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# **BROADGATE (LENDING) LIMITED**

## **Annual Report and Accounts**

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**Year ended 31 March 2004**

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**Company number: 3724277**

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## **BROADGATE (LENDING) LIMITED**

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

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

#### **Principal activity**

The principal activity of the company is to provide short term finance within the Broadgate Property Holdings Limited group of companies.

#### **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 14 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 throughout the year were, except as noted:

J H Ritblat  
J H Weston Smith  
N S J Ritblat  
R E Bowden  
G C Roberts  
L M Bell  
A Braine  
P C Clarke

The directors' interests in the share and loan capital of the company are set out in note 9 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**BROADGATE (LENDING) 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 26 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**

On 1 August 2003, Deloitte & Touche, the Company's auditors 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.

This report was approved by the Board on **27 SEP 2004**



**L M Bell**

Director

10 Cornwall Terrace  
Regent's Park  
London  
NW1 4QP

**BROADGATE (LENDING) LIMITED**

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

**To the Members of BROADGATE (LENDING) LIMITED**

We have audited the financial statements of Broadgate (Lending) Limited for the year ended 31 March 2004 which comprise the profit and loss account, balance sheet and the related notes 1 to 15. These financial statements 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 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 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 at 31 March 2004 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

*27 September 2004*

**BROADGATE (LENDING) LIMITED**

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

	<b>Note</b>	<b>2004</b> <b>£</b>	<b>2003</b> <b>£</b>
<b>Turnover</b>			
Fees and Commissions		13,000	13,000
Cost of turnover			
<b>Gross profit (loss)</b>		<u>13,000</u>	<u>13,000</u>
Administrative expenses			
<b>Operating profit (loss)</b>		<u>13,000</u>	<u>13,000</u>
Interest receivable			
External - unlisted			
Interest payable			
Group			
External - unlisted			
<b>Profit (loss) on ordinary activities before taxation</b>	<b>2</b>	<u>13,000</u>	<u>13,000</u>
Taxation	<b>4</b>	(3,900)	(3,900)
<b>Profit (loss) on ordinary activities after taxation and retained for the year</b>	<b>10</b>	<u><u>9,100</u></u>	<u><u>9,100</u></u>

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

There were no recognised gains or losses other than those reported above, consequently a Statement of Total Recognised Gains and Losses has not been presented.

All amounts are stated at historical cost.

**BROADGATE (LENDING) LIMITED**

**BALANCE SHEET  
as at 31 March 2004**

	Note	2004 £	£	2003 £	£
<b>Current assets</b>					
Debtors	6	10,147,889		36,634	
Cash at bank					
		<u>10,147,889</u>		<u>36,634</u>	
<b>Creditors due within one year</b>	7	(10,106,055)		(3,900)	
		<u></u>		<u></u>	
<b>Net current assets (liabilities)</b>			41,834		32,734
<b>Total assets less current liabilities</b>			<u>41,834</u>		<u>32,734</u>
<b>Net assets (liabilities)</b>			<u>41,834</u>		<u>32,734</u>
<b>Capital and reserves</b>					
Called up share capital	8		2		2
Profit and loss account	10		41,832		32,732
<b>Equity shareholders' funds</b>	10		<u>41,834</u>		<u>32,734</u>

These financial statements were approved by the Board of Directors on **27 SEP 2004**

  
P C Clarke

  
L M Bell  
Directors

## **BROADGATE (LENDING) 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 as modified by the revaluation of investment properties and fixed asset investments.

#### **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 15).

#### **Turnover**

Turnover represents fees receivable in respect of lending services, recognised on an accruals basis.

# **BROADGATE (LENDING) LIMITED**

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

### **1. Accounting policies (continued)**

#### **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 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.

### **2. Profit (loss) on ordinary activities before taxation**

**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 (LENDING) LIMITED****Notes to the accounts  
for the year ended 31 March 2004****3. Staff costs**

	2004 £	2003 £
Wages and salaries		
Social security costs		
Pension costs		

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).

**4. Taxation**

	2004 £	2003 £
<b>Current tax</b>		
UK corporation tax	3,900	3,900
Adjustments in respect of prior years		
Total current tax charge (credit)	3,900	3,900
<b>Deferred tax</b>		
Origination and reversal of timing differences		
Prior year items		
Total deferred tax charge (credit)		
<b>Total taxation (effective tax rate – 30.0%; 2003 – 30.0%)</b>	3,900	3,900

**Tax reconciliation**

Profit on ordinary activities before taxation	13,000	13,000
Tax on profit on ordinary activities at UK corporation tax rate of 30% (2003 - 30%)	3,900	3,900
Effects of:		
Capital allowances		
Tax losses and other timing differences		
Expenses not deductible for tax purposes		
Adjustments in respect of prior years		
<b>Current tax charge (credit)</b>	3,900	3,900

Where the company currently owns properties, further taxation that might become payable if the properties were sold at open market value is estimated at £Nil (2003 - £Nil). This unprovided taxation is stated after taking account of the FRS19 capital allowance deferred tax provision of £Nil (2003 - £Nil) recorded in the balance sheet which, would be expected to be released on sale.

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

**BROADGATE (LENDING) LIMITED****Notes to the accounts  
for the year ended 31 March 2004**

<b>6. Debtors</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade debtors		
Amounts owed by group companies - current accounts	10,147,889	36,634
Corporation tax		
Other debtors		
Prepayments and accrued income		
	<u>10,147,889</u>	<u>36,634</u>
<b>7. Creditors due within one year</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade creditors		
Amounts owed to group companies		
- subordinated loans from Broadgate Property Holdings Limited		
- subordinated loans from Broadgate (Funding) PLC		
- current accounts	10,102,155	
Corporation tax	3,900	3,900
Other taxation and social security		
Other creditors		
Accruals and deferred income		
	<u>10,106,055</u>	<u>3,900</u>
<b>8. Share capital</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

# **BROADGATE (LENDING) LIMITED**

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

### **9. Directors' interests in share and loan capital**

No director held a beneficial interest in the share capital of the company. Messrs. J H Ritblat, 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 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:-

	<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>
A Braine	13,979	12,992		
L M Bell	10,955	9,968		
P C Clarke	6,247	19,976		

	<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>
A Braine			2,519	2,519
L M Bell	2,925	17,925	2,427	2,427
P C Clarke			2,632	2,632

	<b>Rights under Restricted Share Plan</b>		<b>Rights under Long Term Incentive Plan</b>			
	<b>Ordinary shares</b>		<b>Ordinary shares</b>		<b>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>
A Braine	60,000	57,500	10,000		30,000	
L M Bell	60,000	55,000	10,000		30,000	
P C Clarke	70,000	67,500	10,000		30,000	

### **Granting and lapsing of options**

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

L M Bell exercised options over 15,000 shares, under British Land's 1984 Share Option Scheme. 13,888 had an option price of 394p per share and 1,112 had an option price of 322p per share. The middle market quotation on the date of disposal of these 15,000 shares was 550p per share. She was granted options over 30,000 shares, at an option price of 552 p per share, under British Land's Long Term Incentive Plan.

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

**BROADGATE (LENDING) LIMITED**

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

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

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
Opening shareholders' funds	2		32,732	32,734
Retained profit (loss) for the year			9,100	9,100
Closing shareholders' funds	<u>2</u>		<u>41,832</u>	<u>41,834</u>

**11. Capital commitments**

The company had capital commitments contracted at 31 March 2004 of £Nil (2003 - £Nil).

**12. Contingent liabilities**

The company is jointly and severally liable with Broadgate Estate Management Limited a wholly owned subsidiary of the ultimate holding company, and fellow subsidiaries for all monies falling due under the group VAT registration.

**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 Financial Reporting Standard 8.

**14. Subsequent events**

There have been no significant events since the year end.

**15. Immediate parent and ultimate holding company**

The immediate parent company is Broadgate Property Holdings 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.