London & Stamford Property Limited

Report & Accounts 2009

Introduction

I am delighted to report London & Stamford's first acquisitions since IPO.
I believe these acquisitions represent outstanding value to London & Stamford.

Contents

We firmly believe that our access to equity and debt and evidence of our ability to execute deals swiftly will allow us to take advantage of weakness in the market.

Financial highlights	2009	2008
Net income	£3.1m	£0.6m
Profit for the year/period	£24.0m	£0.4m
Investment properties	£127.1m	£49.4m
Share of associates	£62.8m	–
Cash deposits	£169.9m	£243.6m
Bank debt	£69.6m	£21.8m
Net assets	£291.7m	£277.9m
NAV per share	102.3p	97.5p
Earnings per share	8.4p	0.14p
Adjusted earnings per share	9.5p	0.96p
Dividend per share	4.0p	1.6p

Chairman's statement

I am delighted to report London & Stamford's first acquisitions since our initial listing (IPO) in 2007.

We have commenced investing our equity as we believe that, at long last property values are becoming more realistic.

In the last quarter of the year under review, we have bought One Fleet Place, EC4 and, together with our joint venture partner Green Park (formerly Cavendish Limited), half of the Meadowhall Shopping Centre from British Land. Since the year end we have completed the acquisition of No 1 Whitehall Riverside, Leeds and have exchanged contracts to acquire the Racecourse Retail Park, Aintree and the Somerfield Distribution Unit, Wellingborough. I believe these acquisitions represent outstanding value for London & Stamford and justify our caution since the IPO in waiting for the right opportunities despite an economic recession, characterised by falling property values, restricted debt availability and increasing occupational risk in the property market. We have been able to secure income benefits well ahead of our expectations at the time of the IPO.

Raymond Mould
Chairman

Results

The Group generated a profit for the year of £24.0 million (2008: £0.4 million).

Profit adjusted for the revaluation of investment properties, deferred taxation and the fair value of derivatives would be £27.0 million (2008: £2.7 million), comprising as follows:

	£m
Profit for the Year	24.0
Revaluation of Investment Properties	5.6
Deferred Taxation	(3.9)
Fair Value of Derivatives	1.3
	27.0

Net Assets at 31 March 2009 were £291.7 million (2008: £277.9 million), equivalent to 102.3p per share (2008: 97.5p).

The Board recommends a final dividend of 2.0p per share in respect of the year to 31 March 2009, which, when taken with the interim dividend of 2.0p per share paid on 22 December 2008, will produce a total dividend for the year of 4.0p per share (period ended 31 March 2008: 1.6p).

In accordance with IFRS, the final dividend will be accounted for, following its approval, in the first half of the financial year ending 31 March 2010 and will be paid on 27 July 2009, to shareholders on the register on 19 June 2009.

Portfolio

Our property advisor, LSI Management LLP, continues to seek out new investment opportunities on our behalf and to actively manage our expanding portfolio which at the date of this report comprises the following:

New Acquisitions	Ownership	
One Fleet Place, EC4	100%	Offices
Meadowhall Shopping Centre, Sheffield	15.7%	Shopping Centre
No 1 Whitehall Riverside, Leeds	100%	Offices

Original Portfolio at IPO	Ownership	
Campbell Road, Stoke on Trent	100%	Industrial Warehouse
Elm Park Court & Forest House, Crawley	100%	Offices
Barracks Road, Newcastle-under-Lyme	100%	Retail Warehouse
Copse Road, Yeovil	100%	Mixed Use Development Site
Gillingham Business Park, Kent	100%	Mixed Use Development Site
Glaisedale Parkway, Nottingham	100%	Industrial Warehouse

The acquisition of our interest in Meadowhall valued the shopping centre at £1.175 billion and is net of £835 million of debt in the form of a securitised bond.

The purchase price to the joint venture, LSP Green Park Property Trust (LSPG) inclusive of costs and after the deduction of accrued rents for the period up to 31 March 2009, amounted to £169 million. The purchase price is split into two tranches; £122 million was paid on completion and a further amount of £47 million is payable when Meadowhall achieves certain additional income from new lettings and rent reviews.

London & Stamford's interest in LSPG is 31.4% of the joint venture, giving us an effective interest in Meadowhall of 15.7%. Our share of the cost was £39.2 million on completion and £14.8 million on payment of the deferred amounts.

We consider the acquisition of our interest to be an outstanding acquisition for our shareholders.

The carrying value of our interest in Meadowhall at the year end is £62.8 million.

We have recognised our share of the excess of the fair value of the net assets acquired over the consideration paid of £20.5 million in the income statement as required under IFRS. A further £3.1 million, our share of the profits arising from the joint venture since acquisition, including a surplus on revaluation is also included in the income statement.

Our other acquisition in the year was an office building at One Fleet Place, London EC4, for a consideration of £74 million, a high quality development, well let on a long lease at current market rent; providing a very good cash on equity return for us. We have recognised a surplus on revaluation of One Fleet Place since acquisition of £7.6 million.

Since the year end we have acquired a further office development at No 1 Whitehall Riverside, Leeds, for £37.6 million, with similar characteristics of build quality, lease length and current market rent, providing further evidence of our focus on very good income returns on our equity investment.

This week, we have exchanged contracts to acquire two further assets: The 292,000 square feet Racecourse Retail Park, Aintree for a consideration of £61 million; and the Somerfield Distribution Unit, Wellingborough for £19.6 million let to the Co-op for an unexpired term of 18.4 years.

Borrowings

At the year end, borrowings amounted to £69.6 million, drawn down from our £150 million facility with HBoS. The increase in the year reflects the debt funding attached to the acquisition of One Fleet Place.

Since the year end, we have secured new debt financing for our purchase of No 1 Whitehall Riverside, Leeds from Deutsche Postbank.

It is our intention to continue to seek cost effective debt funding in the market where and so long as it remains available, and preserve, or indeed increase, the undrawn balance of our HBoS facility to be ready for future utilisation alongside our undrawn equity.

Chairman's statement (continued)

Cash Management

The careful management of our unutilised cash remains a priority.

The cash balance at the year end amounted to £169.9 million (2008: £243.6 million).

The performance benchmark for our cash is the one month London Inter Bank Deposit Rate (LIBID).

Over the year the average level for one month LIBID was 3.92%. The average return on our cash during the year was 4.31%. The security of our cash, as much as the return, is a key priority. We have maintained a constant surveillance of our counterparties during the year and altered the diversification and weightings as appropriate as market risk and risk attaching to specific counterparties has altered. In order to ensure that we are in a position to execute transactions without delay, we continually review the duration of our deposits. This cautious approach and need for quick access to our capital as well as falling interest rates, has led to very low returns on cash balances.

The Board

On 7 April 2009, Humphrey Price retired from the Board. He remains a partner of the Company's advisor, LSI Management LLP. Martin McGann, a former colleague at Pillar Property plc and also a partner of LSI Management LLP has joined the Board, also effective from 7 April 2009.

Current Trading

We are intending to secure debt funding for the acquisitions we have exchanged on this week, outside of our HBoS facility and also to refinance our existing HBoS fundings.

At the conclusion of these steps we hope to have approximately £90 million of our own equity and £150 million of undrawn HBoS bank facilities at our disposal.

As a result of the positive deal flow referred to above and our belief that we can continue to source new deals, we would then intend to raise further equity.

We will also keep under review the opportunity, at an appropriate future time, and subject to assessing the benefits of and meeting listing and conversion requirements to move to the Main Market of the London Stock Exchange and to convert into a UK Real Estate Investment Trust.

Outlook

The outlook for the economy remains very difficult to predict, but it seems likely that the impact of the global credit crunch and economic recession in the UK will persist in the short and medium term.

There is much debate in the market that property values may continue to fall. We believe that values may well weaken where or because they are exposed to tenant risk, lease expiry or default. In common with most commentators, we feel that risk is still growing. Our own due diligence on purchases bears this out very strongly. We also believe that the high point in yields may already have been reached where income is seen as secure and sustainable. As a result of this, in the last month we have seen increasing signs of competition for this type of investment product, indicating an increasing stability in the market.

The availability of good quality assets will persist as vendors acknowledge that attempted disposals of secondary assets will not be sufficient to satisfy their needs for liquidity, and we firmly believe that our access to equity and debt and evidence of our ability to execute deals swiftly will allow us to continue to take advantage of weakness in the market and deliver shareholder value.

H R Mould
Chairman

11 June 2009

Property Advisor's report

The first new property acquisition since the IPO was made in January 2009, since when we have made further acquisitions as set out in the table below. The acquisitions have been made at attractive initial yields which, given the all-in cost of debt, has produced double digit cash on equity yields.

Property	Consideration £m	Initial yield	Cash on equity returns
One Fleet Place, London	74.0	7.81%	13.41%
Meadowhall Shopping Centre	54.0	6.75%	13.78%
Whitehall Riverside, Leeds	37.6	8.11%	12.23%

The total portfolio value, including the existing portfolio and including our share of Meadowhall, amounts to £315 million.

We set out on pages 6 to 9, details of our Meadowhall and Fleet Place acquisitions.

As described in the Chairman's statement, we have exchanged this week on two further acquisitions:

The acquisition of the freehold interest in Racecourse Retail Park, Aintree for a purchase price of £61 million. The 8.5% net initial yield provides a 13.46% cash on equity yield.

The 292,000 square feet park is partly open A1 and the principal occupiers are B&Q, Homebase, Mothercare, Marks & Spencer, Next and Boots. The average unexpired lease term is 13 years.

The acquisition of the freehold interest of the Somerfield Distribution Unit, Park Farm Industrial Estate, Wellingborough is for a consideration of £19.6 million and at a net initial yield of 8.65% produces a 12.94% cash on equity yield. The unit, let to the Co-op has an unexpired term of 18.4 years.

It is our intention to continue to invest in retail, office and industrial real estate in the UK. We believe that our unutilised equity and debt facilities and our ability to access further the equity and debt markets will allow us to take advantage of opportunities. In particular, safe and secure long-term income on prime assets will remain our focus.

The flow of possible deals continues and in our opinion the quality of the assets being offered is increasing and the pricing is starting to appear to be more attractive.

The pressure on vendors to sell remains, as a disparity persists between portfolio carrying values and market prices.

We will continue to examine opportunities, but remain cautious to ensure that we secure the best value.

LSI Management LLP
Property Advisor

11 June 2009

Campbell Road, Stoke-on-Trent
A 434,000 square feet industrial warehouse. The building is currently vacant and subject to a comprehensive letting campaign with significant continuing interest.

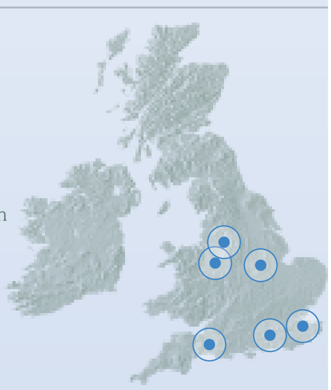
Elm Park Court & Forest House, Crawley
A total of 67,000 square feet of office accommodation. Forest House has undergone a c. £5 million refurbishment and extension and the lease has been regeared for a further 20 years.

Barracks Road, Newcastle-under-Lyme
33,000 square feet of out of town retail partially let to Bathstore and Domino's Pizza. Two vacant units with open A1 planning consent.

Gillingham Business Park, Kent
A 7.8 acre industrial and office space redevelopment opportunity.

Copse Road, Yeovil
A vacant mixed use property on 5.47 acres. The subject of a redevelopment proposal to provide a mixed use scheme of 40 light industrial office units.

Glaisedale Parkway, Nottingham
A 134,000 square feet industrial warehouse let to Hillarys Blinds for an unexpired term of 13 years.



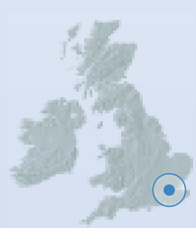
Situated in the heart of central London, One Fleet Place is a high quality, landmark office and retail development which forms part of the successful Ludgate Estate.

One Fleet Place
London

The Company completed the purchase of the virtual freehold interest in One Fleet Place EC4 for £74 million on 29 January 2009. One Fleet Place is a 170,000 square feet high quality, modern Grade A office development. The building forms part of the Ludgate Estate in the City of London.

Designed by architects Skidmore, Owings and Merrill and developed by Rosebaugh Stanhope, the building was completed in 1992. It is let to Denton Wilde Sapte LLP, with 16.5 years unexpired. This is an unusually long unexpired term in the current market.

There are four retail tenants representing approximately 3% of the income, including Corney & Barrow.



Property Advisor's report (continued)

Through its joint venture with Green Park, the Company completed the acquisition of a 50% share in the Meadowhall Shopping Centre, Sheffield from British Land on 11 February 2009. The transaction gives the Company exposure at the right time in the property cycle to one of the "super 6" dominant regional shopping centres. Historically, these scarce assets have been the domain of large institutions and we are delighted to have been able to acquire a stake in such an asset.

The shopping centre itself comprises approximately 1.5 million square feet of covered retail and leisure amenity, supported by excellent road, rail and tram links to Sheffield and beyond. Anchor tenants within the centre are House of Fraser, Debenhams and Marks & Spencer, supported by a further 350 shops and restaurants and a multi screen cinema. In the order of 20 new retailers have taken units within the scheme in the last year. Surrounding the centre is approximately 75 acres of land with outline planning consent for a mixed use scheme which we expect to provide further added value opportunities in the medium to long term.

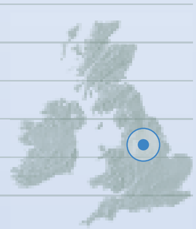
The scheme was built in the early 1990s and draws from a very large catchment due to the rail/tram links but also due to its position adjacent to the M1. There are approximately 12,000 car parking spaces which support the car borne visitor. Last year footfall through the scheme was in the order of 24 million people.

Despite difficult trading conditions throughout much of the UK retail sector, since completion of the acquisition, Meadowhall continues to command good levels of tenant performance and interest from potential new entrants.

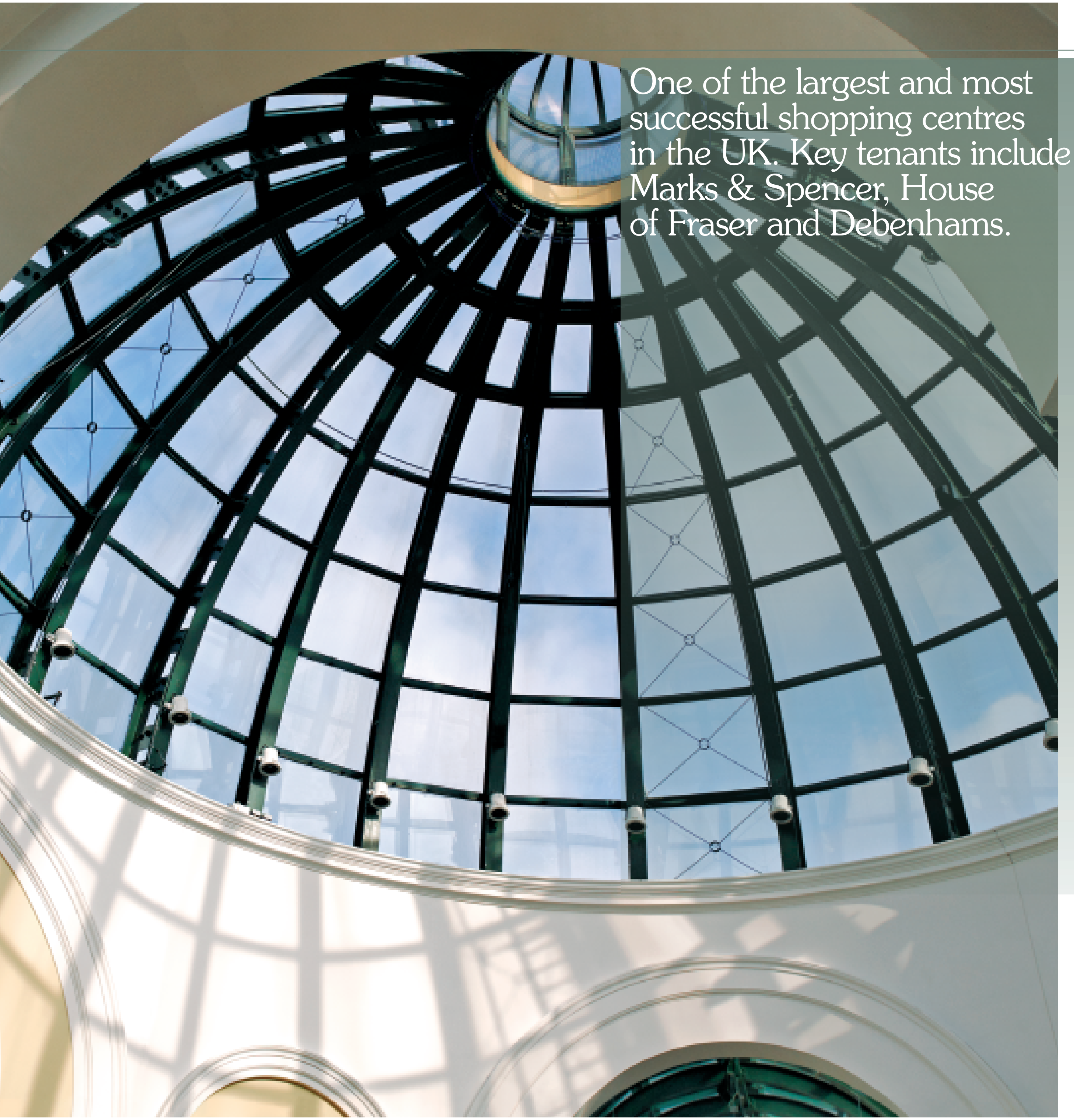
Strong retailers are formulating strategies for expansion, focusing on best trading locations in major cities and regional centres where high turnover stores are located.

Key tenants:

- Marks & Spencer
- House of Fraser
- Debenhams
- Vue Cinema
- Primark
- Next
- Boots



Meadowhall Shopping Centre Sheffield



One of the largest and most successful shopping centres in the UK. Key tenants include Marks & Spencer, House of Fraser and Debenhams.

Board of Directors

Raymond Mould
Non-executive Chairman

Raymond Mould aged 68, was a co-founder of Arlington Securities Plc ("Arlington"), of which he became chairman in 1990. Mr Mould was instrumental in the establishment of Pillar Property Plc ("Pillar") in 1991 and became its chairman in 1994, a position he held until 2005 when Pillar was sold to The British Land Company Plc ("British Land"). He currently serves as non-executive chairman of Arena Leisure plc.

Patrick Vaughan
Non-executive Director

Patrick Vaughan aged 61, was a co-founder of Arlington in 1976 and of Pillar in 1991. He was chief executive of Arlington from 1990 to 1993 and of Pillar from 1994 to 2005. Mr Vaughan also served as an executive director of British Land from July 2005 to July 2006.

Humphrey Price FCA (retired 7 April 2009)
Non-executive Director

Humphrey Price aged 67, was finance director of Arlington from 1983 to 1992. He was a director of Pillar from its formation in 1991, finance director from 1993 until 2004 and resigned from Pillar's board in 2005 when Pillar was sold to British Land.

Martin McGann (appointed 7 April 2009)
Non-executive Director

Martin McGann aged 48, joined LSI Management LLP, the Property Advisor to the Company in September 2008. From 2002 to 2005 he worked for Pillar, latterly as Finance Director. From 2005–2008 Mr McGann was a director of Kandahar Real Estate. Prior to joining Pillar, Mr McGann was Finance Director of the Strategic Rail Authority, a body with responsibility for the strategic planning for UK railways and for funding of its infrastructure programme, and Head of Real Estate Finance for Railtrack PLC. Mr McGann is a qualified Chartered Accountant having trained and qualified with Deloitte.

Richard Crowder
Non-executive Director

Richard Crowder aged 59, holds a range of directorships and consultancy appointments. He was previously chairman of Smith New Court Far East and director of Smith New Court Plc. Mr Crowder was the founding managing director of Schroders' Channel Islands subsidiary from 1991 until he became a non-executive director in 2000. Mr Crowder resides in Guernsey.

Lewis Grant CA
Non-executive Director

Lewis Grant aged 59, is a former director of the Royal Bank of Canada Trustees Limited and a former partner of Ernst & Young, Jersey. He is a resident of Jersey.

Rupert Evans
Non-executive Director

Rupert Evans aged 70, is a Guernsey Advocate. He was a partner in the firm of Ozannes between 1982 and 2003 and is now a consultant to that firm. Mr Evans is a resident of Guernsey and is also a non-executive director of a number of other investment companies.

Patrick Firth FCA
Non-executive Director

Patrick Firth aged 47, is managing director of Butterfield Fulcrum Group (Guernsey) Limited. He is also a director of a number of offshore funds and management companies and is a resident of Guernsey.

Advisors to the Company

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Report of the Directors

The Directors present their report together with the audited financial statements for the year ended 31 March 2009.

Principal activities and business review

The principal activity of the Group is property investment and development, both directly and through unit trusts and joint venture arrangements. It is intended that the Group will continue to invest in commercial property, including office, retail and industrial real estate assets, principally in the United Kingdom and also overseas as and when profitable opportunities arise.

A detailed review of the Group's operations and future prospects are contained in the Chairman's statement and Property Advisor's report on pages 2 to 9, and should be read as part of this report.

Results and dividends

The Group reported profits for the year of £24,043,000 (five months to 31 March 2008: £405,000) as shown on page 20. The Directors recommend the payment of a final dividend of 2p per share, which, under IFRS, will be recognised in next year's accounts. An interim dividend of 2p per share was paid in December 2008 and is reflected in these accounts.

Incorporation and share capital

The Company is a closed-ended investment company and was incorporated in Guernsey on 1 October 2007 in accordance with The Companies (Guernsey) Law 1994. On 30 October 2007 the Company entered into a Share Exchange Agreement pursuant to which it acquired London and Stamford Investments Limited by issuing 37,500,000 ordinary shares at £1 per share. The Company was listed on the AIM market of the London Stock Exchange on 7 November 2007 and allotted a further 247,500,000 10p ordinary shares following a placing at £1 per share.

Financial risk management objectives and policies

The management of risk is integral to the Group's approach to running its property investment activities. The Group utilises secured bank debt and shareholder equity to fund its property investment purchases. Cash resources generated from the Group's operations, including those resulting from strict credit control over its short-term debtors and creditors, are utilised in meeting the Group's overheads.

Directors

The Directors of the Company who held office during the period and as at the date of this report are shown on page 10.

On 7 April 2009 Mr H J M Price retired as a non-executive Director and was replaced by Mr M F McGann, who is also a member of LSI Management LLP.

All Directors are non-executive and retire by rotation in accordance with the Articles of Association and, being eligible, offer themselves for re-election.

The interests of the Directors and their families in shares of the Company are as follows:

	Ordinary shares of 10p each 31 March 2009	Ordinary shares of 10p each 31 March 2008
H R Mould	5,294,130	5,294,130
P L Vaughan	5,836,130	5,865,130
H J M Price	1,176,473	1,176,473
M F McGann	–	–
R J Crowder	–	–
L R H Grant	–	–
R A R Evans	500,000	500,000
P A S Firth	–	–

There has been no change in the beneficial and non-beneficial shareholdings of the Directors between 31 March 2009 and the date of this report.

Fees are paid to certain directors as disclosed in note 3 to the accounts.

The Company has made qualifying third party indemnity provisions for the benefit of its Directors during the year and which exist at the date of this report.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with the Companies (Guernsey) Law 1994 and International Financial Reporting Standards.

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Company and Group 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 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 and Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and Group and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies (Guernsey) Law 1994. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Company's website in accordance with legislation in Guernsey governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibilities also extend to the ongoing integrity of the financial statements contained therein.

Report of the Directors (continued)

Substantial shareholdings

The Directors have been notified that the following shareholders have a disclosable interest of 3% or more in the ordinary shares of the Company at the date of this report.

	Number of shares	%
General Electric Pension Trust	42,535,267	14.92
Taube Hodson Stonex Partners Limited	24,050,000	8.44
Electra Partners	20,000,000	7.02
Caledonia Investments Plc	19,500,000	6.84
Fidelity Investments	18,233,703	6.40
Worldstar Limited	15,000,000	5.26
Blackrock Inc	11,019,597	3.87
Manx Capital Partners Limited	10,000,000	3.51
Sir Robert McAlpine	10,000,000	3.51

Suppliers

The Group aims to settle supplier accounts in accordance with their individual terms of business. The number of creditor days outstanding for the Group at 31 March 2009 was 30 days.

Charitable and political contributions

During the year the Group made no charitable or political contributions.

Disclosure of information to auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Auditors

A resolution to reappoint BDO Novus Limited and BDO Stoy Hayward LLP as joint auditors to the Company and Group will be proposed at the Annual General Meeting.

On behalf of the Board

L R H Grant	M F McGann
Director	Director
11 June 2009	11 June 2009

Corporate governance

London and Stamford Property Limited, being a closed-ended investment company registered in Guernsey is exempt from the requirements of the Combined Code ("the Code") as issued by the UK Listing Authority. However, it is the Board's intention to comply with the main provisions of the Code to the extent they consider appropriate and practicable, taking into account the size, structure and stage of development of the Company and the nature of its business. Outlines of the main principles are stated below:

Directors

The Board of Directors aims to meet at least four times during each financial year, and throughout the year ended 31 March 2009, it comprised seven non-executive Directors. Four members of the Board are considered to be independent; three Directors are also members of LSI Management LLP, the designated Property Advisor to the Company. However, the Board considers that all its Directors exercise their judgement in an independent manner.

In accordance with the Company's Articles of Association and following the first Annual General Meeting of the Company, one-third of the Directors, or if their number is not a multiple of three, the number nearest to, but not greater than one-third, retire from office each year. A retiring Director shall be eligible for reappointment.

No Director has a service contract with the Company. Each Director entered into a letter of appointment with the Company which provides for them to act as a non-executive Director of the Company.

The Directors are kept up to date on corporate governance issues through bulletins and training materials provided from time to time by the Company Secretary.

The Board receives quarterly reports and meets regularly to review the overall business of the Company and to consider matters specifically reserved for its review. At these meetings the Board monitors the investment performance of the Company and reviews its activities to ensure that it adheres to the Company's investment strategy or, if appropriate, to make any changes to its strategy. Additional ad hoc reports are received as required and Directors have access at all times to the advice and service of the Company Secretary who is responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

The Board has delegated certain responsibilities to the Property Advisor, in accordance with the Property Advisory Agreement. Decisions relating to the Company's investment strategy and objectives, dividend policy, gearing policy and corporate governance procedures are reserved for the Board.

A procedure has been adopted for the Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

Directors' performance evaluation

The Board has in place a system for the evaluation of its own performance and that of the Company's individual Directors. It considers this to be appropriate having regard to the non-executive role of the Directors and the significant outsourcing of services by the Company to external providers. The independent Directors undertake, on an annual basis, an assessment of the effectiveness of the Board particularly in relation to its oversight and monitoring of the performance of the Property Advisor and other key service providers. The Board also evaluates the effectiveness of any of the Directors who are proposed for re-election at each Annual General Meeting of the Company. The Board are pleased to confirm that each of the Directors put forward for re-election continues to perform effectively and demonstrates commitment to his role.

The Directors are entitled to receive, by way of a fee for their services as Directors, such sum as the Board may from time to time determine, provided that the aggregate total paid in any given financial year does not exceed £200,000.

Relations with shareholders

The Company has appointed KBC Peel Hunt Ltd in their capacity as Nominated Advisor and Corporate Broker to the Company to assist in communicating effectively with its shareholders.

The Company reports to shareholders twice a year by way of an Interim Report and the Annual Report and Financial Statements. In addition, the Company publishes press releases and regulatory announcements on its website, www.londonandstamford.com.

The Board receives regular reports on the shareholder profile of the Company and contact with major shareholders is undertaken by the Company's corporate brokers and executives of the Property Advisor. Any issues raised by major shareholders are reported to the Board on a regular basis.

The Chairman, Directors and Property Advisor are also available to answer any questions which may be raised by any shareholder at the Company's Annual General Meeting.

Audit Committee

The Audit Committee comprises four Board members, and meets at least twice a year. Lewis Grant is Chairman of the Audit Committee.

The Audit Committee will be responsible for ensuring that the financial performance of the Company is properly reported on and monitored. This will include reviews of the Company's annual and interim financial statements, results announcements, internal control systems and procedures and accounting policies. With respect to the external auditors, the Committee's role will include the assessment of their independence, review of auditors' engagement terms, remuneration and any non-audit services provided by the auditors.

The Company does not intend to create Remuneration and Nomination Committees as the Directors consider that, given the nature and scale of the Group's operations, such committees would not be appropriate. All matters relating to remuneration and nominations will be dealt with by the Board as a whole.

Internal control review

The Board reviews the effectiveness of the Company's system of internal controls, including financial, operational and compliance controls and risk management systems and has put in place procedures for review of such controls. This includes consideration of the internal procedures operated by the Property Advisor and Administrator on which the Company is reliant. The system is designed to manage rather than eliminate risk of failure to achieve the Company's objectives. The system can only provide reasonable but not absolute assurance against material misstatement or loss.

Going concern

The Directors are satisfied the Company is able to continue its business operation in the foreseeable future and have adopted the going concern basis in preparing the Financial Statements.

The Property Advisor regularly monitors the Company's liquidity position, and the Board of Directors reviews it on a quarterly basis. Refer to note 14 for further details relating to liquidity risk.

The Company also complies with the corporate governance guidelines issued by the Guernsey Financial Services Commission on 10 December 2004, whose underlying principles are similar to those of the Combined Code.

Report of the independent auditors

to the members of London & Stamford Property Limited

We have audited the Group and Company financial statements ("the Financial Statements") of London & Stamford Property Limited for the year ended 31 March 2009, which comprise the Group and Company Income Statements, Group and Company Balance Sheets, Group and Company Cash Flow Statements, Group and Company Statements of Changes in Equity and the related notes 1 to 21. These Financial Statements have been prepared under International Financial Reporting Standards in accordance with the accounting policies as set out on pages 24 to 31.

This report is made solely to the Company's members, as a body, in accordance with Section 64 of the Companies (Guernsey) Law, 1994. Our audit work is undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' 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.

Respective responsibilities of the Directors and auditors

As described in the Statement of Directors' Responsibilities within the Report of the Directors, the Company's Directors are responsible for the preparation of the Financial Statements in accordance with applicable law and International Financial Reporting Standards ("IFRS").

Our responsibility is to audit the Financial Statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 (Guernsey) Law, 1994. We also report to you if, in our opinion, the Report of the Directors 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 the information specified by law is not disclosed.

We read the other information included in the Report and Accounts and consider whether it is consistent with the audited Financial Statements. This other information comprises Financial Highlights, Chairman's Statement, Property Advisor's report, Board of Directors, Advisors to Directors, Report of the Directors and Corporate Governance statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

Basis of 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 Group Financial Statements give a true and fair view, in accordance with IFRS, of the state of the Group's affairs at 31 March 2009 and of its profit for the year then ended.
- The Company Financial Statements give a true and fair view, in accordance with IFRS, of the state of the Company's affairs at 31 March 2009 and of its profit for the year then ended.
- The Financial Statements have been properly prepared in accordance with the Companies (Guernsey) Law, 1994.

BDO Novus Ltd
Chartered Accountants
St Peter Port
Guernsey

11 June 2009

BDO Stoy Hayward LLP
Chartered Accountants
and Registered Auditors
Epsom
Surrey

11 June 2009

Group and Company Income Statements

For the year/5 month period ended 31 March	Note	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
Gross rental income		2,654	808	–	–
Other income	2	1,000	–	–	–
Property outgoings		(572)	(183)	–	–
Net income		3,082	625	–	–
Administrative expenses – general		(5,987)	(3,364)	(2,053)	(1,111)
Administrative expenses – goodwill impairment	9	(2,745)	–	–	–
Loss on revaluation of investment properties	8	(4,938)	(2,964)	–	–
Profit/(loss) on sale of investment properties		36	(36)	–	–
Loss on sale of subsidiaries	19	–	(17)	–	–
Share of profits of associates	10	23,599	–	–	–
Operating profit/(loss)	3	13,047	(5,756)	(2,053)	(1,111)
Finance income	4	10,613	5,772	10,619	5,679
Finance costs	4	(2,296)	(874)	–	(20)
Change in fair value of derivative financial investments	4	(1,270)	(181)	–	–
Profit/(loss) before tax		20,094	(1,039)	8,566	4,548
Taxation	5	3,949	1,444	–	–
Profit for the year/period		24,043	405	8,566	4,548
Earnings per share					
Basic and diluted	7	8.4p	0.14p		

All amounts relate to continuing activities.

The notes on pages 24 to 44 form part of these financial statements.

Group and Company Balance Sheets

As at 31 March	Note	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
Non-current assets					
Investment properties	8	127,147	49,370	–	–
Investments in subsidiaries	9	–	–	37,664	34,919
Investments in equity accounted associates	10	62,844	–	–	–
Deferred tax assets	5	5,172	1,190	–	–
Loan to subsidiary	14	–	–	75,995	–
		195,163	50,560	113,659	34,919
Current assets					
Trade and other receivables	11	1,386	8,036	182	4,999
Other financial assets		–	61,500	–	61,500
Cash and cash equivalents	12	169,856	182,112	166,252	180,467
		171,242	251,648	166,434	246,966
Total assets		366,405	302,208	280,093	281,885
Current liabilities					
Trade and other payables	13	3,429	1,364	142	240
		3,429	1,364	142	240
Non-current liabilities					
Borrowings	14	69,634	21,825	–	–
Derivative financial instruments	14	1,451	181	–	–
Provisions	15	210	940	–	–
		71,295	22,946	–	–
Total liabilities		74,724	24,310	142	240
Net assets		291,681	277,898	279,951	281,645
Equity					
Called up share capital	16	28,500	28,500	28,500	28,500
Special reserve		248,597	248,597	248,597	248,597
Retained earnings		14,584	801	2,854	4,548
Total equity		291,681	277,898	279,951	281,645
Net asset value per share	21	102.3p	97.5p		

The financial statements were approved and authorised for issue by the Board of Directors on 11 June 2009 and were signed on its behalf by:

L R H Grant
Director

M F McGann
Director

The notes on pages 24 to 44 form part of these financial statements.

Group and Company Statements of Changes in Equity

Group

	Note	Share capital £000	Special reserve £000	Retained earnings £000	Total £000
At 31 March 2008		28,500	248,597	801	277,898
Profit for the period and total recognised income and expense		–	–	24,043	24,043
Dividends paid	6	–	–	(10,260)	(10,260)
At 31 March 2009		28,500	248,597	14,584	291,681

Company

	Note	Share capital £000	Special reserve £000	Retained earnings £000	Total £000
At 31 March 2008		28,500	248,597	4,548	281,645
Profit for the period and total recognised income and expense		–	–	8,566	8,566
Dividends paid	6	–	–	(10,260)	(10,260)
At 31 March 2009		28,500	248,597	2,854	279,951

Group

	Share capital £000	Share premium account £000	Special reserve £000	Retained earnings £000	Total £000
Profit for the period and total recognised income and expense	–	–	–	405	405
Issue of ordinary share capital	28,500	248,597	–	–	277,097
Cancellation of share premium	–	(248,597)	248,597	–	–
Share-based payment	–	–	–	396	396
At 31 March 2008	28,500	–	248,597	801	277,898

Company

	Share capital £000	Share premium account £000	Special reserve £000	Retained earnings £000	Total £000
Profit for the period and total recognised income and expense	–	–	–	4,548	4,548
Issue of ordinary share capital	28,500	248,597	–	–	277,097
Cancellation of share premium	–	(248,597)	248,597	–	–
Share-based payment	–	–	–	–	–
At 31 March 2008	28,500	–	248,597	4,548	281,645

The notes on pages 24 to 44 form part of these financial statements.

Group and Company Cash Flow Statements

For the year/period ended 31 March	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
Cash flows from operating activities				
Profit/(loss) before tax	20,094	(1,039)	8,566	4,548
Adjustments for non-cash items:				
Loss on revaluation of investment properties	5,667	3,589	–	–
(Profit)/loss on sale of investment properties	(36)	36	–	–
Share of post-tax profit of associates	(23,599)	–	–	–
Loss on sale of subsidiaries	–	17	–	–
Share-based payment	–	396	–	–
Net finance income	(7,047)	(4,717)	(10,619)	(5,659)
Cash flows from operations before changes in working capital	(4,921)	(1,718)	(2,053)	(1,111)
Change in trade and other receivables	3,473	(1,358)	(2)	(26)
Change in trade and other payables	1,954	(779)	(98)	240
Change in provisions	(730)	(625)	–	–
Cash flows from operations	(224)	(4,480)	(2,153)	(897)
Interest received	12,740	3,544	12,693	3,451
Interest paid	(1,616)	(667)	–	(20)
Financial arrangement fees paid	(496)	(145)	–	–
Cash flows from operating activities	10,404	(1,748)	10,540	2,534
Investing activities				
Purchase of subsidiary undertakings net of cash acquired	–	1,284	–	(231)
Purchase of investment properties	(77,531)	–	–	–
Capital expenditure on investment properties	(4,854)	(1,469)	–	–
Sale of subsidiary undertakings net of cash disposed of	–	21,866	–	–
Sale of investment property	–	(27)	–	–
Cash outflow to associates	(39,245)	–	–	–
Sale/(purchase) of short-term financial deposits	61,500	(61,500)	61,500	(61,500)
Cash flows from investing activities	(60,130)	(39,846)	61,500	(61,731)
Financing activities				
Proceeds from share issue	–	239,664	–	239,664
Dividends paid	(10,260)	–	(10,260)	–
New borrowings	47,730	22,820	–	–
Repayment of borrowings	–	(38,778)	–	–
Loans to subsidiaries	–	–	(75,995)	–
Cash flows from financing activities	37,470	223,706	(86,255)	239,664
Net (decrease)/increase in cash and cash equivalents	(12,256)	182,112	(14,215)	180,467
Opening cash and cash equivalents	182,112	–	180,467	–
Closing cash and cash equivalents	169,856	182,112	166,252	180,467

The notes on pages 24 to 44 form part of these financial statements.

Notes forming part of the Financial Statements

For the year to 31 March 2009

1 Accounting policies

a) General information

London and Stamford Property Limited (the "Company") is a closed-ended, limited liability investment company, incorporated and domiciled in Guernsey. The address of its registered office is Regency Court, Glategny Esplanade, St Peter Port, Guernsey.

b) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

c) Basis of preparation

The functional and presentational currency of the Group and Company is sterling. The financial statements are prepared on the historical cost basis except that investment and development properties and derivative financial instruments are stated at fair value.

The accounting policies have been applied consistently in all material respects.

i) Estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Significant items subject to such assumptions and estimates include the fair value of investment properties, the measurement and recognition of provisions, the recognition of deferred tax assets and liabilities for potential corporation tax and the fair value of derivative financial instruments. The most critical accounting polices in determining the financial condition and results of the Group are those requiring the greatest degree of subjective or complex judgements. These relate to property valuation, business combinations and goodwill, investment in associates, derivative financial instruments, share-based payments, provisions and taxation and these are discussed in the policies below. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. If the revision affects both current and future periods, the change is recognised over those periods.

ii) Adoption of new and revised standards

Standards and interpretations effective in the current period

Three interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period. These are IFRIC 12, IFRIC 13 and IFRIC 14. The adoption of these interpretations has not led to any changes in the Group's accounting policies.

1 Accounting policies (continued)

Standards and interpretations in issue not yet adopted

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee have issued the following standards and interpretations that are mandatory for later accounting periods and which have not been adopted early. These are:

		Effective date
IAS 1	Presentation of financial statements amendment	01/01/2009
IFRS 8	Operating Segments	01/01/2009
IAS 23	Borrowing costs amendment	01/01/2009
IAS 32	Financial Instruments: Presentation amendment	01/01/2009
IFRS 2	Share-based payments amendment	01/01/2009
IFRS 3	Business Combinations amendment and complementary amendments to IAS 27 Consolidated and Separate Financial	01/07/2009
	Statements Improvements in IFRS's	01/07/2009
IAS 39	Financial Instruments: Recognition and Measurement; Eligible hedged items amendments	01/07/2009
IFRS 5	Non-current assets held for sale and discontinued operations amendment	01/01/2010
IAS 7	Statement of cash flows amendment	01/01/2010
IAS 18	Revenue amendment	01/01/2010
IAS 36	Impairment of assets amendment	01/01/2010
IAS 38	Intangible assets amendment	01/01/2010

The majority of amendments made as part of the IASB's Annual Improvements programme affect accounting periods beginning on or after 1 January 2009. Included within the amendments is a change in the accounting treatment for development properties. Currently, such properties are accounted for under IAS 16, but they will in future be accounted for under IAS 40. This change will mean that revaluation surpluses and deficits on development properties will in future be recognised in the income statement rather than equity.

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's financial statements in the period of initial application, other than on presentation and disclosure.

The IASB has also issued IFRIC 15, agreements for the construction of real estate, IFRIC 16, hedges of a net investment in a foreign operation, IFRIC 18, transfers of assets from customers and IFRIC 17, distribution of non-cash assets to owners, all of which are not relevant to the operations of the Company or Group.

d) Basis of consolidation

i) Subsidiaries

The consolidated accounts include the accounts of the Company and all subsidiaries (the "Group") using the purchase method. Subsidiaries are those entities controlled by the Group. Control is assumed when the Group has the power to govern the financial and operating policies of an entity to gain benefits from its activities. In the consolidated balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair value at the acquisition date. The results of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Notes forming part of the Financial Statements (continued)

1 Accounting policies (continued)

i) Subsidiaries (continued)
Where properties are acquired through corporate acquisitions and there are no significant assets or liabilities other than property, the acquisition is treated as an asset acquisition, in other cases the purchase method is used.

ii) Associates
Associates are those entities over whose activities the Group is in a position to exercise significant influence but does not have the power to jointly control.

Associates are accounted for under the equity method, whereby the consolidated balance sheet incorporates the Group's share of the net assets of its associates. The consolidated income statement incorporates the Group's share of associate profits after tax.

Accounting practices of subsidiaries and associates which differ from Group accounting policies are adjusted on consolidation.

iii) Goodwill
Any excess of the purchase price of business combinations over the fair value of the assets, liabilities and contingent liabilities acquired and resulting deferred tax thereon is recognised as goodwill. This is recognised as an asset and is reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement within administration expenses and is not subsequently reversed.

Any excess of the fair value of the assets, liabilities and contingent liabilities acquired and resulting deferred tax thereon over the purchase price of business combinations is recognised immediately in the income statement.

Goodwill in respect of overseas subsidiaries denominated in a foreign currency is retranslated at each balance sheet date using the closing rate of exchange. The resulting foreign exchange differences are taken to the translation reserve.

e) Property portfolio

i) Investment properties
Investment properties are properties owned or leased by the Group which are held for long-term rental income and for capital appreciation. Investment property is initially recognised at cost and subsequently revalued at the balance sheet date to fair value as determined by professionally qualified external valuers on the basis of market value.

Gains or losses arising from changes in the fair value of investment property are recognised in the income statement of the period in which they arise. Depreciation is not provided in respect of investment properties including integral plant.

When the Group redevelops an existing investment property for continued future use as an investment property, the property remains an investment property measured at fair value and is not reclassified.

For leasehold properties that are classified as investment properties, the associated leasehold obligations are at peppercorn rents and are not considered to be material.

Any surplus or deficit arising on revaluing investment properties or investment properties being redeveloped is recognised in the income statement.

1 Accounting policies (continued)

ii) Development properties
Properties acquired with the intention of redevelopment are classified as development properties and stated initially at cost and then subsequently remeasured at fair value. Changes in fair value above cost are recognised in equity in accordance with IAS 16, and changes in fair value below cost are recognised in the income statement.

All costs directly associated with the purchase and construction of a development property including interest are capitalised. When development properties are completed, they are reclassified as investment properties and any accumulated revaluation surplus or deficit is transferred to retained earnings.

iii) Tenant leases
Management has exercised judgement in considering the potential transfer of the risks and rewards of ownership in accordance with IAS 17 for all properties leased to tenants and has determined that such leases are operating leases.

iv) Net rental income
Revenue comprises rental income.

Rental income from investment property leased out under an operating lease is recognised in the income statement on a straight-line basis over the lease term.

Contingent rents, such as turnover rents, rent reviews and indexation, are recorded as income in the periods in which they are earned. Rent reviews are recognised when such reviews have been agreed with tenants.

Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the lease termination date.

Lease incentives and costs associated with entering into tenant leases are amortised over the lease term.

Revenue from the sale of trading properties is recognised in the period within which there is an unconditional exchange of contracts.

Property operating expenses are expensed as incurred and any property operating expenditure not recovered from tenants through service charges is charged to the income statement.

v) Surplus on sale of investment and development properties
Surpluses on sales of investment and development properties are calculated by reference to the carrying value at the previous balance sheet date, adjusted for subsequent capital expenditure.

f) Financial assets and financial liabilities
Financial assets and financial liabilities are recognised on the Group and Company balance sheets when the Group or Company becomes a party to the contractual terms of the instrument. Unless otherwise indicated, the carrying amounts of the Group and Company financial assets and liabilities are a reasonable approximation of their fair values.

1 Accounting policies (continued)

i) Loans and receivables
These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. In the case of the Company and its Group, loans and receivables comprise trade and other receivables, intra-group loans and cash and cash equivalents. Loans and receivables are initially recognised at fair value, plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

ii) Other financial assets
These comprise deposits held with banks where the original maturity was more than three months.

iii) Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

iv) Other financial liabilities
Other financial liabilities include interest bearing loans, trade payables (including rent deposits and retentions under construction contracts) and other short-term monetary liabilities. Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. Interest bearing loans are initially recorded at fair value net of direct issue costs, and subsequently carried at amortised cost using the effective interest method. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis to the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

v) Derivative financial instruments
The Group uses derivative financial instruments to hedge its exposure to interest rate risks.

Derivative financial instruments are recognised initially at fair value, which equates to cost and subsequently remeasured at fair value, with changes in fair value being included in the income statement.

vi) Provisions
A provision is recognised when a legal or constructive obligation exists as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle that obligation at the balance sheet date, and are discounted to present value if the effect is material.

g) Finance costs
Net finance costs include interest payable on borrowings, net of interest capitalised and finance costs amortised.

h) Finance income
Finance income includes interest receivable on funds invested, measured at the effective rate of interest on the underlying sum invested.

1 Accounting policies (continued)

i) Capitalisation of interest

Interest is capitalised if it is directly attributable to the acquisition, construction or production of development properties or the redevelopment of investment properties. Capitalisation commences when the activities to develop the property start and continues until the property is substantially ready for its intended use. Capitalised interest is calculated with reference to the actual rate payable on borrowings for development purposes or, for that part of the development cost financed out of general funds, to the average rate.

j) Dividends

Dividends on equity shares are recognised when they become legally payable. In the case of interim dividends, this is when paid. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

k) Tax

Tax is included in the income statement except to the extent that it relates to items recognised directly in equity, in which case the related tax is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, together with any adjustment in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

The following differences are not provided for:

- The initial recognition of goodwill;
- Goodwill for which amortisation is not tax deductible;
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- Investments in subsidiaries, associates and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner or realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

1 Accounting policies (continued)

Tax status of the Company and its subsidiaries

The Company has obtained exempt company status in Guernsey under the terms of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 so that it is exempt from Guernsey taxation on income arising outside Guernsey and on bank interest receivable in Guernsey. The Directors intend to conduct the Company's affairs such that it continues to remain eligible for exemption.

During the period, the Group's properties have been held in various subsidiaries and associates, the majority of which are subject to UK income tax. In each instance any tax due is computed after deduction of debt financing costs and other allowances as appropriate.

l) Foreign currency

i) Foreign currency transactions

Transactions in foreign currencies are translated into sterling at exchange rates approximating to the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the exchange rate ruling at that date and differences arising on translation are recognised in the income statement.

ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into sterling at the exchange rates ruling at the balance sheet date. The operating income and expenses of foreign operations are translated into sterling at the average exchange rate for the period. All resulting exchange differences are recognised as a separate component of equity.

iii) Net investment in foreign operations

On consolidation exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. They are released to the income statement upon disposal of the foreign operation, as part of the gain or loss at sale.

m) Share-based payments

The cost of equity settled transactions is measured by reference to the fair value at the date which they are granted and is recognised as an expense over the vesting period, which ends on the date which the relevant individuals become fully entitled to the award. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than market conditions.

n) Segmental reporting

A business segment is a distinguishable component of the Group that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

During the period the Group had only one business activity being property investment and development and operated in the United Kingdom.

1 Accounting policies (continued)

o) Capital management policy

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. In order to achieve this objective, the Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues, or the reduction of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

2 Other income

A surrender premium of £1 million was received during the year in respect of a lease on Barracks Road, Newcastle-under-Lyme.

3 Profit/(loss) from operations

For the year/period to 31 March	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
This has been arrived at after charging:				
Property advisor management fees	4,754	1,932	1,337	580
Property advisor performance fees	443	–	443	–
Directors' fees	165	83	165	83
Share-based payment expense	–	758	–	–
Auditors' remuneration:				
Audit of the Group and Company Financial Statements	75	83	65	40
Fees payable to the Company's auditors for other services to the Group:				
– Statutory audit of subsidiary accounts	20	15	–	–
– IFRS conversion advice	–	15	–	15
– Taxation advice	36	61	–	–
– Taxation compliance work	25	22	–	–
– Fees in connection with the Company's admission to AIM and acquisition of the existing group	–	140	–	140

Fees are paid to certain non-executive Directors who are not members of LSI Management LLP, the Property Advisor to the Group. The Company has no employees.

Notes forming part of the Financial Statements (continued)

4 Finance income and costs

For the year/period to 31 March	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
Finance income				
Interest on short-term deposits	10,613	5,772	10,567	5,679
Interest on loans to subsidiaries	–	–	52	–
	10,613	5,772	10,619	5,679
Finance costs				
Interest on bank loans	1,721	757	–	20
Amortisation of loan issue costs	575	117	–	–
Fair value loss on derivative financial instruments	1,270	181	–	–
	3,566	1,055	–	20

5 Taxation

Group only

For the year/period to 31 March	Group 2009 £000	Group 2008 £000
The tax credit comprises:		
Current tax		
UK corporation tax on profit/(loss)	33	–
Deferred tax		
Change in deferred tax	(3,982)	(1,444)
	(3,949)	(1,444)

The tax assessed for the period varies from the standard rate of corporation tax in the UK. The differences are explained below:

For the year/period to 31 March	Group 2009 £000	Group 2008 £000
Profit/(loss) before tax	20,094	(1,039)
Profit/(loss) at the standard rate of corporation tax in the UK of 28%	5,626	(290)
Effects of:		
Expenses not deductible for tax purposes	1,428	119
Tax effect of income not subject to tax	(4,519)	(1,273)
Share of post tax profit of associate	(751)	–
Excess of fair value of net assets acquired over consideration paid	(5,733)	–
Total tax credit	(3,949)	(1,444)

5 Taxation (continued)

Deferred tax asset/(liability)

	Revaluation deficit	Other temporary and deductible differences	Losses	Total
At 31 March 2008	(581)	40	1,731	1,190
Credited during the year in the income statement	2,932	334	716	3,982
At 31 March 2009	2,351	374	2,447	5,172

Deferred tax on the revaluation deficit is calculated on the basis of the capital losses that would crystallise on the sale of the investment property portfolio as at 31 March 2009.

The Group does not have unprovided deferred tax assets (2008: nil).

6 Dividends

For the year/period to 31 March	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
Ordinary dividends				
Amounts recognised as distributions to equity holders	10,260	–	10,260	–
Proposed final dividend of 2p per share (31 March 2008:1.6p)	5,700	4,560	5,700	4,560

The proposed final dividend is subject to approval at the Annual General Meeting on 22 July 2009 and, in accordance with International Financial Reporting Standards has not been included as a liability in these financial statements. The final dividend is payable on 27 July 2009 to ordinary shareholders on the register at the close of business on 19 June 2009 and will be recognised as an appropriation of retained earnings in 2010.

7 Earnings per share

Earnings per share is calculated on a weighted average of 285,000,000 (2008: 285,000,000) ordinary shares of 10p each in issue throughout the year and is based on profits attributable to ordinary shareholders of £24,043,000 (2008: £405,000).

There are no potentially dilutive or anti-dilutive share options in the year.

Adjusting earnings for the effects of revaluing investment properties, deferred taxation and fair value of derivatives results in attributable profits of £27,031,000 or 9.5p per share (2008: £2,731,000 or 0.96p per share).

8 Investment properties

Group only

As at 31 March	2009 Freehold £000	leasehold £000	Long Total £000	2008 Freehold £000	leasehold £000	Long Total £000
At 31 March valuation	40,940	8,430	49,370	–	–	–
Acquisitions	77,531	–	77,531	62,111	12,627	74,738
Other capital expenditure	4,848	6	4,854	1,351	118	1,469
Disposals	–	1,059	1,059	(19,978)	(3,270)	(23,248)
Revaluation movement	(4,013)	(1,654)	(5,667)	(2,544)	(1,045)	(3,589)
At 31 March valuation	119,306	7,841	127,147	40,940	8,430	49,370

At 31 March 2009, certain of the Group's investment properties were externally valued by CB Richard Ellis Limited, Chartered Surveyors at £120.6 million. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Standards on the basis of market value, which recognises continuing increased risk under current market conditions. Market value represents the estimated amount for which a property would be expected to exchange at the date of valuation between a willing buyer and willing seller in an arm's-length transaction. A deduction is made to reflect purchasers' acquisition costs. The lack of liquidity in the property market increases the risk attaching to property valuations.

The remaining investment properties were valued by the Directors at £6.5 million.

Included in disposals in the year is an adjustment to reinstate a disposal recognised in the previous period which did not complete.

Included in the loss on revaluation of £4,938,000 (31 March 2008: £2,964,000) recognised in the income statement, is a credit of £730,000 (31 March 2008: £625,000) which represents the movement in the provision for enhanced management fees payable to third parties on future disposals, and is based on the carrying values of properties at the balance sheet date.

The historical cost of all of the Group's investment properties at 31 March 2009 was £136,403,000 (2008: £52,959,000).

9 Investment in subsidiary undertakings

Company only

	Subsidiary undertakings £000
At 31 March 2008	34,919
Acquisition of subsidiary – adjustment to cost	2,745
At 31 March 2009	37,664

9 Investment in subsidiary undertakings (continued)

In the previous period the Company issued 37.5 million £1 ordinary shares to acquire 100% of London & Stamford Investments Limited. At 31 March 2008 2,812,500 ordinary shares issued were subject to a claw back based on the valuation of investment property owned by the Group. The affected shareholders entered into a contractual obligation to contribute cash in the event of a valuation shortfall and the shortfall outstanding at 31 March 2008 of £2.745 million was reflected as a receivable. In the year to 31 March 2009 the valuation on the property was achieved as planning permission was granted. Under IFRS 3, this represents a contingent event that requires an adjustment to the cost of the acquisition. The fair value of the assets at acquisition remains unchanged as the value enhancing event, being the granting of planning permission, did not exist at that date. This gives rise to goodwill on acquisition of £2.745 million which has been fully impaired in the year and is reflected in the income statement.

The Company is the ultimate holding company of the Group and has the following principal subsidiary undertakings all of which are consolidated in these financial statements:

	Country of incorporation or registration	Proportion of voting rights held (by way of share capital or units held)	Nature of business
London & Stamford Investments Limited	England	100%	Intermediate holding company
LSI (Investments) Limited*	England	100%	Property investment
LSI Developments Limited*	England	100%	Property investment and development
LSI Europe Limited*	England	100%	Intermediate holding company
LSI Belgium Limited*	England	100%	Intermediate holding company
London & Stamford Property Subsidiary Limited	Guernsey	100%	Intermediate holding company
London & Stamford Offices Limited	Guernsey	100%	Intermediate holding company
London & Stamford Offices Unitholder 2 Limited	Guernsey	100%	Intermediate holding company
London & Stamford Offices Trust*	Guernsey	100%	Property investment

*Undertakings held indirectly by the Company.

All of the undertakings listed above operate in their country of incorporation. All shares held are ordinary shares.

Notes forming part of the Financial Statements (continued)

10 Investment in associate

Group only

	Associates £000
At 31 March 2008	–
Additions – cost of acquisition of associate	39,245
Excess of fair value of net assets acquired over consideration paid	20,476
Share of profit for the year	3,123
At 31 March 2009	62,844

On 23 April 2008 the Group entered into a new joint venture arrangement with Green Park Investments Limited, a wholly-owned subsidiary of a major Gulf institution. The Group has a 31.4% interest in this entity, LSP Green Park Property Trust, which is equity accounted for by the Group as an associate. On 11 February 2009 LSP Green Park Property Trust acquired a 50% interest in the Meadowhall Shopping Centre from The British Land Company PLC. The cost of acquisition of associate includes net costs borne by the Company of £0.9 million.

The goodwill credit represents the excess of the fair value of net assets acquired over the consideration paid.

The Group's 31.4% share of the profit after tax and net assets of its associate at 31 March 2009 is as follows:

	31 March 2009 £000
Summarised income statement	
Net rental income	1,715
Administration expenses	(475)
Excess of fair value of net assets acquired over consideration paid	20,476
Surplus on revaluation of investment properties	3,063
Net finance costs	(1,120)
Tax	(60)
Profit after tax	23,599
Summarised balance sheet	
Property assets	187,599
Current assets	4,540
Current liabilities	(5,730)
Borrowings	(106,557)
Other non-current assets	(17,008)
Net assets	62,844

The investment properties were valued on an open market value basis by CB Richard Ellis Limited, Chartered Surveyors, as at 31 March 2009 in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards.

11 Trade and other receivables

As at 31 March	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
Current assets				
Trade receivables	61	275	–	–
Amounts receivable on property sales	–	1,050	–	–
Called up share capital issued but unpaid on acquisition of subsidiary	–	2,745	–	2,745
Interest receivable	101	2,228	154	2,228
Prepayments and accrued income	636	871	28	26
Other receivables	588	867	–	–
	1,386	8,036	182	4,999

All amounts fall due for payment in less than one year.

As explained in note 9, the share capital issued in the previous period that was subject to a clawback arrangement and classified as a debtor at 31 March 2008, was reclassified as an adjustment to the cost of the acquisition of the London & Stamford Investments Limited group in the year.

At 31 March 2009 there were no amounts which were overdue and no amounts which were impaired. There is no provision for impairment of trade receivables as at 31 March 2009 as the risk of impairment of the amounts outstanding is not considered to be significant.

12 Cash and cash equivalents

Cash and cash equivalents include £2,454,000 (2008: £1,012,000) retained in rent and restricted accounts which are not readily available to the Group for day-to-day commercial purposes.

13 Trade and other payables

As at 31 March	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
Trade payables	751	263	–	–
Rent received in advance	1,394	281	–	–
Accrued interest	510	405	–	–
Other payables	31	45	–	–
Other accruals and deferred income	710	370	142	240
Corporation tax payable	33	–	–	–
	3,429	1,364	142	240

The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

14 Financial assets and financial liabilities

a) Non-current financial assets
Company only

As at 31 March	2009 £000	2008 £000
Loans to subsidiary companies	75,995	–
	75,995	–

£7.5 million of the loans are unsecured, bear interest at 2% above LIBOR and are repayable by 31 March 2012. A further £29.25 million of the loans are unsecured, interest free and are repayable on demand with a backstop date of 31 March 2012. The remaining £39.245 million of loans are unsecured, interest free and repayable on demand. As the loans are for the purpose of long-term financing of the subsidiaries, the Directors do not intend to request repayment of the loans within one year and accordingly these loans have been classified as non-current loans to subsidiary companies.

b) Non-current financial liabilities
Group only

As at 31 March	2009 £000	2008 £000
Secured bank loans	70,550	22,820
Unamortised finance costs	(916)	(995)
	69,634	21,825

The bank loan is secured by fixed charges over certain of the Group's investment properties and can be extended a further two years at the initial maturity date of October 2012.

c) Financial risk management
Financial risk factors

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. The policies of the Company are the same as those of the Group.

The Group's operations and debt financing expose it to a variety of financial risks. The exposure to each risk, how it arises and the policy for managing each risk is summarised below:

i) Credit risk

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's principal financial assets are cash balances and deposits and trade and other receivables. The Group's credit risk is primarily attributable to its cash deposits and trade receivables.

The trade receivable amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is objective evidence that the Group will not be able to collect amounts due according to the original terms of the receivables concerned. The balance is low relative to the scale of the balance sheet and therefore the credit risk of trade receivables is considered to be low.

14 Financial assets and financial liabilities (continued)

i) Credit risk (continued)

Cash is placed on deposit with a number of different reputable banks with strong credit ratings and for varying periods of time, thereby spreading risk.

The credit risk on liquid funds and derivative financial instruments is limited due to the Group's policy of monitoring counterparty exposures with a maximum exposure equal to the carrying amount of these instruments. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties.

ii) Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group actively maintains a mixture of long-term and short-term committed facilities that are designed to ensure that the Group has sufficient available funds for operations and committed investments. The Group's undrawn committed borrowing facilities are monitored against projected cash flows. The Group prepares annual budgets and working capital forecasts to assess future cash requirements.

The Group had available but undrawn bank loan facilities of £79,450,000 at 31 March 2009 (2008: £127,180,000), maturing between two and five years.

iii) Market risk

The Group is exposed to market risk through interest rates and currency fluctuations.

iv) Interest rate risk

The Group is exposed to interest rate risk from long-term borrowings at a variable rate. It is Group policy that a reasonable portion of external borrowings are at a fixed interest rate.

The Group uses interest rate swaps to manage its interest rate exposure and hedge future interest rate risk for the term of the bank loan. Although the Board accepts that this policy neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully the cash flow risk associated with interest payments, it considers that it achieves an appropriate balance of exposure to these risks.

At 31 March 2009 the Group had £70.5 million of hedges in place, and its debt was 100% fixed. Consequently, based on year end debt levels, a 1% change in interest rates would decrease or increase the Group's annual profit before tax by £176,000. The sensitivity has been calculated by applying the interest rate change to the variable rate borrowings, net of interest rate swaps, at the year end.

The average interest rate payable by the Group on all bank borrowings at 31 March 2009 net of undrawn facility commitment fees was 4.1% (31 March 2008: 6.4%).

14 Financial assets and financial liabilities (continued)

v) Foreign exchange risk
Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency.

The Group has not entered into any foreign currency transactions. Therefore the Group's foreign exchange risk is low.

vi) Capital risk management
The Group defines its equity as share capital, special reserves and retained earnings. The Group's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern so that it can provide returns to shareholders. The capital structure of the Group consists of debt, which includes borrowings, cash and cash equivalents and other financial assets, and equity comprising issued capital, reserves and retained earnings. The Group balances its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

i) Categories of financial instruments

	Loans and receivables			
As at 31 March	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
Non-current assets				
Loans to subsidiaries	–	–	75,995	–
Current assets				
Cash and cash equivalents	169,856	182,112	166,252	180,467
Trade receivables (note 11)	61	275	–	–
Amounts receivable on property sales (note 11)	–	1,050	–	–
Deferred consideration on acquisition of subsidiary (note 11)	–	2,745	–	2,745
Interest receivable (note 11)	101	2,228	154	2,228
Other receivables	82	501	–	–
Other financial assets	–	61,500	–	61,500
	170,100	250,411	166,406	246,940

14 Financial assets and financial liabilities (continued)

i) Categories of financial instruments (continued)

As at 31 March	Measured at amortised cost				Measured at fair value			
	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000	Group 2009 £000	Group 2008 £000	Company 2009 £000	Company 2008 £000
Non current liabilities								
Borrowings (note 14b)	69,634	21,825	–	–	–	–	–	–
Current liabilities								
Trade payables (note 13)	751	263	–	–	–	–	–	–
Accrued interest (note 13)	510	405	–	–	–	–	–	–
Other accruals (note 13)	267	370	142	240	–	–	–	–
Other payables (note 13)	31	45	–	–	–	–	–	–
Corporation tax payable (note 13)	33	–	–	–	–	–	–	–
Derivative financial instruments (see 14d(iii))	–	–	–	–	1,451	181	–	–
	71,226	22,908	142	240	1,451	181	–	–

ii) Fair values

To the extent financial assets and liabilities are not carried at fair value in the consolidated balance sheet, the Directors are of the opinion that book value approximates to fair value at 31 March 2009.

14 Financial assets and financial liabilities (continued)

iii) Derivative financial instruments

All derivative financial instruments are carried at fair value following a valuation as at 31 March 2009 by JC Rathbone Associates Limited.

Details of the fair value of the Group's derivative financial instruments that were in place at 31 March 2009 are provided below:

	Protected rate %	Expiry	Market value 31 March 2008 £000	Movement recognised in income statement £000	Market value 31 March 2009 £000
£15 million cap	5.75	October 2008	9	(9)	–
£10 million swap	5.41	January 2009	(190)	190	–
£10 million swap	3.61	October 2012	–	(386)	(386)
£43 million swap (reduces to £26.5 million 30/10/2012)	3.61	October 2014	–	(1,518)	(1,518)
£17.5 million cap (increases to £26.5 million 30/10/2012)	4.00	October 2014	–	453	453
			(181)	(1,270)	(1,451)

All derivative financial instruments are non-current and are interest rate derivatives.

The market values of hedging products change with interest rate fluctuations, but the exposure of the Group to movements in interest rates is protected by way of the hedging products listed above. In accordance with accounting standards, fair value is calculated on a replacement basis using mid-market rates. The valuation therefore does not reflect the cost or gain to the Group of cancelling its interest rate protection at the balance sheet date, which is generally a marginally higher cost (or smaller gain) than a market valuation.

15 Provisions

Group only

	Enhanced management fees £000
At 31 March 2008	940
Credited to the income statement	(730)
At 31 March 2009	210

Under the terms of various management agreements, the Group has an obligation to pay an "enhanced management fee" to third parties, following the disposal of its interests in certain investment properties, or the completion of defined property strategies for other investment properties.

15 Provisions (continued)

Provision has been made in the consolidated balance sheet for the anticipated enhanced management fees to be paid by the Group, based on the carrying values of properties held at the balance sheet date. This is considered to be a reasonable and prudent basis on which to make provision for these obligations. Provision is made on a property by property basis and only arises in respect of properties that have been subject to upward revaluation movements above their historic cost.

The provisions are made in the relevant subsidiaries' financial statements that reflect the upward revaluation movements referred to above.

The movement in the year has been credited to revaluation movement in the income statement.

16 Share capital

Group and Company

	31 March 2009 Number	31 March 2009 £000	31 March 2008 Number	31 March 2008 £000
Authorised				
Ordinary shares of 10p each	500,000,000	50,000	500,000,000	50,000

	31 March 2009 Number	31 March 2009 £000	31 March 2008 Number	31 March 2008 £000
Issued, called up and fully paid				
Ordinary shares of 10p each	285,000,000	28,500	285,000,000	28,500

17 Reserves

The Statements of Changes in Equity are shown on page 22.

The following describes the nature and purpose of each reserve within equity:

Share capital	The nominal value of shares issued.
Special reserve	In the previous period the Company applied to the Royal Court of Guernsey to reduce its capital by the cancellation of its share premium and the creation of a separate, special reserve, which is an additional distributable reserve to be used for all purposes permitted under Guernsey company law, including the buy back of shares and payment of dividends.
Retained earnings	The cumulative profits and losses after the payment of dividends.

18 Related party transactions and balances

Group

Details of Directors' fees and interests are given in the Directors' Report on pages 12 to 14 and in note 3.

Mr H R Mould, Mr P L Vaughan, Mr H J M Price and Mr M F McGann are designated members of LSI Management LLP, the property advisor to the Group. The property advisor received £4.8 million (five months to 31 March 2008: £1.9 million) for the services of property management during the year. At 31 March 2009 and 31 March 2008, none of the fee remained outstanding.

LSI Management LLP is also entitled to receive £758,000 (2008: £nil) in performance fees for the year ended 31 March 2009 from both the LSP Green Park Property Trust, in which the Company has a 31.4% interest and the Company itself. The Company's share of the performance fee charge in its associate was £315,000 (2008: £nil) and £443,000 was charged direct to the Group. At 31 March 2009 all of this fee remained outstanding.

Mr P Firth is managing director of Butterfield Fulcrum Group (Guernsey) Limited the Company's administrator. Butterfield Fulcrum Group (Guernsey) Limited received £73,000 (five months to 31 March 2008: £29,000) in payment of administration services during the year. At 31 March 2009 £23,000 (31 March 2008: £18,000) remained outstanding and is reflected in the year end creditor balance.

Transactions between the Company and its subsidiaries which are related parties have been eliminated on consolidation.

Company

During the period the Company received nil by way of intra-group dividends and £52,000 in intra-group interest. Amounts advanced by the Company to subsidiary undertakings are unsecured and repayable on demand except for loans of £7.5 million which mature in March 2012.

19 Disposals

In the previous period the Group disposed of its Belgian subsidiary LSI Retail NV. The loss on disposal in the period was £17,000. Net assets disposed of amounted to £21,883,000 and consisted primarily of investment property value at £22,189,000, cash balances of £314,000 and other net liabilities of £620,000. The cash consideration received in full settlement amounted to £21,866,000.

20 Events after the balance sheet date

On 8 May 2009 the Group completed the acquisition of No. 1 Whitehall Riverside, Leeds for £37.6 million. The purchase was part financed with a new debt facility from Deutsche Postbank AG.

This week, the Group exchanged contracts for the purchase of Racecouse Retail Park, Aintree for £61 million and the Somerfield Distribution Unit, Wellingborough for £19.6 million.

21 Net asset value

Net asset value per share is based on Group net assets at 31 March 2009 of £291,681,000 (31 March 2008: £277,898,000) and the number of ordinary shares in issue at that date of 285 million.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the members of London & Stamford Property Limited (Registered number 47816) will be held at the Company's Registered Office, 2nd Floor, Regency Court, Glategny Esplanade, St Peter Port, Guernsey GY1 3NQ, on 22 July 2009 at 12 noon.

Ordinary business

1 To consider and receive the Annual Report and Audited Financial Statements for the year to 31 March 2009.

2 To reappoint BDO Novus Ltd and BDO Stoy Hayward LLP as joint auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

3 To authorise the Board to determine the remuneration of the auditors.

4 To consider the reappointment of Mr Raymond Mould as a Director of the Company in accordance with Article 77 (2).

5 To consider the reappointment of Mr Richard Crowder as a Director of the Company in accordance with Article 77 (2).

6 To approve the appointment of Mr Martin McGann as a Director of the Company in accordance with Article 75.

7 To approve the Company's investment strategy.

8 To approve the payment of the final dividend of 2p per ordinary share.

Special business

To consider and, if thought fit, pass the following resolutions as special resolutions of the Company:

9. The first sentence in paragraph 5 of the Company's Memorandum is deleted and replaced with: 'The Share Capital of the Company is divided into an unlimited number of shares of £0.10 each'.

10. Article 3 (1) of the Company's articles is deleted in its entirety and replaced with: 'The Share Capital of the Company comprises an unlimited number of ordinary shares of £0.10 each'.

By order of the Board

for Butterfield Fulcrum Group (Guernsey) Limited
Secretary

11 June 2009

Notes to AGM Notice:

(i) Shareholders entitled to attend and vote at the meeting may appoint one or more proxies (who need not be shareholders) to attend and vote on their behalf.

(ii) To have the right to attend and vote at the meeting you must hold ordinary shares in the Company and your name must be entered on the share register of the Company in accordance with note 4 below.

(iii) To be valid, Forms of Proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be received by Capita Registrars, The (PROXIES), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but, in any event, so as to arrive no later than 12 noon on 20 July 2009. A Form of Proxy accompanies this notice. Completion and return of a Form of Proxy will not preclude members from attending and voting at the meeting should they wish to do so.

(iv) The time by which a person must be entered on the register of members in order to have the right to attend or vote at the meeting is 6.00 pm on 20 July 2009. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 48 hours before the date fixed for the adjourned meeting. Changes to entries on the register of members after such times shall be disregarded in determining the rights of any person to attend or vote at the meeting.

(v) To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent, RA10 by 12 noon on 20 July 2009. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST manual. In any case your proxy form must be received by Capita Registrars no later than 12 noon on 20 July 2009.

Financial Calendar

Annual General Meeting	22 July 2009
Payment of ordinary dividend	27 July 2009
Announcement of Interim Results to 30 September 2009	December 2009

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