

Registration number: 04104051

BLSSP (PHC 21) Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2019

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BLSSP (PHC 21) Limited

Contents

Strategic Report	1 to 2
Directors' Report	3 to 4
Independent Auditors' Report	5 to 7
Profit and Loss Account	8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 to 17

BLSSP (PHC 21) Limited

Strategic Report for the Year Ended 31 March 2019

The directors present their Strategic Report for the year ended 31 March 2019.

Business review and principal activities

BLSSP (PHC 21) Limited ("the company") is a wholly owned subsidiary of BLSSP Property Holdings Limited and operates as a constituent of BL Sainsbury Superstores Limited group of companies ("the group").

BL Sainsbury Superstores Limited operates as a joint venture between Linestair Limited, a subsidiary of The British Land Company PLC and Sainsbury Property Investments Limited, a subsidiary of J Sainsbury 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 8, the company's turnover has remained consistent with the prior year.

Result before taxation is £nil compared to a loss before taxation of £7 in the prior year.

Dividends of £nil (2018: £nil) were paid in the year.

Following the sale of the company's investment property, and the share capital reduction after the reporting period, the intention is for the company to be wound up within twelve months of the date of signing the report.

As a result of this the company is not considered to be a going concern and the financial statements have been prepared on a basis other than going concern as disclosed in note 2 to the financial statements.

The Balance Sheet on page 10 shows that the company's financial position at the year end has, in net assets terms, remained consistent with the prior year.

The directors measure how the group, of which the company is a member, is delivering its strategy through the key performance indicators. The directors consider the primary measures of performance of the group to be turnover and net asset value. These are discussed above.

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

For more information also see BL Sainsbury Superstores Limited group annual report.

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.

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 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.

BLSSP (PHC 21) Limited

Strategic Report for the Year Ended 31 March 2019 (continued)

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 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 general risk environment in which the group operates has heightened over the course of the year, which is largely due to the continued level of uncertainty associated with the future impact of the UK's exit from the EU, the significant deterioration in the UK retail market and weaker investment markets.

Approved by the Board on 20 Sept 2019 and signed on its behalf by:



M. DHIMAN

British Land Company Secretarial Limited
Company secretary

BLSSP (PHC 21) Limited

Directors' Report for the Year Ended 31 March 2019

The directors present their report and the audited financial statements for the year ended 31 March 2019.

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:

W Atkinson (resigned 3 July 2018)

M Burke

D Clegg

C Cohen (appointed 3 July 2018 and resigned 16 July 2018)

G Cowen

J Honeyman

S Nelson (resigned 14 January 2019)

J Pinkstone

H Shah

J Watson (appointed 18 July 2018)

D Wheeler (appointed 14 January 2019 and resigned 14 June 2019)

The following director was appointed after the year end:

B Richardson (appointed 14 June 2019)

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.

BLSSP (PHC 21) Limited

Directors' Report for the Year Ended 31 March 2019 (continued)

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.

Basis other than going concern

The directors do not consider the company to be a going concern as the intention is for the company to be wound up within twelve months from the signing date. As a result the financial statements are prepared on a basis other than going concern, details of this are shown in note 2 of the financial statements.

Subsequent Events

Details of significant events since the Balance Sheet date, if any, are contained in note 14.

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.

Approved by the Board on 20 Sept 2019 and signed on its behalf by:


M. DHIMAN
British Land Company Secretarial Limited
Company secretary

BLSSP (PHC 21) Limited

Independent Auditors' Report to the Members of BLSSP (PHC 21) Limited

Report on the audit of the financial statements

Opinion

In our opinion, BLSSP (PHC 21) Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its results 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 2019; 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.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which explains that the financial statements have been prepared on a basis other than going concern and describes the directors' reasons for this.

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

BLSSP (PHC 21) Limited

**Independent Auditors' Report to the Members of BLSSP (PHC 21) Limited
(continued)**

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 2019 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 directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.

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.

BLSSP (PHC 21) Limited

**Independent Auditors' Report to the Members of BLSSP (PHC 21) Limited
(continued)**

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 received 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.

Victoria Tallon

Victoria Tallon (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors
London

Date: *20 September 2019*

BLSSP (PHC 21) Limited

Profit and Loss Account for the Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover		-	-
Operating profit/(loss)		-	-
Profit/(loss) on ordinary activities before interest and taxation		-	-
Interest payable and similar expenses	4	-	(7)
Loss on ordinary activities before taxation		-	(7)
Tax on profit/(loss) on ordinary activities	7	-	-
Loss for the year		-	(7)

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

The notes on pages 12 to 17 form an integral part of these financial statements.

BLSSP (PHC 21) Limited

Statement of Comprehensive Income for the Year Ended 31 March 2019

	2019 £	2018 £
Loss for the year	<u>-</u>	<u>(7)</u>
Total comprehensive expense for the year	<u><u>-</u></u>	<u><u>(7)</u></u>

The notes on pages 12 to 17 form an integral part of these financial statements.

BLSSP (PHC 21) Limited

(Registration number: 04104051)

Balance Sheet as at 31 March 2019

	Note	31 March 2019 £	31 March 2018 £
Current assets			
Debtors	8	<u>3,831,338</u>	<u>3,831,338</u>
		3,831,338	3,831,338
Creditors due within one year	9	<u>(3,049,336)</u>	<u>(224,529)</u>
Total assets less current liabilities		782,003	3,606,809
Creditors due after more than one year	10	<u>-</u>	<u>(2,824,806)</u>
Net assets		<u>782,003</u>	<u>782,003</u>
Capital and reserves			
Called up share capital	11	220,000	220,000
Profit and loss account		<u>562,003</u>	<u>562,003</u>
Total shareholders' funds		<u>782,003</u>	<u>782,003</u>

Approved by the Board on 20 Sept 2019 and signed on its behalf by:



J Pinkstone

Director

The notes on pages 12 to 17 form an integral part of these financial statements.

BLSSP (PHC 21) Limited

Statement of Changes in Equity for the Year Ended 31 March 2019

	Share capital £	Profit and loss account £	Total £
Balance at 1 April 2017	220,000	562,010	782,010
Loss for the year	-	(7)	(7)
Total comprehensive expense for the year	-	(7)	(7)
Balance at 31 March 2018	220,000	562,003	782,003
Balance at 1 April 2018	220,000	562,003	782,003
Total comprehensive income/(expense) for the year	-	-	-
Balance at 31 March 2019	220,000	562,003	782,003

The notes on pages 12 to 17 form an integral part of these financial statements.

BLSSP (PHC 21) Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

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

The directors have assessed that the value of all assets and liabilities at the reporting date approximate their net realisable values, has provided for liabilities arising from the decision and has reclassified fixed assets and long-term liabilities as current assets and liabilities.

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.

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 Sainsbury Superstores Limited. The group financial statements of BL Sainsbury Superstores Limited are available to the public and can be obtained as set out in note 15.

BLSSP (PHC 21) Limited

Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

2 Accounting policies (continued)

Adoption status of relevant new financial reporting standards and interpretations

During the year the company adopted the following standards:

IFRS 9 – Financial instruments

The new standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It simplifies the existing categories of financial instruments, redefines the criteria required for hedge effectiveness and introduces an expected credit loss model requiring expected credit loss to be recognised on all financial assets held at amortised cost. Adoption of IFRS 9 has not had a material impact on the financial statements of the company. The standard was applied using the modified retrospective approach.

IFRS 15 – Revenue from contracts with customers

The new standard sets out a five-step model for the recognition of revenue and establishes principles for reporting useful information to users of financial statements about the nature, timing and uncertainty of revenues and cash flows arising from an entity's contracts with customers. The new standard does not apply to rental income which is in the scope of IAS 17, but does apply to service charge income, management and performance fees and trading property disposals. Adoption of IFRS 15 has not had a material impact on the financial statements of the company. The standard was applied using the full retrospective approach.

Apart from the changes in the standards highlighted above, no other standards, interpretations and amendments effective for the first time from 1 April 2018 have had a material effect on the financial statements.

Basis other than going concern

Following the sale of the company's investment property, and the share capital reduction which took place after the reporting period, the intention is for the company to be wound up within twelve months of signing. As a result, the directors do not consider the company to be a going concern and the financial statements have been prepared on a basis other than going concern.

Taxation

Current tax is based on taxable loss for the year and is calculated using tax rates that have been enacted or substantively enacted. Taxable loss differs from net loss as reported in the Profit and Loss Account because it excludes items of income or expense that are not taxable (or tax deductible). In particular the group (including this company) became a REIT on 1 January 2007 where income and gains on qualifying assets are exempt from taxation. On 26 March 2008, the sale of 50% of the group to a non-REIT entity resulted in now only 50% of the income and gains on qualifying assets being exempt from taxation.

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.

Debtors

In the current year, trade and other debtors are stated to their actual expected recoverable value. In prior year trade and other debtors are initially recognised at fair value and subsequently measured at amortised cost and discounted as appropriate.

BLSSP (PHC 21) Limited

Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

2 Accounting policies (continued)

Creditors

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

Interest payable and receivable

Interest payable and receivable is recognised as incurred under the accruals concept. Interest payable includes financing charges which are spread over the period to redemption, using the effective interest method. Commitment fees on non-utilised facilities are also included within interest payable.

Premiums payable and receivable on early redemption are recognised as finance charges and income when incurred.

3 Significant accounting judgements and key sources of estimation uncertainty

There are no such relevant judgements or estimates.

4 Interest payable and similar expenses

	2019 £	2018 £
Other finance costs	-	7
	-	7

5 Auditors' remuneration

A notional charge of £1,870 (2018: £1,810) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the year ended 31 March 2019. Actual amounts payable to PricewaterhouseCoopers LLP are paid at group level by BL Sainsbury Superstores Limited.

No non-audit fees (2018: £nil) were paid to PricewaterhouseCoopers LLP.

6 Staff costs

No director (2018: £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. The value of this service was negligible.

Average number of employees, excluding directors, of the company during the year was nil (2018: nil)

BLSSP (PHC 21) Limited

Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

7 Taxation

	2019 £	2018 £
Current taxation		
UK corporation tax	-	-
Tax charge/(credit) in the profit and loss account	-	-
	2019 £	2018 £
Tax reconciliation		
Loss on ordinary activities before taxation	-	(7)
Tax on loss on ordinary activities at UK corporation tax rate of 19% (2018: 19%)	-	(1)
Effects of:		
Group relief	-	1
Total tax charge	-	-

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantially enacted on 6 September 2016. This rate reduction has been reflected in the calculation of deferred tax on the Balance Sheet date, where relevant.

8 Debtors

	31 March 2019 £	31 March 2018 £
Amounts due from related parties	3,831,338	3,831,338
	3,831,338	3,831,338

Debtors from related parties relate to amounts due from group companies which are repayable on demand. There is no interest charged on these balances.

BLSSP (PHC 21) Limited

Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

9 Creditors due within one year

	31 March 2019 £	31 March 2018 £
Amounts due to related parties	<u>3,049,335</u>	<u>224,529</u>
	<u>3,049,335</u>	<u>224,529</u>

Amounts owed to related parties relate to amounts owed to group companies. Under group policy there is no interest charged on these balances.

10 Creditors due after more than one year

	31 March 2019 £	31 March 2018 £
Long term loans - amounts due to related parties	<u>-</u>	<u>2,824,806</u>
	<u>-</u>	<u>2,824,806</u>

Borrowings analysis

Creditors due within one year

Creditors due after one year

- subordinated loans from BLSSP Property Holdings Limited	<u>-</u>	<u>2,824,806</u>
Total borrowings	<u>-</u>	<u>2,824,806</u>

Borrowings repayment analysis

Repayments due:

After 5 years	<u>-</u>	<u>2,824,806</u>
Total borrowings	<u>-</u>	<u>2,824,806</u>
Amounts included in creditors due within one year	<u>-</u>	<u>-</u>
Amounts included in creditors due after one year	<u>-</u>	<u>2,824,806</u>

BLSSP (PHC 21) Limited

Notes to the Financial Statements for the Year Ended 31 March 2019 (continued)

10 Creditors due after more than one year (continued)

There is no interest charged on the loan from BLSSP Property Holdings Limited (2018: nil).

11 Called up share capital

Allotted, called up and fully paid shares

	No.	31 March 2019 £	No.	31 March 2018 £
Ordinary shares of £1 each	220,000	220,000	220,000	220,000

12 Capital commitments

The company had capital commitments contracted as at 31 March 2019 of £nil (2018: £nil).

13 Contingent liabilities

The company is part of the same VAT group as BL Superstores (Funding) Limited, BLSSP (Lending) Limited, BL Superstores Finance PLC, BLSSP (Cash Management) Limited and the other Property Holding Companies and is jointly liable for all monies falling due under this registration.

14 Subsequent events

On 20 June 2019, the Company reduced its share capital from £220,000 (divided into 220,000 ordinary shares of £1.00 each) to £1 comprising 1 ordinary share of £1.00 by cancelling 219,999 ordinary shares.

15 Parent and ultimate parent undertaking

The immediate parent company is BLSSP Property Holdings Limited.

The ultimate holding company is BL Sainsbury Superstores Limited, a joint venture between Linestair Limited, which is a wholly owned subsidiary of The British Land Company PLC and Sainsbury Property Investments Limited, which is a wholly owned subsidiary of J Sainsbury PLC.

BL Sainsbury Superstores Limited is the smallest and largest group for which group accounts are available and which include the company. The accounts of BL Sainsbury Superstores Limited can be obtained from York House, 45 Seymour Street, London, W1H 7LX.