

The Annual Report and Accounts for the year ended 31 March 2017, attached below in accordance with DTR 6.3.5R, has been submitted to the Financial Conduct Authority through the National Storage Mechanism and will shortly be available for inspection at: <http://www.morningstar.co.uk/uk/NSM>

The Annual Report and Accounts are also available at: <http://www.britishland.com/investors/debt/non-recourse-to-british-land/debentures.aspx>

For a printer friendly of the Annual Report and Accounts please follow link below:

PDF

BLD Property Holdings Limited

Annual Report and Financial Statements

Year to 31 March 2017

Company number: 00823907

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Contents

Page:

1	Company information
2	Strategic Report
3	Directors' Report
5	Independent Auditors' Report
7	Group income statement
8	Group balance sheet
9	Group statement of changes in equity
10	Company balance sheet
11	Company statement of changes in equity
12	Group cash flow statement
13	Notes to the financial statements

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Company information

Country of incorporation of parent company

Great Britain

Legal form

Private limited company

Directors

S Barzycki

L Bell

J McNuff

C Forshaw (resigned 5 April 2017)

P Macey

T Roberts

N Webb

C Middleton

Secretary and registered office

British Land Company Secretarial Limited, York House, 45 Seymour Street, London, W1H 7LX

Company number

00823907

Independent auditors

PricewaterhouseCoopers LLP

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Strategic Report

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

This Strategic Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to BLD Property Holdings Limited and its subsidiary undertakings when viewed as a whole.

Business review and principal activities

BLD Property Holdings Limited ("the company") is a wholly owned subsidiary of The British Land Company PLC and operates as a constituent of The British Land Company PLC group of companies. The company's principal activity is that of an investment holding company of the BLD Property Holdings Limited group of companies ("the Group") as listed in note 8. The Group's principal activity is that of property investment in the United Kingdom.

As shown in the Group's income statement on page 7, the Group's revenue was £12.4m (2016: £12.6m) and loss before tax was £9.1m (2016: profit £21.4m).

The balance sheet on page 8 shows that the Group's financial position at the year end, in net asset terms, has decreased by £9.1m on the prior year. This is primarily due to the revaluation loss on investment property of £14.3m, as described in note 7, and the profit from operations of £9.1m, as shown in the Group's income statement on page 7.

The value of investment properties held as at 31 March 2017 decreased by £18.0m. This is due to £2.5m of additions, £6.1m of disposals, a revaluation gain of £14.3m and £0.1m of other movements as shown in note 7 to the Group's balance sheet.

The Board uses total return to monitor the performance of the company and Group. This is a measure of growth in total equity per share, adding back any current year dividend.

The expected future developments of the company are determined by the strategy of the Group. There are no future developments outside of the company's current operations planned.

Principal risks and uncertainties

The Group generates returns to shareholders through long-term investment decisions requiring the evaluation of opportunities arising in the following areas:

- demand for space from occupiers against available supply;
- differential pricing for premium locations and buildings;
- alternative use for buildings;
- demand for returns from investors in property, compared to other asset classes;
- economic cycles, including their impact on tenant covenant quality, interest rates, inflation and property values;
- price differentials for capital to finance the business;
- legislative changes, including planning consents and taxation; and
- construction pricing and programming.

These opportunities also represent risks and uncertainties, the principal being a change to the value of the property portfolio. This risk has high visibility to senior executives and is considered and managed on a continuous basis. Executives use their knowledge and experience to knowingly accept a measured degree of market risk.

The Group's preference for prime assets and their secure long term contracted rental income, primarily with upward only rent review clauses, present lower risks than many other property portfolios.

The Group is financed by a combination of fixed rate debentures and intercompany funding from its ultimate holding company. See note 12 for details of risk management relating to third party debt and the use of financial instruments. The covenants attached to the debentures are reviewed regularly and prospectively, in order that any potential breaches may be remedied in accordance with the relevant provisions.

This report was approved by the Board on 7 July 2017 and signed by the order of the board by:

C Middleton
Director

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Directors' Report

The directors present their report together with the audited financial statements of the Group and company and independent auditors' report for the year ended 31 March 2017.

Directors

The directors who were in office during the year and up to the date of signing the financial statements were:

S Barzycki
L Bell
J McNuff
C Forshaw (resigned 5 April 2017)
P Macey
T Roberts
N Webb
C Middleton

Environment

Across the group, The British Land Company PLC recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Group's activities. The Group operates in accordance with policies of The British Land Company PLC. The British Land Company PLC group of companies' full sustainability report is available online at www.britishland.com/sustainability/reports-and-publications/2017.

Payments policy

In the absence of dispute, amounts due to trade and other suppliers are settled as expeditiously as possible within their terms of payment.

Dividends

No dividends were paid to shareholders in the current or prior year. No dividend has been proposed by the directors in the current year (2016: nil).

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the parent company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and of the profit or loss of the company and Group for that period.

The Group has indemnified its current directors. The indemnity arrangements are qualifying indemnity provisions under the Companies Act 2006 and are currently in force at the date of this Annual Report.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union and Financial Reporting Standard 101 Reduced Disclosure Framework have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Directors' Report (continued)

Statement of directors' responsibilities (continued)

The directors confirm that to the best of their knowledge:

- (a) the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the Group; and
- (b) the strategic report and report of the directors include a fair review of the development and performance of the business and the position of the company and the Group together with a description of the principal risks and uncertainties that they face.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Significant events since the balance sheet date

Details of significant events since the balance sheet date are set out in note 19 of the financial statements.

Going concern

The directors consider the company to be a going concern and the financial statements are prepared on this basis. Details of this are set out in note 1 of the financial statements.

Disclosure of information to auditors

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

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Board Meeting.

This report was approved by the Board on 7 July 2017 and signed by the order of the board by:

C Middleton

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLD PROPERTY HOLDINGS LIMITED

Report on the financial statements

Our opinion

In our opinion:

- BLD Property Holdings Limited's Group financial statements and the parent company financial statements ("the financial statements") give a true and fair view of the state of the Group's and company's affairs as at 31 March 2017 and of the Group's loss and cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Report and Financial Statements ("the Annual Report"), comprise:

- the Group Balance Sheet as at 31 March 2017;
- the Company Balance Sheet as at 31 March 2017;
- the Group Income Statement for the year then ended;
- the Group Cash Flow Statement for the year then ended;
- the Group Statement of Changes in Equity for the year then ended;
- the Company statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is IFRSs as adopted by the European Union, and applicable law. The financial reporting framework that has been applied in the preparation of the parent company financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group, the parent company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLD PROPERTY HOLDINGS LIMITED
(continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

John Waters (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
Date: 7 July 2017

BLD Property Holdings LimitedReport and financial statements for the year ended 31 March 2017

Group income statement for the year ended 31 March 2017

	Note	2017 £m	2016 £m
Revenue	2	12.4	12.6
Cost of sales		<u>(1.4)</u>	<u>(0.9)</u>
Gross profit		11.0	11.7
Administrative expenses		<u>(1.9)</u>	<u>(2.0)</u>
Profit from operations	3	9.1	9.7
(Loss)/profit on disposal of investment property	4	(0.9)	0.5
Revaluation (loss)/gain	7	(14.3)	14.2
Finance costs	5	<u>(3.0)</u>	<u>(3.0)</u>
(Loss)/profit before tax		(9.1)	21.4
Tax expense	6	<u>-</u>	<u>-</u>
(Loss)/profit for the year attributable to shareholders of the company		<u>(9.1)</u>	<u>21.4</u>

All recognised income and expense in the current and prior year is included in the income statement. Accordingly, no statement of comprehensive income is given.

The notes on pages 13 to 31 form part of these financial statements.

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Group balance sheet as at 31 March 2017

	Note	2017 £m	2016 £m
Assets			
Non-current assets			
Investment properties	7	266.6	284.6
Total non-current assets		266.6	284.6
Current assets			
Trade and other receivables	9	492.0	480.7
Total current assets		492.0	480.7
Total assets		758.6	765.3
Liabilities			
Current liabilities			
Trade and other payables	10	(84.8)	(82.6)
Total current liabilities		(84.8)	(82.6)
Non-current liabilities			
Financial liabilities	11	(32.2)	(32.0)
Total non-current liabilities		(32.2)	(32.0)
Total liabilities		(117.0)	(114.6)
TOTAL NET ASSETS		641.6	650.7
Equity attributable to owners of the parent company			
Called up share capital	13	15.2	15.2
Share premium account		24.4	24.4
Capital redemption reserve		6.7	6.7
Retained earnings		595.3	604.4
Total equity		641.6	650.7

The financial statements were approved by the Board of Directors and authorised for issue on 7 July 2017.

They were signed on its behalf by:

C Middleton

Director

Company number 00823907

The notes on pages 13 to 31 form part of these financial statements.

BLD Property Holdings LimitedReport and financial statements for the year ended 31 March 2017

Group statement of changes in equity for the year ended 31 March 2017

	Called up share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
Balance as at 1 April 2016	15.2	24.4	6.7	604.4	650.7
Change in equity					
Loss for the year	-	-	-	(9.1)	(9.1)
Total comprehensive expense for the year	-	-	-	(9.1)	(9.1)
Dividends	-	-	-	-	-
Balance at 31 March 2017	15.2	24.4	6.7	595.3	641.6

	Called up share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
Balance as at 1 April 2015	15.2	24.4	6.7	583.0	629.3
Change in equity					
Profit for the year	-	-	-	21.4	21.4
Total comprehensive income for the year	-	-	-	21.4	21.4
Dividends	-	-	-	-	-
Balance at 31 March 2016	15.2	24.4	6.7	604.4	650.7

The notes on pages 13 to 31 form part of these financial statements.

BLD Property Holdings LimitedReport and financial statements for the year ended 31 March 2017

Company balance sheet as at 31 March 2017

	Note	2017 £m	2016 £m
Fixed assets			
Investments	8	137.2	137.2
		137.2	137.2
Current assets			
Trade and other receivables	9	-	-
		-	-
Creditors: amounts falling due within one year	10	(63.5)	(60.8)
Net current liabilities		(63.5)	(60.8)
Creditors: amounts falling due after more than one year	11	(29.6)	(29.6)
Net assets		44.1	46.8
Capital and reserves			
Called up share capital	13	15.2	15.2
Share premium account		24.4	24.4
Capital redemption reserve		6.7	6.7
Retained earnings		(2.2)	0.5
Total equity		44.1	46.8

The company has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006. The loss after taxation for the financial year was £2.7m (2016: profit £6.8m).

The financial statements were approved by the Board of Directors and authorised for issue on 7 July 2017.

They were signed on its behalf by:

C Middleton

Director

Company number 00823907

The notes on pages 13 to 31 form part of these financial statements.

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Company statement of changes in equity for the year ended 31 March 2017

	Called up share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
Balance at 1 April 2016	15.2	24.4	6.7	0.5	46.8
Change in equity					
Loss for the year	-	-	-	(2.7)	(2.7)
Total comprehensive expense for the year	-	-	-	(2.7)	(2.7)
Dividends	-	-	-	-	-
Balance at 31 March 2017	15.2	24.4	6.7	(2.2)	44.1

	Called up share capital £m	Share premium account £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
Balance at 1 April 2015	15.2	24.4	6.7	(6.3)	40.0
Change in equity					
Profit for the year	-	-	-	6.8	6.8
Total comprehensive income for the year	-	-	-	6.8	6.8
Dividends	-	-	-	-	-
Balance at 31 March 2016	15.2	24.4	6.7	0.5	46.8

The notes on pages 13 to 31 form part of these financial statements.

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Group cash flow statement for the year ended 31 March 2017

	2017		2016	
	£m	£m	£m	£m
Operating activities				
(Loss)/profit for the year	(9.1)		21.4	
Adjustments for:				
Revaluation loss/(gain)	14.3		(14.2)	
Straightlining of tenant incentives	0.2		1.2	
Finance cost	3.0		3.0	
Loss/(profit) on disposal of investments	0.9		(0.5)	
Operating loss before changes in working capital and provisions		9.3		10.9
Decrease in trade and other receivables	0.3		3.3	
Increase/(decrease) in trade and other payables	0.8		(1.6)	
Decrease in prepayments and accrued income	0.1		-	
Increase in receivable from ultimate parent	(11.7)		(7.5)	
Increase in payable to ultimate parent	1.4		4.8	
Capital contributions paid	-		(3.1)	
		(9.1)		(4.1)
Cash generated from operating activities		0.2		6.8
Investing activities				
Development and other capital expenditure	(2.4)		(11.5)	
Sale of investment properties (net of expenses)	5.2		7.7	
Cash generated from/(used in) investing activities		2.8		(3.8)
Financing activities				
Interest paid on debenture stock	(3.0)		(3.0)	
Cash used in financing activities		(3.0)		(3.0)
Change in cash and cash equivalents		-		-
Opening cash and cash equivalents		-		-
Closing cash and cash equivalents		-		-

The notes on pages 13 to 31 form part of these financial statements.

Notes forming part of the financial statements for the year 31 March 2017

1. Accounting policies

Group financial statements

Basis of preparation

This Group and company is incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is York House, 45 Seymour Street, London, W1H 7LX.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

These accounting policies have been applied consistently in all material respects.

Going concern

These financial statements have been prepared on the going concern basis. The Group is in a net asset position. Having reviewed the company's forecast working capital and cash flow requirements, in addition to making enquiries and examining areas, described within the risk management section of the Strategic Report, which could give rise to financial exposure, the directors have a reasonable expectation that the company has adequate resources to continue its operations for the foreseeable future. As a result they continue to adopt the going concern basis in preparing the financial statements.

Critical accounting judgments and key sources of estimation uncertainty

The key source of estimation and uncertainty relates to the valuation of the property portfolio, where an external valuation is obtained. The potential for management to make judgements or estimates relating to these that would have a significant impact on the financial statements is considered, by the nature of Group business, to be limited.

Adoption of new and revised standards

The accounting policies used are consistent with those contained in the Group's previous annual report and financial statements for the year ended 31 March 2016.

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective for the current accounting period. None of these are expected to have a material impact on the consolidated financial statements of the Group.

Certain standards which could be expected to have an impact on the consolidated financial statements are discussed in further detail below.

Notes forming part of the financial statements for the year 31 March 2017 (continued)

1. Accounting policies (continued)

- IFRS 9 - Financial Instruments (effective for year ending 31 March 2019). The new standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It simplifies the existing categories of financial instruments, introduces an expected credit loss model and redefines the criteria required for hedge effectiveness. On adoption of the new standard, these changes are not expected to have a material impact on the consolidated financial statements of the Group. There will however be limited changes to presentation and disclosure.
- IFRS 15 - Revenue from contracts with customers (effective for year ending 31 March 2019). Revenue from contracts with customers is effective for the Group's year ended 31 March 2019. The new standard combines a number of previous standards, setting out a five step model for the recognition of revenue and establishing principles for reporting useful information to users of financial statements about nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contact with customers. The new standard does not apply to gross rental income, but does apply to service charge income, management and performance fees and trading property disposals. The impact of the new standard on these items of revenue is not expected to have a material impact on the consolidated financial statements of the Group.
- IFRS 16 - Leases - (effective for year ending 31 March 2020). Leases, is effective for the Group's year ending 31 March 2020. For lessees, it will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases will be removed. The accounting for lessors will however not significantly change. As a result on adoption of the new standard, these changes are not expected to have a material impact on the consolidated financial statements of the Group.

Subsidiaries

The consolidated financial statements include the financial statements of BLD Property Holdings Limited and all subsidiaries (entities controlled by the Group). Control is assumed where the Group has the power to govern the financial and operating policies of an investee entity so as to gain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included from the effective date of acquisition or to the effective date of disposal. Accounting practices of subsidiaries which differ from Group accounting policies are adjusted on consolidation.

Investment properties

Investment properties are externally valued at the balance sheet date and recorded at fair value.

Any surplus or deficit arising on revaluing investment properties is recognised in the income statement.

The cost of investment properties in the course of development includes attributable interest and other associated outgoings. Interest is calculated on the development expenditure by reference to specific borrowings where relevant and otherwise on the weighted average rate interest rate of The British Land PLC borrowings. Interest is not capitalised where no development activity is taking place. A property ceases to be treated as a development property on practical completion.

Disposals are recognised on completion: profits and losses arising are recognised through the income statement, the loss on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the accounting year plus capital expenditure in the period.

In determining whether leases and related properties represent operating or finance leases, consideration is given to whether the tenant or landlord bears the risks and rewards of ownership.

Notes forming part of the financial statements for the year 31 March 2017 (continued)

1. Accounting policies (continued)

Financial assets and liabilities

Trade receivables and payables are initially recognised at fair value and subsequently measured at amortised cost and discounted as appropriate.

Where an investment property is held under a head lease it is initially recognised as an asset as the sum of the premium paid on acquisition and the present value of minimum ground rent payments. The corresponding rent liability to the head leaseholder is included in the balance sheet as a finance lease obligation.

Debt instruments are stated at their net proceeds on issue. Finance charges including premiums payable on settlement or redemption and direct issue costs are spread over the period to redemption, using the effective interest method.

Cash equivalents are limited to instruments with a maturity of less than three months.

Net rental income

Rental income is recognised on an accruals basis. A rent adjustment based on open market estimated rental value is recognised from the rent review date in relation to unsettled rent reviews. Where a rent-free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earliest termination date.

Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight-line basis to earliest termination date. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure the carrying value of the related property including the accrued rent does not exceed the external valuation.

Initial direct costs incurred in negotiating and arranging a new lease are amortised on a straight-line basis over the period from the date of lease commencement to the earliest termination date.

Where a lease incentive payment, including surrender premiums paid, does not enhance the value of a property, it is amortised on a straight-line basis over the period from the date of lease commencement to the earliest termination date. Upon receipt of a surrender premium for the early determination of a lease, the profit, net of dilapidations and non-recoverable outgoings relating to the lease concerned is immediately reflected in income.

Taxation

Current tax is based on taxable loss for the year and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date. Taxable profit differs from net loss as reported in the income statement because it excludes items of income or expense that are not taxable (or tax deductible).

Notes forming part of the financial statements for the year 31 March 2017 (continued)

1. Accounting policies (continued)

Parent company financial statements

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of properties. Historical cost is generally based on the fair value of the consideration given in exchange.

These financial statements have also been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101').

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) The requirements of IAS 1 to provide a Balance Sheet at the beginning of the year in the event of a prior year adjustment;
- (b) The requirements of IAS 1 to provide a Statement of Cash flows for the year;
- (c) The requirements of IAS 1 to provide a statement of compliance with IFRS;
- (d) The requirements of IAS 1 to disclose information on the management of capital;
- (e) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose new IFRS's that have been issued but are not yet effective;
- (f) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) The requirements of paragraph 17 of IAS 24 Related Party Disclosures to disclose key management personnel compensation;
- (h) The requirements of IFRS 7 to disclose financial instruments; and
- (i) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement to disclose information of fair value valuation techniques and inputs.

Going concern

The balance sheet shows that the company has net current liabilities. However, the principal creditor is the ultimate parent company and the terms of the borrowing include the right of the subsidiary to request that the amount of the loan equal to any deficit be eliminated by converting the loan into share capital.

As a consequence of this the directors feel that the company can continue to trade for the foreseeable future and is well placed to manage its business risks successfully in the current economic climate. Accordingly, they believe the going concern basis is an appropriate one.

The major accounting policies of the company are set out below and have been applied consistently throughout the current and the previous year. The policies that differ from those applied by the Group (as stated in above of the consolidated financial statements) are for investments and deferred taxation.

Investments

Investments in subsidiaries are stated at cost less provision for impairment.

Current taxation

Current tax, including UK corporation tax and foreign 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.

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Notes forming part of the financial statements for the year 31 March 2017 (continued)

2. Revenue

Revenue represents rental income and is wholly attributable to the principal activity of the Group which operates solely in the United Kingdom.

3. Profit from operations

A charge of £nil (2016: £nil) for the company and £5,070 (2016: £4,900) for the BLD Property Holdings Limited Group, is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements. Actual amounts payable to PricewaterhouseCoopers LLP are paid at group level by The British Land Company PLC.

Audit related fees of £12,900 (2016: £15,600) were deemed payable to PricewaterhouseCoopers LLP relating to the year ended 31 March 2017. Actual amounts payable to PricewaterhouseCoopers LLP are paid at group level by The British Land Company PLC.

No directors or employees received remuneration from the Group during the current or comparative year. A management charge is levied on the Group by The British Land Company PLC.

Average number of employees, excluding directors, of the Group during the year was nil (2016: nil).

4. (Loss)/profit on disposal of investment property

	2017 £m	2016 £m
Proceeds on sale of investment properties	5.3	7.8
Net book value at date of disposal	(6.1)	(7.2)
Selling expenses	(0.1)	(0.1)
	<u>(0.9)</u>	<u>0.5</u>

5. Finance costs

	2017 £m	2016 £m
Bank borrowings and other interest payable	0.1	0.1
Debenture stock interest payable	2.9	2.9
	<u>3.0</u>	<u>3.0</u>

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Notes forming part of the financial statements for the year 31 March 2017 (continued)**6. Tax expense**

	2017 £m	2016 £m
<i>Current tax</i>		
UK corporation tax on (loss)/profit for the year	-	-
	-	-
<i>Deferred tax</i>		
(Reversal)/origination of timing differences	-	-
	-	-
Total tax charge	-	-

The tax assessed for the year differs from (2016: differs from) the standard rate of corporation tax in the UK. The differences are explained below:

	2017 £m	2016 £m
(Loss)/profit before tax	(9.1)	21.4
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2016: 20%)	(1.8)	4.3
Effects of:		
REIT exempt income	(1.8)	(1.9)
Decrease/(increase) in fair value of investment property	2.9	(2.8)
Expenses not deductible/(income not taxable) for tax purposes	0.2	(0.1)
Transfer pricing	2.5	2.8
Group relief claimed for nil consideration	(2.0)	(2.3)
Total tax charge for the year	-	-

Reductions to the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective 1 April 2020) were substantively enacted on 26 October 2015.

In the Budget on 16 March 2016, the Chancellor announced additional planned reductions to 17% effective from 1 April 2020. This will reduce the company's future current tax charge accordingly.

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Notes forming part of the financial statements for the year 31 March 2017 (continued)

7. Investment properties

	UK Retail £m	Offices £m	Development £m	Total £m
Group				
Carrying value at 1 April 2016	215.3	66.1	3.2	284.6
Additions	1.6	0.5	0.4	2.5
Disposals	(6.1)	-	-	(6.1)
Lease incentive and rent review receivables	(0.3)	0.2	-	(0.1)
Revaluation	(13.7)	1.8	(2.4)	(14.3)
Carrying value at 31 March 2017	196.8	68.6	1.2	266.6
Head lease liabilities (note 11)				(2.6)
Total Group property portfolio valuation at 31 March 2017				264.0

The different valuation method levels are defined below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

These levels are specified in accordance with IFRS 13 "Fair Value Measurement". Our property valuation approach and process is set out in the paragraph below. Property valuations are inherently subjective as they are made on the basis of assumptions made by the valuer which may not prove to be accurate. For these reasons we have classified the valuations of our property portfolio as Level 3 as defined by IFRS 13. Some of the inputs to the valuations are defined as "unobservable" by IFRS 13 and the significant inputs are analysed in the table below.

Investment properties are valued by adopting the "investment method" of valuation. This approach involves applying capitalisation yield to current and estimated future rental streams net of income voids arising from vacancies or rent-free periods and associated running costs. These capitalisation yields and rental values are based on comparable property and leasing transactions in the market, using the valuers' professional judgment and market observation. Other factors taken into account in the valuations include the tenure of property, tenancy details and ground and structural conditions.

In the case of ongoing developments, the approach applied is the "residual method" of valuation, which is the investment method of valuation as described above, with a deduction for all costs necessary to complete the development, including a notional finance cost, together with a further allowance for remaining risk. Properties held for development are generally valued by adopting the higher of the residual method of valuation, allowing for all associated risks, or the investment method of valuation for the existing asset.

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Notes forming part of the financial statements for the year 31 March 2017 (continued)

7. Investment properties (continued)

Information about fair value measurements using observable inputs (level 3)

	Fair Value at 31 March 2017 £m	Valuation Method	ERV per sq ft			Equivalent yield		
			Min £	Max £	Ave £	Min %	Max %	Ave %
UK Retail	196.8	Investment methodology	7	30	21	3.8	8.3	5.9
Offices	66.0	Investment methodology	49	69	59	4.1	4.2	4.2
Development	1.2	Residual methodology	N/A	N/A	N/A	N/A	N/A	N/A

All other factors being equal, a higher equivalent yield would lead to a decrease in the valuation of an asset, and an increase in the ERV have the effect of increasing the capital value, and vice versa. However, there are interrelationships between unobservable inputs which are partially determined by market conditions, which would impact on these changes.

Properties were valued as at 31 March 2017 by Knight Frank LLP on the basis of fair value, in accordance with the RICS Valuation - Professional Standards 2014, Ninth Edition, published by The Royal Institution of Chartered Surveyors.

At 31 March 2017, the Group book value of properties (excluding head lease liability) of £266.6m (2016: £284.6m) comprises freeholds of £198.0m (2016: £218.5m) and long leaseholds of £66.0m (2016: £63.7m). The historical cost of investment properties is £255.7m (2016: £260.1m) which includes interest capitalised of £1.4m (2016: £1.4m). Long leaseholds are those for which the unexpired term at the balance sheet date is not less than 50 years.

The prior year movement is shown below:

	UK Retail Level 3 £m	Offices Level 3 £m	Development Level 3 £m	Total £m
Carrying value at 1 April 2015	214.9	22.9	26.4	264.2
Transfers	-	39.1	(39.1)	-
Additions	5.1	0.1	5.9	11.1
Disposals	(7.2)	-	-	(7.2)
Lease incentive and rent review receivables	2.3	-	-	2.3
Revaluation gain	0.2	4.0	10.0	14.2
Carrying value at 31 March 2016	215.3	66.1	3.2	284.6
Head lease liabilities (note 11)				(2.4)
Total Group property portfolio valuation at 31 March 2016				282.2

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Notes forming part of the financial statements for the year 31 March 2017 (continued)

8. Investments

	Shares in subsidiaries £m
Underlying net asset value of investment 31 March 2016	137.2
31 March 2017	137.2
Provisions for underlying net asset change 1 April 2016	(0.4)
31 March 2017	(0.4)
Underlying net asset value of investment 31 March 2015	137.2
31 March 2016	137.2
Provisions for underlying net asset change 1 April 2015	(0.4)
31 March 2016	(0.4)
At cost 31 March 2017	137.6
1 April 2016	137.6

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Notes forming part of the financial statements for the year 31 March 2017 (continued)

8. Investments (continued)

The company's subsidiaries and other related undertakings at 31 March 2017 are listed below. All Group entities are included in the consolidated financial results.

The company holds 100% of the voting rights and beneficial interests in the shares of the following subsidiaries. The subsidiaries and related undertakings are registered in the United Kingdom.

The registered address of each company is York House, 45 Seymour Street, London, W1H 7LX .

The share capital of each of the companies, where applicable, comprises of ordinary shares.

<u>Company Name</u>	<u>UK/Overseas Tax Resident Status</u>
Property investment and development	
BLD Properties Limited	UK Tax Resident
The Mary Street Estate Limited	UK Tax Resident
BLD (A) Limited	UK Tax Resident
BLD Land Limited	UK Tax Resident
BL Doncaster Wheatley Limited	UK Tax Resident
Non trading	
BLD (SJ) Limited	UK Tax Resident
BLD (SJ) Investments Limited	UK Tax Resident
Adshilta Limited	UK Tax Resident
Rohawk Properties Limited	UK Tax Resident
8-10 Throgmorton Avenue Limited	UK Tax Resident
Dormant	
Crescent West Properties	UK Tax Resident
Manbrig Properties	UK Tax Resident
Mayfair Properties	UK Tax Resident
Mercari Holdings Limited	UK Tax Resident
Mercari	UK Tax Resident
Minhill Investments Limited	UK Tax Resident
Salmax Properties	UK Tax Resident
BLD Mansfield Limited	UK Tax Resident
The Retail and Warehouse Company Limited	UK Tax Resident

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Notes forming part of the financial statements for the year 31 March 2017 (continued)**9. Trade and other receivables****Debtors**

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Amount owed by ultimate parent company	491.5	479.8	-	-
Trade and other debtors	0.4	0.7	-	-
Prepayments and accrued income	0.1	0.2	-	-
	492.0	480.7	-	-

The directors consider that the carrying amount of trade and other debtors approximates to their fair value. There is no concentration of credit risk with respect to trade debtors as the Group has a large number of customers, who are paying their rental in advance. There is £0.4m (2016: £0.6m) bad debt provision in respect of debtors. As at 31 March 2017, trade and other debtors outside their payment term not yet provided for are as follows:

	TOTAL	Within terms	0-1 months past due	1-2 months past due	More than 2 months past due
	£m	£m	£m	£m	£m
2017	0.4	-	0.4	-	-
2016	0.7	0.1	0.5	-	0.1

10. Trade and other payables**Creditors: amounts falling due within one year**

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Amounts owed to ultimate parent company	79.7	78.3	62.9	60.1
Other taxation and social security	0.4	-	-	-
Trade and other creditors	0.3	0.3	-	-
Accruals and deferred income	4.4	4.0	0.6	0.7
	84.8	82.6	63.5	60.8

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Notes forming part of the financial statements for the year 31 March 2017 (continued)

11. Financial liabilities

Creditors: amounts falling due after more than one year

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Debenture stock (secured)	29.6	29.6	29.6	29.6
Obligations under finance leases ¹	2.6	2.4	-	-
	32.2	32.0	29.6	29.6

The First Mortgage Debenture 2020 Stocks are secured on certain investment properties and cash held by the Group. The stock is listed on the London Stock Exchange.

¹ The obligations under finance leases are presented according to the maturity of the payments required.

Maturity of debt:

	Group Net debt 2017 £m	Group Net debt 2016 £m	Company Net debt 2017 £m	Company Net debt 2016 £m
Due between two and five years	29.6	29.6	29.6	29.6
Due after more than five years	2.6	2.4	-	-
	32.2	32.0	29.6	29.6

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Notes forming part of the financial statements for the year 31 March 2017 (continued)

12.

Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity finance. The Group's overall strategy remains unchanged from 2016. The capital structure of the Group consists of net debt and equity attributable to the equity holders of BLD Property Holdings Limited, comprising issued capital, reserves and retained earnings.

Categories of financial instruments (Group)

	2017 £m	2016 £m
Financial assets		
Amortised cost		
Trade and other receivables	492.0	480.7
	<u>492.0</u>	<u>480.7</u>
Financial liabilities		
Amortised cost		
Gross debt	(29.6)	(29.6)
Finance lease payable	(2.6)	(2.4)
Trade and other payables	(84.8)	(82.6)
	<u>(117.0)</u>	<u>(114.6)</u>
TOTAL	<u>375.0</u>	<u>366.1</u>

In accordance with IAS 39, Financial Instruments: Recognition and measurement, the First Mortgage Debenture Stocks 2020 are shown net of the unamortised discount and costs on issue of £0.2m (2016: £0.2m). These are held at both Group and company level.

The Group holds financial instruments to finance its operations and to manage interest rate risk. The primary source of finance is debenture stocks. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. These are managed through a review of counterparty creditworthiness and use of long-term borrowings to match the long-term nature of the business. Treasury reports are regularly submitted to senior management and the board.

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Notes forming part of the financial statements for the year 31 March 2017 (continued)**12.****Financial instruments (continued)****Interest rate risk management**

The Group uses fixed rate debentures and as such is not exposed to interest rate risk on its borrowings.

	Group 2017 £m	Group 2016 £m	Company 2017 £m	Company 2016 £m
Interest rate profile of net debt				
Fixed rate				
9.125% First Mortgage Debenture Stock 2020	29.6	29.6	29.6	29.6
Total debt, fixed rate	29.6	29.6	29.6	29.6
	Group 2017 %	Group 2016 %	Company 2017 %	Company 2016 %
The weighted-average rate of interest at the year-end was as follows:				
Total	9.1	9.1	9.1	9.1

The debt classified above is fixed rate.

All the debt is Sterling denominated. At 31 March 2017 the weighted average interest rate of the Sterling fixed rate debt is 9.1% (2016: 9.1%). The weighted average period for which the rate is fixed is 4 years (2016: 5 years). The borrowings are secured on certain Group properties.

Notes forming part of the financial statements for the year 31 March 2017 (continued)

12.

Financial instruments (continued)

Foreign currency risk management

The Group has no foreign currency denominated investments.

Credit risk management

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk without taking account any collateral obtained.

Cash and short-term deposits at 31 March 2017 amounted to £nil (2016: £nil). There were no deposits at the year end.

The Group's credit risk in respect of its trade receivables is analysed in note 9 - Trade and other receivables.

Liquidity risk management

The table below presents a maturity profile of the contracted undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal flows. Trade creditors which are payable within one year, have been excluded from the analysis.

		31 March 2017		
		Debt	Interest	Finance lease
		£m	on debt	payments
			£m	£m
Repayable:	within one year	-	2.7	0.1
Between:	one and two years	-	2.7	0.1
	two and five years	29.8	4.8	0.4
	over five years	-	-	12.4
		29.8	10.2	13.0
Unamortised issue costs		(0.2)		
Gross debt		29.6		

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Notes forming part of the financial statements for the year 31 March 2017 (continued)

12.

Financial instruments (continued)

		31 March 2016		
		Debt £m	Interest on debt £m	Finance lease payments £m
Repayable:	within one year	-	2.7	0.1
Between:	one and two years	-	2.7	0.1
	two and five years	29.8	7.5	0.4
	over five years	-	-	13.3
		<u>29.8</u>	<u>12.9</u>	<u>13.9</u>
Unamortised issue costs		<u>(0.2)</u>		
Gross debt		<u>29.6</u>		

There are no committed undrawn down borrowing facilities.

Group borrowings of £29.6m (2016: £29.6m) are secured on certain Group properties. Company borrowings of £29.6m (2016: £29.6m) are secured on certain Group properties.

Borrowing facilities

The Group does not have any borrowing facilities as all funding requirements occur through the bank accounts held by the Group's ultimate parent.

Notes forming part of the financial statements for the year 31 March 2017 (continued)

12.

Financial instruments (continued)

Fair values of financial instruments

Market values have been used to determine the fair value of the first mortgage debenture stocks.

	Book value at	Fair value at	Fair value
	2017	2017	adjustment
	£m	£m	2017
			£m
First Mortgage Debenture stocks	29.6	37.4	7.8

	Book value at	Fair value at	Fair value
	2016	2016	adjustment
	£m	£m	2016
			£m
First Mortgage Debenture stocks	29.6	38.2	8.6

The first mortgage debenture stocks are financial liabilities classified as Level 2 under the fair value hierarchy as the fair value measurements are derived from quoted prices (unadjusted) in active markets.

The carrying value of trade debtors, trade creditors and finance lease obligations represents their fair value at the balance sheet date. These financial instruments are excluded from the above analysis. An ageing analysis of the trade receivables to represent the credit risk attached is shown in note 9.

The Debenture stocks are fixed rate and have no associated derivatives, therefore there is no sensitivity to interest rate changes.

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Notes forming part of the financial statements for the year 31 March 2017 (continued)

13. Called up share capital

Group and Company	2017 Number	2017 £m	2016 Number	2016 £m
<i>Allotted, called up and paid</i>				
Ordinary shares of 20p each	75,943,890	15.2	75,943,890	15.2

Authorised share capital at 31 March 2017 is 120,000,000 Ordinary shares (2016: 120,000,000).

14.

Leases

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2017 £m	2016 £m
Future minimum lease receipts on operating leases expiring:		
Less than 1 year	11.0	12.7
Between 2-5 years	33.6	39.8
More than 5 years	26.2	34.7
	70.8	87.2

15.

Segment information

The Group allocates resources to properties it expects to perform over the medium term. The segmental analysis below, as required by IFRS 8, follows the information provided to the Chief Operating Decision Maker and reflects the two principal sectors in which the Group is currently invested - offices and retail. The relevant revenue, net rental income, assets and capital expenditure are set out below:

	Offices		Retail		Other		Total	
	2017 £m	2016 £m	2017 £m	2016 £m	2017 £m	2016 £m	2017 £m	2016 £m
Revenue	1.2	1.0	11.2	11.6	-	-	12.4	12.6
Gross profit	0.8	0.6	10.2	11.1	-	-	11.0	11.7
Segment assets	68.6	66.1	198.0	218.5	492.0	480.7	758.6	765.3
Capital expenditure	0.5	5.7	2.0	5.4	-	-	2.5	11.1

Revenue is derived from the rental of buildings. Corporate costs, including administrative and interest expenses are not allocated to the segments shown, therefore a sectoral profit or loss is not disclosed. No customer exceeds 10% of the Group's revenues.

BLD Property Holdings Limited

Report and financial statements for the year ended 31 March 2017

Notes forming part of the financial statements for the year 31 March 2017 (continued)

16.

Capital commitments

The Group has capital commitments contracted at 31 March 2017 of £0.6m (2016: £1.5m).

17.

Contingent liabilities

There are no contingent liabilities (2016: nil).

18.

Related party transactions

The Group has intercompany funding with its ultimate parent company, The British Land Company PLC. The balance outstanding at 31 March 2017 is shown in note 9 - Trade and other receivables and note 10 - Trade and other payables. There is no interest charged on this balance.

19.

Subsequent events

There have been no significant events since the year end.

20.

Ultimate parent company

The immediate parent company is BL Davidson Limited which is incorporated in Great Britain and registered in England and Wales.

BLD Property Holdings Limited is the smallest group for which group financial statements are available and which include the Group. The British Land Company PLC is the largest group for which group financial statements are available and which include the Group. The ultimate holding company and controlling party is The British Land Company PLC, which is incorporated in Great Britain and registered in England and Wales. Group financial statements for this company are available on request from British Land, York House, 45 Seymour Street, London, W1H 7LX.