

3854026

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# **TBL (Bromley) Limited**

## **Annual Report and Accounts**

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**Year ended 31 December 2004**

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**Company number: 3854026**

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**TBL (Bromley) Limited**

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

The directors present their Annual Report and audited financial statements for the year ended 31 December 2004.

**Principal activity**

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

**Review of business and prospects**

The business performed in line with expectations during the year. The directors envisage that it will continue to perform satisfactorily.

Details of significant events since the balance sheet date are contained in note 12 of the financial statements.

**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, except as noted, were:

C Metliss  
R E Bowden  
S M Barzycki  
P C Clarke  
N T Earp  
R Howell (Resigned 30/04/2004)  
N C Maurant  
J Penfold (Resigned 11/06/2004)  
A E Clark (Appointed 11/06/2004)  
J M Rennie (Appointed 11/06/2004)

The directors' interests in the share and loan capital of the company are set out in note 10 to the financial statements.

**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 the group at the end of the financial year and of the profit or loss of the group for that year. In preparing those financial statements, 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 of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

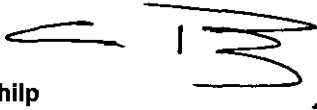
**TBL (Bromley) Limited**

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

**Auditors**

The auditors, Deloitte & Touche LLP, are willing to continue in office and a resolution to re-appoint them will be put to the Annual General Meeting.

This report was approved by the Board on 23 MAR 2005



**C Philp**  
Secretary

10 Cornwall Terrace  
Regent's Park  
London  
NW1 4QP

**TBL (Bromley) Limited**

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

**To the members of TBL (Bromley) Limited**

We have audited the financial statements of TBL (Bromley) Limited for the year ended 31 December 2004 which comprise the Profit and loss account, the Statement of total recognised gains and losses, Balance sheet and the related notes numbered 1 to 17. 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 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 at 31 December 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

*31 March 2005*

**TBL (Bromley) Limited**

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

	Note	2004 £	2003 £
<b>Turnover</b>			
Rental income		1,113,927	974,792
Cost of turnover		(25,366)	(20,105)
<b>Gross profit</b>		<u>1,088,561</u>	<u>954,687</u>
Administrative expenses			
<b>Operating profit</b>	2	<u>1,088,561</u>	<u>954,687</u>
Profit (loss) on disposal of property			
Interest receivable - external		4,254	
Interest payable - Group		(981,187)	(810,719)
<b>Profit on ordinary activities before taxation</b>		<u>111,628</u>	<u>143,968</u>
Taxation	4	(28,002)	(43,190)
<b>Profit on ordinary activities after taxation</b>		<u>83,626</u>	<u>100,778</u>
<b>Retained profit for the year</b>	11	<u><u>83,626</u></u>	<u><u>100,778</u></u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
for the year ended 31 December 2004**

	2004 £	2003 £
<b>Profit after taxation</b>	83,626	100,778
Unrealised surplus on revaluation of investment properties	2,450,000	2,050,000
<b>Total recognised gains and losses relating to the financial year</b>	<u><u>2,533,626</u></u>	<u><u>2,150,778</u></u>

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

**TBL (Bromley) Limited****BALANCE SHEET**  
**as at 31 December 2004**

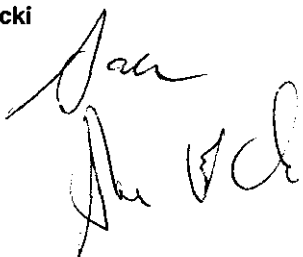
	Note	2004 £	£	2003 £	£
<b>Fixed assets</b>					
Investment properties	5	20,550,000		18,100,000	
		<u>20,550,000</u>		<u>18,100,000</u>	
<b>Current assets</b>					
Debtors	6	92,611			
Cash and deposits		<u>92,611</u>			
<b>Creditors due within one year</b>	7	(14,325,687)		(14,316,702)	
<b>Net current assets (liabilities)</b>		(14,233,076)		(14,316,702)	
<b>Total assets less current liabilities</b>		<u>6,316,924</u>		<u>3,783,298</u>	
<b>Provision for liabilities and charges</b>	8				
<b>Net assets</b>		<u>6,316,924</u>		<u>3,783,298</u>	
<b>Capital and reserves</b>					
Called up share capital	9		1		1
Share premium	11				
Revaluation reserve	11	5,925,633		3,475,633	
Profit and loss account	11	391,290		307,664	
<b>Equity shareholders' funds</b>	11	<u>6,316,924</u>		<u>3,783,298</u>	

Non-equity interests are stated in note 14.

These financial statements were approved by the Board on

**23 MAR 2005**

and signed on its behalf by:

**S M Barzycki****A E Clark**  
Directors


## **TBL (Bromley) Limited**

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

#### **1. Accounting policies**

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

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.

#### **Cash flow statement**

In accordance with FRS 1 (Revised), the company is exempt from preparing a cash flow statement. The company's cash flow is included in the group cash flow statements prepared by Tesco BL Properties Limited and Tesco BL Holdings Limited (see note 17).

#### **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 the 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.

#### **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.

**TBL (Bromley) Limited**

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

**1. Accounting policies (continued)**

**Net rental income**

Rental income is recognised on an accruals basis. Rent increases arising from rent reviews are taken into account when such reviews have been settled with tenants. Where a lease incentive does not enhance the property, it is amortised on a straight-line basis over the period from the date of lease commencement to the earlier of the first rent review to the prevailing market rent, the first break option, or the end of the lease term. On new leases with rent free periods, rental income is allocated evenly over the period from the date of lease commencement to the earlier of the first rent review to the prevailing market rate and the lease end date.

**2. Operating profit on ordinary activities before taxation**

**2004                      2003**

(Loss) profit on ordinary activities before taxation is stated after charging:

Amortisation and depreciation

Auditors' remuneration for audit services

Auditors' remuneration for non-audit services

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Audit fees and other fees payable to Deloitte & Touche LLP are borne by Tesco BL Properties Limited, the parent company.



**TBL (Bromley) Limited****Notes to the accounts  
for the year ended 31 December 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 the 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	32,932	43,190
Adjustments in respect of prior years	(4,930)	
Total current tax charge (credit)	28,002	43,190
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
Prior year items	-	-
Total deferred tax charge (credit)	-	-
<b>Total taxation (effective tax rate – 25.1%; 2003 – 30.3%)</b>	28,002	43,190

**Tax reconciliation**

Profit on ordinary activities before taxation	111,628	143,968
Tax on profit on ordinary activities at UK corporation tax rate of 30% (2003 - 30%)	33,488	43,190
Effects of:		
Capital allowances	-	
Tax losses and other timing differences	-	
Expenses not deductible for tax purposes	(556)	
Adjustments in respect of prior years	(4,930)	
<b>Current tax charge</b>	28,002	43,190

Included in the tax charge is a net charge of £Nil (2003 - £Nil) attributable to property sales.

Where the company currently owns properties, further taxation that might become payable if the properties were sold at open market value is estimated at £1.2m (2003 - £0.6m). 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, as described in note 8, 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.

**TBL (Bromley) Limited**

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

**5. Investment and development properties**

	Freehold £
<b>Cost and valuation</b>	
1 January 2004	18,100,000
Additions	
Disposals	
Revaluation surplus	2,450,000
<b>31 December 2004</b>	<u><u>20,550,000</u></u>
<b>Analysis of cost and valuation</b>	
<b>31 December 2004</b>	
Historical cost	14,624,367
Revaluation	5,925,633
Net book value	<u><u>20,550,000</u></u>
<b>Analysis of cost and valuation</b>	
1 January 2004	
Historical cost	14,624,367
Revaluation	3,475,633
Net book value	<u><u>18,100,000</u></u>

Freehold properties were externally valued at 31 December 2004 by CB Hillier Parker Limited, 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.

**6. Debtors**

	2004 £	2003 £
Trade debtors	89,606	
Amounts owed by group companies - current accounts		
Corporation tax		
Other debtors		
Prepayments and accrued income	3,005	
	<u><u>92,611</u></u>	<u><u>          </u></u>

Included in other debtors is an amount of £Nil (2003 - £Nil) relating to lease incentives which are amortised over the period to the next open market rent review.

**7. Creditors due within one year**

	2004 £	2003 £
Trade creditors		
Amounts owed to group companies - current accounts	14,020,970	14,027,455
Corporation tax	32,932	21,663
Other taxation and social security	42,656	42,585
Other creditors		
Accruals and deferred income	229,129	224,999
	<u><u>14,325,687</u></u>	<u><u>14,316,702</u></u>

**TBL (Bromley) Limited**

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

**8. Provision for liabilities and charges**

	Deferred Taxation £
1 January 2004	
Charged to the profit and loss account	
<b>31 December 2004</b>	

Deferred tax is provided as follows

	2004 £	2003 £
Accelerated capital allowances		
Tax losses		
Other timing differences		

The deferred tax provision relates primarily to capital allowances claimed on plant and machinery within investment properties. When a property is sold and the agreed disposal value for this plant and machinery is less than original cost there is a release of the surplus part of the provision. The entire amount of the capital allowance provision would be expected to be released on sale.

**9. Share capital**

	2004 £	2003 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

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

No director held a beneficial interest in the share capital of the company or any other group company during the current or previous year.

**11. Reconciliation of movements in shareholders' funds**

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
<b>Opening shareholders' funds</b>	1	3,475,633	307,664	3,783,298
Retained profit for the year			83,626	83,626
Revaluation of properties		2,450,000		2,450,000
<b>Closing shareholders' funds</b>	<u>1</u>	<u>5,925,633</u>	<u>391,290</u>	<u>6,316,924</u>

**TBL (Bromley) Limited**  
**Notes to the accounts**  
**for the year ended 31 December 2004**

**12. Subsequent events**

There were no subsequent events arising.

**13. Related parties**

Related party disclosures noted below are in respect of transactions between the Group and its related parties as defined by Financial Reporting Standard 8.

During the year, rent received from Tesco Stores Limited amounted to £1.0m (2003 - £1.1m).

Tesco Stores Limited is a subsidiary of Tesco Plc a joint venture parent company of Tesco BL Holdings Limited the ultimate holding company.

**14. Non-equity interests**

Shareholders' funds includes non-equity interests of £Nil (2003 - £Nil).

**15. Capital Commitments**

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

**16. Contingent liabilities**

The company is jointly and severally liable with Tesco BL Holdings Limited, the ultimate holding company, and fellow subsidiaries for all monies falling due under the group VAT registration.

**17. Ultimate holding company**

Tesco BL Properties Limited is the smallest group and Tesco BL Holdings Limited is the largest group for which group accounts are available and which include the company.

The company has given a guarantee in respect of bank borrowings of the immediate parent company being Tesco BL Properties Limited.

The ultimate holding company is Tesco BL Holdings Limited, a joint venture between British Land (Joint Ventures) Limited, which is a wholly owned subsidiary of The British Land Company PLC and Tesco PLC, and which is incorporated in Great Britain.

The accounts of Tesco BL Properties Limited and Tesco BL Holdings Limited can be obtained from The British Land Company PLC, 10 Cornwall Terrace, Regent's Park, London NW1 4QP.

The ultimate holding company has confirmed in writing that it will not demand repayment of amounts owed to it within twelve months of the date of signing of these accounts.