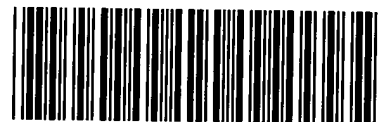

Horndrift Limited

Report and Financial Statements

16 month period ended 31 March 2015

Company number: 03871243

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Horndrift Limited

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for the 16 month period ended 31 March 2015

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Horndrift Limited

**STRATEGIC REPORT
for the 16 month period ended 31 March 2015**

The directors present their Strategic Report for the 16 month period ended 31 March 2015.

Principal activities

The company is jointly with others the beneficial owner of the freeholds of a number of stores operated by a national supermarket chain in the United Kingdom. The freeholds are subject to leases which will expire in 2023. Under the arrangements entered into at the time the company acquired its interest in the stores, the supermarket chain has an option, once the head lease expires, to purchase the stores or take new leases of them at a full market rent. Should the supermarket chain not take up such options, the company would, together with the other beneficial owners, review its investment in the freeholds to determine the optimum strategy to maximise the value of its investment.

Business review

As shown in the company's Profit and Loss Account on page 8, the company's turnover is £nil compared to a turnover of £nil in the prior year and profit on ordinary activities before taxation is £16,199,887 compared to a loss on ordinary activities before taxation of £462,006 in the prior year.

Dividends of £nil (2013: £nil) were paid in the 16 month period.

The Balance Sheet on page 10 shows that the company's financial position at the period end is, in net asset terms, an increase on the prior year.

During the 16 month period, the company transitioned from UK GAAP to FRS 101 - Reduced Disclosure Framework and has taken advantage of disclosure exemptions allowed under this framework. The company's parent undertaking, The British Land Company PLC, was notified and did not object to the use of EU-adopted IFRS disclosure exemptions. The impact of the adoption of this framework was as follows:

Under IAS 32, investments held for trading are held at fair value through profit or loss. Fair value movements in investments held for trading are now presented on the face of the Profit and Loss Account.

STRATEGIC REPORT (CONTINUED)
for the 16 month period ended 31 March 2015

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

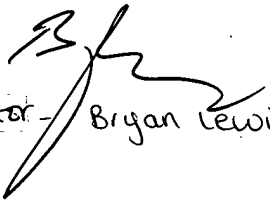
- demand for space from occupiers against available supply;
- identification and execution of investment and development strategies which are value enhancing;
- availability of financing or refinancing at an acceptable cost;
- economic cycles, including their impact on tenant covenant quality, interest 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 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, presents lower risks than many other property portfolios.

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

This report was approved by the Board on 4th August 2015 and signed by the order of the board by:


Director - Bryan Lewis

Horndrift Limited

**DIRECTORS' REPORT
for the 16 month period ended 31 March 2015**

The directors present their Annual Report on the affairs of the company, together with the audited financial statements and auditors' report for the 16 month period ended 31 March 2015.

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 company operates in accordance with group policies. The group's full sustainability report is available online at www.britishland.com/sustainability/reports-and-publications/2015.

Directors

The directors who were in office during the 16 month period and up to the date of signing the financial statements were:

G PC Mackay (resigned 16 January 2014)
P R Daniel (resigned 16 January 2014)
S Barzycki (appointed 16 January 2014)
L Bell (appointed 16 January 2014)
S Carter (appointed 16 January 2014, resigned 30 January 2015)
C Forshaw (appointed 16 January 2014)
B Lewis (appointed 2 October 2014)
T Roberts (appointed 16 January 2014)
JM Vandevivere (appointed 16 January 2014)
N Webb (appointed 16 January 2014)
B Grose (appointed 16 January 2014, resigned 2 October 2014)

Directors' responsibilities statement

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 16 month period. Under that law the directors have elected to prepare the 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 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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. Payments are administered on a consistent basis throughout the group by The British Land Company PLC whose suppliers' days outstanding at 31 March 2015 were 36. The equivalent suppliers' days outstanding for The British Land Company PLC at 31 March 2014 were 32.

Subsequent events

Details of significant events since the Balance Sheet date, if any, are contained in note 12.

Going concern

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

Horndrift Limited

DIRECTORS' REPORT (CONTINUED)
for the 16 month period ended 31 March 2015

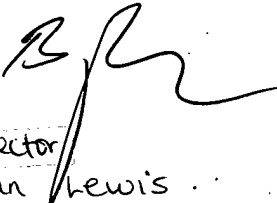
Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquires of the company's auditors, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP were appointed as auditors of the company for the period ended 31 March 2015 and have indicated their willingness to continue in office. ~~Ernst & Young~~ were the auditors of the company for the year ended ~~30 November 2013~~.

This report was approved by the Board on 4th August 2015 and signed by the order of the board by:


Director
Bryan Lewis

Horndrift Limited

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
Horndrift Limited
for the 16 month period ended 31 March 2015**

Report on the financial statements

Our opinion

In our opinion, Horndrift Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Horndrift Limited's financial statements comprise:

- the Balance Sheet as at 31 March 2015;
- the Profit and Loss Account for the year then ended;
- the Statements of Total Recognised Gains and Losses 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 financial statements is applicable law and United Kingdom Accounting Standards (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, 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.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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 Directors' Responsibilities Statement set out on page 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 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.

Horndrift Limited

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
Horndrift Limited (continued)
for the 16 month period ended 31 March 2015**

What an audit of financial statements involves

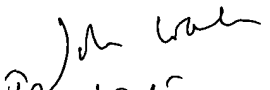

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

- whether the accounting policies are appropriate to the 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 and Accounts 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.


 (Statutory Auditor)
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditor

7 August 2015

Horndrift Limited

PROFIT AND LOSS ACCOUNT
for the 16 month period ended 31 March 2015

	Note	Period ended 31 March 2015	Restated Year ended 30 November 2013
		£	£
Net property income	3	-	-
Administrative expenses		(113)	(12,006)
Operating loss		(113)	(12,006)
Revaluation of investments		16,200,000	(450,000)
Profit/(loss) on ordinary activities before taxation	4	16,199,887	(462,006)
Taxation on profit/(loss) on ordinary activities	6	-	-
Profit/(loss) for the financial 16 month period/year		16,199,887	(462,006)

Horndrift Limited

STATEMENT OF COMPREHENSIVE INCOME
for the 16 month period ended 31 March 2015

	Period ended 31 March 2015 £	Restated Year ended 30 November 2013 £
Profit/(loss) for the financial 16 month period/year	16,199,887	(462,006)
Total comprehensive income/(expense) for the 16 month period/year	<u>16,199,887</u>	<u>(462,006)</u>

Horndrift Limited

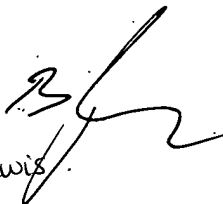
BALANCE SHEET
as at 31 March 2015

	Notes	31 March 2015 £	Restated 30 November 2013 £	Restated 30 November 2012 £
Non-current assets				
Investments held for trading	7	99,200,000	83,000,000	83,450,000
		<u>99,200,000</u>	<u>83,000,000</u>	<u>83,450,000</u>
Current assets				
Debtors - due within one year	8	300	300	433
Cash at bank and in hand		-	497	559
		<u>300</u>	<u>797</u>	<u>992</u>
Creditors due within one year	9, 10	(277,205)	(277,589)	(265,778)
Net current liabilities		<u>(276,905)</u>	<u>(276,792)</u>	<u>(264,786)</u>
Total assets less current liabilities		<u>98,923,095</u>	<u>82,723,208</u>	<u>83,185,214</u>
Net assets		<u>98,923,095</u>	<u>82,723,208</u>	<u>83,185,214</u>
Capital and reserves				
Called up share capital	10	100	100	100
Profit and loss account		98,922,995	82,723,108	83,185,114
Total equity		<u>98,923,095</u>	<u>82,723,208</u>	<u>83,185,214</u>

The financial statements of Horndrift Limited, company number 03871243, on pages 8 to 18, were approved by the Board of Directors and authorised for issue on 4th August 2015 and signed on its behalf by:

Director

Bryan Lewis



Horndrift Limited

**STATEMENT OF CHANGES IN EQUITY
for the 16 month ended 31 March 2015**

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 December 2012 (restated)	100	83,185,114	83,185,214
Loss for the financial year (restated)	-	(462,006)	(462,006)
Total comprehensive expense for the year (restated)	-	(462,006)	(462,006)
Share issues	-	-	-
Dividends payable in year	-	-	-
Balance at 30 November 2013 (restated)	100	82,723,108	82,723,208
Profit for the financial 16 month period	-	16,199,887	16,199,887
Total comprehensive income for the 16 month period	-	16,199,887	16,199,887
Share issues	-	-	-
Dividends payable in 16 month period	-	-	-
Balance at 31 March 2015	100	98,922,995	98,923,095

NOTES TO THE ACCOUNTS
for the 16 month period ended 31 March 2015

1. Accounting policies

Basis of preparation

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

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

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.

In these financial statements, the company has adopted early FRS 101 and for the first time.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the 16 month period ended 31 March 2015, the company has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. The prior year financial statements were restated for material adjustments on adoption of FRS 101 in the current 16 month period as set out in note 2.

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 for the assets.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of The British Land Company PLC. Details of the parent in whose consolidated financial statements the company is included in are shown in note 11 to the financial statements.

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.

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 accounts of The British Land Company PLC. The group accounts of The British Land Company PLC are available to the public and can be obtained as set out in note 11.

NOTES TO THE ACCOUNTS (CONTINUED)
for the 16 month period ended 31 March 2016

1. Accounting policies (continued)

Adoption of new and revised standards

As explained above, the company has adopted FRS 101 for the first time in the current 16 month period. As part of this adoption, IFRS 13 Fair Value Measurement was adopted in the current 16 month period. IFRS 13 impacts the disclosure of investment properties, as set out in note 2. Also, IFRS 13 includes extensive disclosure requirements; the company has taken advantage of the exemption provided under FRS 101 from providing these disclosures.

Significant judgements and sources of estimation uncertainty

The key source of estimation uncertainty relates to the valuation of the property portfolio and investments, 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.

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.

Revenue recognition

Rental income is recognised on an accruals basis.

Investments held for trading

Investments held for trading are classified as fair value through profit or loss. Investments held for trading are initially recorded at fair value and are subsequently externally valued at the same basis at the balance sheet date. Any surplus or deficit arising on revaluing investments held for trading is recognised in the profit and loss account.

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).

Deferred tax is provided on items that may become taxable at a later date, on the difference between the Balance Sheet value and tax base value, on an undiscounted basis.

Horndrift Limited

NOTES TO THE ACCOUNTS (CONTINUED)
for the 16 month period ended 31 March 2015

2. Explanation of transition to FRS 101

This is the first year that the company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The following disclosures are required in the 16 month period of transition. The last financial statements under a previous GAAP (UK GAAP) were for the year ended 30 November 2013 and the date of transition to FRS 101 was therefore 1 December 2012.

Reconciliation of Profit and Loss Account

The following is a reconciliation illustrating the adjustments posted to the Profit and Loss Account to restate the prior year comparatives as a result of the transition to FRS 101 from UK GAAP during the 16 month period.

	2013 UK GAAP	Transition adjustments to 2013 Profit and Loss Account		Transition adjustments to comprehensive income	2013 FRS 101
Revaluation of Investments	-	(450,000)	(i)	-	(450,000)
Total comprehensive income	(12,006)	(450,000)	(i)	-	(462,006)

Notes to reconciliation of Profit and Loss Account

- (i) This movement relates to a revaluation loss of £450K in the year. These constitute fair value adjustments to bring the value of the investment to the fair value at the year end. The net effect is that there is £450K impact to the Profit and Loss Account of the above adjustments.

Horndrift Limited

NOTES TO THE ACCOUNTS (CONTINUED)
for the 16 month period ended 31 March 2015

2. Explanation of transition to FRS 101 (continued)

Reconciliation of Equity

The following is a reconciliation illustrating the adjustments posted to the Balance Sheet to restate the prior year comparatives as a result of the transition to FRS 101 from UK GAAP during the 16 month period. This reconciliation also illustrates the adjustments posted to restate both the opening and closing position in the prior year.

	2013 UK GAAP	Transition adjustment		2013 FRS 101	2012 UK GAAP	Transition adjustment		2012 FRS 101
Investments	2	82,999,998	(i)	83,000,000	2	83,449,998	(i)	83,450,000
Investment properties: revaluation	-	(450,000)	(ii)	(450,000)	-	-		-
Profit and Loss Account	276,890	82,446,218	(iii)	82,723,108	264,884	82,920,230	(iii)	83,185,114

Notes to reconciliation of members' income account

- (i) Under UK GAAP, investments were held at cost. Under FRS 101, these have been revalued to fair value at the reporting date.
- (ii) This movement relates to a revaluation loss of £450K in the year. These constitute fair value adjustments to bring the value of the investment to the fair value at the year end. The net effect is that there is £450K impact to the Profit and Loss Account of the above adjustments.
- (iii) Under UK GAAP, investments are held at cost. Under FRS 101 the revaluation reserve was shown separately on the face of the Balance Sheet. Under FRS 101, these have been revalued to fair value at the reporting date, with the movement in valuation being taken through the Profit and Loss Account.

3. Net property income

Net property income is set out below:

	Period ended 31 March 2015 £	Year ended 30 November 2014 £
Income from property interests	-	-

Under the property management agreement the beneficial owners are entitled to income. This income is utilised to meet operating costs of the structure.

4. Profit/(loss) on ordinary activities before taxation

	Period ended 31 March 2015 £	Year ended 30 November 2013 £
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	-	5,760

A notional charge of £1,000 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.

No non-audit fees were paid to PricewaterhouseCoopers LLP.

Horndrift Limited

NOTES TO THE ACCOUNTS (CONTINUED)
for the 16 month period ended 31 March 2016

5. Staff numbers and costs

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

Average number of employees, excluding directors, of the company during the 16 month period was nil (2013: nil).

6. Taxation on profit/(loss) on ordinary activities

No charge to corporation tax arises on the loss for the 16 month period (2013: Nil)

	Period ended 31 March 2016 £	Year ended 30 November 2013 £
Tax reconciliation		
Profit/(loss) on ordinary activities before taxation	16,199,887	(462,006)
Tax on profit/(loss) on ordinary activities at UK corporation tax rate of 21.5% (2013: 23.3%)	3,482,976	(107,801)
Effects of:		
Tax losses and other timing differences	24	2,801
(Increase)/decrease in fair value of investment property	(3,483,000)	105,000
Current tax charge	-	-

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the Balance Sheet date.

In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.

Horndrift Limited

NOTES TO THE ACCOUNTS (CONTINUED)
for the 16 month period ended 31 March 2015

7. Investments held for trading

	Other Investments £	Total £
At cost or underlying net asset value of investment		
1 December 2013	83,000,000	83,000,000
Revaluation	16,200,000	16,200,000
31 March 2015	99,200,000	99,200,000
Provisions for underlying net asset change		
1 December 2013	-	-
31 March 2015	-	-
At cost or underlying net asset value of investment		
1 December 2012	83,450,000	83,450,000
Revaluation	(450,000)	(450,000)
30 November 2013	83,000,000	83,000,000
Provisions for underlying net asset change		
1 December 2012	-	-
30 November 2013	-	-

The investments held for trading comprise interests as a trust beneficiary. The trusts' assets comprise freehold reversions in a pool of commercial properties, comprising Sainsbury's Superstores. Fair value of the interest has been determined by the Directors, supported by an external valuation from CBRE.

8. Debtors

	2015 £	2013 £	2012 £
Current debtors (receivable within one year)			
Other debtors	300	300	433
	300	300	433

9. Creditors due within one year

	2015 £	2013 £	2012 £
Trade creditors	-	1,361	3,640
Amounts owed to group companies - current accounts	268,005	-	-
Other creditors	9,000	276,028	261,938
Preference shares (note 10)	200	200	200
	277,205	277,589	265,778

Horndrift Limited

NOTES TO THE ACCOUNTS (CONTINUED)
for the 16 month period ended 31 March 2016

10. Share capital

	No	2016 £	No	2013 £	No	2012 £
'A' ordinary shares of £0.001 each	1,000	1	1,000	1	1,000	1
'B' ordinary shares of £1.00 each	99	99	99	99	99	99
		<u>100</u>		<u>100</u>		<u>100</u>

Shares classed as financial liabilities

	No	2016 £	No	2013 £	No	2012 £
1% cumulative preference shares of £1 each	200	200	200	200	200	200
		<u>200</u>		<u>200</u>		<u>200</u>

The 'A' ordinary shares carry full voting rights. No dividend can be declared on the 'A' ordinary shares unless a dividend of up to 1% of the aggregate amount to be declared is, at the same time, declared on the 'B' ordinary shares.

The 'B' ordinary shares carry no voting rights. No dividend can be declared on the 'B' ordinary shares unless a dividend is also declared on the 'A' ordinary shares. On a winding up of the company 'B' ordinary shareholders have a right to receive the nominal amount paid on each of their shares in preference to any payments to the 'A' ordinary shareholders. The 'B' ordinary shareholders have no further right to participate in the assets of the company available for distribution.

The preference shares are redeemable at par at any time after the provision of not less than 14 days written notice to the holders of such shares. Where the company distributes profit in respect of a financial period they carry a cumulative dividend of 1% per annum in priority to other shareholders. The preference shares carry no voting rights. On a winding up of the company, the preference shareholders have a right to receive, in preference to any payments to the ordinary shareholders, £1 per share plus any accrued dividend. These shares meet the definition of a financial liability under FRS 25.

11. Immediate parent and ultimate holding company

The immediate parent company is British Land Department Stores Limited.

The British Land Company PLC is the smallest and largest group for which group accounts are available and which include the company. The ultimate holding company and controlling party is The British Land Company PLC. Group accounts for this company are available on request from British Land, York House, 45 Seymour Street, London, W1H 7LX.

12. Subsequent events

There have been no significant events since the 16 month period end.