

**BLF (Middlesbrough) 13 Ltd**  
**Report and Financial Statements**  
**For the 52 weeks ended 26 January 2008**

**Registered in England No 3938660**

**TUESDAY**



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**COMPANIES HOUSE**

**BLF (Middlesbrough) 13 Ltd**  
**REPORT OF THE DIRECTORS**  
**for the 52 weeks ended 26 January 2008**

The directors present their annual report and audited financial statements of BL Fraser (Middlesbrough) 13 Ltd ('the Company') for the 52 weeks ended 26 January 2008

**PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS**

The principal activity of the Company is that of property investment

The activities and prospects of this and other group companies are reviewed in the accounts of BL Fraser Ltd, the ultimate holding company

**Results and dividends**

The results for the period are set out in the profit and loss account on page 4

The directors recommend a final dividend of £139,031 (2007 £124,793)

**DIRECTORS**

The directors who served during the period were

C METLISS	
S BARZYCKI	
T A ROBERTS	
S CASSAR	
S TACK	(appointed 12/06/07)
M GIFFORD	
J KING	(appointed 27/11/07) (alternate to S Cassar)
R A HARDIE	(resigned 24/05/07)
R E BOWDEN	(resigned 31/12/07)

No director held an interest in the share and loan capital of the Company (2007 none)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the directors to prepare accounts for each financial period 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

**BLF (Middlesbrough) 13 Ltd**  
**REPORT OF THE DIRECTORS (continued)**  
**for the 52 weeks ended 26 January 2008**

**POST BALANCE SHEET EVENTS**

There have been no significant events since the period end which require adjustment to or disclosure in these financial statements

**AUDITORS**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP are willing to continue in office and a resolution to re-appoint BDO Stoy Hayward LLP as auditors will be put to the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by order of the Board on 26 June 2008



**P G Hearsey**  
Secretary

27 Baker Street  
London  
W1U 8AH

**BLF (Middlesbrough) 13 Ltd**  
**REPORT OF THE AUDITORS**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BLF (MIDDLESBROUGH) 13 LTD**

We have audited the financial statements of BLF (Middlesbrough) 13 Ltd for the year ended 26 January 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes numbered 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 26 January 2008 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*BDO Stoy Hayward LLP*

**BDO Stoy Hayward LLP**  
**Chartered Accountants and Registered Auditors**

London

*26* June 2008

**BLF (Middlesbrough) 13 Ltd**  
**PROFIT AND LOSS ACCOUNT**  
**for the 52 weeks ended 26 January 2008**

	Note	Period ended 26 January 2008 £	Period ended 27 January 2007 £
<b>Turnover</b>			
Rental income		1,044,269	1,062,450
Cost of turnover		(22,306)	(38,823)
<b>Gross profit</b>		<b>1,021,963</b>	<b>1,023,627</b>
Administrative expenses		(6,719)	(6,851)
<b>Operating profit</b>	<b>2</b>	<b>1,015,244</b>	<b>1,016,776</b>
Interest payable - group		(822,375)	(838,500)
<b>Profit on ordinary activities before taxation</b>		<b>192,869</b>	<b>178,276</b>
Taxation	<b>4</b>	(53,838)	(53,483)
<b>Profit for the period</b>	<b>11</b>	<b>139,031</b>	<b>124,793</b>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**for the 52 weeks ended 26 January 2008**

		Period ended 26 January 2008 £	Period ended 27 January 2007 £
<b>Profit after taxation</b>		<b>139,031</b>	<b>124,793</b>
Revaluation of properties	<b>6</b>	(3,400,000)	900,000
<b>Total recognised (losses) / gains relating to the financial period</b>		<b>(3,260,969)</b>	<b>1,024,793</b>

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

All amounts within the Profit & Loss Account are stated at historical cost

The accompanying notes form part of these accounts

**BLF (Middlesbrough) 13 Ltd**  
**BALANCE SHEET**  
as at 26 January 2008

	Note	26 January 2008 £	27 January 2007 £
<b>Fixed assets</b>			
Investment properties	6	18,250,000	21,650,000
<b>Current assets</b>			
Debtors	7	2,097	17,801
Creditors due within one year	8	(10,993,278)	(11,019,291)
<b>Net current liabilities</b>		<b>(10,991,181)</b>	<b>(11,001,490)</b>
<b>Total assets less current liabilities</b>		<b>7,258,819</b>	<b>10,648,510</b>
<b>Provision for liabilities and charges</b>			
Deferred taxation	9	(56,316)	(60,245)
<b>NET ASSETS</b>		<b>7,202,503</b>	<b>10,588,265</b>
<b>Capital and reserves</b>			
Called up share capital	10	1,240,000	1,240,000
Revaluation reserve	11	5,823,472	9,223,472
Profit and loss account	11	139,031	124,793
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<b>7,202,503</b>	<b>10,588,265</b>

  
S BARZYCKI

  
M GIFFORD  
Directors

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Board and authorised for issue on 28 June 2008.

The accompanying notes form part of these accounts

**BLF (Middlesbrough) 13 Ltd**  
**NOTES TO THE ACCOUNTS**  
**for the 52 weeks ended 26 January 2008**

**1. ACCOUNTING POLICIES**

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

**Accounting basis**

The accounts 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 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.

**Cash flow statement**

The Company is a wholly owned subsidiary of BL Fraser Ltd. The Company is included in BL Fraser Ltd's consolidated financial statements, which are publicly available. Consequently the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

**Turnover**

Turnover represents rental income receivable, net of VAT. Turnover is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

**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 SSAP 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**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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**

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 assets and liabilities recognised have not been discounted.

**BLF (Middlesbrough) 13 Ltd**  
**NOTES TO THE ACCOUNTS (continued)**  
**for the 52 weeks ended 26 January 2008**

**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 the 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.

**Dividends**

BLF (Middlesbrough) 13 Ltd has adopted FRS 21 'Events after the balance sheet date' with effect from January 2004. Under the provisions of FRS 21 proposed dividends are not recognised in the Profit and Loss reserve until they become a liability of the company. Dividends declared after the balance sheet date are a non adjusting post balance sheet event.

**2 OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Period ended 26 January 2008 £	Period ended 27 January 2007 £
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Operating profit is stated after charging / (crediting)

Amortisation and depreciation

Auditors' remuneration

Auditors' remuneration for non audit services

-	-
-	-
-	-
<u>-</u>	<u>-</u>

Audit fees and other fees payable to BDO Stoy Hayward LLP are borne by BL Fraser Ltd, the parent company

**3. STAFF COSTS**

Period ended 26 January 2008 £	Period ended 27 January 2007 £
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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 either period

Average number of employees, including directors, of the Company during the period was nil (2007 nil)



**BLF (Middlesbrough) 13 Ltd**  
**NOTES TO THE ACCOUNTS (continued)**  
**for the 52 weeks ended 26 January 2008**

	Period ended 26 January 2008 £	Period ended 27 January 2007 £
<b>4. TAXATION</b>		
UK corporation tax	57,767	53,358
Adjustments in respect of prior periods	-	-
Total current tax	<u>57,767</u>	<u>53,358</u>
<b>Deferred tax</b>		
Deferred tax movement (Note 9)	(3,929)	125
Total deferred tax (credit) / charge	<u>(3,929)</u>	<u>125</u>
Total taxation (effective tax rate 28%, 2007: 30%)	<u><u>53,838</u></u>	<u><u>53,483</u></u>
<b>Tax reconciliation</b>		
Profit on ordinary activities before taxation	192,869	178,276
Tax on profit on ordinary activities at UK corporation tax rate (30%) (2007 30%)	57,861	53,483
Capital allowances	(93)	(125)
Current tax charge	<u><u>57,767</u></u>	<u><u>53,358</u></u>

Where the company currently owns properties, further taxation that might become payable if the properties were sold at open market value is estimated at £0.7m (2007 £1.9m). This unprovided taxation is stated after taking account of the FRS19 Capital Allowance deferred tax provision of £0.1m (2007 £0.1m) recorded in the balance sheet.

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

	Period ended 26 January 2008 £	Period ended 27 January 2007 £
<b>5. DIVIDENDS</b>		
<i>Equity Shares</i>		
Ordinary shares - accrued dividend		
Final dividend for the prior period of 10.1p (2007 10.1p) per share	<u>124,793</u>	<u>125,018</u>
Ordinary shares - proposed dividend		
Final dividend proposed for the period of 11.2p (2007 10.1p) per share	<u><u>139,031</u></u>	<u><u>124,793</u></u>

**BLF (Middlesbrough) 13 Ltd**  
**NOTES TO THE ACCOUNTS (continued)**  
**for the 52 weeks ended 26 January 2008**

**6. INVESTMENT AND DEVELOPMENT PROPERTIES**

	Freehold £	Total £
<b>Cost and valuation</b>		
28 January 2007	21,650,000	21,650,000
Revaluation deficit	(3,400,000)	(3,400,000)
<b>26 January 2008</b>	<b>18,250,000</b>	<b>18,250,000</b>
<b>Analysis of cost and valuation</b>		
<b>26 January 2008</b>		
Historical cost	12,426,528	12,426,528
Revaluation surplus	5,823,472	5,823,472
<b>Net book value at 26 January 2008</b>	<b>18,250,000</b>	<b>18,250,000</b>
<b>Analysis of cost and valuation</b>		
<b>27 January 2007</b>		
Historical cost	12,426,528	12,426,528
Revaluation surplus	9,223,472	9,223,472
<b>Net book value at 27 January 2007</b>	<b>21,650,000</b>	<b>21,650,000</b>

The freehold and leasehold property were externally valued at 31 December 2007 by Knight Frank LLP, 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

The Directors are not aware of any material change in the valuation of the properties between 31 December 2007 and 26 January 2008

The historical cost of the long leasehold and freehold properties was £12,426,528 (2007 £12,426,528)

**7. DEBTORS**

	26 January 2008 £	27 January 2007 £
Amounts owed by group companies - current accounts	-	16,278
Prepayments and accrued income	2,097	1,523
	<b>2,097</b>	<b>17,801</b>

**8. CREDITORS DUE WITHIN ONE YEAR**

	26 January 2008 £	27 January 2007 £
Amounts owed to group companies - current accounts	10,719,110	10,791,767
Corporation tax	111,125	53,358
Accruals and deferred income	163,043	174,166
	<b>10,993,278</b>	<b>11,019,291</b>

The Company is jointly and severally liable with BL Fraser Ltd, the ultimate holding company, and fellow subsidiaries for all monies falling due under the group VAT registration

**BLF (Middlesbrough) 13 Ltd**  
**NOTES TO THE ACCOUNTS (continued)**  
**for the 52 weeks ended 26 January 2008**

	26 January 2008 £	27 January 2007 £
<b>9. DEFERRED TAX</b>		
Opening balance	60,245	60,120
(Credited) / charged to profit and loss account	(3,929)	125
<b>Closing balance</b>	<b>56,316</b>	<b>60,245</b>
Deferred tax is provided as follows		
	£	£
Capital allowances	56,316	60,245
	<b>56,316</b>	<b>60,245</b>

The deferred tax provision relates 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.

	26 January 2008 £	27 January 2007 £
<b>10. SHARE CAPITAL</b>		
<b>Authorised</b>		
1,240,000 ordinary shares of £1 each	1,240,000	1,240,000
	<b>1,240,000</b>	<b>1,240,000</b>
<b>Allotted and fully paid</b>		
1,240,000 ordinary shares of £1 each	1,240,000	1,240,000
	<b>1,240,000</b>	<b>1,240,000</b>

**11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
Opening shareholders' funds	1,240,000	9,223,472	124,793	10,588,265
Profit for the period	-	-	139,031	139,031
Dividends	-	-	(124,793)	(124,793)
Revaluation of properties	-	(3,400,000)	-	(3,400,000)
<b>Closing shareholders' funds</b>	<b>1,240,000</b>	<b>5,823,472</b>	<b>139,031</b>	<b>7,202,503</b>

**BLF (Middlesbrough) 13 Ltd**  
**NOTES TO THE ACCOUNTS (continued)**  
**for the 52 weeks ended 26 January 2008**

**12. RELATED PARTIES**

The Company has taken advantage of the exemptions granted under paragraph 3(c) of the Financial Reporting Standard 8, and is exempt from disclosing details of the transactions with other group companies

**13 CAPITAL COMMITMENTS**

The Company had capital commitments contracted at 26 January 2008 of £nil (2007 £nil)

**14. POST BALANCE SHEET EVENTS**

There have been no significant events since the period end which require adjustment to or disclosure in these financial statements

**15 ULTIMATE HOLDING COMPANY**

The immediate parent company and ultimate holding company is BL Fraser Ltd, a joint venture between British Land (Joint Ventures) Ltd, which is a wholly owned subsidiary of The British Land Company PLC and House of Fraser Property Investment Holdings Ltd, which is a wholly owned subsidiary of House of Fraser (PIH) Ltd. House of Fraser (PIH) Ltd is ultimately owned by Highland Group Holdings Ltd. BL Fraser Ltd is incorporated in Great Britain. Group financial statements for BL Fraser Ltd are available on request from 27 Baker Street, London W1U 8AH.