

**LS 25 LAVINGTON STREET DEVELOPER LIMITED
(PREVIOUSLY KNOWN AS QAM (2026) LIMITED)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

LS 25 LAVINGTON STREET DEVELOPER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors of LS 25 Lavington Street Developer Limited (the 'Company') present their report and the audited financial statements for the year ended 31 March 2019.

Directors' responsibilities statement

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the audited 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 audited financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- prepare the audited 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 to enable them to ensure that the audited 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.

Change of name

On 21 February 2019, the Company changed its name from QAM (2026) Limited to LS 25 Lavington Street Developer Limited.

Change of immediate parent company

On 21 February 2019, the previous immediate parent company Land Securities SPV's Limited sold 100% of the share capital of the Company to LS London Holdings One Limited.

Principal activity, review of the business and future developments

During the year, the Company issued 149,999 ordinary £1 shares at par, ahead of commencing its business of development management of 25 Lavington Street, SE1 0NZ in the United Kingdom on 11 June 2019. No changes in the Company's principal activity are anticipated in the foreseeable future.

During the year, the Company changed its reporting framework from Financial Reporting Standard 102 ('FRS 102') the Financial Reporting Framework applicable in the UK and Republic of Ireland to Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101').

Results for the year and dividend

There was no activity in the Company's Statement of Comprehensive Income for the year ended 31 March 2019 or for the year ended 31 March 2018 and consequently no Statement of Comprehensive Income has been disclosed.

The directors do not recommend the payment of a dividend for the year ended 31 March 2019 (2018: (unaudited): £Nil).

Results for the year and dividend

The results are set out in the Statement of Comprehensive Income on page 4.

The directors do not recommend the payment of a final dividend for the year ended 31 March 2019 (2018: £Nil) in addition to the interim dividend of **£800,000,000** (2018: £Nil) paid on 12 December 2018, making a total dividend for the year of **£800,000,000** (2018: £Nil).

Directors

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

LS Director Limited
Land Securities Management Limited
J S Gillard
M R Worthington

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.

LS 25 LAVINGTON STREET DEVELOPER LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Small companies exemption

The Directors' Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Strategic report

The Company has taken advantage of the exemption under s414B of the Companies Act 2006 not to prepare a Strategic Report.

Statement of disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Registered Office
100 Victoria Street
London
SW1E 5JL

This report was approved by the Board and signed on its behalf.

L Miller, for and on behalf of LS Company Secretaries Limited
Company Secretary

Date: 6 December 2019

Registered and domiciled in England and Wales
Registered number: 06943184

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LS 25 LAVINGTON STREET DEVELOPER LIMITED

Opinion

We have audited the financial statements of LS 25 Lavington Street Developer Limited (the 'Company') for the year ended 31 March 2019 which comprise the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 7, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other matter

The corresponding figures for the financial year ended 31 March 2018 are unaudited.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LS 25 LAVINGTON STREET DEVELOPER LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Johnson (Senior statutory auditor)

For and on behalf of
Ernst & Young LLP, Statutory Auditor

London
Date: 10 December 2019

LS 25 LAVINGTON STREET DEVELOPER LIMITED REGISTERED NUMBER: 06943184

BALANCE SHEET AS AT 31 MARCH 2019

Current assets

| Notes | 2019 £000 | 2018 £000 (unaudited) |
|-------|--------------|--------------------------|
|-------|--------------|--------------------------|

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| | | | |
|-------------------------------------|---|------------|---|
| Amounts due from Group undertakings | 5 | 150 | - |
| | | 150 | - |
| Net assets | | 150 | - |
| Capital and reserves | | | |
| Share capital | 6 | 150 | - |
| Total equity | | 150 | - |

The financial statements on pages 5 to 9 were approved by the Board of Directors and were signed on its behalf by:

M Cadwaladr, for and on behalf of LS Director Limited

Date: 6 December 2019

LS 25 LAVINGTON STREET DEVELOPER LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

| | Share capital £000 | Total equity £000 |
|-----------------------------|-----------------------|----------------------|
| At 1 April 2017 (unaudited) | - | Page 5 |

| | | |
|---|------------|------------|
| Total comprehensive income for the financial year (unaudited) | - | - |
| At 31 March 2018 (unaudited) | | |
| | - | - |
| Total comprehensive income for the financial year | - | - |
| Shares issued during the year | 150 | 150 |
| At 31 March 2019 | 150 | 150 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. Accounting policies

1.1 Basis of preparation

The financial statements have been prepared on a going concern basis and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006. The financial statements are prepared under the historical cost convention.

During the year, the Company changed its reporting framework from Financial Reporting Standard 102 ('FRS 102') the Financial Reporting Framework applicable in the UK and Republic of Ireland to Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). There are no associated material implications of this change and therefore no third balance sheet has been presented.

There was no activity in the Company's Statement of Comprehensive Income for the year ended 31 March 2019 or for the year ended 31 March 2018 and consequently no Statement of Comprehensive Income has been disclosed.

LS 25 Lavington Street Developer Limited (the 'Company') is a private company limited by shares and is incorporated, domiciled and registered in England and Wales (Registered number: 06943184). The nature of the Company's operations is set out in the Directors' Report on page 1. The results of the Company are included in the consolidated financial statements of Land Securities Group PLC which are available from the Company's registered office at 100 Victoria Street, London, SW1E 5JL.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2019. The financial statements are prepared in Pounds Sterling (£) and are rounded to the nearest thousand pounds (£000).

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The equivalent disclosures relating to IFRS 7, IFRS 13 & IAS 36 are included in the consolidated financial statements of Land Securities Group PLC, in which the entity is consolidated.

1.3 Provisions

A provision is recognised in the Balance Sheet when the Company has a constructive or legal obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Where relevant, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1.4 Impairment

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the Statement of Comprehensive Income whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. The value in use is determined as the net present value of the future cash flows expected to be derived from the asset, discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount after the reversal does not exceed the amount that would have been determined, net of applicable depreciation, if no impairment loss had been recognised.

1.5 Income taxation

Income tax on the profit or loss for the year comprises current. Current tax is the tax payable on the taxable income for the year and any adjustment in respect of previous years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. Accounting policies (continued)**1.6 Amounts due from Group undertakings**

Amounts due from Group undertakings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, amounts due from Group undertakings are stated at amortised cost and, where relevant, adjusted for the time value of money. The Company assesses on a forward-looking basis, the expected credit losses associated with its amounts due from Group undertakings. A provision for impairment is made for the lifetime expected credit losses on initial recognition of the amounts due. If collection is expected in more than one year, the balance is presented in non-current assets.

In determining the expected credit losses, the Company takes into account any future expectations of likely default events based on the level of capitalisation of the counterparty, which is a fellow subsidiary undertaking of Land Securities Group PLC.

2. Changes in accounting policies and standards

The accounting policies used in these financial statements are consistent with those applied in the last annual financial statements, as amended where relevant to reflect the adoption of new standards, amendments and interpretations which became effective in the year, the impact of which is outlined below.

Changes in accounting policy

The Company has adopted IFRS 9 Financial Instruments on 1 April 2018. There have been no adjustments to the Company's Statement of Comprehensive Income or Balance Sheet as a result of the adoption of this standard. The new accounting policies are set out in note 1.6.

The Company has adopted IFRS 15 Revenue from Contracts with Customers on 1 April 2018. The Company has elected to apply the standard on a full retrospective basis as permitted by IFRS 15. There have been no adjustments to the Company's Statement of Comprehensive Income or Balance Sheet as a result of the adoption of this standard.

Amendments to IFRS

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for the Company. The most significant of these is IFRS 16 Leases (effective for the Company from 1 April 2019). Based on the impact assessment carried out, there are no changes expected as a result of the adoption of this standard. There will be no net impact on profit attributable to shareholders or the Company's Balance Sheet.

3. Significant accounting judgements and estimates

The Company's significant accounting policies are stated in note 1 above. Not all of these significant accounting policies require management to make difficult, subjective or complex judgements or estimates. The following is intended to provide an understanding of the policies that management consider critical because of the level of complexity, judgement or estimation involved in their application and their impact on the financial statements. These judgements involve assumptions or estimates in respect of future events. Actual results may differ from these estimates.

Estimates**Amounts due from Group undertakings**

The Company is required to judge when there is sufficient objective evidence to require the impairment of amounts due from Group undertakings. It does this by assessing on a forward-looking basis, the expected credit losses associated with its amounts due from Group undertakings. A provision for impairment is made for the lifetime expected credit losses on initial recognition of the amounts due. In determining the expected credit losses, the Company takes into account any future expectations of likely default events based on the level of capitalisation of the counterparty, which is a fellow subsidiary undertaking of Land Securities Group PLC.

4. Management and administrative expenses**(a) Management Services**

The Company had no employees during the year (2018 (unaudited): None). Management services were provided to the Company throughout the year by Land Securities Properties Limited, a fellow group undertaking, charges for which amount to **£Nil** (2018 (unaudited): **£Nil**).

(b) Directors' remuneration

The Group directors' emoluments are borne by Land Securities Properties Limited. The directors of the Company received no emoluments from Land Securities Properties Limited for their services to the Company (2018 (unaudited): **£Nil**).

(c) Auditor remuneration

The Group auditor's remuneration is borne by Land Securities Properties Limited. The proportion of the remuneration which relates to the Company amounts to **£1,700** (2018 (unaudited): **£Nil**). No non-audit services were provided to the Company during the year (2018 (unaudited): **£Nil**).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

5. Amounts due from Group undertakings

| | 2019 £000 | 2018 £000 (unaudited) |
|---|--------------|--------------------------|
| Amounts due from Group undertakings - fellow subsidiary | 150 | - |
| Total amounts due from Group undertakings | 150 | - |

The unsecured amounts due from Group undertakings are repayable on demand with no fixed repayment date. Interest is charged at **4.1%** per annum (2018: Nil).

6. Share capital

| | Authorised and issued | | Allotted and fully paid | |
|-------------------------------|------------------------------|-------------------------------|--------------------------------|-----------------------------|
| | 2019 Number | 2018 Number (unaudited) | 2019 £000 | 2018 £000 (unaudited) |
| Ordinary shares of £1.00 each | 150,000 | 1 | 150 | - |
| | 150,000 | 1 | 150 | - |

During the year, the share capital of the Company was increased by the creation of **149,999** further ordinary shares of **£1** each, fully paid at par. The new shares carry the same rights as the existing issued share capital.

7. Parent company

The immediate parent company is LS London One Holdings Limited.

The ultimate parent company and controlling party at 31 March 2019 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 2019 for Land Securities Group PLC can be obtained from the Company Secretary, 100 Victoria Street, London, SW1E 5JL. This is the largest and smallest Group to include these accounts in its consolidated financial statements.

8. Parent company

The immediate parent company and controlling party at 31 March 2019 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 2019 for Land Securities Group PLC can be obtained from the Company Secretary, 100 Victoria Street, London, SW1E 5JL. This is the largest and smallest Group to include these accounts in its consolidated financial statements.