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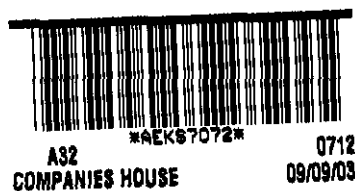
# **MSC (Cash Management) Limited**

## **Annual Report and Accounts**

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**Year ended 31 March 2003**

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**Company number: 4276631**

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## **MSC (Cash Management) Limited**

### **REPORT OF THE DIRECTORS** **for the year ended 31 March 2003**

The directors present their Annual Report and Accounts for the year ended 31 March 2003. Comparative figures are for the period from 24 August 2001 to 31 March 2002.

#### **Principal activity**

*The principal activity of the company is cash management for the Meadowhall Shopping Centre, Sheffield.*

The subsidiaries held by the company are listed in note 4 to the accounts. Consolidated accounts are not presented as the company takes advantage of the exemption afforded by Section 228 of the Companies Act 1985.

#### **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 13 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 (2002 - £Nil).

#### **Directors**

The directors who served during the year, except as noted below, were:

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

The directors' interests in the share and loan capital of the company are set out in note 8 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.

**MSC (Cash Management) Limited**

**REPORT OF THE DIRECTORS  
for the year ended 31 March 2003**

**Auditors**

On 1 August 2003 Deloitte & Touche 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 **29 AUG 2003**

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

**R J Scudamore**  
Secretary

10 Cornwall Terrace  
Regent's Park  
London  
NW1 4QP

**MSC (Cash Management) Limited**

**INDEPENDENT AUDITORS REPORT**  
**for the year ended 31 March 2003**

**To the Shareholders of MSC (Cash Management) Limited**

We have audited the accounts of MSC (Cash Management) Limited for the year ended 31 March 2003 which comprise the Profit and loss account, Balance sheet and the related notes 1 to 14. These accounts 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 accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the accounts in accordance with United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

**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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 March 2003 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

*29 August 2003*

**MSC (Cash Management) Limited**

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 March 2003**

	Note	Year ended 31 March 2003 £	Period ended 31 March 2002 £
<b>Turnover</b>			
Fees and commissions		20,000	9,205
<b>Total turnover</b>		<u>20,000</u>	<u>9,205</u>
Administrative expenses			(69)
<b>Operating profit</b>		<u>20,000</u>	<u>9,136</u>
Interest receivable			
Group			
External - unlisted			
Interest payable			
Group			
External - other			
<b>Profit on ordinary activities before taxation</b>	2	<u>20,000</u>	<u>9,136</u>
Taxation	3	(6,000)	(2,741)
<b>Profit on ordinary activities after taxation and retained for the year</b>	9	<u><u>14,000</u></u>	<u><u>6,395</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 other gains and losses in the period, consequently a Statement of Total Recognised Gains and Losses has not been presented.

All amounts are stated at historical cost.


**MSC (Cash Management) Limited**

**BALANCE SHEET  
as at 31 March 2003**

	Note	2003 £	£	2002 £	£
<b>Fixed assets</b>					
Investments	4		1		
<b>Current assets</b>					
Debtors due within one year	5	29,136		9,205	
Creditors due within one year	6	(8,741)		(2,809)	
<b>Net current assets</b>			20,395		6,396
<b>Total assets less current liabilities</b>			20,396		6,396
<b>Net assets</b>			20,396		6,396
<b>Capital and reserves</b>					
Called up share capital	7		1		1
Profit and loss account	9		20,395		6,395
<b>Equity shareholders' funds</b>	9		20,396		6,396

These financial statements were approved by the Board of Directors on

**29 AUG 2003**



**N S J Ritblat**



**G C Roberts**  
Directors

## **MSC (Cash Management) Limited**

### **Notes to the accounts for the year ended 31 March 2003**

#### **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.

#### **Investments**

Investments in subsidiaries are stated at cost or directors' 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.

#### **Fees and commission income**

Fees and commission income is recognised on an accruals basis.

**MSC (Cash Management) Limited**

**Notes to the accounts**  
**for the year ended 31 March 2003**

**2. Profit on ordinary activities before taxation**

There have been no disclosable items charged/(credited) in arriving at the profit on ordinary activities before taxation.

Amounts payable to Deloitte & Touche LLP and their associates in respect of audit and non-audit services are paid at group level by The British Land Company PLC.

<b>3. Taxation</b>	<b>Year ended 31 March 2003 £</b>	<b>Period ended 31 March 2002 £</b>
UK corporation tax	6,000	2,741
<b>Total taxation (effective tax rate – 30.0%; 2002 – 30.0%)</b>	<b>6,000</b>	<b>2,741</b>
<b>Tax reconciliation</b>		
Profit on ordinary activities before taxation	20,000	9,136
Tax on profit on ordinary activities at UK corporation tax rate of 30% (2002 - 30%)	6,000	2,741



**MSC (Cash Management) Limited****Notes to the accounts  
for the year ended 31 March 2003****4. Investments**

	<b>Shares in subsidiaries £</b>
At cost	
1 April 2002	
Reclassification from intercompany account	1
31 March 2003	<u>1</u>

The company has a 1% interest in MSC (Funding) PLC, a company involved principally in the financing of the Meadowhall Shopping Centre, near Sheffield. This company is incorporated in Great Britain. The remaining shareholding in the company is held by Meadowhall Shopping Centre Property Holdings Limited, a fellow subsidiary undertaking of The British Land PLC, the ultimate parent company.

**5. Debtors**

	<b>2003 £</b>	<b>2002 £</b>
<b>Amounts due within one year:</b>		
Amounts owed by other group companies - current accounts	<u>29,136</u>	<u>9,205</u>

**6. Creditors due within one year**

	<b>2003 £</b>	<b>2002 £</b>
Amounts owed to other group companies - current accounts		68
Corporation tax	8,741	2,741
	<u>8,741</u>	<u>2,809</u>

**7. Share capital**

	<b>2003 £</b>	<b>2002 £</b>
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

# **MSC (Cash Management) Limited**

## **Notes to the accounts** **for the year ended 31 March 2003**

### **8. 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, C Metliss, G C Roberts and R E Bowden are also a 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:-

	Fully paid		6% Irredeemable		Options over ordinary shares		Options over ordinary shares	
	Ordinary shares		Convertible Bonds		1984 Option		Sharesave	
	<u>31 March</u>	<u>1 April</u>	<u>31 March</u>	<u>1 April</u>	<u>31 March</u>	<u>1 April</u>	<u>31 March</u>	<u>1 April</u>
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
L M Bell	9,968	8,412			17,925	52,925	2,427	2,427
A Braine	12,992	11,436				42,382	2,519	2,519
P C Clarke	19,976	6,925				30,968	2,632	2,791

	Rights under			
	Restricted Share Plan			
	Ordinary shares		6% Irredeemable	
	<u>31 March</u>	<u>1 April</u>	<u>31 March</u>	<u>1 April</u>
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
L M Bell	55,000	46,770		
A Braine	57,500	44,270		
P C Clarke	67,500	57,171		

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

L M Bell exercised options over 35,000 shares. 29,800 had an option price of 394p per share and the middle market quotation on the date of disposal of 15,000 of these shares was 571p per share and the middle market quotation on the date of disposal of 14,800 of these shares was 616p per share. 5,200 shares had an option price of 322p per share and the middle market quotation on the date of disposal of these shares was 616p per share. Options over 5,200 shares lapsed. These exercises and lapses occurred under British Land's 1984 Option Scheme.

A Braine exercised options over 42,382 shares, at an option price of 394p per share, under British Land's 1984 Option Scheme. The middle market quotation on the date of disposal of these shares was 616p per share.

P C Clarke exercised options over 33,759 shares. 30,968 had an option price of 394p per share and were exercised under British Land's 1984 Option Scheme; the middle market quotation on the date of disposal of these shares was 625p per share. 2,791 shares had an option price of 347p per share, and were exercised under British Land's Sharesave Scheme; the middle market quotation on the date of exercise of these shares was 419p per share. He was granted options over 2,632 shares at an option price of 359p per share, under British Land's Sharesave Scheme.

**MSC (Cash Management) Limited**

**Notes to the accounts  
for the year ended 31 March 2003**

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

	Share capital £	Profit and loss account £	Total £
Opening shareholders' funds	1	6,395	6,396
Retained profit for the year		14,000	14,000
Closing shareholders' funds	1	20,395	20,396

**10. Capital commitments**

The company had capital commitments contracted at 31 March 2003 of £Nil (2002 - £Nil).

**11. Contingent liabilities**

The company is jointly and severally liable with the ultimate holding company for all monies falling due under the group VAT registration.

**12. 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.

**13. Subsequent events**

There have been no significant events since the year end.

**14. Ultimate holding company**

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 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.