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# **BL Meadowhall No.4 Limited**

## **Annual Report and Accounts**

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**Year ended 31 March 2003**

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**Company number: 2015506**

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**BL Meadowhall No.4 Limited**

**REPORT OF THE DIRECTORS**  
**for the year ended 31 March 2003**

The directors present their Annual Report and Accounts for the year ended 31 March 2003.

**Principal activity**

The principal activity of the company is property investment.

**Review of business and prospects**

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

Details of significant events since the balance sheet date are contained in note 13 of the accounts.

**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 (2002 - £Nil).

**Directors**

The directors who served during the year, except as noted below, were:

J H Ritblat  
C Metliss  
J H Weston Smith  
N S J Ritblat  
R E Bowden  
G C Roberts  
C M J Forshaw

The directors' interests in the share and loan capital of the company are set out in note 8 to the accounts.

**Statement of directors' responsibilities**

United Kingdom 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 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 the system of internal control and for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**BL Meadowhall No.4 Limited**

**REPORT OF THE DIRECTORS  
for the year ended 31 March 2003**

**Annual General Meeting**

Written Elective Resolutions were passed on 16 February 2001 to dispense with the following requirements:

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

**Auditors**

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

This report was approved by the Board on **29 AUG 2003**

**A Braine**  
Secretary



10 Cornwall Terrace  
Regent's Park  
London  
NW1 4QP

**BL Meadowhall No.4 Limited**

**INDEPENDENT AUDITORS REPORT  
for the year ended 31 March 2003**

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

We have audited the accounts of BL Meadowhall No.4 Limited for the year ended 31 March 2003 which comprise the Profit and loss account, Balance sheet, Statement of total recognised gains and losses and the related notes 1 to 14. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in our 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the annual report and the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the accounts in accordance with United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the accounts, 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 information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 judgments 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 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**  
**Chartered Accountants and Registered Auditors**  
London

*21 August 2003*

**BL Meadowhall No.4 Limited**

**PROFIT AND LOSS ACCOUNT  
for the year ended 31 March 2003**

	Note	2003 £	2002 £
<b>Turnover</b>			
Rental income		284,293	286,073
Fees and commissions		16,986	16,553
<b>Total turnover</b>		<u>301,279</u>	<u>302,626</u>
Administrative expenses		(67,679)	(80,577)
<b>Operating profit</b>		<u>233,600</u>	<u>222,049</u>
Interest payable Group			(45,022)
<b>Profit on ordinary activities before taxation</b>	2	<u>233,600</u>	<u>177,027</u>
Taxation	3	264,206	(53,108)
<b>Profit on ordinary activities after taxation and retained for the year</b>	9	<u><u>497,806</u></u>	<u><u>123,919</u></u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
for the year ended 31 March 2003**

		2003 £	2002 £
<b>Profit on ordinary activities after taxation</b>		497,806	123,919
Unrealised surplus on revaluation of investment properties	9	370,000	
<b>Total recognised gains and losses relating to the financial year</b>		<u><u>867,806</u></u>	<u><u>123,919</u></u>

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

All amounts are stated at historical cost.

**BL Meadowhall No.4 Limited**

**BALANCE SHEET  
as at 31 March 2003**

	Note	2003 £	£	2002 £	£
<b>Fixed assets</b>					
Investment properties	4		2,370,000		2,000,000
<b>Current assets</b>					
Debtors	5	14,311		661	
Creditors due within one year	6	(429,179)		(913,335)	
<b>Net current liabilities</b>			(414,868)		(912,674)
<b>Total assets less current liabilities</b>			1,955,132		1,087,326
<b>Net assets</b>			1,955,132		1,087,326
<b>Capital and reserves</b>					
Called up share capital	7		7,330,002		7,330,002
Revaluation reserve	9		70,000		(300,000)
Profit and loss account	9		(5,444,870)		(5,942,676)
<b>Equity shareholders' funds</b>	9		1,955,132		1,087,326

These financial statements were approved by the Board of Directors on **29 AUG 2003**

C Metliss



G C Roberts  
Directors

**BL Meadowhall No.4 Limited**

**Notes to the accounts  
for the year ended 31 March 2003**

**1. Accounting policies**

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

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 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.

**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.

**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. Where properties held for investment are appropriated to trading stock, they are transferred at market value.

**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 profit in the year 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.

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 accounts. Deferred tax is measured on a non-discounted basis.

**BL Meadowhall No.4 Limited**

**Notes to the accounts  
for the year ended 31 March 2003**

**1. Accounting policies (continued)**

**Net rental income**

Rental income is recognised on an accruals basis. Rent increases arising from rent reviews are taken into account when such reviews have been settled with tenants. Where a lease incentive does not enhance the property, it is amortised on a straight-line basis over the period from the date of lease commencement to the earlier of the first rent review to the prevailing market rent, the first break option, or the end of the lease term. On new leases with rent free periods, rental income is allocated evenly over the period from the date of lease commencement to the earlier of the first rent review to the prevailing market rate and the lease end date.

**2. Profit on ordinary activities before taxation**

There have been no disclosable items charged/(credited) in arriving at the profit on ordinary activities before taxation.

Amounts payable to Deloitte & Touche LLP and their associates in respect of audit and non-audit services are paid at group level by The British Land Company PLC.

**3. Taxation**

	2003 £	2002 £
<b>Current tax</b>		
UK corporation tax	70,080	53,108
Adjustments in respect of prior years	(334,286)	
<b>Total current tax charge (credit)</b>	<u>(264,206)</u>	<u>53,108</u>
<b>Total deferred tax charge (credit)</b>		
<b>Total taxation (effective tax rate – (113)%; 2002 – 30%)</b>	<u><u>(264,206)</u></u>	<u><u>53,108</u></u>
<b>Tax reconciliation</b>		
Profit on ordinary activities before taxation	<u>233,600</u>	<u>177,027</u>
Tax on profit on ordinary activities at UK corporation tax rate 30% (2002 - 30%)	70,080	53,108
Effects of:		
Adjustments in respect of prior years	(334,286)	
<b>Current tax charge (credit)</b>	<u><u>(264,206)</u></u>	<u><u>53,108</u></u>

Further taxation that might become payable if the properties were sold at open market value is estimated at £nil (2002 - £nil). This unprovided taxation is stated after taking account of the FRS19 capital allowance deferred tax provision of £nil (2002 - £nil) recorded in the balance sheet.

This unprovided taxation could be reduced by tax losses, the amount and availability of which is currently uncertain.

The prior year adjustment relates to group relief on tax losses made in previous years in the Group.

**BL Meadowhall No.4 Limited**

**Notes to the accounts**  
**for the year ended 31 March 2003**

**4. Investment and development properties**

	Freehold £
<b>Cost and valuation and net book value</b>	
1 April 2002	2,000,000
Revaluation surplus	370,000
<b>31 March 2003</b>	<u><u>2,370,000</u></u>
 <b>Analysis of cost and valuation</b>	
<b>31 March 2003</b>	
Cost	2,300,000
Revaluation	70,000
Net book value	<u><u>2,370,000</u></u>
 1 April 2002	
Cost	2,300,000
Revaluation	(300,000)
Net book value	<u><u>2,000,000</u></u>

Properties were externally valued at 31 March 2003 by ATIS REAL Weatheralls, 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.

No properties were charged to secure borrowings of the ultimate holding company.

**BL Meadowhall No.4 Limited**

**Notes to the accounts  
for the year ended 31 March 2003**

<b>5. Debtors</b>	<b>2003</b>	<b>2002</b>
	£	£
Trade debtors	<u>14,311</u>	<u>661</u>
<b>6. Creditors due within one year</b>	<b>2003</b>	<b>2002</b>
	£	£
Amounts owed to ultimate holding company	234,444	528,838
Corporation tax	123,188	319,835
Accruals and deferred income	71,547	64,662
	<u>429,179</u>	<u>913,335</u>
<b>7. Share capital</b>	<b>2003</b>	<b>2002</b>
	£	£
<b>Authorised</b>		
8,000,000 ordinary shares of £1 each	<u>8,000,000</u>	<u>8,000,000</u>
<b>Allotted, called up and fully paid</b>		
7,330,002 ordinary shares of £1 each	<u>7,330,002</u>	<u>7,330,002</u>

**BL Meadowhall No.4 Limited**

**Notes to the accounts  
for the year ended 31 March 2003**

**8. 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 G C Roberts are also directors of The British Land Company PLC and, as such, their interest in the shares 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 director 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	
	<u>31 March</u>	<u>1 April</u>	<u>31 March</u>	<u>1 April</u>	<u>31 March</u>	<u>1 April</u>	<u>31 March</u>	<u>1 April</u>
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
C M J Forshaw	6,780	5,224				25,000	4,863	4,863

	Rights under Restricted Share Plan		6% Irredeemable Convertible Bonds (£ nominal)	
	Ordinary shares		<u>31 March</u>	<u>1 April</u>
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
C M J Forshaw	26,000	21,868		

**Granting and lapsing of options**

C M J Forshaw exercised options over 25,000 shares, at an option price of 394p per share under British Land's 1984 Option Scheme; the middle market quotation on the date of disposal of these shares was 610p per share.

**BL Meadowhall No.4 Limited**

**Notes to the accounts  
for the year ended 31 March 2003**

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

	Share capital £	Capital reserve - revaluation £	Profit and loss account £	Total £
Opening shareholders' funds	7,330,002	(300,000)	(5,942,676)	1,087,326
Retained profit for the year			497,806	497,806
Unrealised surplus on revaluation of investment properties		370,000		370,000
Closing shareholders' funds	<u>7,330,002</u>	<u>70,000</u>	<u>(5,444,870)</u>	<u>1,955,132</u>

**10. Capital commitments**

The company had capital commitments contracted at 31 March 2003 of £Nil (2002 - £Nil).

**11. 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.

**12. 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.

**13. Subsequent events**

There have been no significant events since the year end.

**14. Ultimate holding company**

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 accounts for this company are available on request from 10 Cornwall Terrace, Regent's Park, London NW1 4QP.