

ONE HUNDRED LUDGATE HILL LIMITED

Annual Report and Accounts

Year ended 31 March 2001



Company number : 2342182

ONE HUNDRED LUDGATE HILL LIMITED

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

The directors present their Report and Accounts for the year ended 31 March 2001.

Principal activity

The principal activity of the company is that of property investment.

The subsidiaries held by the company are listed in note 7 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 and Operating and Financial Review of The British Land Company PLC, the ultimate holding company.

Details of significant events since the balance sheet date are contained in note 20 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 (2000 - £Nil).

Directors

The directors who served during the year were:

J H Ritblat	
C Metliss	(appointed 28 September 2000)
J H Weston Smith	
N S J Ritblat	
R E Bowden	(appointed 25 September 2000)
S Adam	(deceased 27 February 2001)

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 12 to the accounts.

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.

ONE HUNDRED LUDGATE HILL LIMITED

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

Annual General Meeting

At the Annual General Meeting of the company held on 18 December 1998 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, Arthur Andersen are willing to continue in office.

This report was approved by the Board on *21st September 2001*

A Braine
Secretary

A Braine

10 Cornwall Terrace
Regent's Park
London
NW1 4QP

ONE HUNDRED LUDGATE HILL LIMITED

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

To the Shareholders of One Hundred Ludgate Hill Limited

We have audited the accounts on pages 4 to 15 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 7.

Respective responsibilities of directors and auditors

As described on page 1, 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 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

21 September 2001

ONE HUNDRED LUDGATE HILL LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2001

	Note	2001 £	2000 £
Turnover			
Rental income		672,477	7,515
Total turnover		<u>672,477</u>	<u>7,515</u>
Cost of turnover		47,925	-
Gross profit (loss)	2	<u>720,402</u>	<u>7,515</u>
Operating profit (loss)		<u>720,402</u>	<u>7,515</u>
Disposal of properties		4,137,848	-
Interest receivable			
External - unlisted		5,974	82,637
Interest payable			
Group		<u>(1,022,702)</u>	<u>-</u>
Profit (loss) on ordinary activities before taxation	3	3,841,522	90,152
Taxation	5	<u>160,310</u>	<u>2,562</u>
Profit (loss) after taxation		4,001,832	92,714
Retained profit (loss) for the year	13	<u>4,001,832</u>	<u>92,714</u>

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

The accompanying notes form part of these accounts.

ONE HUNDRED LUDGATE HILL LIMITED

TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2001

	2001 £	2000 £
Profit (loss) for the financial year	4,001,832	92,714
Revaluation of properties	<u>180,000</u>	<u>160,000</u>
Total recognised gains and losses	<u>4,181,832</u>	<u>252,714</u>

HISTORICAL COST PROFITS AND LOSSES
for the year ended 31 March 2001

Profit (loss) before taxation	3,841,522	90,152
Historical cost profit (loss) before tax	<u>3,841,522</u>	<u>90,152</u>
Retained historical cost profit (loss)	<u>4,001,832</u>	<u>92,714</u>

The accompanying notes form part of these accounts.

ONE HUNDRED LUDGATE HILL LIMITED

BALANCE SHEET
as at 31 March 2001

	Note	£	2001	£	£	2000	£
Fixed assets							
Investment properties	6			4,990,000			4,810,000
Investments	7			1			1
Loans to group companies	7			-			-
				<u>4,990,001</u>			<u>4,810,001</u>
Current assets							
Debtors	8	2,163,818			5,003,839		
		<u>2,163,818</u>			<u>5,003,839</u>		
Creditors due within one year	9	12,324,709			19,166,562		
Net current assets (liabilities)				(10,160,891)			(14,162,723)
Total assets less current liabilities				(5,170,890)			(9,352,722)
Creditors due after one year							
Provisions for liabilities and charges	10	-		-	-		-
Net assets (liabilities)				<u>(5,170,890)</u>			<u>(9,352,722)</u>
Capital and reserves							
Called up share capital	11			12,500			12,500
Share premium	13			-			-
Capital reserves							
- Realised	13			10,770,102			6,632,254
- Revaluation	13			340,000			160,000
- Other - unrealised	13			-			-
Profit and loss account	13			(16,293,492)			(16,157,476)
Shareholders' funds	13			<u>(5,170,890)</u>			<u>(9,352,722)</u>

Non-equity interests are stated in note 19.

C Metliss

Lehman

J H Weston Smith
Directors

Weston

Approved by the Board on

21st September 2001

The accompanying notes form part of this Balance Sheet.

ONE HUNDRED LUDGATE HILL LIMITED

NOTES TO THE ACCOUNTS for the year 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 year.

The accounts have been prepared using a computer system. This is 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 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.

The company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of another company. Group accounts which include the company, for The British Land Company PLC are publicly available (see note 21).

The company is also, on this basis, exempt from the requirement of FRS 1 to present a cash flow statement.

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

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 the revaluation reserve, unless a deficit is expected to be permanent, in which case it is charged to the profit and loss account.

Current asset investments are stated at the lower of cost and net realisable value.

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

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.

ONE HUNDRED LUDGATE HILL LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31 March 2001

	2001 £	2000 £
2. Gross profit (loss)		
Net rental income	720,402	7,515
Fees and commissions	-	-
Other trading income	-	-
	<u>720,402</u>	<u>7,515</u>

3. Profit (loss) on ordinary activities before taxation

	2001 £	2000 £
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).

4. Staff costs

	2001 £	2000 £
Wages and salaries	-	-
Social security costs	-	-
Pension costs	-	-
	<u>-</u>	<u>-</u>

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

Average number of employees, including directors, of the company during the year was Nil (2000 - Nil).

5. Taxation

	2001 £	2000 £
UK corporation tax	(160,310)	(2,562)
Deferred tax	-	-
Adjustments in respect of prior years:		
- UK corporation tax	-	-
- Deferred tax	-	-
	<u>(160,310)</u>	<u>(2,562)</u>

ONE HUNDRED LUDGATE HILL LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31 March 2001

6. Investment properties

	Freehold £	Long leasehold £	Short leasehold £	Total £
Cost and valuation				
1 April 2000	-	4,810,000	-	4,810,000
Disposals	-	(176,725,000)	(16,275,000)	(193,000,000)
Group transfers	-	176,725,000	16,275,000	193,000,000
Revaluation surplus (deficit)	-	180,000	-	180,000
31 March 2001	-	4,990,000	-	4,990,000
Amortisation and depreciation				
1 April 2000	-	-	-	-
External disposals	-	-	-	-
Group transfers	-	-	-	-
Charge to revenue	-	-	-	-
31 March 2001	-	-	-	-
Net book value				
31 March 2001	-	4,990,000	-	4,990,000
1 April 2000	-	4,810,000	-	4,810,000
Analysis of cost and valuation				
31 March 2001				
Cost	-	4,650,000	-	4,650,000
Revaluation	-	340,000	-	340,000
Net book value	-	4,990,000	-	4,990,000
1 April 2000				
Cost	-	4,650,000	-	4,650,000
Revaluation	-	160,000	-	160,000
Net book value	-	4,810,000	-	4,810,000

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.

Properties charged to secure borrowings of the ultimate holding company are stated in note 14.

Capitalised interest is stated in note 15.

ONE HUNDRED LUDGATE HILL LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31 March 2001

7. Investments and loans to group companies

	Shares in subsidiaries £	Other investments £	Total £	Loans to Group companies £
At cost or directors' valuation				
1 April 2000	1	-	1	-
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation	-	-	-	-
31 March 2001	1	-	1	-
At cost				
31 March 2001	1	-	1	-
1 April 2000	1	-	1	-

Subsidiaries

The company has investments in the following subsidiary

	Activity
Brunswick Wharf Limited	Property investment

This company is wholly owned and is registered and operates in England and Wales.

ONE HUNDRED LUDGATE HILL LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31 March 2001

	2001 £	2000 £
8. Debtors		
Trade debtors	2,000,000	5,000,000
Other debtors	(1)	3,839
Corporation tax	160,310	-
Prepayments and accrued income	3,509	-
	<u>2,163,818</u>	<u>5,003,839</u>

9. Creditors due within one year

Trade creditors	409,385	200,000
Other creditors	293,838	293,838
Amounts owed to group companies		
- current accounts	11,429,305	18,615,785
Other taxation and social security	113,256	-
Accruals and deferred income	78,925	56,939
	<u>12,324,709</u>	<u>19,166,562</u>

ONE HUNDRED LUDGATE HILL LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31 March 2001

10. Provision for liabilities and charges

	Sinking funds £
1 April 2000	-
Additions	-
31 March 2001	-

11. Share capital

	2001 £	2000 £
Authorised		
100,000 ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Allotted and partly paid		
50,000 ordinary shares of £1 each, 25 pence paid	12,500	12,500
	<u>12,500</u>	<u>12,500</u>

ONE HUNDRED LUDGATE HILL LIMITED

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

12. Directors' interests in share and loan capital

No director held a beneficial interest in the share capital of the company. The directors set out on page 1 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.

ONE HUNDRED LUDGATE HILL LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31 March 2001

13. Reconciliation of movements in shareholders' funds

	Share capital £	Share premium £	Capital reserve - realised £	Capital reserve - revaluation £	Capital reserve - other unrealised £	Profit and loss account £	Total £
Opening shareholders' funds	12,500	-	6,632,254	160,000	-	(16,157,476)	(9,352,722)
Retained profit (loss)	-	-	4,137,848	-	-	(136,016)	4,001,832
Revaluation of properties	-	-	-	180,000	-	-	180,000
Closing shareholders' funds	<u>12,500</u>	<u>-</u>	<u>10,770,102</u>	<u>340,000</u>	<u>-</u>	<u>(16,293,492)</u>	<u>(5,170,890)</u>

ONE HUNDRED LUDGATE HILL LIMITED

NOTES TO THE ACCOUNTS
for the year ended 31 March 2001

14. Secured properties

Properties valued at £Nil (2000 - £Nil) were charged to secure borrowings of the ultimate holding company.

15. Capitalised interest

The cumulative interest capitalised on the development of properties is £Nil (2000 - £Nil).

16. Capital commitments

The company had capital commitments contracted at 31 March 2001 of £Nil (2000 - £Nil).

17. 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 £0.4m (2000 - £0.4m).

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.

18. 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.

19. Non-equity interests

Shareholders' funds includes non-equity interests of £Nil (2000 - £Nil).

20. Subsequent events

There have been no significant events since the year end.

21. Ultimate holding company

The immediate parent company is Ludgate Investment Holdings Limited.

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.