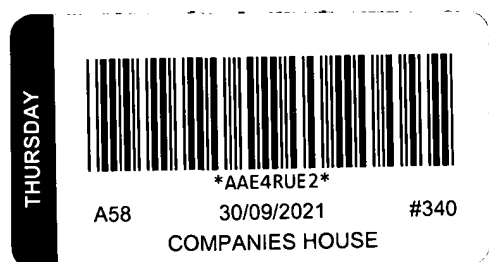


Registration number: 02873163

York House W1 Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2021



York House W1 Limited

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York House W1 Limited

Strategic Report for the Year Ended 31 March 2021

The directors present their Strategic Report for the year ended 31 March 2021.

Business review and principal activities

York House W1 Limited ("the company") is a wholly owned subsidiary of BL West End Offices 3 Limited and operates as a constituent of the BL West End Offices Limited group of companies ("the group"). BL West End Offices Limited operates as a joint venture between Allianz Real Estate GmbH and BL Office Holding Company Limited, a wholly owned subsidiary of The British Land Company PLC.

The company's principal activity is property investment in the United Kingdom (UK).

As shown in the company's Profit and Loss Account on page 9, the company's turnover of £7,644,605 has increased £419,940 compared with turnover of £7,224,665 in the prior year. Profit for the year is £6,702,147 compared to a loss of £2,698,492 in the prior year, principally as a result of an upward revaluation of Investment Property recognised in the current year.

Dividends of £27,306,184 (2020: £nil) were paid in the year.

The revaluation of investment properties in the year was a surplus of £1,346,767 (2020: deficit of £6,770,155).

The Balance Sheet on page 11 shows that the company has net assets of £157,533,394. The company's financial position at the year end has, in net assets terms, decreased compared with the prior year.

The value of investment properties held as at 31 March 2021 has increased by 1.3% from 31 March 2020 as shown in note 9 to the company's Balance Sheet. Details of how investment properties are valued can be found in note 9 to the company's balance sheet. The movement is determined by the prevailing market conditions at the balance sheet date.

Any expected future developments of the company are determined by the strategy of the group.

The performance of the group, which includes the company, is discussed in the group's annual report which does not form part of this report.

Key Performance Indicators

The directors measure how the group, of which this company is a member, is delivering its strategy through the key performance indicators.

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

Principal risks and uncertainties

This company is part of a large property investment group. As such, the fundamental underlying risks for this company are those of the property group as discussed below.

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

York House W1 Limited

Strategic Report for the Year Ended 31 March 2021 (continued)

- demand for space from occupiers against available supply;
- identification and execution of investment and development strategies which are value enhancing;
- availability of financing or refinancing at an acceptable cost;
- economic cycles, including their impact on tenant covenant quality, interest rates, inflation and property values;
- legislative changes, including planning consents and taxation;
- engagement of development contractors with strong covenants;
- key staff changes; and
- environmental and health and safety policies.

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

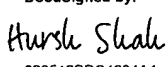
The company's preference for prime assets and their secure long term contracted rental income, primarily with upward only rent review clauses, presents lower risks than many other property portfolios.

The financial and political risks for the company are managed in accordance with the group financial risk management policy, as disclosed in the consolidated group financial statements.

The company has no third party debt. However, the company is financed by subordinated loans from the ultimate parent company, BL West End Offices Limited.

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

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Hursh Shah

Director

York House W1 Limited

Directors' Report for the Year Ended 31 March 2021

The directors present their report and the audited financial statements for the year ended 31 March 2021.

Directors of the company

The directors, who held office during the year, and up to the date of signing the financial statements, were as follows:

S M Barzycki (resigned 13 January 2021)

N M Webb (resigned 13 January 2021)

J C McNuff (resigned 13 January 2021)

P S Macey (resigned 13 January 2021)

C J Middleton (resigned 13 January 2021)

A Au (appointed 13 January 2021)

D I Lockyer (appointed 13 January 2021)

K E Pitkin (appointed 13 January 2021)

H Shah (appointed 13 January 2021)

S Rudolph (appointed 12 February 2021 and resigned 20 March 2021)

Directors' responsibilities statement

The directors acknowledge their responsibilities 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 company 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 apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

The directors 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.

Environmental matters

The company 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 company's activities. The company operates in accordance with best practice policies and initiatives designed to minimise the company's impact on the environment including the safe disposal of manufacturing waste, recycling and reducing energy consumption.

York House W1 Limited

Directors' Report for the Year Ended 31 March 2021 (continued)

Going concern

The Balance Sheet shows that the company has net current liabilities [and net liabilities] which is due to amount owed to the its parent company BL West End Offices 3 Limited. The parent company has no intention to call for repayment of loans unless the company has sufficient cash to do.

As a consequence of this the directors feel that the company is well placed to managed its business risks successfully despite the continued impact that the Covid-19 pandemic has had on the economy. Accordingly, they believe the going concern basis is an appropriate one.

Subsequent Events

Details of significant events since the Balance Sheet date, if any, are contained in note 16.

Disclosure of information to the auditors

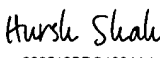
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of 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.

28.09.2021 | 14:26 BST

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

DocuSigned by:

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Hursh Shah

Director

Independent auditors' report to the members of York House W1 Limited

Report on the audit of the financial statements

Opinion

In our opinion, York House W1 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2021; the Profit and Loss account, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties. Audit procedures performed by the engagement team included:

- Discussions with management and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by management and internal audit;
- Understanding of management's internal controls designed to prevent and detect irregularities;
- Reviewing the Company's litigation register in so far as it related to non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing of expenses;
- Challenging assumptions made by management in relation to areas of judgment and significant accounting estimates, including involving PwC valuation specialists to challenge the assumptions used in the valuation of investment property; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, posted by unexpected users and posted on unexpected days.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the 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.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Sandra Dowling'.

Sandra Dowling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 September 2021

York House W1 Limited**Profit and Loss Account for the Year Ended 31 March 2021**

	Note	2021 £	2020 £
Turnover	4	7,644,605	7,224,665
Cost of sales		<u>(2,000,763)</u>	<u>(2,285,700)</u>
Gross profit		5,643,842	4,938,965
Administrative expenses		<u>(139,257)</u>	<u>(1,153,712)</u>
Operating profit		5,504,585	3,785,253
Revaluation of investment properties	9	<u>1,346,767</u>	<u>(6,770,155)</u>
Profit/(loss) on ordinary activities before interest and taxation		6,851,352	(2,984,902)
Interest payable and similar expenses	5	<u>(52,963)</u>	<u>(145,271)</u>
Profit/(loss) on ordinary activities before taxation		6,798,389	(3,130,173)
Taxation	8	<u>(96,242)</u>	<u>431,681</u>
Profit/(loss) for the year		<u>6,702,147</u>	<u>(2,698,492)</u>

Turnover and results were derived from continuing operations within the United Kingdom.

The notes on pages 13 to 21 form an integral part of these financial statements.

York House W1 Limited

Statement of Comprehensive Income for the Year Ended 31 March 2021

	2021 £	2020 £
Profit/(loss) for the year	<u>6,702,147</u>	<u>(2,698,492)</u>
Total comprehensive income/(expense) for the year	<u><u>6,702,147</u></u>	<u><u>(2,698,492)</u></u>

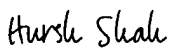
The notes on pages 13 to 21 form an integral part of these financial statements.

York House W1 Limited
 (Registration number: 02873163)
Balance Sheet as at 31 March 2021

	Note	31 March 2021 £	31 March 2020 £
Fixed assets			
Investment properties	9	<u>184,816,809</u>	<u>182,401,847</u>
		<u>184,816,809</u>	<u>182,401,847</u>
Current assets			
Debtors due within one year	10	<u>244,173</u>	<u>403,546</u>
		<u>244,173</u>	<u>403,546</u>
Creditors due within one year	11	<u>(26,925,779)</u>	<u>(3,994,999)</u>
Net current liabilities		<u>(26,681,606)</u>	<u>(3,591,453)</u>
Total assets less current liabilities		158,135,203	178,810,394
Creditors due after more than one year		(601,809)	(601,846)
Deferred tax liabilities	8	<u>-</u>	<u>(71,117)</u>
Net assets		<u>157,533,394</u>	<u>178,137,431</u>
Capital and reserves			
Share capital	13	45,341,200	45,341,200
Profit and loss account		<u>112,192,194</u>	<u>132,796,231</u>
Total shareholders' funds		<u>157,533,394</u>	<u>178,137,431</u>

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

DocuSigned by:

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 Hursh Shah
 Director

The notes on pages 13 to 21 form an integral part of these financial statements.

York House W1 Limited**Statement of Changes in Equity for the Year Ended 31 March 2021**

	Share capital £	Profit and loss account £	Total £
Balance at 1 April 2019	45,341,200	135,494,723	180,835,923
Loss for the year	-	(2,698,492)	(2,698,492)
Total comprehensive expense for the year	-	(2,698,492)	(2,698,492)
Balance at 31 March 2020	<u>45,341,200</u>	<u>132,796,231</u>	<u>178,137,431</u>
 Balance at 1 April 2020	45,341,200	132,796,231	178,137,431
Profit for the year	-	6,702,147	6,702,147
Total comprehensive income for the year	-	6,702,147	6,702,147
Dividends paid in the year	-	(27,306,184)	(27,306,184)
Balance at 31 March 2021	<u>45,341,200</u>	<u>112,192,194</u>	<u>157,533,394</u>

The notes on pages 13 to 21 form an integral part of these financial statements.

York House W1 Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

1 General information

The company is a private company limited by share capital, incorporated and domiciled in England, United Kingdom.

The address of its registered office is:

York House
45 Seymour Street
London
W1H 7LX

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The financial statements are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Instances in which advantage of the FRS 101 disclosure exemptions have been taken are set out below.

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

Summary of disclosure exemptions

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.

York House W1 Limited

**Notes to the Financial Statements for the Year Ended 31 March 2021
(continued)**

2 Accounting policies (continued)

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, equivalent disclosures are given in the group financial statements of BL West End Offices Limited. The group financial statements of BL West End Offices Limited will be made available to the public and can be obtained as set out in note 17.

Adoption status of relevant new financial reporting standards and interpretations

In the current financial year the Company has adopted a number of minor amendments to standards effective in the year issued by the IASB, none of which have had a material impact on the Company.

These amendments include IAS 1 and IAS 8 (amended) - Definition of Material, IFRS 3 (amended) - Definition of a Business, IFRS 9 (amended) - criteria for hedge accounting on transition from LIBOR to IBOR and IFRS 16 (amended).

Going Concern

The Balance Sheet shows that the company has net current liabilities [and net liabilities] which is due to amount owed to the its parent company BL West End Offices 3 Limited. The parent company has no intention to call for repayment of loans unless the company has sufficient cash to do.

As a consequence of this the directors feel that the company is well placed to managed its business risks successfully despite the continued impact that the Covid-19 pandemic has had on the economy. Accordingly, they believe the going concern basis is an appropriate one.

Turnover

Rental income from investment property

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 over the shorter of the entire lease term or the period to the first break option. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure that 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 premia 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.

Service charge income is recognised on an accruals basis in line with the service being provided.

Taxation

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

York House W1 Limited**Notes to the Financial Statements for the Year Ended 31 March 2021
(continued)****2 Accounting policies (continued)****Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequently to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Any surplus or deficit arising on revaluing investment properties is recognised in the Profit and Loss Account as a fair value movement.

Where properties held for investment are appropriated to trading stock, they are transferred at market value. If properties held for trading are appropriated to investment, they are transferred at book value.

Debtors

Trade and other debtors are initially recognised at fair value and subsequently measured at amortised cost and discounted as appropriate. The Company calculates the expected credit loss for debtors based on lifetime expected credit losses under the IFRS 9 simplified approach.

Creditors

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

Head leases

Where an investment property is held under a head lease, the head lease is initially recognised as an asset, being the sum of the premium paid on acquisition plus 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. As ground rents are paid both the head lease asset and liability unwinds, with residual amounts being classified to revaluation of investment property and interest on finance lease obligations respectively.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

3 Significant accounting judgements and key sources of estimation uncertainty

The key source of estimation uncertainty relates to the valuation of the property portfolio where an external valuation is obtained. In accounting for net rental income, the group is required to judge the recoverability of any income accrued and provides against the credit risk on these amounts. The potential for management to make judgements or estimates relating to those items which would have a significant impact on the financial statements is considered, by the nature of the group's business, to be limited.

4 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2021	2020
	£	£
Rental income from investment property	5,844,348	5,318,567
Service charge income	1,800,257	1,906,098
	<u>7,644,605</u>	<u>7,224,665</u>

York House W1 Limited**Notes to the Financial Statements for the Year Ended 31 March 2021
(continued)****5 Interest payable and similar expenses**

	2021 £	2020 £
Interest on obligations under head leases	52,963	52,966
Interest payable on amounts owed to group companies	-	92,305
	<u>52,963</u>	<u>145,271</u>

6 Auditors' remuneration

A notional charge of £5,250 (2020: £2,832) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the year ended 31 March 2021. Actual amounts payable to PricewaterhouseCoopers LLP are paid at group level by BL West End Offices Limited.

No non-audit fees (2020: £nil) were paid to PricewaterhouseCoopers LLP.

7 Staff costs

No director (2020: nil) received any remuneration for services to the company in either year. The remuneration of the directors was borne by another company, for which no apportionment or recharges were made.

Average number of employees, excluding directors, of the company during the year was nil (2020: nil).

8 Taxation

	2021 £	2020 £
Current taxation		
UK corporation tax	<u>167,359</u>	-
Deferred taxation		
Arising from origination and reversal of temporary differences	<u>(71,117)</u>	(431,681)
Tax charge/(credit) in the profit and loss account	<u>96,242</u>	(431,681)
Tax reconciliation		
Profit on ordinary activities	<u>6,798,388</u>	(3,130,173)
Tax on profit on ordinary activities at UK corporation tax rate of 19% (2020 : 20%)	<u>1,291,694</u>	(594,733)

York House W1 Limited**Notes to the Financial Statements for the Year Ended 31 March 2021
(continued)****8 Taxation (continued)****Effects of:**

REIT exempt income and gains	(742,302)	(768,285)
Capital allowances	(35,463)	(35,783)
Increase/decrease in fair value of property and investments	(255,886)	1,286,330
Deferred tax movement	(71,117)	(431,681)
Income not taxable/Expenses not allowable	5,193	5,012
Group relief	(95,877)	107,459
Total tax charge/(credit)	<u>96,242</u>	<u>(431,681)</u>

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, the proposal to increase the rate to 25% had not been substantively enacted, substantive enactment occurred on 24 May 2021, therefore, its effects are not included in these financial statements. It is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would not be material.

York House W1 Limited**Notes to the Financial Statements for the Year Ended 31 March 2021
(continued)****9 Investment properties**

	£
Fair value	
1 April 2020	182,401,847
Lease incentive movements	624,529
Additions	443,666
Revaluation	1,346,767
	184,816,809
31 March 2021	184,816,809
Fair value	
1 April 2019	188,601,882
Lease incentive movements	(97,166)
Additions	667,286
Revaluation	(6,770,155)
	182,401,847
31 March 2020	182,401,847
Analysis of cost and valuation	
31 March 2021	
Cost	82,358,813
Valuation	102,457,996
	184,816,809
Net book value	
31 March 2020	
Cost	81,290,618
Valuation	101,111,229
	182,401,847
Net book value	182,401,847

At 31 March 2021 the book value of freehold investment properties owned by the company was £184,816,809 (2020: £182,401,847).

Investment properties are valued by adopting the "investment method" of valuation. This approach involves applying capitalisation yields 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 judgement and market observation. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions.

Properties were valued to fair value at 31 March 2021 by Cushman & Wakefield LLP, independent valuers not connected with the company, in accordance with the RICS Valuation - Professional Standards 2014, Ninth Edition, published by The Royal Institution of Chartered Surveyors.

York House W1 Limited**Notes to the Financial Statements for the Year Ended 31 March 2021
(continued)****9 Investment properties (continued)**

Properties valued at £184,816,809 (2020: £182,401,847) were charged to secure borrowings of the intermediate holding company.

The Covid-19 pandemic has continued to impact global financial markets and market activity in many sectors, with some real estate markets having experienced lower levels of transactional activity and liquidity. In some cases, 'lockdowns' have been applied - in varying degrees - to reflect further 'waves' of Covid-19. While these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact. As at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence returning to levels which our valuers consider to be an adequate quantum of market evidence upon which to base their opinions of value. Accordingly, and for the avoidance of doubt, our valuers have not reported their valuations as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation- Global Standards. Our valuers have, however, highlighted the market context under which their opinions have been prepared and, in recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of Covid-19, the importance of the valuation date.

The company leases out all of its investment properties under operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	31 March 2021 £	31 March 2020 £
Leases less than one year	4,437,239	4,520,223
Leases between one and five years	13,371,699	5,723,657
Leases greater than five years	19,172,855	2,475,564
	<u>36,981,793</u>	<u>12,719,444</u>

10 Debtors due within one year

	31 March 2021 £	31 March 2020 £
Trade debtors	346,863	414,230
Provision for impairment of trade debtors	(116,128)	(10,684)
Net trade debtors	230,735	403,546
Prepayments	13,438	-
	<u>244,173</u>	<u>403,546</u>

York House W1 Limited**Notes to the Financial Statements for the Year Ended 31 March 2021
(continued)****11 Creditors due within one year**

	31 March 2021 £	31 March 2020 £
Trade creditors	52,972	295,156
Accrued expenses	1,192,981	1,235,403
Amounts due to related parties	25,346,978	2,244,148
Social security and other taxes	165,489	219,456
Other creditors	-	836
Corporation tax liability	167,359	-
	26,925,779	3,994,999

Amounts due to related parties relate to amounts owed to group companies which are repayable on demand. Interest is charged on these balances in accordance with the group policy on intercompany loan accounts.

12 Creditors due after more than one year

	31 March 2021 £	31 March 2020 £
Non-current loans and borrowings		
Head lease liabilities	601,809	601,846
Annual commitments under head leases		
Head leases which expire:		
Within one year	41	38
Between two and five years	202	186
Due after five years	601,566	601,622
	601,809	601,846
 Gross value of future minimum lease payments	 4,505,000	 4,558,000
Present value of future minimum lease payments	601,768	601,809

This lease obligation relates to an agreement to lease the building at York House, Great Cumberland Place on a 112 year head lease. The lease period runs from 1994 to 2106.

York House W1 Limited**Notes to the Financial Statements for the Year Ended 31 March 2021
(continued)****13 Share capital****Allotted, called up and fully paid shares**

	No.	31 March 2021 £	No.	31 March 2020 £
Ordinary shares of £1 each	45,341,200	45,341,200	45,341,200	45,341,200

14 Capital commitments

The total amount contracted for but not provided in the financial statements was £171,083 (2020: £29,189)

15 Contingent liabilities

The company is jointly and severally liable with the immediate parent company and a fellow subsidiary company for all monies falling due under the group VAT registration.

16 Subsequent events

There have been no significant events since the year end.

17 Parent and ultimate parent undertaking

The immediate parent company is BL West End Offices 3 Limited.

BL West End Offices Limited is the smallest and largest group for which group financial statements are available and which include the company. The ultimate parent company is BL West End Offices Limited. BL West End Offices Limited operates as a joint venture between Allianz Real Estate GmbH and BL Office Holding Company Limited, a wholly-owned subsidiary of The British Land Company PLC. Group financial statements for BL West End Offices Limited will be made available on request from British Land, York House, 45 Seymour Street, London W1H 7LX.