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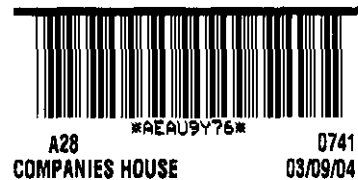
# **Meadowhall Holdings Limited**

## **Annual Report and Accounts**

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**Year ended 31 March 2004**

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**Company number: 2125982**

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**Meadowhall Holdings Limited**  
**REPORT OF THE DIRECTORS**  
**for the year ended 31 March 2004**

The directors present their Annual Report and Accounts for the year ended 31 March 2004.

**Principal activity**

The company acts as a holding company for the Meadowhall group of companies.

The subsidiaries held by the company are listed in note 4 to the accounts. Consolidated accounts are not presented as the company takes advantage of the exemption afforded by section 228 of the Companies Act 1985.

**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 (2003 - £Nil).

**Directors**

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

M Al-Dajani  
R W Blackburn  
C Metliss  
C M J Forshaw  
J H Iddiols  
M I Gunston  
R E Bowden  
T A Roberts

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 financial statements 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 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 which 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 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.

**Meadowhall Holdings Limited**

**REPORT OF THE DIRECTORS  
for the year ended 31 March 2004**

**Annual General Meeting**

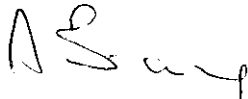
Written Elective Resolutions were passed on 16 February 2001 to dispense with the following requirements:

- 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**

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

This report was approved by the Board on **18 AUG 2004**.



**A Braine**  
Secretary

10 Cornwall Terrace  
Regent's Park  
London  
NW1 4QP

**Meadowhall Holdings Limited**

**INDEPENDENT AUDITORS REPORT  
for the year ended 31 March 2004**

**To the Members of Meadowhall Holdings Limited**

We have audited the financial statements of Meadowhall Holdings Limited for the year ended 31 March 2004 which comprise the Profit and loss account, Balance sheet and the related notes 1 to 14. 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 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 members 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 financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report 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 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 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 of the state of affairs of the company at 31 March 2004 and of its result 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

*25 August 2004*

**Meadowhall Holdings Limited**

**PROFIT AND LOSS ACCOUNT  
for the year ended 31 March 2004**

	Note	2004 £	2003 £
Other income			12
<b>Operating profit</b>			12
Interest receivable			
Group			
External - unlisted			
Interest payable			
External - other			
<b>Profit on ordinary activities before taxation</b>	<b>2</b>		12
Taxation	<b>3</b>		94,721
<b>Profit on ordinary activities after taxation and retained for the year</b>	<b>9</b>		94,733

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

There were no other gains or losses in the period, consequently a statement of total recognised gains and losses has not been prepared.

All amounts are stated at historical cost.

**Meadowhall Holdings Limited**

**BALANCE SHEET  
as at 31 March 2004**

	Note	2004 £	£	2003 £	£
<b>Fixed assets</b>					
Investments	4	880,000,002		880,000,002	
<b>Current assets</b>					
Debtors	5	7,133,866		7,133,866	
<b>Creditors due within one year</b>	6	(4)		(4)	
<b>Net current assets</b>		7,133,862		7,133,862	
<b>Total assets less current liabilities</b>		887,133,864		887,133,864	
<b>Net assets</b>		887,133,864		887,133,864	
<b>Capital and reserves</b>					
Called up share capital	7	100,100		100,100	
Profit and loss account	9	887,033,764		887,033,764	
<b>Equity shareholders' funds</b>	9	887,133,864		887,133,864	

These financial statements were approved by the Board of Directors on **18 AUG 2004**

J H Iddiols



M I Gunston  
Directors



# **Meadowhall Holdings Limited**

## **Notes to the accounts for the year ended 31 March 2004**

### **1. Accounting policies**

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

These financial statements 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 financial statements are prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of another company. Group financial statements which include the company, for The British Land Company PLC are publicly available (see note 14).

The company is also, on this basis, exempt from the requirements of FRS 1 to present a cashflow.

#### **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 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 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.

#### **Investments**

Fixed asset investments are stated at market value when listed and at directors' valuation when unlisted. Any surplus or deficit arising on revaluation is taken to revaluation reserve, unless a deficit is expected to be permanent, in which case it is charged to profit and loss account.

Investments in subsidiaries are stated at cost or directors' valuation.

**Meadowhall Holdings Limited**

**Notes to the accounts  
for the year ended 31 March 2004**

**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.

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 (2003 - Nil).

**3. Taxation**

	2004 £	2003 £
<b>Current tax</b>		
UK corporation tax		4
Adjustments in respect of prior years		(94,725)
Total current tax charge (credit)		(94,721)
<b>Deferred tax</b>		
Prior year items		
Total deferred tax charge		
<b>Total taxation (effective tax rate – 0.0%; 2003 – (789,342)%)</b>		(94,721)

**Tax reconciliation**

Profit on ordinary activities before taxation		12
Tax on profit on ordinary activities at UK corporation tax rate of 30% (2002 - 30%)		4
Effects of:		
Adjustments in respect of prior years		(94,725)
<b>Current tax charge/(credit)</b>		(94,721)

**4. Investments**

	Shares in subsidiaries £
At cost and net book value	
1 April 2003 and 31 March 2004	880,000,002

The company has investments in the following subsidiaries:

	Activity
Meadowhall Centre Limited	Development, management and marketing of the Meadowhall Shopping Centre near Sheffield
Meadowhall Leisure Limited	Development and management of leisure facilities

These companies are wholly owned and incorporated in Great Britain.



**Meadowhall Holdings Limited**

**Notes to the accounts  
for the year ended 31 March 2004**

<b>5. Debtors</b>	<b>2004</b>	<b>2003</b>
	£	£
Amounts owed by ultimate holding company	<u>7,133,866</u>	<u>7,133,866</u>
<b>6. Creditors due within one year</b>	<b>2004</b>	<b>2003</b>
	£	£
Corporation tax	<u>4</u>	<u>4</u>
<b>7. Share capital</b>	<b>2004</b>	<b>2003</b>
	£	£
<b>Authorised</b>		
60,060 "A" ordinary shares of £1 each	60,060	60,060
40,040 "B" ordinary shares of £1 each	<u>40,040</u>	<u>40,040</u>
	<u>100,100</u>	<u>100,100</u>
	<b>2004</b>	<b>2003</b>
	£	£
<b>Allotted, called up and fully paid</b>		
60,060 "A" ordinary shares of £1 each	60,060	60,060
40,040 "B" ordinary shares of £1 each	<u>40,040</u>	<u>40,040</u>
	<u>100,100</u>	<u>100,100</u>

The "A" and "B" shares confer upon their holders the same rights and rank pari passu in all respects.

**Meadowhall Holdings Limited**

**Notes to the accounts  
for the year ended 31 March 2004**

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

No director held a beneficial interest in the share capital of the company. R E Bowden is also a director of The British Land Company PLC and, as such, his interest in the share and loan capital, including share options, of that company is shown in the accounts of the ultimate holding company. The beneficial interests of the other directors in the ultimate holding company are as follows:-

	<b>Fully paid Ordinary shares</b>		<b>6% Irredeemable Convertible Bonds (£ nominal)</b>	
	<b>31 March 2004</b>	<b>1 April 2003</b>	<b>31 March 2004</b>	<b>1 April 2003</b>
C Metliss	118,905	113,332		
M I Gunston	74,923	65,745		
J H Iddiols	47,250	41,510		
T A Roberts	5,160	9,998		
M Al-Dajani	1,799	180		
C M J Forshaw	7,767	6,780		

	<b>Options over ordinary shares 1984 Option Scheme</b>		<b>Sharesave Scheme</b>	
	<b>31 March 2004</b>	<b>1 April 2003</b>	<b>31 March 2004</b>	<b>1 April 2003</b>
C Metliss			1,954	4,753
M I Gunston	56,339	79,959		4,753
J H Iddiols	47,142	47,142	3,358	4,753
T A Roberts			2,015	2,965
M Al-Dajani			2,224	2,671
C M J Forshaw			4,863	4,863

	<b>Rights under Restricted Share Plan Ordinary shares</b>		<b>Rights under Long Term Incentive Plan Ordinary shares      Options over Ordinary shares</b>			
	<b>31 March 2004</b>	<b>1 April 2003</b>	<b>31 March 2004</b>	<b>1 April 2003</b>	<b>31 March 2004</b>	<b>1 April 2003</b>
C Metliss						
M I Gunston	20,000	35,000				
J H Iddiols	30,000	37,500	3,500		10,500	
T A Roberts	67,500	65,000	10,000		30,000	
M Al-Dajani	57,500	52,500	10,000		30,000	
C M J Forshaw	26,000	26,000	5,000		15,000	

R W Blackburn does not hold any interests in the share and loan capital of the ultimate holding company.

**Meadowhall Holdings Limited**

**Notes to the accounts  
for the year ended 31 March 2004**

**8. Directors' interests in share and loan capital (continued)**

**Granting and lapsing of options**

C Metliss exercised options over 4,753 shares at an option price of 355 p per share and the middle market quotation on the date of exercise of these shares was 658p per share. He was granted options over 1,954 shares at an option price of 472p per share. Both this exercise and grant occurred under British Land's Sharesave Scheme.

M I Gunston exercised options over 23,620 shares, under British Land's 1984 Share Option Scheme. 11,156 had an option price of 322p per share and 12,464 had an option price of 380p per share. The middle market quotation on the date of disposal of these 23,620 shares was 632p per share. He also exercised options over 4,753 shares, at an option price of 355p per share under British Land's Share Save Scheme. The middle market quotation on the date of disposal of these shares was 658p per share.

J H Iddiols exercised options over 4,753 shares at an option price of 355 p per share and the middle market quotation on the date of exercise of these shares was 658p per share. He was granted options over 3,358 shares at an option price of 472p per share. Both this exercise and grant occurred under British Land's Sharesave Scheme. He was also granted options over 10,500 shares, at an option price of 552p per share, under British Land's Long Term Incentive Plan.

T Roberts exercised options over 950 shares at an option price of 355 p per share and the middle market quotation on the date of exercise of these shares was 658p per share, under British Land's Sharesave Scheme. He was also granted options over 30,000 shares, at an option price of 552p per share, under British Land's Long Term Incentive Plan.

M Al-Dajani exercised options over 1,619 shares at an option price of 359 p per share and the middle market quotation on the date of exercise of these shares was 590 p per share. He was granted options over 1,172 shares at an option price of 472p per share. Both this exercise and grant occurred under British Land's Sharesave Scheme. He was also granted options over 30,000 shares, at an option price of 552p per share, under British Land's Long Term Incentive Plan.

C Forshaw was granted options over 15,000 shares, at an option price of 552p per share, under British Land's Long Term Incentive Plan.

**Meadowhall Holdings Limited**

**Notes to the accounts  
for the year ended 31 March 2004**

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

	Share capital £	Profit and loss account £	Total £
Opening and closing shareholders' funds	<u>100,100</u>	<u>887,033,764</u>	<u>887,133,864</u>

**10. Capital commitments**

The company had capital commitments contracted at 31 March 2004 of £Nil (2003 - £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. Immediate parent & ultimate holding company**

The immediate parent companies are BL Meadowhall Limited and Boldswitch (No1) Limited.

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 and controlling party 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.