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# Broadgate Circle Management Limited

## Annual Report and Accounts

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Year ended 31 March 2007

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Company number 1881630

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## **Broadgate Circle Management Limited**

### **REPORT OF THE DIRECTORS for the year ended 31 March 2007**

The directors present their Annual Report and audited Accounts for the year ended 31 March 2007

#### **Business review and principal activities**

The company is a wholly owned subsidiary of The British Land Company PLC and operates as a constituent of the Group. The company's principal activity is that of estate management and provision of property services in the United Kingdom. There have not been any significant changes in the current year, nor are any currently planned.

As shown in the company's profit and loss account on page 4 the turnover is consistent with the prior year as are the company's expenses.

The Balance Sheet on page 5 of the financial statements shows that the company's financial position at the year end is consistent with the prior year.

The company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group comprising The British Land Company PLC and subsidiaries, which includes the company, is discussed in the group's Annual Report which does not form part of this report.

There were no significant events since the balance sheet date.

#### **Principal risks and uncertainties**

The Group's objective is to achieve attractive long-term returns whilst minimising risks. In order to identify and evaluate risks and design controls to mitigate them, a regular comprehensive assessment is undertaken which has identified certain individual risks affecting the Group and company, most of which arise out of natural market volatility, relating to supply and demand imbalances in the following areas:

- demand for space from occupiers against available space (including new developments),
- differential pricing for previous locations and buildings,
- alternative uses for buildings (including redevelopment),
- demand for returns from investors in property, compared to other asset classes,
- price differentials for capital to finance the business,
- legislative initiatives, including planning consents and taxation,
- economic cycles, including the impact on tenant covenant quality, interest rates and inflation and
- mis-pricing of property assets by the equity markets.

The Group's preference for long-term investments let on long leases to strong tenants with upward only rent reviews provides stable long-term cash flows which enable the Group to ride out much of this natural market volatility.

The company has insignificant interest rate exposure.

#### **Environment**

Across the Group, The British Land Company PLC recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Group's activities. The company operates in accordance with Group policies, which are described in the Group's Annual Report, which does not form part of this report. Initiatives designed to minimise the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

#### **Results and dividends**

The results for the year are set out in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend (2006 - £Nil).

**Broadgate Circle Management Limited**  
**REPORT OF THE DIRECTORS (continued)**  
**for the year ended 31 March 2007**

**Directors**

The directors who served throughout the year were, except as noted

J H Weston Smith (Resigned 14 July 2006)

R E Bowden (Resigned 31 December 2007)

N K Bates

P C Clarke

M I Gunston (Resigned 31 January 2007)

S A M Hester

J H Iddiols (Resigned 30 June 2007)

G C Roberts

T A Roberts (Appointed 14 July 2006)

S M Barzycki (Appointed 14 July 2006)

N M Webb (Appointed 14 July 2006)

A M Jones (Appointed 14 July 2006)

L M Bell (Appointed 14 July 2006)

**Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

In the case of each of the persons who are directors at the time when the director's report is approved, the following apply

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 2342za of the Companies Act 1985.

**Annual General Meeting**

At the Annual General Meeting of the company held on 25 January 2000 Elective Resolutions were passed to dispense with the following requirements

- to lay accounts and reports before a general meeting of the company
- to appoint auditors annually
- to hold annual general meetings in the future

**Auditors**

The auditors, Deloitte & Touche LLP are willing to continue in office

This report was approved by the Board on 31 January 2008

Director



York House  
45 Seymour Street  
London W1H 7LX

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**Broadgate Circle Management Limited**  
**for the year ended 31 March 2007**

We have audited the financial statements of Broadgate Circle Management Limited for the year ended 31 March 2007 which comprise the profit and loss account, balance sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements 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 financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

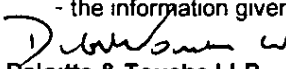
**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its result for the year then ended,

- the financial statements have been properly prepared in accordance with the Companies Act 1985, and

- the information given in the directors' report is consistent with the financial statements.

  
Deloitte & Touche LLP

Chartered Accountants and Registered Auditors  
London

13 February 2008

**Broadgate Circle Management Limited**

**PROFIT AND LOSS ACCOUNT  
for the year ended 31 March 2007**

	Note	2007 £'000	2006 £'000
<b>Turnover</b>			
Fees and commissions	1	2,270	2,290
Cost of turnover		(2,270)	(2,290)
<b>Gross profit (loss)</b>		<hr/>	<hr/>
Administrative expenses			
<b>Operating profit (loss)</b>		<hr/>	<hr/>
Interest receivable - group			
Interest payable - group			
<b>Profit (loss) on ordinary activities before taxation</b>	2	<hr/>	<hr/>
Taxation	4		
<b>Profit (loss) on ordinary activities after taxation</b>		<hr/>	<hr/>
<b>Retained profit (loss) for the financial year</b>	8	<hr/> <hr/>	<hr/> <hr/>

Turnover and results are derived from continuing operations in the United Kingdom. The company has only one significant class of business.

There were no recognised gains or losses other than those reported above, consequently a statement of recognised gains and losses has not been presented.

All amounts are stated at historical cost.

**Broadgate Circle Management Limited**

**BALANCE SHEET**  
**as at 31 March 2007**

	Note	2007 £'000	2006 £'000
<b>Current assets</b>			
Debtors	5	870	715
Cash at bank		566	588
		<u>1,436</u>	<u>1,303</u>
<b>Creditors due within one year</b>	6	(1,423)	(1,290)
		<u></u>	<u></u>
<b>Net current assets (liabilities)</b>		13	13
<b>Net assets (liabilities)</b>		<u>13</u>	<u>13</u>
<b>Capital and reserves</b>			
Called up share capital	7	13	13
Profit and loss account	8		
<b>Equity shareholders' funds</b>	8	<u>13</u>	<u>13</u>

These financial statements were approved by the Board of Directors on 31 January 2008

*Nick Bate*

Director

## **Broadgate Circle Management Limited**

### **Notes to the accounts for the year ended 31 March 2007**

#### **1 Accounting policies**

The principal accounting policies are summarised below. They have been applied consistently throughout the current and the preceding years.

These accounts are designed to cover a wide variety of companies and circumstances. As a result some notes may not be relevant for this company and so may be intentionally left blank.

#### **Accounting basis**

The accounts are prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

#### **Cash flow statement**

In accordance with FRS 1, the company is exempt from preparing a cash flow statement. The company's cash flow is included in the group cash flow statement prepared by The British Land Company PLC, as part of its consolidated financial statements which are publicly available.

#### **Turnover**

Turnover represents service charges and fees receivable from estate management, net of VAT, and is recognised on an accruals basis.

#### **Taxation**

Corporation tax payable is provided on taxable profits at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the accounts and their recognition in a tax computation.

Deferred tax is provided in respect of all timing differences that have originated, but not reversed, at the balance sheet date that may give rise to an obligation to pay more or less tax in the future. Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Deferred tax is measured on a non-discounted basis. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**Broadgate Circle Management Limited**

**Notes to the accounts  
for the year ended 31 March 2007**

<b>2 Profit (loss) on ordinary activities before taxation</b>	<b>2007 £'000</b>	<b>2006 £'000</b>
Profit (loss) on ordinary activities before taxation is stated after charging (crediting)		
Amortisation		
Depreciation		
Auditors' remuneration		
Auditors' remuneration for other services		

A nominal charge of £1,040 (2006 - £1,000) per company is deemed payable to Deloitte & Touche LLP in respect of the audit of the financial statements. Actual amounts payable to Deloitte & Touche LLP are paid by The British Land Company on behalf of the company.

<b>3 Staff costs</b>	<b>2007 £'000</b>	<b>2006 £'000</b>
Wages and salaries		
Social security costs		
Pension costs		

No director received any remuneration for services to the company in either year.

Average number of employees, including directors, of the company during the year was Nil (2006 - Nil).

<b>4 Taxation</b>	<b>2007 £'000</b>	<b>2006 £'000</b>
<b>Current tax</b>		
UK corporation tax		
Adjustments in respect of prior years		
Total current tax		
<b>Deferred tax</b>		
Origination and reversal of timing differences		
Prior year items		
<b>Total taxation (effective tax rate – 0.0%, 2006 – 0.0%)</b>		
<b>Tax reconciliation</b>		
Profit on ordinary activities before taxation		
Tax on profit on ordinary activities at UK corporation tax rate (30%)		
Effects of		
Capital allowances		
Tax losses and other timing differences		
Expenses not deductible for tax purposes		
Adjustments in respect of prior years		
<b>Current tax charge</b>		

# Broadgate Circle Management Limited

## Notes to the accounts for the year ended 31 March 2007

<b>5 Debtors</b>	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	837	714
Amounts owed by group companies - current accounts		
Corporation tax		
Other debtors	33	1
Prepayments and accrued income		
	<u>870</u>	<u>715</u>

<b>6 Creditors due within one year</b>	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	38	15
Amounts owed to group companies - current accounts		
Corporation tax		
Other taxation and social security		
Other creditors		
Accruals and deferred income	1,385	1,275
	<u>1,423</u>	<u>1,290</u>

Amounts owed to fellow group companies are repayable on demand There is no interest charged on these balances

<b>7 Share capital</b>	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised</b>		
6,695 'A' ordinary shares of £1 each	7	7
5,730 'B' ordinary shares of £1 each	6	6
8,300 'C' ordinary shares of £1 each	8	8
310 'D' ordinary shares of £1 each		
1,520 'E' ordinary shares of £1 each	2	2
5,410 'F' ordinary shares of £1 each	5	5
10,700 'G' ordinary shares of £1 each	11	11
155 'H' ordinary shares of £1 each		
11,180 'I' ordinary shares of £1 each	11	11
	<u>50</u>	<u>50</u>
<b>Allotted, called up and fully paid</b>		
6,695 'A' ordinary shares of £1 each	2	2
5,730 'B' ordinary shares of £1 each	1	1
8,300 'C' ordinary shares of £1 each	2	2
310 'D' ordinary shares of £1 each		
1,520 'E' ordinary shares of £1 each	1	1
5,410 'F' ordinary shares of £1 each	1	1
10,700 'G' ordinary shares of £1 each	3	3
155 'H' ordinary shares of £1 each		
11,180 'I' ordinary shares of £1 each	3	3
	<u>13</u>	<u>13</u>

The 'A', 'B', 'C', 'D', 'E', 'F', 'G', 'H' and 'I' ordinary shares rank pari passu as regards dividends, distributions and voting

**Broadgate Circle Management Limited**

**Notes to the accounts  
for the year ended 31 March 2007**

**8 Reconciliation of movements in shareholders' funds and reserves**

	Share capital £'000	Profit and loss account £'000	Total £'000
Opening shareholders' funds	13		13
Retained profit (loss) for the year			
Closing shareholders' funds	<u>13</u>	<u></u>	<u>13</u>

**9 Related parties**

The company has taken advantage of the exemption granted to 90% subsidiaries not to disclose transactions with group companies under the provisions of Financial Reporting Standard 8

**10 Contingent liabilities**

The company is jointly and severally liable with the ultimate holding company and fellow subsidiaries for all monies falling due under the group VAT registration

**11 Ultimate holding company**

The immediate beneficial ownership of the company is shared between

Four Broadgate Limited	13.4%
Broadgate Square Limited	31.7%
Six Broadgate Limited	32.5%
Broadgate City Limited	<u>22.4%</u>
	<u>100.0%</u>

The legal ownership is held by other group companies

The British Land Company PLC is the smallest and largest group for which group accounts are available and which include the company

The ultimate holding company is The British Land Company PLC, which is incorporated in Great Britain. Group financial statements for this company are available on request from 45 Seymour Street, London W1H 7LX