

---

# **BL MEADOWHALL NO. 4 LIMITED**

**Annual Report and Accounts**

---

**Period from 6 March 2000 to 31 March 2001**

---



**Company number: 2015506**

---

**BL MEADOWHALL NO. 4 LIMITED**

**REPORT OF THE DIRECTORS  
for the period ended 31 March 2001**

The directors present their Report and Accounts for the period from 6 March 2000 to 31 March 2001.

**Principal activity**

The principal activity of the company is investment in property leases.

**Results and dividends**

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

The directors do not recommend the payment of a dividend (2000 - £Nil).

**Review of business and prospects**

The activities and prospects of this and other group companies are reviewed in the Chairman's Statement and Operating and Financial Review of The British Land Company PLC, the ultimate holding company.

On 6 March 2000, the entire share capital of the company was acquired by Meadowhall Holdings Limited, a wholly owned subsidiary of The British Land Company PLC. Since then, the company's investment in the Meadowhall property lease was transferred out to another group company, and the company has entered into a number of other transactions, including intra group transfers of property, repayment and cancellation of intra group debt and derivatives.

In addition, the company has been transferred within the British Land Group and has issued a further 7,330,000 ordinary shares at par for total consideration of £7,330,000.

On 12 April 2000, the company's name was changed to BL Meadowhall No.4 Limited from IBOS Meadowhall Investments Limited.

During the period, the company's year-end was changed from 5 March to 31 March in order to be coterminous with the ultimate holding company.

Details of significant events since the balance sheet date are contained in note 16 of the accounts.

**Directors**

The directors who served during the period were:

J H Ritblat	
C Metliss	
J H Weston Smith	
N S J Ritblat	
R E Bowden	
S Adam	(deceased 27 February 2001)
C M J Forshaw	(appointed 5 December 2000)

The directors greatly regret to announce the untimely death on 27 February 2001 of Shen Adam FCA, a director of the company.

The directors' interests in the share and loan capital of the company are set out in note 11 to the accounts.

**BL MEADOWHALL NO. 4 LIMITED**

**REPORT OF THE DIRECTORS  
for the period ended 31 March 2001**

**Statement of directors' responsibilities**

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 of the company 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, subject to any material departures disclosed and explained in the accounts; 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 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.

**Annual General Meeting**

At the Annual General Meeting of the company held on 28 August 1991, 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**

During the period, KPMG Audit PLC resigned as auditors of the company and Arthur Andersen were appointed auditors. Arthur Andersen, are willing to continue in office.

This report was approved by the Board on 22 November 2001.



**A Braine**  
Secretary

10 Cornwall Terrace  
Regent's Park  
London  
NW1 4QP

**BL MEADOWHALL NO. 4 LIMITED**

**REPORT OF THE AUDITORS  
for the period ended 31 March 2001**

**To the Shareholders of BL Meadowhall No.4 Limited:**

We have audited the accounts on pages 4 to 10 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

**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 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 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 31 March 2001 and of the company's results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen**  
Chartered Accountants and Registered Auditors

1 Surrey Street  
London  
WC2R 2PS

*22 November 2001*

**BL MEADOWHALL NO. 4 LIMITED**

**PROFIT AND LOSS ACCOUNT  
for the period ended 31 March 2001**

	<b>Note</b>	<b>2001 £</b>	<b>2000 £</b>
<b>Turnover</b>		284,945	905,034
Operating expenses		(75,790)	3,520
Interest receivable	<b>2</b>	50,838	-
Interest payable	<b>3</b>	(8,396,985)	(640,518)
<b>Profit / (loss) on ordinary activities before taxation</b>	<b>4</b>	<u>(8,136,992)</u>	<u>268,036</u>
Taxation	<b>5</b>	1,541,766	(73,324)
<b>Profit / (loss) on ordinary activities after taxation</b>		<u>(6,595,226)</u>	<u>194,712</u>
Dividends paid and proposed		-	-
<b>Retained profit (loss) for the period</b>	<b>12</b>	<u><u>(6,595,226)</u></u>	<u><u>194,712</u></u>

Turnover and results are derived from continuing operations in the United Kingdom.

There is no material difference between the loss on ordinary activities before taxation for the period ended 31 March 2001 as stated above and their historical cost equivalents.

**TOTAL RECOGNISED GAINS AND LOSSES  
for the period ended 31 March 2001**

	<b>2001 £</b>	<b>2000 £</b>
Retained profit (loss) for the period	(6,595,226)	194,712
Revaluation of properties	(300,000)	-
<b>Total recognised gains and losses</b>	<u><u>(6,895,226)</u></u>	<u><u>194,712</u></u>

The accompanying notes on pages 6 to 10 form part of these accounts.

## BL MEADOWHALL NO. 4 LIMITED

BALANCE SHEET  
as at 31 March 2001

	Note	£	2001	£	£	2000	£
<b>Fixed assets</b>							
Investment properties	6			2,000,000			-
<b>Current assets</b>							
Debtors							
- amounts due within one year	7		5,542			-	
- amounts due after one year	7		-		19,173,043		
<b>Creditors due within one year</b>	8		(1,042,135)		(16,835,967)		
<b>Net current assets (liabilities)</b>				(1,036,593)			2,337,076
<b>Total assets less current liabilities</b>				963,407			2,337,076
<b>Creditors due after one year</b>	9			-			(1,808,443)
<b>Net assets</b>				963,407			528,633
<b>Capital and reserves</b>							
Called up share capital	10			7,330,002			2
Capital reserves							
- Revaluation	12			(300,000)			-
Profit and loss account	12			(6,066,595)			528,631
<b>Shareholders' funds</b>	12			963,407			528,633

C Metliss

J H Weston Smith  
Directors

Approved by the Board on 22 November 2001.

The accompanying notes on pages 6 to 10 form part of this balance sheet.

**BL MEADOWHALL NO. 4 LIMITED**

**NOTES TO THE ACCOUNTS**  
**for the period ended 31 March 2001**

**1. Accounting policies**

The principal accounting policies are summarised below. They have been applied consistently throughout the current and the preceding period. Comparative figures are for the period from 1 October 1999 to 5 March 2000.

**Accounting basis**

The accounts are prepared in accordance with applicable Accounting Standards and under the historical cost convention as modified by the revaluation of investment properties and as a going concern on the basis that the ultimate holding company will not demand repayment of amounts owed to it within twelve months of the date of signing these accounts.

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.

**Turnover**

Turnover represents rental income receivable, net of VAT.

**Properties**

*Investment properties* are independently valued each year on an open market basis. Any surplus or deficit arising is transferred to revaluation reserve, unless a deficit is expected to be permanent, in which case it is charged to the profit and loss account. The profit on disposal is based on book value.

In accordance with Statement of Standard Accounting Practice 19 no amortisation or depreciation is provided in respect of freehold or long leasehold properties. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view. The financial effect of the departure from these rules cannot reasonably be quantified as depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

**Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

On disposal of an investment property the element of tax relating to the current year capital profit is charged to the profit and loss account and the element relating to earlier revaluation surpluses is included in the statement of total recognised gains and losses.

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

**BL MEADOWHALL NO. 4 LIMITED**

**NOTES TO THE ACCOUNTS  
for the period ended 31 March 2001**

	2001 £	2000 £
<b>2. Interest receivable</b>		
Interest receivable from other group companies	<u>50,838</u>	<u>-</u>

	2001 £	2000 £
<b>3. Interest payable</b>		
Interest payable to other group companies	529,800	640,518
Interest payable on finance leases	<u>7,867,185</u>	<u>-</u>
	<u>8,396,985</u>	<u>640,518</u>

	2001 £	2000 £
<b>4. Profit (loss) on ordinary activities before taxation</b>		
Profit (loss) on ordinary activities before taxation is stated after charging (crediting):		
Amortisation and depreciation	-	-
Auditors' remuneration for audit services	-	-
Operating lease rentals	<u>-</u>	<u>-</u>

Amounts payable to Arthur Andersen and their associates by the company in respect of non-audit services were £Nil (2000 - £Nil).

No director or employee received any remuneration for services to the company in either period.

Average number of employees, including directors, of the company during the period was 6 (2000 - 3).

	2001 £	2000 £
<b>5. Taxation</b>		
UK corporation tax	266,677	(71,378)
Deferred tax	<u>(1,808,443)</u>	<u>(1,946)</u>
	<u>(1,541,766)</u>	<u>(73,324)</u>

**6. Fixed Assets**

	Freehold interests £
<b>Cost and valuation and net book value</b>	
6 March 2000	-
Additions	2,300,000
Revaluation surplus (deficit)	<u>(300,000)</u>
<b>31 March 2001</b>	<u>2,000,000</u>

Properties were externally valued at 31 March 2001 by Weatherall Green & Smith, Chartered Surveyors, on the basis of open market value in accordance with the Appraisal and Valuation Manual published by The Royal Institution of Chartered Surveyors.



**BL MEADOWHALL NO. 4 LIMITED**

**NOTES TO THE ACCOUNTS  
for the period ended 31 March 2001**

**7. Debtors**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Amounts due within one year:</b>		
Finance lease receivables	-	19,173,043
Other debtors	5,542	-
	<u>5,542</u>	<u>19,173,043</u>

**8. Creditors due within one year**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Other creditors	61,455	126,020
Amounts owed to other group companies	-	16,709,947
Amounts owed to ultimate holding company	713,953	-
Corporation tax	266,727	-
	<u>1,042,135</u>	<u>16,835,967</u>

**9. Creditors due after one year**

Provisions for liabilities and charges

Full provision has been made as follows:

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Rental equalisation	-	1,465,459
Capital allowances on property leases	-	342,984
	<u>-</u>	<u>1,808,443</u>

**10. Share capital**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
8,000,000 ordinary shares of £1 each	<u>8,000,000</u>	<u>100</u>
<b>Allotted and fully paid</b>		
7,330,002 ordinary shares of £1 each	<u>7,330,002</u>	<u>2</u>

On 10 July 2000, the company authorised 7,999,900 £1 ordinary shares and allotted 7,330,000 £1 ordinary shares to its immediate parent company, Meadowhall Centre Limited, for a consideration of £7,330,000.

**BL MEADOWHALL NO. 4 LIMITED**

**NOTES TO THE ACCOUNTS  
for the period ended 31 March 2001**

**11. Directors' interests in share and loan capital**

No director held a beneficial interest in the share capital of the company. Messrs. J H Ritblat, C Metliss, J H Weston Smith, N S J Ritblat, R E Bowden, and S Adam are also directors of The British Land Company PLC and, as such, their interests in the share and loan capital, including share options, of that company are shown in the accounts of the ultimate holding company. The beneficial interests of the other directors in the ultimate holding company are as follows:-

	Fully paid Ordinary shares		6% Irredeemable Convertible Bonds (£ nominal)		Options over ordinary shares 1984 Option Scheme		Sharesave Scheme	
	31 March 2001	6 March 2000	31 March 2001	6 March 2000	31 March 2001	6 March 2000	31 March 2001	6 March 2000
C M J Forshaw	8,332	6,307	-	-	25,000	25,000	4,863	4,863

**Rights under  
Restricted Share Plan**

	Ordinary shares		6% Irredeemable Convertible Bonds (£ nominal)	
	31 March 2001	6 March 2000	31 March 2001	6 March 2000
C M J Forshaw	8,868	3,868	15,000	35,000

**12. Reconciliation of movements in shareholders' funds**

	Share capital £	Capital reserve -revaluation £	Profit and loss account £	Total £
Opening shareholders' funds	2	-	528,631	528,633
Retained loss	-	-	(6,595,226)	(6,595,226)
Issue of ordinary share capital	7,330,000	-	-	7,330,000
Revaluation of properties	-	(300,000)	-	(300,000)
Closing shareholders' funds	7,330,002	(300,000)	(6,066,595)	963,407

**13. Capital commitments**

The company had no capital commitments contracted at 31 March 2001 (2000 - £Nil).

**14. Contingent liabilities**

In the event of the realisation of properties at book value the liability for tax, after available reliefs at 31 March 2001 is estimated at £Nil (2000 - £Nil).

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.

**BL MEADOWHALL NO. 4 LIMITED**

**NOTES TO THE ACCOUNTS**  
**for the period ended 31 March 2001**

**15. 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.

**16. Subsequent events**

There have been no significant events since the period end.

**17. Ultimate holding company**

On 6 March 2000, the entire share capital of the company was acquired by Meadowhall Holdings Limited, a wholly owned subsidiary of The British Land Company PLC.

On 9 March 2000, the ownership of the company was transferred to Meadowhall Centre Limited, a fellow wholly-owned subsidiary of The British Land Company PLC.

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