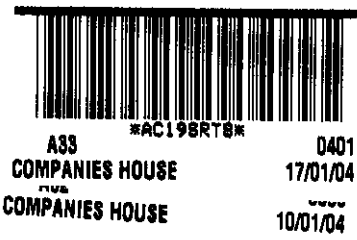


LAND SECURITIES TRADING LIMITED
REPORT AND FINANCIAL STATEMENTS
31 MARCH 2003



LAND SECURITIES TRADING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2003

The directors present their report and the audited financial statements for the year ended 31 March 2003.

RESULTS FOR THE YEAR AND DIVIDEND

The results are set out in the Profit and Loss Account on page 6.

The directors do not propose a dividend for the year ended 31 March 2003 (2002: £3,663,881).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

DIRECTORS

The directors who held office during the year were:

N W Johnson
A R Strange
P J J Cleary
M J McGuinness
R D S Nevett
F W Salway
M R Griffiths (resigned 8 July 2002)

The interests of the directors in the shares of the Company were nil throughout the year.

At 31 March 2003, F W Salway and M R Griffiths were directors of Land Securities Group PLC, the ultimate parent company, and their interests in that company are shown in its Report and Financial Statements for the year ended 31 March 2003. The ultimate parent company's register of director's share and debenture interests and holdings of options, which are open to inspection at its registered office, contain full details of their shareholdings and share options.

As explained in Note 15 to the Financial Statements, on 6 September 2002 the entire share capital of Land Securities PLC, the previous ultimate parent company, was acquired by Land Securities Group PLC under a court-approved scheme of arrangement.

The beneficial interests of other directors in the shares of Land Securities Group PLC and their holdings of options over shares in that company are as set out below and on page 2. Interests in the shares disclosed as at 1 April 2002 are the interests held in the previous ultimate parent company, Land Securities PLC.

Interest in	Land Securities Group PLC Land Securities PLC	
	31 March 2003	1 April 2002
Ordinary Shares		
N W Johnson	440	3,285
A R Strange	16,386	18,023
P J J Cleary	6,974	6,064
M J McGuinness	7,158	7,485
R D S Nevett	16,923	15,071

LAND SECURITIES TRADING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2003

Interest in B Shares	Land Securities Group PLC	Land Securities PLC
	31 March 2003	1 April 2002
N W Johnson	2,150	-
A R Strange	16,859	-
P J J Cleary	4,704	-
M J McGuinness	1,240	-
R D S Nevett	1,481	-

LAND SECURITIES TRADING LIMITED
 DIRECTORS' REPORT
 FOR THE YEAR ENDED 31 MARCH 2003 (CONTINUED)
 DIRECTORS (continued)

Options over Ordinary Shares

	Granted during year		Exercised during year		Lapsed during the year		Options at 31 March 2003	
	No.	Grant Price (pence)	No.	Exercise Price (pence)	No.	Exercise Market Price on Exercise (pence)	No.	Exercise Price (pence)
N W Johnson	28,500	812.00	-	-	-	-	33,500	831.20 *
	2,756	650.00	(232) (1,540)	504.00 672.00	725.00 725.00	-	1,860	671.60 *
A R Strange	52,250	812.00	-	-	-	-	58,250	791.60 *
	2,332	-	-	-	-	-	2,332	683.60 *
P J J Cleary	35,000	812.00	-	-	-	-	43,000	835.60 *
	2,335	650.00	(1,232) (166)	672.00 656.00	755.00 755.00	-	1,813	694.40 *
R D S Nevett	45,000	812.00	-	-	-	-	50,000	847.50 *
	5,236	650.00	(2,321)	504.00	725.00	-	4,021	646.70 *
M J McGuinness	44,750	812.00	-	-	-	-	54,750	798.40 *
	1,640	650.00	-	-	-	-	2,403	708.70 *

* weighted average exercise price

The range of the closing middle market prices for Land Securities shares during the year was 679p to 984p. The middle market price at 31 March 2003 was 733p.

Three directors exercised options during the 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 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. All share options at 31 March 2003 relate to Land Securities Group PLC. All share options at 31 March 2002 relate to Land Securities PLC.

LAND SECURITIES TRADING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2003

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 or 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 safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Following conversion of our auditors PricewaterhouseCoopers to a limited liability partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 14 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors.

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

Registered Office
5 Strand
London WC2N 5AF

P M Dudgeon,
Secretary

21 May 2003

Registered in England and Wales
Company No. 3934761

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LAND SECURITIES TRADING LIMITED**

We have audited the financial statements on pages 6 to 15 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 in to 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 transactions is not disclosed.

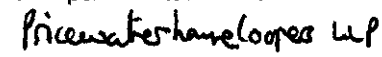
Basis of audit opinion

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 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 of the state of the Company's affairs as at 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
21 May 2003

LAND SECURITIES TRADING LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 MARCH 2003

	<u>Notes</u>	<u>2003</u> £	<u>2002</u> £
GROSS PROPERTY INCOME	2	3,578,515	31,031,387
OPERATING INCOME	2	742,819	5,146,376
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION	2	742,819	5,146,376
Income from shares in group undertakings		-	177,957
Interest receivable and similar income	4	3,344	1,944
Interest payable and similar charges	5	(725,926)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		20,237	5,326,277
Taxation	6	111,829	(1,662,396)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		132,066	3,663,881
Equity dividend		-	(3,663,881)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		132,066	-
BALANCE BROUGHT FORWARD		-	-
BALANCE CARRIED FORWARD		132,066	-

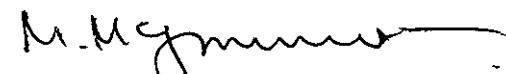
All income was derived from within the United Kingdom from continuing operations. No operations were discontinued during the year.

The notes on pages 9 to 15 form an integral part of these financial statements.

LAND SECURITIES TRADING LIMITED

BALANCE SHEET 31 MARCH 2003

	<u>Notes</u>	<u>2003</u> £	<u>2002</u> £
FIXED ASSETS			
Investments in group undertakings	8	101	101
CURRENT ASSETS			
Stocks	7	48,499,784	27,245,975
Debtors falling due within one year	9	3,789,026	15,580,255
		52,288,810	42,826,230
CREDITORS falling due within one year	10	(52,019,979)	(42,708,429)
NET CURRENT ASSETS		268,831	117,801
TOTAL ASSETS LESS CURRENT LIABILITIES		268,932	117,902
Creditors falling due after more than one year			
Provisions for liabilities and charges	11	(136,864)	(117,900)
		132,068	2
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Profit and loss account		132,066	-
EQUITY SHAREHOLDERS' FUNDS		132,068	2


DIRECTOR

M J McGuinness

The financial statements on pages 6 to 15, were approved by the directors on 21 May 2003

LAND SECURITIES TRADING LIMITED

OTHER PRIMARY STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

	<u>2003</u>	<u>2002</u>
	£	£
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES		
Profit on ordinary activities after taxation (page 6)	132,066	3,663,881
Total gains and losses recognised since last financial statements	<u>132,066</u>	<u>3,663,881</u>
NOTE OF HISTORICAL COST PROFITS AND LOSSES		
Profit on ordinary activities before taxation (page 6)	20,237	5,326,277
Historical cost profit on ordinary activities before taxation	20,237	5,326,277
Taxation (Note 6)	111,829	(1,662,396)
Equity dividend (page 6)	-	(3,663,881)
Retained historical cost profit/(loss) for the year	<u>132,066</u>	<u>-</u>
RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS		
Profit on ordinary activities after taxation (page 6)	132,066	3,663,881
Equity dividend (page 6)	-	(3,663,881)
Retained profit for the financial year (page 6)	<u>132,066</u>	<u>-</u>
Opening equity shareholders' funds	2	2
Closing equity shareholders' funds	<u>132,068</u>	<u>2</u>

LAND SECURITIES TRADING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention, as modified by the revaluation of investments in group undertakings.

The significant accounting policies adopted by the Company are set out below.

a) Stocks

Stocks, which comprise trading properties, are carried at the lower of cost and net realisable value.

b) Gross Property Income

The Company's gross properties income comprises rental income, service charges and other recoveries from tenants of its properties and proceeds of sales of trading properties.

c) Taxation

In accordance with FRS 16 'Current Taxation', taxation attributable to sales of properties is charged to the profit and loss account and to the statement of total recognised gains and losses as appropriate.

FRS19 "Deferred Tax" requires that deferred tax is recognised in respect of transactions or events that have taken place by the balance sheet date and which would give the Company an obligation to pay more or less tax in the future. However, FRS19 requires that deferred tax is not recognised on revaluation gains or losses where these are not taken to the profit and loss account. In accordance with FRS19, the Company makes full provision for timing differences which, in the Company's case, arise primarily from capital allowances. Following the sale or demolition of a property, any deferred tax provisions not required will be released to the profit and loss account

d) Capitalisation of interest

Interest associated with direct expenditure on properties under development is capitalised. The rate used is the Company's pre-tax weighted average costs of borrowings or, if appropriate, the rate on specific associated borrowings. Interest is capitalised as from the commencement of the development work until the date of practical completion. The capitalisation of finance costs is suspended, however, if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of a site or property if it was acquired specifically for redevelopment in the short term. Interest is not capitalised on the acquisition cost of properties previously held as investments, or on refurbishment projects.

LAND SECURITIES TRADING LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2003

e) Investments in group undertakings

The Company's investment in the shares of group undertakings are carried at cost. This is a change from the previous accounting policy of stating the investments at directors' valuation on a basis which took into account of the net assets of the group undertakings at the year end and included, where appropriate, the professional valuation of properties.

2. OPERATING INCOME

	<u>2003</u>	<u>2002</u>
	£	£
Rental income	(134,381)	239,499
Proceeds of sales of trading properties	3,689,619	30,791,888
Service charges and other recoveries	23,277	-
Gross property income	<u>3,578,515</u>	<u>31,031,387</u>
Cost of sales of trading properties	(2,084,733)	(25,839,301)
Other property outgoings	(147,785)	(27,298)
Administration costs	(603,178)	(18,412)
	<u>(2,835,696)</u>	<u>(25,885,011)</u>
Operating income	<u>742,819</u>	<u>5,146,376</u>
Profit on ordinary activities before interest and taxation	<u>742,819</u>	<u>5,146,376</u>

Other property outgoings are costs incurred in the direct maintenance and upkeep of the properties. Void costs, which include those relating to empty properties pending sale, are also included.

LAND SECURITIES TRADING LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2003

3. ADMINISTRATION EXPENSES AND MANAGEMENT CHARGES

a) Management services

The Company does not employ staff. 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 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.

c) Auditors' remuneration

No fees (2002: £Nil) were paid to the auditors during the year in respect of audit or non-audit work.

4. INTEREST RECEIVABLE

	<u>2003</u>	<u>2002</u>
	£	£
Sundry	3,344	1,944
	<u>3,344</u>	<u>1,944</u>

5. INTEREST PAYABLE

	<u>2003</u>	<u>2002</u>
	£	£
On amount owed to group undertaking	789,140	393,000
	<u>789,140</u>	<u>393,000</u>
Less : Capitalised as costs of properties under development	(63,214)	(393,000)
	<u>725,926</u>	<u>-</u>

LAND SECURITIES TRADING LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2003

6. TAXATION

	<u>2003</u>	<u>2002</u>
	£	£
Current tax		
Corporation Tax rate on revenue profit for the year at 30% (2002: 30%):	(12,893)	1,544,496
Adjustments relating to previous years	(117,900)	-
	<u>(130,793)</u>	<u>1,544,496</u>
Current tax		
Deferred Tax charge for the year	18,964	117,900
	<u>(111,829)</u>	<u>1,662,396</u>

Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30% (2002: 30%)

The differences are explained below:

Profit on ordinary activities before taxation (Page 5)	20,237	5,148,319
Profit on ordinary activity multiplied by the standard rate of corporation tax at 30%	6,071	1,544,496
Adjustments to current and deferred tax in respect of prior years	(117,900)	-
Capitalised interest and other timing differences	(18,964)	-
Current taxation on revenue profit	<u>(130,793)</u>	<u>1,544,496</u>

7. STOCKS

Stocks:	£
At 1 April 2002	27,245,975
Additions	21,253,809
	<u>48,499,784</u>
At 31 March 2003	<u>48,499,784</u>

LAND SECURITIES TRADING LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2003

8. INVESTMENTS IN GROUP UNDERTAKINGS

	<u>2003</u>
Shares:	£
At 1 April 2002	101
Prior year adjustment	-
	<hr/>
At 31 March 2003	<u>101</u>

The prior year adjustment is a consequence of restating the carrying value of investments in group undertakings at 31 March 2002 at cost in accordance with the accounting policy in Note 1 (e).

The group undertakings of the Company, each of which is incorporated in the United Kingdom are:

	<u>Principal country of operation</u>	<u>Nature of</u>	<u>% of Share capital</u>
Whitecliff Investments Limited	England	Investment holding	100%
Whitecliff Properties Limited	England	Investment holding	100%

9. DEBTORS falling due within one year

	<u>2003</u>	<u>2002</u>
	£	£
Trade debtors	3,243	176,437
Dividends receivable from subsidiaries	-	177,958
Property sales debtors	2,537,318	1,548,985
Capital Debtors	4,000	11,086
Other debtors	320,550	301,919
Prepayments and accrued income	923,915	13,363,870
	<hr/>	<hr/>
	<u>3,789,026</u>	<u>15,580,255</u>

LAND SECURITIES TRADING LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2003

10. CREDITORS falling due within one year

	<u>2003</u>	<u>2002</u>
	£	£
Amounts owed to a group undertaking	48,136,573	31,565,602
Taxation	-	1,544,496
Proposed dividend	-	3,663,881
Accruals and deferred income	3,883,406	5,914,309
Other creditors	-	20,141
	<u>52,019,979</u>	<u>42,708,429</u>

The amount owed to a group undertaking is unsecured. Interest has been charged at 8.3% on the proportion of the loan that relates to the trading stock expenditure.

11. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation :

	£
At 1 April 2002	117,900
Charge for year	18,964
As at 31 March 2003	<u>136,864</u>

12. CALLED UP SHARE CAPITAL

	<u>2003</u>	<u>2002</u>
	£	£
Authorised:		
1,000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid:		
2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

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.

LAND SECURITIES TRADING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

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

Ravenseft Properties Limited and Land Securities Properties Limited, companies registered in England & Wales, are the immediate parent companies. The ultimate parent company at 31 March 2003 was Land Securities Group PLC, which is registered in England and Wales and is the largest and smallest parent company of the group to consolidate these financial statements.

On 6 September 2002 the entire share capital of Land Securities PLC, the previous ultimate parent company, was acquired by Land Securities Group PLC under a court-approved scheme of arrangement.

Consolidated financial statements for the year ended 31 March 2003 for Land Securities Group PLC can be obtained from the Secretary, 5 Strand, London WC2 5AF.