
Fromba Limited

Annual Report and Accounts

for the period from 9 October 2002 to 31 March 2003



Company number: 4557609

Fromba Limited

**REPORT OF THE DIRECTORS
for the period from 9 October 2002 to 31 March 2003**

2003.

Principal activity

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

Review of business and prospects

The company was incorporated on 9 October 2002.

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 18 of the accounts.

Results and dividends

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

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the period were:

J H Ritblat	(Appointed 17 October 2002)
C Metliss	(Appointed 17 October 2002)
J H Weston Smith	(Appointed 17 October 2002)
N S J Ritblat	(Appointed 17 October 2002)
R E Bowden	(Appointed 17 October 2002)
G C Roberts	(Appointed 17 October 2002)
Combined Secretarial Services Limited	(Appointed 9 October 2002; Resigned 17 October 2002)
Combined Nominees Limited	(Appointed 9 October 2002; Resigned 17 October 2002)

The directors' interests in the share and loan capital of the company are set out in note 12 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.

Fromba Limited

REPORT OF THE DIRECTORS
for the period from 9 October 2002 to 31 March 2003

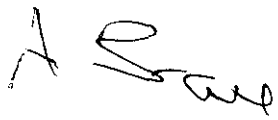
Auditors

Deloitte & Touche were appointed auditors during the period in accordance with Section 385 of the Companies Act 1985. Deloitte & Touche have expressed their willingness to continue in office as auditors.

Deloitte & Touche have expressed their willingness to continue in office as auditors. Deloitte & Touche have informed the directors that they are intending to transfer their business to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be known as Deloitte & Touche LLP. It is the current intention of the directors to use the Company's statutory power to give consent to the appointment of Deloitte & Touche being treated as extending to Deloitte & Touche LLP at the appropriate time.

This report was approved by the Board on **18 JUL 2003**

A Braine
Secretary



10 Cornwall Terrace
Regent's Park
London
NW1 4QP

Fromba Limited

INDEPENDENT AUDITORS REPORT
for the period from 9 October 2002 to 31 March 2003

To the Shareholders of Fromba Limited

We have audited the accounts of Fromba Limited for the period ended 31 March 2003 which comprise the profit and loss account, balance sheet, statement of total recognised gains and losses, note of historical cost profits and losses and the related notes 1 to 19. 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 period 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 period then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors

London

18 July 2003

Fromba Limited

PROFIT AND LOSS ACCOUNT
for the period from 9 October 2002 to 31 March 2003

	Note	Period ended 31 March 2003 £
Turnover		
Rental income		1,374,758
Other trading income		
Fees and commissions		
Total turnover		<u>1,374,758</u>
Cost of turnover		(906,547)
Gross profit (loss)		<u>468,211</u>
Administrative expenses		
Operating profit (loss)		<u>468,211</u>
Profit on disposal of properties		
Interest receivable		
Group		
External - unlisted		
Interest payable		
Group		
External - other		
Profit (loss) on ordinary activities before taxation	2	<u>468,211</u>
Taxation	4	(397,727)
Profit (loss) on ordinary activities after taxation		<u>70,484</u>
Dividends paid and proposed		
Retained profit (loss) for the period	13	<u><u>70,484</u></u>

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

Fromba Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the period from 9 October 2002 to 31 March 2003

	Period ended 31 March 2003 £
Profit (loss) on ordinary activities after taxation	70,484
Revaluation of properties	(3,000,000)
Total recognised gains and losses relating to the financial period	<u><u>(2,929,516)</u></u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the period from 9 October 2002 to 31 March 2003

	Period ended 31 March 2003 £
Profit (loss) on ordinary activities before taxation	468,211
Historical cost profit (loss) on ordinary activities before taxation	<u><u>468,211</u></u>
Historical cost profit (loss) for the period retained after taxation	<u><u>70,484</u></u>

Fromba Limited


BALANCE SHEET
as at 31 March 2003

	Note	2003	£
Fixed assets			
Investment properties	5	99,990,000	
Investments	6		
Loans to group companies	6		
		<hr/>	
		99,990,000	
Current assets			
Debtors	7	2,479,472	
Cash and deposits			
		<hr/>	
		2,479,472	
Creditors due within one year	8	(2,408,988)	
		<hr/>	
Net current assets (liabilities)			70,484
Total assets less current liabilities			<hr/>
			100,060,484
Creditors due after one year	9		
Provision for liabilities and charges	10		
		<hr/>	
Net assets (liabilities)			<hr/>
			100,060,484
Capital and reserves			
Called up share capital	11	102,990,000	
Share premium	13		
Capital reserves			
- Revaluation	13	(3,000,000)	
Profit and loss account	13	70,484	
Equity shareholders' funds	13		<hr/>
			100,060,484

Non-equity interests are stated in note 17.

These financial statements were approved by the Board of Directors on **18 JUL 2003**

C Metliss



G C Roberts
Directors

Fromba Limited

Notes to the accounts for the period from 9 October 2002 to 31 March 2003

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the current 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 as modified by the revaluation of investment properties.

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.

Properties

Investment properties are independently valued each year on an open market basis. Any surplus or deficit arising is transferred to 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. Where properties held for investment are appropriated to trading stock, they are transferred at market value.

Fromba Limited

**Notes to the accounts
for the period from 9 October 2002 to 31 March 2003**

1. Accounting policies (continued)

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 accounts. Deferred tax is measured on a non-discounted basis.

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.

Fromba Limited

Notes to the accounts
for the period from 9 October 2002 to 31 March 2003

2. Profit (loss) on ordinary activities before taxation

Period ended
31 March
2003
£

Profit (loss) on ordinary activities before taxation is stated after charging (crediting):

Amortisation and depreciation

Auditors' remuneration

Auditors' remuneration for other services

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

3. Staff costs

Period ended
31 March
2003
£

Wages and salaries

Social security costs

Pension costs

=====

No director received any remuneration for services to the company in the period.

Average number of employees, including directors, of the company during the period was Nil.

Fromba Limited

**Notes to the accounts
for the period from 9 October 2002 to 31 March 2003**

	Period ended 31 March 2003 £
4. Taxation	
Current tax	
UK corporation tax	397,727
Adjustments in respect of prior years	
Total current tax charge (credit)	<u>397,727</u>
Deferred tax	
Origination and reversal of timing differences	
Prior year items	
Total deferred tax charge (credit)	<u> </u>
Total taxation (effective tax rate – 84.9%)	<u><u>397,727</u></u>
Tax reconciliation	
Profit on ordinary activities before taxation	<u>468,211</u>
Tax on profit on ordinary activities at UK corporation tax rate of 30%	140,463
Effects of:	
Capital allowances	
Tax losses and other timing differences	
Expenses not deductible for tax purposes	257,264
Adjustments in respect of prior years	
Current tax charge (credit)	<u><u>397,727</u></u>

Further taxation that might become payable if the properties were sold at open market value is estimated at £Nil. This unprovided taxation is stated after taking account of the FRS19 capital allowance deferred tax provision of £Nil recorded in the balance sheet which, as described in note 10, 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.

Fromba Limited

**Notes to the accounts
for the period from 9 October 2002 to 31 March 2003**

5. Investment and development properties

	Development £	Freehold £	Long leasehold £	Total £
Cost and valuation				
9 October 2002				
Additions				
Disposals				
Group transfers			102,990,000	102,990,000
Revaluation surplus (deficit)			(3,000,000)	(3,000,000)
31 March 2003			99,990,000	99,990,000
Analysis of cost and valuation				
31 March 2003				
Cost			102,990,000	102,990,000
Revaluation			(3,000,000)	(3,000,000)
Net book value			99,990,000	99,990,000
9 October 2002				
Cost				
Revaluation				
Net book value				

Properties were externally valued at 31 March 2003 by ATIS REAL Weatheralls, 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.

Properties valued at £Nil were charged to secure borrowings of the ultimate holding company.

The cumulative interest capitalised on the development of properties is £Nil.

Fromba Limited

Notes to the accounts
for the period from 9 October 2002 to 31 March 2003

6. Investments and loans to group companies

	Shares in subsidiaries £	Other investments £	Total £	Loans to Group companies £
At cost or directors' valuation				
9 October 2002				
Additions				
Disposals				
Provision for write-down				
Revaluation				
31 March 2003	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At cost				
31 March 2003	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
9 October 2002	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Fromba Limited

**Notes to the accounts
for the period from 9 October 2002 to 31 March 2003**

7. Debtors	2003
	£
Trade debtors	327,137
Corporation tax	
Amounts owed by group companies - current accounts	2,152,333
Other debtors	2
Prepayments and accrued income	
	<u>2,479,472</u>
8. Creditors due within one year	2003
	£
Trade creditors	11,800
Amounts owed to group companies - current accounts	
Corporation tax	397,727
Other taxation and social security	
Other creditors	
Accruals and deferred income	1,999,461
	<u>2,408,988</u>
9. Creditors due after one year	2003
	£
	<u> </u>
	<u> </u>

Fromba Limited

**Notes to the accounts
for the period from 9 October 2002 to 31 March 2003**

10. Provision for liabilities and charges

	Total
	£
9 October 2002	
Charged (credited) to the profit and loss account	_____
31 March 2003	<u>_____</u>

Deferred tax is provided as follows

	2003
	£
Accelerated capital allowances	
Other timing differences	_____
	<u>_____</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.

11. Share capital

	2003
	£
Authorised	
102,990,000 ordinary shares of £1 each	102,990,000
	<u>102,990,000</u>
Allotted, called up and fully paid	
102,990,000 ordinary shares of £1 each	102,990,000
	<u>102,990,000</u>

During the period the company allotted 102,990,000 ordinary shares with a nominal value of £102,990,000 for intercompany debt of £102,990,000.

Fromba Limited

**Notes to the accounts
for the period from 9 October 2002 to 31 March 2003**

12. Directors' interests in share and loan capital

No director held a beneficial interest in the share capital of the company. The directors set out on page 1 are also 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.

Fromba Limited

Notes to the accounts
for the period from 9 October 2002 to 31 March 2003

13. Reconciliation of movements in shareholders' funds

	Share capital £	Share premium £	Capital reserve - revaluation £	Profit and loss account £	Total £
Opening shareholders' funds					
Share issues in the period	102,990,000				102,990,000
Retained profit (loss) for the period				70,484	70,484
Revaluation of properties			(3,000,000)		(3,000,000)
Closing shareholders' funds	<u>102,990,000</u>		<u>(3,000,000)</u>	<u>70,484</u>	<u>100,060,484</u>

Fromba Limited

**Notes to the accounts
for the period from 9 October 2002 to 31 March 2003**

14. Capital commitments

The company had capital commitments contracted at 31 March 2003 of £Nil.

15. Contingent liabilities

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

16. 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.

Mr John Ritblat has an effective 4.65% equity interest and is non-executive chairman of Fitzhardinge PLC, which is the holding company of Colliers Conrad Ritblat Erdman who are the company's managing agents and as such receive fees for their services.

17. Non-equity interests

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

18. Subsequent events

There have been no significant events since the year end.

19. 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.