

English Property Corporation

Report and Accounts

31 December 2008

Registered number
640408

FRIDAY



AVWR59HN

A13

01/05/2009

157

COMPANIES HOUSE

English Property Corporation Directors' Report

The directors present their report and accounts for the year ended 31 December 2008.

The profit before tax for the year is shown in the attached profit and loss account and the directors consider this to be the key performance indicator for the company.

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

Principal risks and uncertainties

The company's financial assets and liabilities predominantly relate to an intercompany receivable therefore the directors do not consider that there are any issues around the recoverability of this amount.

Business review and principal activities

The principal activity of the company is property investment.

On 30 September 2008, the company transferred all subsidiary undertakings to MEPC (1946) Limited and re-registered as an unlimited company pursuant to the provisions of Section 49 of the Companies Act 1985.

On 4 November 2008, the company passed a special resolution to reduce the issued ordinary and preference share capital and to transfer the balance to the profit and loss account. The special resolution passed on 4 November 2008 also transferred the balance of the share premium account to the profit and loss account.

Dividends

The directors paid a dividend of £420,288,000 (2007: £nil) on 9 December 2008.

Directors

The directors of the company who served during the year and to date, together with appointments and resignations, are listed below:

Mr D Burrowes	(resigned 31 January 2008)
Mr A Evans	(appointed 31 January 2008)
Mr D Grose	
Ms E A Mousley	

No director had any interest in the ordinary share or loan capital of any group company as at 31 December 2008.

The Company secretary is MEPC Secretaries Limited.

**English Property Corporation
Directors' Report**

Statement of Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 of the company for that period. In preparing these financial statements, 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 UK Accounting Standards have been followed; and
- prepare the financial statements 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as each director at the date of approval of this report is aware;
- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Auditors

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

This report was approved by the Board of Directors and signed on its behalf by;



D GROSE
Director
28 April 2009

English Property Corporation
Independent auditors' report to the shareholders of English Property Corporation

We have audited the financial statements of English Property Corporation for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

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 Directors' Report.

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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is 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 2008 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.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

28 April 2009

English Property Corporation
Profit and Loss Account
for the year ended 31 December 2008

	Notes	2008 £	2007 £
Dividends repayable to Subsidiary		-	(700,000)
Dividends receivable from Parent		-	270,400
Gain on sale of subsidiary		700,000	-
Write down of investment in subsidiary		-	(1,400)
Profit/(loss) on ordinary activities before taxation		<u>700,000</u>	<u>(431,000)</u>
Tax on profit/(loss) on ordinary activities	3	-	-
Profit/(loss) for the financial year		<u>700,000</u>	<u>(431,000)</u>

There are no recognised gains and losses for the current financial year and preceding year other than the profit / (loss) shown above. Therefore no statement of realised gains and losses is presented.

All activities were continuing throughout the current year and preceding year.

English Property Corporation
Balance Sheet
as at 31 December 2008

	Notes	2008 £	2007 £
Fixed assets			
Investments in subsidiaries	4	-	39,200,600
Current assets			
Debtors	5	2,000	380,389,400
Creditors: amounts falling due within one year	6	<u>(1,000)</u>	<u>(350,000,000)</u>
Net current assets		1,000	30,389,400
Net assets		<u>1,000</u>	<u>69,590,000</u>
Capital and reserves			
Called up share capital	7	1,000	65,017,000
Share premium	8	-	4,573,000
Profit and loss account	9	-	-
Shareholders' funds		<u>1,000</u>	<u>69,590,000</u>

Approved by the Board of Directors and signed on its behalf by:



D GROSE
Director
28 April 2009

English Property Corporation
Notes to the Accounts
for the year ended 31 December 2008

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding period.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom law and applicable accounting standards.

Group accounts incorporating the financial statements of subsidiary undertakings are not prepared as per section 228 of the Companies Act 1985 as the company is a wholly owned subsidiary undertaking of a company registered in England and Wales.

The accounts are prepared on the basis of going concern on the basis that the Directors' intend English Property Corporation to continue to hold a nominal investment in land for the foreseeable future. As there are no financial obligations associated with the investment in land, the directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements.

Taxation

Current tax, including UK corporation 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.

Cash flow

Under FRS1 Cash Flow Statement (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking of the BT Pension Scheme. Consolidated financial statements for the BT Pension Scheme are available from the company's registered office.

Related party transactions

Under FRS 8 the company is exempt from the requirement to disclose related party transactions with MEPC (1946) Limited and its associated undertakings on the grounds that it is a wholly-owned subsidiary undertaking.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost and provision by the parent undertaking is only made where the underlying value of the subsidiary is less than the book value in the parent undertaking and the deficit is considered to be permanent.

English Property Corporation
Notes to the Accounts
for the year ended 31 December 2008

2 Profit/(loss) on ordinary activities before taxation

The directors of the company received no remuneration during the year and the prior period. The company did not employ any person in the current or prior year.

Audit fees of £2,350 for the year ended 31 December 2008 (2007: £2,230) were borne by MEPC (1946) Limited and are accounted for on a group basis in the current year and in the prior period.

3 Taxation

	2008 £	2007 £
Analysis of tax charge in the year;		
Current tax	-	-
UK corporation tax @ 28.5% (2007: 30%)	-	-
Adjustment in respect of previous years	-	-
Tax charge on profit on ordinary activities	<u>-</u>	<u>-</u>

The tax charge in the year is lower than the standard rate of corporation tax in the UK. The differences are explained below;

Profit/(loss) on ordinary activities before tax	<u>700,000</u>	<u>(431,000)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	199,500	(129,300)
Non-taxable income or imputed income and expenses not deductible for tax purposes	(199,500)	129,300
Current tax charge for the year	<u>-</u>	<u>-</u>

English Property Corporation
Notes to the Accounts
for the year ended 31 December 2008

4 Investments in subsidiaries

	Investments in subsidiary undertakings £
At 1 January 2008	39,200,600
Less: Entities liquidated during 2008	(30,698,600)
Less: Entities transferred to MEPC (1946) Ltd on 30 September 2008	(8,502,000)
At 31 December 2008	<u>-</u>

During 2008, the following subsidiaries were liquidated;

Company	Country of registration	Share Class	%
Lansdown Estates (Banbury) Ltd	England and Wales	Ordinary	100
Metropolitan & Provincial Prop Ltd	England and Wales	Ordinary	100
Sun Real Estates Ltd	England and Wales	Ordinary	100
The European Property Company Ltd	England and Wales	Ordinary	100
Star (Great Britan) Holdings Ltd	England and Wales	Ordinary	100
Castlecourt Investments Ltd	England and Wales	Ordinary	100
Surplus Lands Development Ltd	England and Wales	Ordinary	100
Rodwell Group Ltd	England and Wales	Ordinary	100

On 30 September 2008, the following investments in subsidiaries were sold to MEPC (1946) Ltd;

Company	Country of registration	Share Class	%
Second Covent Garden Property Co Ltd	England and Wales	Ordinary	100
Star (No 4) Ltd	England and Wales	Ordinary	100

The principal activities of the Group companies are property investment, development and trading, together with the management of the Group's properties. The Investment was held at cost.

Group financial statements incorporating the financial statements of subsidiary undertakings are not prepared as the company is a wholly owned subsidiary undertaking of a company registered in England and Wales.

5 Debtors	2008 £	2007 £
Amount due from MEPC (1946) Ltd	<u>2,000</u>	<u>380,389,400</u>

English Property Corporation
Notes to the Accounts
for the year ended 31 December 2008

6 Creditors: amounts falling due within one year	2008	2007
	£	£
5.75% Cumulative preference shares of £0.00000286 (2007: £1) each	<u>1,000</u>	<u>350,000,000</u>

The preference share holders have waived the right to receive dividends.

7 Share capital	2008	2007	2008	2007
	No	No	£	£
Authorised:				
Ordinary shares of £0.00000769p (2007: 50p) each	150,000,000	150,000,000	75,000,000	75,000,000
5.75% Cumulative preference shares of £0.00000286 (2007: £1) each	350,000,000	350,000,000	<u>350,000,000</u>	<u>350,000,000</u>
			<u>425,000,000</u>	<u>425,000,000</u>

	2008	2007	2008	2007
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £0.00000769p (2007: 50p) each	130,034,442	130,034,442	<u>1,000</u>	<u>65,017,000</u>

8 Share premium	2008	2007
	£	£
At 1 January	4,573,000	4,573,000
Transfer to profit and loss account	(4,573,000)	-
At 31 December	<u>-</u>	<u>4,573,000</u>

9 Profit and loss account	2008	2007
	£	£
At 1 January	-	431,000
Profit/(loss) for the year	700,000	(431,000)
Transfer from share capital	65,016,000	-
Transfer from share premium	4,573,000	-
Transfer from preference share capital	349,999,000	-
Dividends paid	(420,288,000)	-
At 31 December	<u>-</u>	<u>-</u>

English Property Corporation
Notes to the Accounts
for the year ended 31 December 2008

10 Dividends

	2008 £	2007 £
Dividends for which the company became liable during the year;		
Dividends paid	<u>420,288,000</u>	<u>-</u>

11 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit/(loss) for the year	700,000	(431,000)
Transfer from preference share capital	349,999,000	-
Dividends paid	<u>(420,288,000)</u>	<u>-</u>
	(69,589,000)	(431,000)
Opening shareholders' funds	69,590,000	70,021,000
Closing shareholders' funds	<u>1,000</u>	<u>69,590,000</u>

12 Ultimate parent company and intermediate holding company

The ultimate parent company and largest group in which the results of the company are consolidated is that headed by BT Pension Scheme. The consolidated accounts of this group are available from Lloyds Chambers, 1 Portsoken Street, London E1 8HZ.

The intermediate holding company and smallest group in which the results of the company are consolidated is that headed by Leconport Estates. The consolidated accounts of this group are available from Lloyds Chambers, 1 Portsoken Street, London E1 8HZ.