

BLT BARNSTAPLE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

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COMPANIES HOUSE

Company Number: 04967623

BLT BARNSTAPLE LIMITED

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 December 2006

Principal activity

The principal activity of the company is that of property investment

Review of the business

The investment property portfolio of the company was valued at £27,300,000 on an open market basis by Knight Frank, Chartered Surveyors as at 31 December 2006

Results and dividends

The company's profit after taxation for the year was £7,000 (2005 loss of £1,000) The directors do not recommend the payment of a dividend for the year (2005 Nil)

Directors and their interests

The following directors were appointed and served during the year

R Bowden	
T Roberts	Resigned as alternate to R Bowden on 08 June 2006
C Metliss	Resigned as Director 08 June 2006
S Barzycki	Alternate to R Bowden
N Earp	
J Rennie	Alternate to N Earp
N Mourant	
A Clark	Alternate to N Mourant
P Clarke	Resigned as alternative to T Roberts on 08 June 2006

None of the directors had any interest in the share capital of the company during the year

BLT BARNSTAPLE LIMITED

Directors' responsibilities

The directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss for the financial period

The directors consider that in preparing the financial statements on pages 4 to 10 the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Auditors

As part of the audit process each director has confirmed, as at the date of the financial statements, that as far as the director is aware a) there is no relevant audit information of which the company's auditors are unaware, and b) they have taken reasonable steps to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

A resolution to reappoint PricewaterhouseCoopers LLP will be proposed at the Annual General Meeting

By order of the Board on 25 MAY 2007

C Philp
Secretary

25 May 2007

BLT Barnstaple Limited
York House
45 Seymour Street
London W1H 7LX

Independent auditors' report to the shareholders of BLT Barnstaple Limited

We have audited the financial statements of BLT Barnstaple Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, the statement of recognised gains and losses, the reconciliation of movements in shareholder's funds and the related notes. 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

In addition we 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.

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 judgements 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 31 December 2006 and of its profit for the year 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors

30 May 2007

BLT BARNSTAPLE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Note	2006 £'000	2005 £'000
Rental income		1,104	1,104
OPERATING PROFIT	2	1,104	1,104
Net Interest Payable	3	(1,094)	(1,106)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		10	(2)
Taxation on profit/(loss) on ordinary activities	4	(3)	1
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		7	(1)
RETAINED PROFIT/(LOSS) FOR THE PERIOD		7	(1)

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

The notes on pages 7 to 10 form part of these financial statements

BLT BARNSTAPLE LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2006

	Note	2006 £'000	2005 £'000
FIXED ASSETS			
Tangible fixed assets	5	27,300	23,950
CURRENT ASSETS			
Debtors	6	3,684	2,580
CREDITORS (amounts falling due within one year)	7	(22,562)	(21,465)
NET CURRENT LIABILITIES		(18,878)	(18,885)
TOTAL ASSETS LESS CURRENT LIABILITIES		8,422	5,065
NET ASSETS		8,422	5,065
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Profit and loss account	9	(18)	(25)
Revaluation Reserve	9	8,440	5,090
EQUITY SHAREHOLDER'S FUNDS		8,422	5,065

Approved by the Board on

25th May 2007

Director

Director

The notes on pages 7 to 10 form part of these financial statements

BLT BARNSTAPLE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	£'000	£'000
Profit/(Loss) for the financial year	7	(1)
Unrealised surplus on revaluation of properties	3,350	3,280
Total gains and losses in the year	3,357	3,279

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	£'000	£'000
Profit/(Loss) for the financial period	7	(1)
Revaluation of properties	3,350	3,280
Net addition to shareholder's funds	3,357	3,279
Opening shareholder's funds	5,065	1,786
Closing shareholder's funds	8,422	5,065

The notes on pages 7 to 10 form part of these financial statements

BLT BARNSTAPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards, under the historical cost convention, with the exception of investment properties, which are stated at open market valuation, in accordance with the Statement of Standard Accounting Practice 19

In accordance with FRS1 (Revised), the company being the wholly owned subsidiary of another company which prepares a cash flow statement including the cash flows of this company, has not prepared such a statement itself

Investment properties

Investment properties are independently valued each year on an open market basis. Any surplus or deficit arising is taken to the revaluation reserve, unless a deficit is expected to be permanent, in which case it is charged to the profit and loss account.

In accordance with SSAP 19, no amortisation or depreciation is provided in respect of freehold or long leasehold properties. The departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated, is, in the opinion of the directors, necessary to show a true and fair view. The financial effect of this departure cannot be reasonably quantified, as amortisation or depreciation 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.

Interest payable and receivable

Interest payable and receivable is calculated on an accruals basis.

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

Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation.

In accordance with FRS19, 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.

BLT BARNSTAPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006 (continued)

1. ACCOUNTING POLICIES (continued)

Operating Lease Incentives

Operating lease incentives include rent free periods and other incentives (such as contributions towards fitting out costs) given to lessees on entering into lease agreements

In accordance with UITF28 rent receivable in the period from lease commencement to the earlier of the first rent review to the prevailing market rate and the lease end date, is spread evenly over the period. The cost of other incentives is spread on a straight-line basis over a similar period

2. OPERATING PROFIT

The directors received no emoluments in respect of their services to the company.

There were no employees of the company during the period

Audit fees have been borne by the immediate parent company

3. NET INTEREST PAYABLE

	2006 £'000	2005 £'000
Interest payable on		
Intra group loan	1,094	1,106
	1,094	1,106

4. TAXATION

	2006 £'000	2005 £'000
Current Tax		
Corporation tax at 30%	3	(1)
Taxation on Profit/(loss) on ordinary activities	3	(1)

The tax assessed for the year is the standard rate of corporation tax in the UK of 30% (2005 30%)

Further taxation that might become payable if the properties were sold at open market value is estimated at £3 2m (2005 £2 4m)

BLT BARNSTAPLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2006 (continued)

8. CALLED UP SHARE CAPITAL

	2006 No.	2006 £	2005 No.	2005 £
Authorised during the year				
Ordinary Shares of £1 each	1,000	1,000	1,000	1,000
Called up and fully paid during the year				
Ordinary Shares of £1 each	1	1	1	1

9. RESERVES

	Revaluation' Reserve £'000	Profit & Loss Reserve £'000
As at 1 January 2006	5,090	(25)
Property Revaluation	3,350	-
Profit for the period	-	7
As at 31 December 2006	8,440	(18)

10. IMMEDIATE AND ULTIMATE PARENT COMPANIES

The immediate parent company is BLT Properties Limited, which is the parent company of the largest and smallest group within which the results of the company are included by full consolidation. The share capital of BLT Properties Limited is held equally by Tesco PLC and British Land (Joint Ventures) Limited, which is a wholly owned subsidiary of the British Land Company PLC. Tesco PLC and The British Land Company PLC are both companies incorporated in Great Britain and registered in England and Wales.

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available in FRS8 – Related Party Transactions not to disclose transactions within the BLT Properties Limited Group.

During the year the company received rental income from Tesco PLC of £1,104,000 (2005 £1,104,000).