

Ludgate Investment Holdings Limited

Accounts - 30th June 1995

together with the directors' and auditors' reports

Registered number: 2261712



Ludgate Investment Holdings Limited

Directors' report

For the year ended 30th June 1995

The directors present their report, together with the accounts and auditors' report, for the year ended 30th June 1995.

Principal activity and business review:

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

The results for the year ended 30th June 1995 are set out in the profit and loss account on page 4.

The directors have considered the Company's net liability position and have obtained confirmation from the Company's sole intercompany creditor that it does not anticipate demanding repayment of amounts owed to it in the foreseeable future.

Directors and their interests:

The directors of the Company who held office at 30th June 1995 and at the date of this report were as follows:-

S. Adam

D.J. Camp

E.F. Doyle

In addition to the above, P.D. Rivlin, who resigned as a director on 31st March 1995, B.C. Winfield, who resigned as a director on 12th April 1995, and J.P. Hallam, who resigned as a director on 18th October 1995, also served during the year.

The directors have no interests in the share capital of the Company.

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.

Ludgate Investment Holdings Limited

Directors' report

For the year ended 30th June 1995

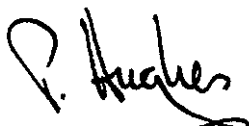
Fixed assets:

Information relating to fixed assets is given in note 2 to the accounts.

Auditors:

Arthur Andersen 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

4th December 1995

3 Broadgate
London EC2M 2QS

Ludgate Investment Holdings Limited

Auditors' report

For the year ended 30th June 1995

To the shareholders of Ludgate Investment Holdings Limited

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 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 30th June 1995 and of the profit for the year 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

4th December 1995

Ludgate Investment Holdings Limited

Profit and loss account

For the year ended 30th June 1995

	Notes	1995 £'000	1994 £'000
Exceptional item-			
Profit on disposal of investments in subsidiary undertakings		38	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>38</u>	<u>-</u>
Taxation on profit on ordinary activities		-	-
PROFIT FOR THE FINANCIAL YEAR		<u>38</u>	<u>-</u>

There are no recognised gains or losses other than the profit for the financial year.

The accompanying notes are an integral part of this profit and loss account.

Ludgate Investment Holdings Limited

Balance sheet

At 30th June 1995

	Notes	1995 £'000	1994 £'000
CURRENT ASSETS			
Debtors	3	2,489	2,488
CREDITORS: Amounts falling due within one year	4	(2,516)	(2,553)
NET LIABILITIES	1(a)	<u>(27)</u>	<u>(65)</u>
CAPITAL AND RESERVES			
Called up share capital	5	13	13
Profit and loss account		(40)	(78)
SHAREHOLDERS' FUNDS	6	<u>(27)</u>	<u>(65)</u>

SIGNED ON BEHALF OF THE BOARD



S. Adam
Director

4th December 1995

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

Ludgate Investment Holdings Limited

Notes to the accounts

For the year ended 30th June 1995

1. ACCOUNTING POLICIES:

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

a) Basis of accounting

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

The directors consider that, notwithstanding the Company's net liability position, the Company is a going concern in view of the confirmation received by the Company from Ludgate Services Limited as referred to in note 4 and accordingly the accounts have been prepared on this basis.

b) Cash flow statement

Under the provisions of Financial Reporting Standard No.1, the Company has not prepared a cash flow statement because its ultimate parent undertaking, Broadgate Properties Plc, which is incorporated in Great Britain, has prepared consolidated accounts which include the accounts of the Company for the year and which contain a cash flow statement.

c) 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.

d) Investments in subsidiary undertakings

Investments in subsidiary undertakings in the Company's balance sheet are stated at cost less amounts written off. Consolidated accounts have not been prepared since the Company is a wholly owned subsidiary undertaking of another company incorporated in the United Kingdom.

Notes to the accounts

For the year ended 30th June 1995

2. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS:

a) Principal subsidiary undertakings

The principal subsidiary undertakings at 30th June 1995, all of which are registered in England and Wales and are engaged in property investment, development and management in the United Kingdom, are as follows-

	Percentage shareholding held by the Company
Ludgate Services Limited	100%
One Hundred Ludgate Hill Limited	100%
Ludgate Phase 5 Limited	100%
Ludgate Management Limited	100%

During the year, the Company disposed of its interests in its former subsidiary undertakings, One Fleet Place Limited, Ten Fleet Place Limited and One Hundred New Bridge Street Limited at their carrying value to its subsidiary undertaking, Ludgate Services Limited.

b) The underlying net liabilities of the subsidiary undertakings comprise-

	1995 £'000	1994 £'000
Called up share capital	38	76
Profit and loss account	(161,062)	(131,293)
	<u>(161,024)</u>	<u>(131,217)</u>

3. DEBTORS:

Debtors falling due within one year comprise-

	1995 £'000	1994 £'000
Amounts owed by companies within the Broadgate Properties Plc Group	<u>2,489</u>	<u>2,488</u>

No interest has been charged on amounts owed by companies within the Broadgate Properties Plc Group during either year.

Notes to the accounts

For the year ended 30th June 1995

4. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR:

Creditors falling due within one year comprise-

	1995 £'000	1994 £'000
Amounts owed to subsidiary undertakings	<u>2,516</u>	<u>2,553</u>

No interest has been charged on amounts owed to subsidiary undertakings during either year. Under the terms of the Group's banking facilities (see note 7) these amounts are subordinated to the claims of the Group's bankers and, accordingly, certain restrictions apply to the ability of the Company to repay such amounts. Ludgate Services Limited, the creditor in respect of amounts owed to group undertakings, has confirmed to the Company that it does not anticipate demanding repayment of amounts owed by the Company in the foreseeable future.

5. SHARE CAPITAL:

The authorised and issued share capital of the Company comprises-

	1995 £'000	1994 £'000
Authorised-		
50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>
Allotted, called up and partly paid-		
50,000 ordinary shares of £1 each, 25 pence paid	<u>13</u>	<u>13</u>

6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS:

	1995 £'000	1994 £'000
Profit for the financial year	<u>38</u>	-
Net addition to shareholders' funds	38	-
Shareholders' funds, beginning of year	<u>(65)</u>	<u>(65)</u>
Shareholders' funds, end of year	<u>(27)</u>	<u>(65)</u>

Notes to the accounts

For the year ended 30th June 1995

7. ARRANGEMENTS WITH GROUP BANKERS:

The Company, together with certain other group undertakings (together "the Group") has entered into an Agreement with the Group's bankers for facilities, which are available until September 1997 subject to the Group continuing to comply with specified covenants (including minimum net worth and loan to value ratios and consent for certain types of transactions) and which are secured upon the assets of the Company and the Group. The Company has also entered into a Group Debenture Agreement whereby it has guaranteed the payment of certain Group company liabilities pursuant to the Agreement (see note 8).

8. CONTINGENT LIABILITIES:

Under the terms of the Group Debenture Agreement (see note 7), the Company together with certain other Group undertakings, has guaranteed:

- a) all monies due under the banking facilities in respect of the Broadgate properties totalling £450,853,000 at 30th June 1995 (1994 - £460,312,000), subject to certain prior ranking claims relating to loans due to the shareholders of the Company's ultimate parent company, Broadgate Properties Plc, which affect the guarantees in respect of the Broadgate Court (Broadgate Phase 14) banking facility;
- b) interest shortfall to 12th December 1994 totalling £24,723,000 in respect of the facility for the Ludgate properties together with a maximum further liability of £50,000,000 in respect of that facility;
- c) promissory note monies to a third party in the amount of £2,589,000 at 30th June 1995 (1994 - £2,347,000) including accrued interest; and
- d) amounts owed by the Group to the shareholders of Broadgate Properties Plc totalling £127,122,000 at 30th June 1995 (1994 - £117,879,000) including accrued interest.

9. ULTIMATE PARENT COMPANY:

The results of the Company are consolidated in the accounts of Broadgate Properties Plc, the ultimate parent company, which is registered in England and Wales.