

# Broadgate City Plc

Accounts - for the period from  
1st July 1995 to 31st March 1996

Registered number: 1769078



# Broadgate City Plc

## Directors' report

For the period from 1st July 1995 to 31st March 1996

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The directors present their report, together with the accounts and auditors' report, for the period from 1st July 1995 to 31st March 1996.

### Principal activities and business review:

The principal activity of the Company is the holding of investments; its subsidiary undertakings are principally engaged in property investment and development.

The results for the period from 1st July 1995 to 31st March 1996 are set out in the profit and loss account on page 4. The directors recommend that no dividend be paid.

### Directors and their interests:

The directors of the Company who held office at 31st March 1996 were as follows:

S. Adam

M.J.F. Mannion

In addition to the above, J.P. Hallam, D.J. Camp and E.F. Doyle who resigned as directors on 18th October 1995, 15th January 1996 and 31st March 1996 respectively, also served during the period.

The directors have no interests in the share capital of the Company or any other group undertaking.

### Directors' responsibilities in respect of the accounts:

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

In preparing those accounts, 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company 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 to enable them to ensure that the accounts comply with the Companies Act 1985.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

# Broadgate City Plc

## Directors' report

For the period from 1st July 1995 to 31st March 1996

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### Fixed assets:

Information relating to changes in fixed assets is given in notes 7 and 8 to the accounts.

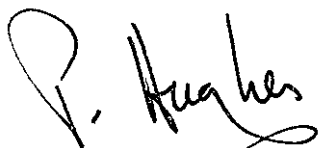
### Payments policy:

In the absence of dispute, amounts due to trade and other suppliers are settled as expeditiously as possible within their terms of payment.

### Auditors:

Arthur Andersen resigned as auditors of the Company and have been replaced by Binder Hamlyn who are also auditors of The British Land Company PLC. Binder Hamlyn have indicated their willingness to continue in office and a resolution proposing their re-appointment as auditors of the Company will be put before the Annual General Meeting.

BY ORDER OF THE BOARD,



P. Hughes

Secretary

23rd October 1996

3 Broadgate

London EC2M 2QS

# Broadgate City Plc

## Auditors' report

For the period from 1st July 1995 to 31st March 1996

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### To the shareholders of Broadgate City Plc

We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

### Respective responsibilities of directors and auditors

As described on page 1 the Company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

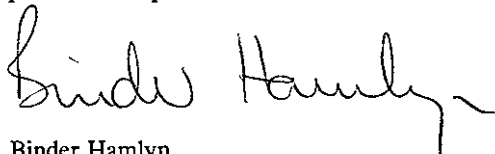
### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the Company, 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 accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31st March 1996 and of the profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Binder Hamlyn  
Chartered Accountants and Registered Auditors  
20 Old Bailey  
London EC4M 7BH

23rd October 1996

# Broadgate City Plc

## Profit and loss account

For the period from 1st July 1995 to 31st March 1996

		Period from 1st July 1995 to 31st March 1996 £'000	Year ended 30th June 1995 £'000
	Notes		
TURNOVER - from continuing operations	1(c)	439	643
Cost of sales		(923)	(1,191)
GROSS LOSS		(484)	(548)
Administrative and other expenses		(25)	(25)
OPERATING LOSS - from continuing operations		(509)	(573)
Interest receivable	3	(1,781)	-
Interest payable	4	42,717	-
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5	40,427	(573)
Taxation on profit (loss) on ordinary activities	6	-	-
PROFIT (LOSS) FOR THE FINANCIAL PERIOD		40,427	(573)

## Statement of total recognised gains and losses

For the period from 1st July 1995 to 31st March 1996

	Period from 1st July 1995 to 31st March 1996 £'000	Year ended 30th June 1995 £'000
Profit (loss) for the financial period	40,427	(573)
Unrealised net surpluses on revaluation of subsidiary undertakings	136,701	23,391
Total gains and losses recognised during the period	177,128	22,818

The accompanying notes are an integral part of these statements.

# Broadgate City Plc

## Balance sheet

At 31st March 1996

	Notes	31st March 1996 £'000	30th June 1995 £'000
<b>FIXED ASSETS</b>			
Office equipment, furniture, fixtures and fittings	7	-	9
Fixed asset investments	8	321,711	185,010
		<u>321,711</u>	<u>185,019</u>
<b>CURRENT ASSETS</b>			
Debtors	9	70,733	30,189
Creditors: Amounts falling due within one year	10	(138)	(30)
<b>NET CURRENT ASSETS</b>		<u>70,595</u>	<u>30,159</u>
<b>NET ASSETS</b>		<u>392,306</u>	<u>215,178</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1,000	1,000
Revaluation reserve	12	320,586	183,885
Profit and loss account	12	70,720	30,293
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>392,306</u>	<u>215,178</u>

SIGNED ON BEHALF OF THE BOARD



S. Adam

Director

23rd October 1996

The accompanying notes are an integral part of this balance sheet.

# Broadgate City Plc

## Notes to the accounts

For the period from 1st July 1995 to 31st March 1996

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### 1. ACCOUNTING POLICIES:

The principal accounting policies, all of which have been applied consistently throughout the period and the preceding year are set out below-

#### (a) Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the accounting policies below, and in accordance with applicable accounting standards. Consolidated accounts have not been prepared since the Company is a wholly owned subsidiary undertaking of Broadgate Properties Plc.

#### (b) Cash flow statement

Under the provisions of Financial Reporting Standard 1, the Company has not prepared a cash flow statement because its ultimate parent company, The British Land Company PLC, which is incorporated in Great Britain, has prepared consolidated accounts which include the accounts of the Company for the period and which contain a cash flow statement.

#### (c) Turnover

Turnover, which is stated net of VAT, comprises property rents receivable.

#### (d) Office equipment, furniture, fixture and fittings

Office equipment, furniture, fixtures and fittings are stated at cost less depreciation, which is calculated to write off the cost less estimated residual value, on a straight line basis at rates between 20% and 35% per annum.

#### (e) Taxation

Corporation tax payable is provided on taxable profits at the effective rate of corporation tax for the year.

Amounts payable or receivable for group relief relating to losses for taxation purposes surrendered between group undertakings are provided for on the basis of the consideration agreed between the relevant group undertakings.

Deferred taxation is calculated on the liability method and is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of reversal. Deferred taxation is not provided on timing differences which will probably not reverse.

# Broadgate City Plc

## Notes to the accounts

For the period from 1st July 1995 to 31st March 1996

### 1. ACCOUNTING POLICIES (continued):

#### (f) Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated on the equity method whereby the cost of the investment is adjusted for the movement in the undistributed underlying net assets applicable thereto since the date of acquisition, with a corresponding credit or charge to revaluation reserve. Where a charge is made in excess of original cost, such charge is made to the profit and loss account and the excess is shown as a provision in the balance sheet.

### 2. ULTIMATE PARENT COMPANY:

The Company's ultimate parent company is The British Land Company PLC which is registered in England and Wales. The results of the Company are consolidated in the accounts of The British Land Company PLC. Group accounts are available on request from 10 Cornwall Terrace, Regent's Park, London NW1 4QP.

### 3. INTEREST RECEIVABLE:

During the period, the Company waived interest receivable of £1,781,000 due from other group undertakings which had been credited to the profit and loss account in prior periods.

### 4. INTEREST PAYABLE:

During the period, Broadgate Properties Plc waived interest receivable of £42,717,000 due from the Company which had been charged to the profit and loss account in prior periods.

### 5. PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION:

Profit (loss) on ordinary activities before taxation is stated after charging-

	1996 £'000	1995 £'000
Depreciation and amounts written off office equipment, furniture, fixtures and fittings	9	13
Auditors' remuneration		
- audit	-	5

The audit fee for the current period has been borne by another group undertaking.

No director received any remuneration from the Company during either period.



# Broadgate City Plc

## Notes to the accounts

For the period from 1st July 1995 to 31st March 1996

### 6. TAXATION ON PROFIT (LOSS) ON ORDINARY ACTIVITIES:

As a result of losses, capital allowances and other allowances available, no liability for taxation arises on the profit (loss) on ordinary activities for the period.

### 7. FIXED ASSETS:

The movements in the period ended 31st March 1996 were as follows:

	Office equipment, furniture, fixtures and fittings £'000
Cost	
Beginning and end of period	50
Depreciation	
Beginning of period	41
Charge for period	9
End of period	50
Net book value	
End of period	-
Beginning of period	9

### 8. FIXED ASSET INVESTMENTS:

#### (a) Fixed asset investments comprise-

	1996 £'000	1995 £'000
Cost of shares acquired less amounts written off-		
Beginning and end of year	1,125	1,125
Post-acquisition retained profits and reserves (see note 12)	320,586	183,885
Total investment in subsidiary undertakings	321,711	185,010

# Broadgate City Plc

## Notes to the accounts

For the period from 1st July 1995 to 31st March 1996

### 8. FIXED ASSET INVESTMENTS (continued):

#### (b) Subsidiary undertakings

The principal subsidiary undertakings at 31st March 1996 are as follows:

	Percentage shareholding held through:	
	Company	Subsidiary undertakings
Broadgate Business Centre Limited (business centre operator)	-	100%
Broadgate Court Investments Limited	-	100%
Broadgate Estates Limited (building and estate management)	-	100%
Broadgate Square Limited	100%	-
Exchange House Holdings Limited	-	100%
Four Broadgate Limited	100%	-
Rosehaugh Stanhope (Broadgate Phase 6) Plc	-	100%
Six Broadgate Limited	100%	-
The Broadgate Club Plc (health club operator)	-	100%

All the above companies are engaged in property investment and development in the United Kingdom, except where otherwise stated.

### 9. DEBTORS:

Debtors falling due within one year comprise-

	1996 £'000	1995 £'000
Amounts owed by group undertakings	70,470	29,819
Prepayments and accrued income	263	370
	<u>70,733</u>	<u>30,189</u>

# Broadgate City Plc

## Notes to the accounts

For the period from 1st July 1995 to 31st March 1996

### 10. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR:

Creditors falling due within one year comprise-

	1996	1995
	£'000	£'000
Accruals and deferred income	<u>138</u>	<u>30</u>

### 11. SHARE CAPITAL:

The authorised and issued share capital of the Company comprises-

	1996	1995
	£'000	£'000
Authorised:		
5,000,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid:		
1,000,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

### 12. RESERVES:

The movements in reserves during the period were as follows-

	Revaluation reserve £'000	Profit and loss account £'000
Beginning of period	183,885	30,293
Profit for the financial period	-	40,427
Company's share of profits and other reserve movements of subsidiary undertakings for the period	<u>136,701</u>	<u>-</u>
End of period	<u>320,586</u>	<u>70,720</u>

The Company's revaluation reserve represents the undistributed profits and reserves of subsidiary undertakings since the date of acquisition (see note 1(f)).

# Broadgate City Plc

## Notes to the accounts

For the period from 1st July 1995 to 31st March 1996

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### 13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS:

	1996 £'000	1995 £'000
Profit (loss) for the financial period	40,427	(573)
Other recognised gains and losses relating to the period (net)	136,701	23,391
Net addition to shareholders' funds	177,128	22,818
Shareholders' funds, beginning of period	215,178	192,360
Shareholders' funds, end of period	<u>392,306</u>	<u>215,178</u>