
Broadgate Estates Limited

Annual Report and Accounts

Year ended 31 March 2004



Company number: 2366959

Broadgate Estates 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 principal activity of the company and the group is estate management and the provision of property services.

The subsidiaries held by the company are listed in note 5 to the accounts.

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.

There were no significant events since the balance sheet date.

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 throughout the period were:

C Metliss
J H Weston Smith
A W Adams
R L Fisher
R S Flood
E G Frazer
M I Gunston
J H Iddiols
N F MacLaine
B C Winfield

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

Broadgate Estates Limited

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

Annual General Meeting

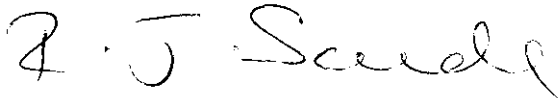
At the Annual General Meeting of the company held on 25 January 2000 Elective Resolutions were passed to dispense with the following requirements:

- 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 Deloitte & Touche LLP are willing to continue in office.

This report was approved by the Board on **28 SEP 2004**

A handwritten signature in dark ink, appearing to read 'R J Scudamore', is written over the printed name and title.

R J Scudamore
Secretary

Broadgate Estates Limited

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

To the members of Broadgate Estates Limited

We have audited the accounts of Broadgate Estates Limited for the year ended 31 March 2004 which comprise the consolidated profit and loss account, balance sheet and the related notes 1 to 16. These accounts 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 financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant 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 whether the financial statements have been 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 and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 and the group at 31 March 2004 and of the profit for the group 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

4 October 2004

Broadgate Estates Limited

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

COMPANY			Note	GROUP	
2004	2003			2004	2003
£	£			£	£
8,699,267	8,100,627	Turnover	1	10,753,905	9,690,261
(7,523,213)	(6,598,694)	Cost of turnover		(8,849,823)	(8,027,018)
<u>1,176,054</u>	<u>1,501,933</u>	Gross profit (loss)		<u>1,904,082</u>	<u>1,663,243</u>
<u>1,176,054</u>	<u>1,501,933</u>	Operating profit (loss)	2	<u>1,904,082</u>	<u>1,663,243</u>
		Profit on disposal of properties			
(1,300,000)		Write down of investment in subsidiaries			
359,784	373,717	Interest receivable - external		466,833	487,841
		Interest payable - external			
<u>235,838</u>	<u>1,875,650</u>	Profit (loss) on ordinary activities before taxation		<u>2,370,915</u>	<u>2,151,084</u>
(460,751)	(562,695)	Taxation	4	(804,743)	(915,953)
<u>(224,913)</u>	<u>1,312,955</u>	Profit (loss) on ordinary activities after taxation and retained for the year	12	<u>1,566,172</u>	<u>1,235,131</u>

Turnover and results are derived from continuing operations in the United Kingdom. There were no other recognised gains or losses other than those reported above consequently a statement of recognised gains and losses has not been presented. The company has only one significant class of business.

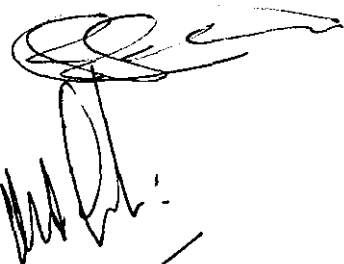
All amounts are stated at historical cost.

Broadgate Estates Limited

BALANCE SHEET
as at 31 March 2004

COMPANY				GROUP	
2004	2003		Note	2004	2003
£	£			£	£
		Fixed assets			
200,083	1,500,082	Investments	5		
<u>200,083</u>	<u>1,500,082</u>				
		Current assets			
6,453,454	3,925,039	Debtors	6	8,772,031	6,541,335
3,356,071	4,669,893	Cash at bank		5,481,854	5,405,472
<u>9,809,525</u>	<u>8,594,932</u>			<u>14,253,885</u>	<u>11,946,807</u>
(5,392,251)	(5,252,744)	Creditors due within one year	7	(6,192,053)	(5,451,147)
4,417,274	3,342,188	Net current assets (liabilities)		8,061,832	6,495,660
<u>4,617,357</u>	<u>4,842,270</u>	Total assets less current liabilities		<u>8,061,832</u>	<u>6,495,660</u>
		Creditors due after one year	8		
<u>4,617,357</u>	<u>4,842,270</u>	Net assets (liabilities)		<u>8,061,832</u>	<u>6,495,660</u>
		Capital and reserves			
12,500	12,500	Called up share capital	10	12,500	12,500
		Revaluation reserve	12		
4,604,857	4,829,770	Profit and loss account	12	8,049,312	6,483,140
<u>4,617,357</u>	<u>4,842,270</u>	Equity shareholders' funds	12	<u>8,061,812</u>	<u>6,495,640</u>
		Minority Interests (including non-equity interests)	15	20	20
		Total capital employed		<u>8,061,832</u>	<u>6,495,660</u>

J H Iddiols



M I Gunston
Directors

Approved by the Board on 28 SEP 2004

Broadgate Estates 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 year and the previous period.

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.

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 as part of its consolidated financial statements, which are publicly available (see note 13).

Investments

Fixed asset investments are stated at market value when listed and at director's 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 director's valuation.

Taxation

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

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.

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.

Consolidation

The consolidated accounts include the accounts of the parent and all subsidiaries.

Subsidiaries or joint ventures acquired or disposed of during the year are included from the date of acquisition or to the date of disposal and accounted for under the acquisition or gross equity method. Accounting practices of subsidiaries and joint ventures which differ from Group accounting policies are adjusted on consolidation.

Broadgate Estates Limited
Notes to the accounts
for the year ended 31 March 2004

Turnover

Turnover arises on fees incurred in respect of estate management and the provision of property services and is recognised on an accruals basis.

Pensions

The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefit is the contribution payable in the year. Difference between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. Profit (loss) on ordinary activities before taxation

	GROUP / COMPANY	
	2004	2003
Profit (loss) on ordinary activities before taxation is stated after charging (crediting):		
Amortisation and depreciation		
Auditors' remuneration		
Auditors' remuneration for other services		
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Amounts payable to Deloitte & Touche LLP in respect of audit and non-audit services are paid at group level by The British Land Company PLC.

Broadgate Estates Limited

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

3. Staff costs

a) Particulars of staff costs (including executive directors) are shown below:

	GROUP	
	2004	2003
	£	£
Wages and salaries	4,306,791	3,790,909
Social security costs	476,572	438,434
Pension costs	318,919	346,137
	<u>5,102,282</u>	<u>4,575,480</u>

	COMPANY	
	2004	2003
	£	£
Wages and salaries	3,470,619	3,004,123
Social security costs	390,789	347,439
Pension costs	261,514	274,298
	<u>4,122,922</u>	<u>3,625,860</u>

Average number of employees, including directors, of the group during the period was 117 (2003 - 114).

Pension costs were incurred in the year in respect of a defined contribution scheme. There were no outstanding or prepaid contributions at 31 March 2004 (2003 - £Nil).

b) Directors' remuneration

The remuneration of the directors of the company during the year was as follows:

	GROUP	
	2004	2003
	£	£
Salaries and fees	713,123	673,273
Other emoluments (including pension contributions)	94,676	90,425
	<u>807,799</u>	<u>763,698</u>

The directors' remuneration shown above (excluding pension contributions):

	GROUP	
	2004	2003
	£	£
Chairman		
Highest paid director	215,203	210,326
	<u>215,203</u>	<u>210,326</u>

Broadgate Estates Limited

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

3. Staff costs (continued)

Loans made to directors during the year, repayable in monthly instalments over 12 months were as follows:

	Balance repayable 31 March 2004 £	Balance repayable 31 March 2003 £
B C Winfield	2,000	1,600
N F MacLaine	1,800	1,744
J Sutherland	<u>-</u>	<u>3,743</u>

4. Taxation - Group

	2004 £	2003 £
Current tax		
UK corporation tax	804,743	915,953
Adjustments in respect of prior years		
Total current tax charge (credit)	<u>804,743</u>	<u>915,953</u>
Deferred tax		
Origination and reversal of timing differences		
Prior year items		
Total deferred tax charge (credit)		
Total taxation (effective tax rate – 34.9%; 2003 – 42.6%)	<u><u>804,743</u></u>	<u><u>915,953</u></u>

Tax reconciliation

Profit on ordinary activities before taxation	<u>2,370,915</u>	<u>2,151,084</u>
Tax on profit on ordinary activities at UK corporation tax rate of 30% (2003 - 30%)	711,275	645,325
Effects of:		
Capital allowances		
Tax losses and other timing differences		
Expenses not deductible for tax purposes	117,422	270,628
Adjustments in respect of prior years		
Current tax charge (credit)	<u><u>828,697</u></u>	<u><u>915,953</u></u>

Broadgate Estates Limited

Notes to the accounts for the year ended 31 March 2004

5. Investments and loans to group companies by company

	Shares in subsidiaries £	Other Investments - listed £	Total £	Loans to Group companies £
At cost or directors' valuation				
1 April 2003	1,500,082		1,500,082	
Additions	1		1	
Disposals				
Impairment	(1,300,000)		(1,300,000)	
Revaluation				
31 March 2004	200,083		200,083	
At cost				
31 March 2004	200,083		200,083	
1 April 2003	1,500,082		1,500,082	

Subsidiaries

The company has investments in the following subsidiaries:

Activities

Broadgate Estate Management Limited	100% Estate management and the provision of property services.
Vicinitee Limited	80% Provision of property services.
Urban Estates Management	100% Estate management and the provision of property services. (not yet trading at 31 March 2004)

These companies are incorporated in Great Britain

Broadgate Estates Limited**Notes to the accounts
for the year ended 31 March 2004****6. Debtors**

	GROUP	
	2004	2003
	£	£
Trade debtors	923,966	294,212
Corporation tax		
Amounts owed by group companies - current accounts	7,555,189	6,100,000
Other taxation and social security	29,088	7,386
Other debtors	263,788	139,737
	<u>8,772,031</u>	<u>6,541,335</u>

	COMPANY	
	2004	2003
	£	£
Trade debtors	915,741	285,302
Corporation tax		
Amounts owed by group companies - current accounts	5,273,925	3,500,000
Other taxation and social security		
Other debtors	263,788	139,737
	<u>6,453,454</u>	<u>3,925,039</u>

7. Creditors due within one year

	GROUP	
	2004	2003
	£	£
Trade creditors	564,568	1,574,511
Amounts owed to group companies - current accounts		
Corporation tax	1,720,694	1,471,997
Other creditors		
Other taxation and social security	325,482	164,515
Accruals and deferred income	3,581,309	2,240,124
	<u>6,192,053</u>	<u>5,451,147</u>

	COMPANY	
	2004	2003
	£	£
Trade creditors	498,488	1,574,918
Amounts owed to group companies - current accounts		566,540
Corporation tax	1,047,398	780,523
Other creditors		
Other taxation and social security	301,528	164,515
Accruals and deferred income	3,544,837	2,166,248
	<u>5,392,251</u>	<u>5,252,744</u>

Broadgate Estates Limited

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

8. Creditors due after one year

	GROUP	
	2004	2003
	£	£
External loans 2-5 years		
Loans from joint venture partners		
	<hr/>	<hr/>
	<hr/>	<hr/>

	COMPANY	
	2004	2003
	£	£
External loans 2-5 years		
Loans from joint venture partners		
	<hr/>	<hr/>
	<hr/>	<hr/>

9. Provision for liabilities and charges

	GROUP	
	2004	2003
	£	£
1 April 2003		
Charged (credited) to the profit and loss account)		
31 March 2004	<hr/>	<hr/>
	<hr/>	<hr/>

Deferred tax is provided as follows

	2004	2003
	£	£
Accelerated capital allowances		
Other timing differences		
	<hr/>	<hr/>
	<hr/>	<hr/>

	COMPANY	
	2004	2003
	£	£
1 April 2003		
Charged (credited) to the profit and loss account)		
31 March 2004	<hr/>	<hr/>
	<hr/>	<hr/>

Deferred tax is provided as follows

	2004	2003
	£	£
Accelerated capital allowances		
Other timing differences		
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Broadgate Estates Limited

Notes to the accounts for the year ended 31 March 2004

10. Share capital

	2004 £	2003 £
Authorised		
100,000 ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Allotted, called up and partly paid		
50,000 ordinary shares of £1 each, called up to the extent of 25 pence each	12,500	12,500
	<u>12,500</u>	<u>12,500</u>

11. Directors' interests in share and loan capital

No director held a beneficial interest in the share capital of the company. J H Weston Smith is also a director of The British Land Company PLC and, as such, his 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)	
	31 Mar 04	1 Apr 03	31 Mar 04	1 Apr 03
C Metliss	118,905	113,332		
M I Gunston	74,923	65,745		
J H Iddiols	47,250	41,510		
A W Adams	9,699	8,712		
B C Winfield	4,210	4,745		
R L Fisher	7,428	6,056		
R S Flood	4,210	4,199		
E G Frazer	3,751	5,223		
N Maclaine	3,716	3,883		

	Options over ordinary shares			
	1984 Option Scheme		Sharesave Scheme	
	31 Mar 04	1 Apr 03	31 Mar 04	1 Apr 03
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
A W Adams		30,947	4,700	4,700
B C Winfield			4,863	4,863
R L Fisher			4,863	4,863
R S Flood			4,863	4,863
E G Frazer			4,863	4,863
N Maclaine			631	631

Broadgate Estates Limited

Notes to the accounts for the year ended 31 March 2004

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

	Rights under Restricted Share Plan		Rights under Long Term Incentive Plan			
	Ordinary shares		Ordinary		Options over Ordinary shares	
	31 March 2004	1 April 2003	31 March 2004	1 April 2003	31 March 2004	1 April 2003
C Metliss						
M I Gunston	20,000	35,000				
J H Iddiols	30,000	37,500	3,500		10,500	
A W Adams	30,500	31,000	3,000		9,000	
B C Winfield	39,500	31,000	10,000		30,000	
R L Fisher	12,850	12,100	2,750		8,250	
R S Flood	18,300	18,300	2,750		8,250	
E G Frazer	11,900	11,400	2,750		8,250	
N MacLaine	11,900	11,400	2,750		8,250	

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 exercise 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.

A W Adams exercised options over 30,947 shares, at an option price of 394p per share, under British Land's 1984 Share Option Scheme. The middle market quotation on the date of disposal of these 30,947 shares was 514p per share. He was granted options over 9,000 shares, at an option price of 552p per share, under British Land's Long Term Incentive Plan.

B Winfield was granted options over 30,000 shares, at an option price of 552p per share, under British Land's Long Term Incentive Plan.

R Fisher was granted options over 8,250 shares, at an option price of 552p per share, under British Land's Long Term Incentive Plan.

R Flood was granted options over 8,250 shares, at an option price of 552p per share, under British Land's Long Term Incentive Plan.

E Frazer was granted options over 8,250 shares, at an option price of 552p per share, under British Land's Long Term Incentive Plan.

N MacLaine was granted options over 8,250 shares, at an option price of 552p per share, under British Land's Long Term Incentive Plan.

Broadgate Estates Limited

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

12. Reconciliation of movements in shareholders' funds and reserves

GROUP

	Share capital	Revaluation reserve	Profit and loss account	Total
	£	£	£	£
Opening shareholders' funds	12,500		6,483,140	6,495,640
Retained profit (loss) for the period			1,566,172	1,566,172
for the year ended 31 March 2004	12,500		8,049,312	8,061,812

COMPANY

	Share capital	Revaluation reserve	Profit and loss account	Total
	£	£	£	£
Opening shareholders' funds	12,500		4,829,770	4,842,270
Retained profit (loss) for the period			(224,913)	(224,913)
Closing shareholders' funds	12,500		4,604,857	4,617,357

Broadgate Estates Limited

Notes to the accounts for the year ended 31 March 2004

13. 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 FRS8.

14. Immediate parent and ultimate holding company

The immediate parent company is Broadgate Property Management Limited. Broadgate Estates Limited is the smallest group and The British Land Company PLC is the 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.

15. Minority interests

	Equity £	Non-equity £	Total £
Shares issued to third party	20		20
Loss on ordinary activities after taxation	(78,281)		(78,281)
Provision against minority interest losses	78,281		78,281
At 31 March 2004	20		20

A provision has been made against the losses attributable to minority interests as in the opinion of the directors the group is not likely to be able to recover these losses from the third party.

16. 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.