taxation

Taxation is charged at the corporation tax rate of 28%.

(e) Trading properties

Trading properties are those properties held as stock for sale and, being current assets, are carried at the lower of cost or book value if transferred from fixed assets and net realisable value.

Trading profits are recognised upon exchange of contracts for the unconditional sale of property.

(f) Long-term development contracts

Turnover on long-term development contracts is recognised according to the stage reached in the contract by reference to the value of the work completed. An appropriate estimate of the profit attributable to the work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The amount by which the turnover exceeds payments on account is shown under debtors as amount recoverable on contracts. The costs on long-term contracts not yet taken to the Profit and Loss Account, less any related foreseeable losses and payments on account are shown in stocks.

(g) Investment in a subsidiary undertaking

The Company's investment in the shares of a subsidiary undertaking are carried at cost less provision for impairment in value.

(h) Impairment of assets

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

(i) Prior year adjustment

The prior year has been restated to eliminate the investment in a joint venture for £6,320,000. This has been incorrectly accounted for in the year ended 31 March 2007. There has been no impact on the retained profit for the year ended 31 March 2008 and no changes to the net assets of the Company as at 31 March 2008.

(j) Segmental reporting

The Company's activities consist of property trading and investment in shares in the United Kingdom.

2. Operating (loss) / profit

Other property outgoings are costs incurred in the direct maintenance and upkeep of investment properties. Void costs, which include those relating to empty properties pending redevelopment and refurbishment, costs of investigating potential development schemes which are not proceeded with, and costs in respect of housekeepers and outside staff directly responsible for property services, are also included.

3. Property management and administrative expenses

Property management and administrative expenses consist of all costs of managing the property, together with the costs of rent reviews and renewals, re-lettings of the property and management services as explained in note (a) below. No staff costs or overheads are capitalised.

(a) Management services

The Company had no employees during the year (2008: 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 (2008: £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 (2008: £1,470). The auditors received no remuneration for non-audit services provided to the Company during the year (2008: £Nil).

4. Interest payable and similar charges

	2009 £'000	2008 £'000
On an amount owed to a group undertaking	240	751

5. Taxation

	2009 £'000	2008 £'000
Analysis of tax charge for the year		
Corporation tax on (loss) / profit for the year	-	70
Tax charge on (loss) / profit on ordinary activities	-	70
Factors affecting the tax charge for the year		
The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 28% (2008: 30%).		
The differences are explained below:		
(Loss) / profit on ordinary activities before taxation	(37,128)	233
(Loss) / profit on ordinary activities multiplied by the standard rate in the UK at 28% (2008: 30%)	(10,396)	70
Effect of:		
Capitalised interest and other timing differences	8,814	-
Increased rate of tax on losses on disposal of assets	1,582	-
Current tax charge for the year	-	70

6. Investment in a subsidiary undertaking

	£'000
At 1 April 2008	13,650
Disposals made during the year	(13,650)

At 31 March 2009

-

During the year the Company disposed of its 100% interest in LS Harrow Properties Limited for £8,000,000 creating a loss on disposal of £5,650,000.

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

The subsidiary undertaking of the Company is:

Name	Class of shares owned	Percentage of share capital owned	Principal country of incorporation	Nature of business
LS North Weald Limited	£1 Ordinary shares	100%	England	Dormant

7. Trading properties

	2009 £'000	2008 £'000
Cost	30,970	23,531
Impairment provision	(29,613)	-
Realisable value	1,357	23,531

The realisable value of the trading properties at 31 March 2009 has been arrived at on the basis of a valuation carried out at that date by Knight Frank LLP, external valuers.

8. Debtors falling due after one year

	2009 £'000	2008 £'000
Long-term contracts	2,063	-
Prepayments and accrued income	-	928
	2,063	928

9. Debtors falling due within one year

	2009 £'000	2008 £'000
Trade debtors	71	269
Taxation and social security	75	97
Property sales debtors	42	1,435
Other debtors	66	66
Prepayments and accrued income	10	301
	264	2,168

10. Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Capital creditors	953	954
Amount owed to a group undertaking	13,915	19,646
Corporation tax	-	70
Other creditors	2	2
Accruals and deferred income	816	799
	15,686	21,471

The unsecured loan from the group undertaking is repayable on demand with no fixed repayment date. Interest is charged at 5.5% per annum (2008: 5.5%).

11. Called up share capital

	Authorised 2009 No.	2008 No.	Allotted and fully paid 2009 £'000	2008 £'000
Ordinary shares of £1.00 each	25,000,000	25,000,000	16,650	16,650

12. Reserves

	Called up Share Capital £'000	Profit and Loss Account £'000	Total £'000
At 1 April 2008	16,650	8,476	25,126
Loss for the financial year	-	(37,128)	(37,128)
At 31 March 2009	16,650	(28,652)	(12,002)

13. 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.

14. 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.

15. Parent company

The immediate parent company is LS London Holdings Three Limited.

The ultimate parent company at 31 March 2009 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 2009 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.

16. 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.

17. Consolidated financial statements

The Company is exempt from presenting consolidated financial statements as they are included in the consolidated financial statements of Land Securities Group PLC which are prepared in accordance with the EC 7th Directive.