

WELLARD SECURITIES LIMITED

DIRECTORS' REPORT AND ACCOUNTS
for the year ended
31st MARCH 1995

Company Number 475161

BINDER HAMLYN



WELLARD SECURITIES LIMITED

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REPORT OF THE DIRECTORS
for the year ended 31st MARCH 1995

The directors submit their report and accounts for the year ended 31st March 1995.

PRINCIPAL ACTIVITY

The principal activity of the company is property investment.

REVIEW OF THE BUSINESS

The activities and prospects of this and other group companies are reviewed in the Chairman's Statement of The British Land Company PLC, the ultimate holding company.

DIRECTORS AND THEIR INTERESTS IN SHARE CAPITAL

The directors who served during the year were:-

J.H. Ritblat
C. Metliss
J.H. Weston Smith
D.C. Berry
A.J. Wilson

No director held a beneficial interest in the share capital of the company. Messrs. J.H. Ritblat, C. Metliss, J.H. Weston Smith and D.C. Berry are also directors of the ultimate holding company and, as such, their interests in the share and loan capital of that company are shown in its directors' report. The beneficial interest of the other director in the ultimate holding company is as follows:-

	Fully paid		<u>Options over ordinary shares</u>			
	ordinary shares		1984 Option		Sharesave	
	<u>31.3.95</u>	<u>1.4.94</u>	<u>31.3.95</u>	<u>1.4.94</u>	<u>31.3.95</u>	<u>1.4.94</u>
A.J. Wilson	60,561	62,755	23,200	23,200	11,432	11,432

No options were granted or exercised during the year.

RESULTS AND DIVIDENDS

The accounts show the state of the company's financial affairs. No dividend is recommended. Losses of £188,577 have been transferred from reserves.

TANGIBLE FIXED ASSETS

The movements, including revaluation, of properties held as fixed assets are set out in note 4 to the accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by UK Company law to prepare financial statements which comply with the Companies Act 1985, on a going concern basis (unless inappropriate) and which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit for that period. In preparing these financial statements suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and applicable accounting standards have been followed.

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REPORT OF THE DIRECTORS
for the year ended 31st MARCH 1995
(continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

The directors are also responsible for ensuring that proper and adequate accounting records have been maintained and that reasonable procedures have been followed for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

AUDITORS

From 1st October 1994 BDO Binder Hamlyn practise in the name Binder Hamlyn. They have signed their report in their new name.

ANNUAL GENERAL MEETING

At the Annual General Meeting of the company held on 10th December 1990 Elective Resolutions were passed to dispense with the following requirements:

- i to lay accounts and reports before a general meeting of the company
- ii to appoint auditors annually
- iii to hold annual general meetings in the future

This report was approved by the Board on 13th June 1995.

10, Cornwall Terrace,
Regent's Park,
London NW1 4QP.



P.C. CLARKE

Secretary

20 Old Bailey
London EC4M 7BH

AUDITORS' REPORT TO THE MEMBERS OF
WELLARD SECURITIES LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared on the basis of the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination 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 of the state of the company's affairs as at 31st March 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Binder Hamlyn

Chartered Accountants
Registered Auditors

13 June 1995

WELLARD SECURITIES LIMITED

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PROFIT AND LOSS ACCOUNT
for the year ended 31st MARCH 1995

	Notes	<u>1995</u> £	<u>1994</u> £
Turnover			
Rental income		2,147,783	
Cost of turnover		49,837	
Gross profit		<u>2,097,946</u>	
Interest payable	2	<u>1,594,201</u>	
Profit before taxation		503,745	
Taxation	3	<u>692,322</u>	
Loss for the year on ordinary activities after taxation transferred from reserves		<u>(£188,577)</u>	

The company's results all derive from continuing activities.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31st MARCH 1995

	<u>Revenue</u> £	<u>1995</u> <u>Capital</u> £	<u>Total</u> £	<u>1994</u> <u>Total</u>
Loss for the year	(188,577)		(188,577)	
Revaluation of properties		(4,136,000)	(4,136,000)	
Total recognised losses	<u>(£188,577)</u>	<u>(£4,136,000)</u>	<u>(£4,324,577)</u>	

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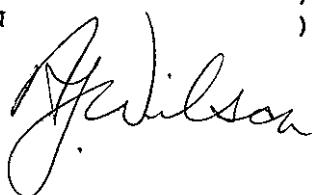
BALANCE SHEET as at 31st MARCH 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
FIXED ASSETS			
Tangible assets			
Properties	4	93,335,000	
CURRENT ASSETS			
Debtors	5	16,654	16,654
CREDITORS: due within one year	6	<u>3,578,637</u>	<u>390,210</u>
NET CURRENT LIABILITIES		<u>(3,561,983)</u>	<u>(373,556)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		89,773,017	(373,556)
CREDITORS: due after one year			
Loan from group company	7	<u>94,471,150</u>	
		<u>(£4,698,133)</u>	<u>(£373,556)</u>
CAPITAL AND RESERVES			
Called up share capital	8	750	750
Share premium account		2,999,100	2,999,100
Capital reserves			
- Realised	9	(4,673,150)	(4,673,150)
- Revaluation	9	(4,136,000)	
Profit and loss account	9	<u>1,111,167</u>	<u>1,299,744</u>
Shareholders' funds	10	<u>(£4,698,133)</u>	<u>(£373,556)</u>


J.H. WESTON SMITH

A.J. WILSON

)
) Directors
)



NOTES TO THE ACCOUNTS
for the year ended 31st MARCH 1995

1. ACCOUNTING POLICIES

(a) Accounting basis

The accounts are prepared under the historical cost convention as modified by the revaluation of investment properties, in accordance with applicable accounting standards and as a going concern on the basis that the parent company will not call for repayment of amounts due to them within twelve months of the date of signing these accounts.

(b) Properties

Investment Properties are independently valued each year on an open market basis. Any surplus or deficit arising is placed to revaluation reserve and on disposal these revaluation adjustments are eliminated.

In accordance with S.S.A.P. 19 no amortisation or depreciation is provided in respect of freehold and long leasehold properties. The directors consider that the lives and residual value of the properties, based on current valuations, are such that any charge to the profit and loss account would be insignificant.

(c) Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise in the foreseeable future.

2. INTEREST PAYABLE

	<u>1995</u>	<u>1994</u>
	£	£
On loans from group companies repayable within five years	£1,594,201	

3. TAXATION

	<u>1995</u>	<u>1994</u>
	£	£
Corporation tax at 33%	£692,322	

4. PROPERTIES

	<u>Freehold</u>	<u>Long</u>	<u>Total</u>
	£	£	£
Additions	87,261,000	10,210,000	97,471,000
Revaluation	(4,331,000)	195,000	(4,136,000)
At 31st March 1995	£82,930,000	£10,405,000	£93,335,000
Original cost at 31st March 1995			£97,471,000

NOTES TO THE ACCOUNTS
for the year ended 31st MARCH 1995

4. PROPERTIES (continued)

The properties have been revalued by Weatherall Green & Smith, on the basis of open market value in accordance with the Statements of Asset Valuation Practice and Guidance Notes of The Royal Institution of Chartered Surveyors. These values have been incorporated into the accounts.

5. DEBTORS

	<u>1995</u>	<u>1994</u>
	£	£
Amounts owed by group companies		
- accrued interest	£16,654	£16,654

6. CREDITORS: due within one year

	<u>1995</u>	<u>1994</u>
	£	£
Amounts owed to group companies		
- current account	1,292,114	390,210
- accrued interest	1,594,201	
Corporation tax	692,322	
	<u>£3,578,637</u>	<u>£390,210</u>

7. LOANS FROM GROUP COMPANIES

Loans from group companies are repayable out of the proceeds of sale of fixed assets. The interest rate applicable during the year was the National Westminster Bank base rate plus 0.5%.

8. CALLED UP SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
Authorised, allotted and fully paid		
750 ordinary shares of £1 each	£750	£750

9. RESERVES

	<u>Capital reserves</u>	<u>Profit and loss account</u>
	<u>Realised</u>	<u>Revaluation</u>
	£	£
At 1st April 1994	(4,673,150)	1,299,744
Loss for the year		(188,577)
Deficit on revaluation of property		(4,136,000)
At 31st March 1995	<u>(£4,673,150)</u>	<u>(£4,136,000)</u>
	<u>£1,111,167</u>	

NOTES TO THE ACCOUNTS
for the year ended 31st MARCH 1995

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	<u>1995</u>	<u>1994</u>
	£	£
Loss for the year	(188,577)	
Deficit on revaluation of property	(4,136,000)	
	<u>(4,324,577)</u>	<u> </u>
Net reduction to shareholders' funds	(4,324,577)	
Opening shareholders' funds	(373,556)	(373,556)
	<u>(£4,698,133)</u>	<u>(£373,556)</u>
Closing shareholders funds		

11. ULTIMATE HOLDING COMPANY

The ultimate holding company is The British Land Company PLC, which is registered in England and Wales. Group accounts for this company are available on request from 10 Cornwall Terrace, Regent's Park, London NW1 4QP.

12. APPROVAL OF ACCOUNTS

The accounts were approved at a meeting of directors on 13th June 1995.