
TBL (Maidstone) Limited

Annual Report and Accounts

Year ended 31 December 2004

Company number: 3854615



TBL (Maidstone) 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 Mourant
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 (Maidstone) 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**

A handwritten signature in dark ink, appearing to be 'C Philp', written over a horizontal line.

C Philp
Secretary

10 Cornwall Terrace
Regent's Park
London
NW1 4QP

TBL (Maidstone) Limited

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

To the members of TBL (Maidstone) Limited

We have audited the financial statements of TBL (Maidstone) 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 (Maidstone) Limited

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

	Note	2004 £	2003 £
Turnover			
Rental income		1,210,061	968,920
Cost of turnover		(59,577)	(19,863)
Gross profit		<u>1,150,484</u>	<u>949,057</u>
Administrative expenses			
Operating profit	2	<u>1,150,484</u>	<u>949,057</u>
Profit (loss) on disposal of property			
Interest receivable - external		743	
Interest payable - Group		(787,074)	(702,959)
Profit on ordinary activities before taxation		<u>364,153</u>	<u>246,098</u>
Taxation	4	(106,945)	(73,803)
Profit on ordinary activities after taxation		<u>257,208</u>	<u>172,295</u>
Retained profit for the year	11	<u><u>257,208</u></u>	<u><u>172,295</u></u>

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

	2004 £	2003 £
Profit after taxation	257,208	172,295
Unrealised surplus on revaluation of investment properties	798,750	2,000,000
Total recognised gains and losses relating to the financial year	<u><u>1,055,958</u></u>	<u><u>2,172,295</u></u>

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

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

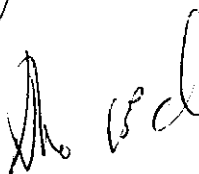
	Note	2004 £	£	2003 £	£
Fixed assets					
Investment properties	5	17,500,000		16,700,000	
		<u>17,500,000</u>		<u>16,700,000</u>	
Current assets					
Debtors	6	47,300		141,286	
Cash and deposits		<u>47,300</u>		<u>141,286</u>	
Creditors due within one year	7	(11,345,027)		(11,702,996)	
Net current assets (liabilities)		(11,297,727)		(11,561,710)	
Total assets less current liabilities		<u>6,202,273</u>		<u>5,138,290</u>	
Provision for liabilities and charges	8	<u>(80,758)</u>		<u>(72,733)</u>	
		(80,758)		(72,733)	
Net assets		<u><u>6,121,515</u></u>		<u><u>5,065,557</u></u>	
Capital and reserves					
Called up share capital	9		1		1
Share premium	11				
Revaluation reserve	11	5,495,785		4,697,035	
Profit and loss account	11	625,729		368,521	
Equity shareholders' funds	11	<u><u>6,121,515</u></u>		<u><u>5,065,557</u></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 (Maidstone) 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 (Maidstone) 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
Profit on ordinary activities before taxation is stated after charging:		
Amortisation and depreciation		
Auditors' remuneration for audit services		
Auditors' remuneration for non-audit services		

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

TBL (Maidstone) 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		
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

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 £
Current tax		
UK corporation tax	101,039	63,199
Adjustments in respect of prior years	(2,119)	
Total current tax charge (credit)	<u>98,920</u>	<u>63,199</u>
Deferred tax		
Origination and reversal of timing differences	8,025	10,604
Prior year items	-	
Total deferred tax charge (credit)	<u>8,025</u>	<u>10,604</u>
Total taxation (effective tax rate – 29.4%; 2003 – 30.0%)	<u>106,945</u>	<u>73,803</u>
Tax reconciliation		
Profit on ordinary activities before taxation	<u>364,153</u>	<u>246,098</u>
Tax on profit on ordinary activities at UK corporation tax rate of 30% (2003 - 30%)	109,246	73,830
Effects of:		
Capital allowances	(7,984)	(10,631)
Tax losses and other timing differences	-	
Expenses not deductible for tax purposes	(223)	
Adjustments in respect of prior years	(2,119)	
Current tax charge	<u>98,920</u>	<u>63,199</u>

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 £1.1m (2003 - £1.0m). This unprovided taxation is stated after taking account of the FRS19 capital allowance deferred tax provision of £0.1m (2003 - £0.1m) 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 (Maidstone) Limited

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

5. Investment and development properties

	Freehold £
Cost and valuation	
1 January 2004	16,700,000
Additions	1,250
Disposals	
Revaluation surplus	798,750
31 December 2004	<u><u>17,500,000</u></u>
Analysis of cost and valuation	
31 December 2004	
Historical cost	12,004,215
Revaluation	5,495,785
Net book value	<u><u>17,500,000</u></u>
Analysis of cost and valuation	
1 January 2004	
Historical cost	12,002,965
Revaluation	4,697,035
Net book value	<u><u>16,700,000</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	46,770	138,173
Amounts owed by group companies - current accounts		
Corporation tax		
Other debtors		
Prepayments and accrued income	530	3,113
	<u><u>47,300</u></u>	<u><u>141,286</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	11,058,503	11,440,951
Corporation tax	11,524	31,699
Other taxation and social security	43,998	37,378
Other creditors		
Accruals and deferred income	231,002	192,968
	<u><u>11,345,027</u></u>	<u><u>11,702,996</u></u>

TBL (Maidstone) Limited

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

8. Provision for liabilities and charges

	Deferred Taxation
	£
1 January 2004	72,733
Charged to the profit and loss account	8,025
31 December 2004	80,758

Deferred tax is provided as follows

	2004	2003
	£	£
Accelerated capital allowances	80,758	72,733
Tax losses		
Other timing differences		
	<u>80,758</u>	<u>72,733</u>

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
	£	£
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>
	<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
	£	£	£	£
Opening shareholders' funds	1	4,697,035	368,521	5,065,557
Retained profit for the year			257,208	257,208
Revaluation of properties		798,750		798,750
Closing shareholders' funds	<u>1</u>	<u>5,495,785</u>	<u>625,729</u>	<u>6,121,515</u>

TBL (Maidstone) 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 - £0.9m).

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 £1.3m (2003 - £1.3m).

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.