

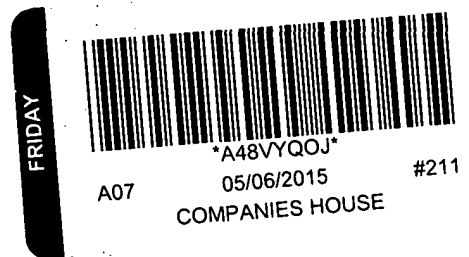
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# **BLT Barnstaple Limited**

## **Annual Report and Financial Statements**

**Year ended 31 December 2014**

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**Company number: 4967623**

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**BLT Barnstaple Limited**

**STRATEGIC REPORT  
for the year ended 31 December 2014**

The directors present their strategic report for the year ended 31 December 2014.

**Principal activities**

The company is a wholly owned subsidiary of BLT Properties Limited which in turn is a wholly owned subsidiary of BLT Holdings 2010 Limited. This company operates as a constituent of the BLT Holdings 2010 Limited group of companies ("the group"). BLT Holdings 2010 Limited operates as a joint venture between Tesco PLC and British Land (Joint Ventures) Limited, a subsidiary of The British Land Company PLC.

**Business review**

As shown in the company's income statement on page 6, the company's revenue has remained consistent with the prior year. The company generated a profit on ordinary activities before tax of £476,336 compared to a profit on ordinary activities before tax of £96,029 in the prior year. The primary driver of this movement is property revaluation of £450,000 in the year to 31 December 2014 compared with £nil in the year to 31 December 2013.

Dividends of £nil (2013: £485,612) were paid in the year.

The statement of financial position on page 8 shows that the company's financial position at the year end is, in net asset terms, an increase on the prior year.

The value of investment properties held as at 31 December 2014 increased by 1.5%, due to revaluation movements during the year then ended as shown in note 9 to the company's balance sheet.

During the year, 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, BLT Properties Limited, was notified and did not object to the use of EU-adopted IFRS disclosure exemptions. The impact of the adoption of this framework is outlined in note 2 to the financial statements.

**Principal risks and uncertainties**

This company is part of a 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:

- 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; 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 the Directors and is considered and managed on a continuous basis. The Directors use their knowledge and experience to knowingly accept a measured degree of market risk.

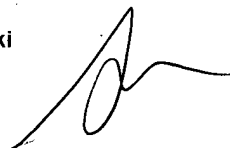
The company's preference for prime assets and their secure long term contracted rental income, primarily with upward only rent review clauses, presents lower risks than many other property portfolios.

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. In order to manage this risk, management regularly monitors all amounts that are owed to the group.

Liquidity risk is the risk that the entity will encounter difficulty in raising funds to meet commitments associated with financial liabilities. This risk is managed through day to day monitoring of future cash flow requirements to ensure that the company has enough resources to repay all future amounts outstanding.

This report was approved by the Board on 27<sup>th</sup> May 2015 and signed on behalf of the Board by:

**S M Barzycki**  
Director



**BLT Barnstaple Limited**

**REPORT OF THE DIRECTORS  
for the year ended 31 December 2014**

The directors present their annual report on the affairs of the company, together with the audited financial statements and independent auditors' report for the year ended 31 December 2014.

**Future Developments**

There is no intention to significantly change the purpose and operations of the Company in the coming year.

**Directors**

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

S M Barzycki  
A E Clark  
J Gibney (appointed 19/01/2015)  
J R Hartley (resigned 29/08/2014)  
B Lewis  
H E Lu (resigned 24/10/14)  
C S A Maudsley

**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 year. 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 judgments 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Subsequent events**

Details of significant events since the balance sheet date, if any, are contained in note 19.

**Going concern**

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

**BLT Barnstaple Limited**

**REPORT OF THE DIRECTORS  
for the year ended 31 December 2014**

**Disclosure of information to Auditors**

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

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

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

**Independent auditors**

Subsequent to the prior year end, PricewaterhouseCoopers LLP was appointed as auditor for the year ending 31 December 2014. Deloitte LLP were the auditors of the company for the year ended 31 December 2013.

This report was approved by the Board on 27<sup>th</sup> May 2015 and signed on behalf of the Board by:

**S M Barzycki**  
Director



# ***Independent auditors' report to the members of BLT Barnstaple Limited***

## **Report on the financial statements**

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### **Our opinion**

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

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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**

BLT Barnstaple Limited's financial statements comprise:

- the Statement of Financial Position as at 31 December 2014;
- the Income statement and Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

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## **Opinion on other matter prescribed by the Companies Act 2006**

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In our opinion, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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## **Other matters on which we are required to report by exception**

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### **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.

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### **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.

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## **Responsibilities for the financial statements and the audit**

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### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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.

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### **What an audit of financial statements involves**

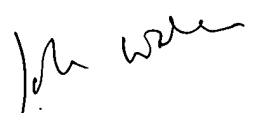
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

  
John Waters (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
26 May 2015

**BLT Barnstaple Limited****INCOME STATEMENT  
for the year ended 31 December 2014**

	Note	2014 £	Restated 2013 £
Revenue	3	1,571,500	1,571,500
Cost of sales		(1,287)	(1,674)
Gross profit		<u>1,570,213</u>	<u>1,569,826</u>
Administrative expenses		-	-
Operating profit		<u>1,570,213</u>	<u>1,569,826</u>
Revaluation of investment properties	9	450,000	-
Profit on disposal of investment properties		-	-
Profit on ordinary activities before interest		2,020,213	1,569,826
Finance income	4	-	-
Finance costs	5	(1,543,877)	(1,473,797)
Profit on ordinary activities before taxation	6	<u>476,336</u>	<u>96,029</u>
Taxation	8	25,298	137,020
Profit for the financial year		<u><u>501,634</u></u>	<u><u>233,049</u></u>

Turnover and results are derived from continuing operations within the United Kingdom. The company has only one class of business, that of property investment in the United Kingdom.

**BLT Barnstaple Limited**

**STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 31 December 2014**

	<b>2014</b>	<b>Restated</b>
	<b>£</b>	<b>2013</b>
		<b>£</b>
<b>Profit for the financial year after tax</b>	501,634	233,049
<b>Other comprehensive income:</b>		
<b>Items that will not be subsequently reclassified to profit or loss:</b>		
Gains/ (losses) on cash flow hedges	-	-
Realisation of prior year revaluations	-	-
Deferred tax taken to equity	-	-
Income tax relating to items not reclassified	-	-
<b>Total comprehensive income for the year</b>	<b>501,634</b>	<b>233,049</b>



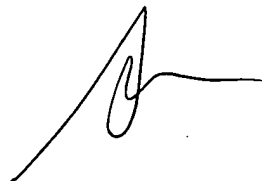
**BLT Barnstaple Limited****STATEMENT OF FINANCIAL POSITION  
as at 31 December 2014**

	Note	2014 £	Restated 2013 £	Restated 2012 £
<b>Fixed assets</b>				
Investment properties	9	29,700,000	29,250,000	29,250,000
Investments	10	-	-	-
		<u>29,700,000</u>	<u>29,250,000</u>	<u>29,250,000</u>
<b>Current assets</b>				
Trade and other receivables	11	11,538,015	9,978,964	8,893,845
Cash and cash equivalents		-	-	-
		<u>11,538,015</u>	<u>9,978,964</u>	<u>8,893,845</u>
<b>Creditors: amounts falling due within one year</b>				
	12	(32,616,488)	(31,080,943)	(29,595,079)
<b>Net current liabilities</b>		<u>(21,078,473)</u>	<u>(21,101,979)</u>	<u>(20,701,234)</u>
<b>Total assets less current liabilities</b>		<u>8,621,527</u>	<u>8,148,021</u>	<u>8,548,766</u>
<b>Non current liabilities</b>				
Creditors: amounts falling due after more than one year	13	-	-	-
Deferred tax liability	14	(873,100)	(901,228)	(1,049,410)
<b>Equity</b>		<u>7,748,427</u>	<u>7,246,793</u>	<u>7,499,356</u>
<b>Capital and reserves</b>				
Ordinary shares	15	1	1	1
Retained earnings		7,748,426	7,246,792	7,499,355
<b>Total equity</b>		<u>7,748,427</u>	<u>7,246,793</u>	<u>7,499,356</u>

The notes on pages 10 to 19 form an integral part of the financial statements.

The financial statements of BLT Barnstaple Limited on pages 6 to 19, company number 4967623, were approved by the Board of Directors and authorised for issue on 27<sup>th</sup> May 2015 and signed on its behalf by:

**S M Barzycki**  
Director



**BLT Barnstaple Limited**

**STATEMENT OF CHANGES IN EQUITY  
for the year ended 31 December 2014**

	Ordinary shares £	Retained earnings £	Total Equity £
Balance at 1 January 2013	1	7,499,355	7,499,356
Profit for the financial year	-	233,049	233,049
Total comprehensive income for the year	-	233,049	233,049
Share Issues	-	-	-
Dividends payable in year	-	(485,612)	(485,612)
Balance at 31 December 2013	1	7,246,792	7,246,793
Profit for the financial year	-	501,634	501,634
Other comprehensive expense	-	-	-
Total comprehensive expense for the year	-	501,634	501,634
Share Issues	-	-	-
Dividends payable in year	-	-	-
Balance at 31 December 2014	1	7,748,426	7,748,427

Dividends paid to shareholders during the year ended 31 December 2014 totalled £nil (2013: £485,612).

## **BLT Barnstaple Limited**

### **Notes to the financial statements for the year ended 31 December 2014**

#### **1. Accounting Policies**

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.

These financial statements are designed to cover a wide variety of companies and circumstances. As a result some notes or some entries in the primary statements or the notes may not be relevant for this company and so may be left blank intentionally.

#### **Basis of preparation**

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

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 year ended 31 December 2014, 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. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The prior year financial statements have been re-stated for material adjustments on adoption of FRS 101 in the current year.

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 financial statements of BLT Properties Limited. Details of the parent in whose consolidated financial statements the company is included in are shown in note 20 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. As these disclosures are made in the British Land PLC Annual Report, the company is entitled to avail of this exemption

#### **Adoption of new and revised Standards**

As explained above, the company has adopted FRS 101 for the first time in the current year. As part of this adoption, IFRS 13 Fair Value Measurement was adopted in the current year. IFRS 13 impacts the disclosure of investment properties, as set out in note 9. Also, IFRS 13 includes extensive disclosure requirements; the company has taken advantage of the exemption provided under FRS 101 from providing these disclosures

## **BLT Barnstaple Limited**

### **Notes to the financial statements for the year ended 31 December 2014**

#### **1. Accounting policies (continued)**

##### **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.

##### **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 Company 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 Company's business, to be limited.

##### **Investment Properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent 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 income statement.

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.

##### **Investments**

Fixed asset investments, including investments in subsidiaries and associates, are stated at the lower of cost and the underlying net asset value of the investments.

##### **Leases**

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

##### **Taxation**

Current tax is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date. Taxable profit differs from net profit as reported in the income statement 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.

##### **Revenue recognition**

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.

## **BLT Barnstaple Limited**

### **Notes to the financial statements for the year ended 31 December 2014**

#### **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 year of transition. The last financial statements under a previous GAAP (UK GAAP) were for the year ended 31 December 2013 and the date of transition to FRS 101 was therefore 1 January 2014.

#### **Reconciliation of retained earnings**

No adjustments were posted to restate the prior year income statement or other comprehensive income as a result of the decision to transition to FRS 101 on 1 January 2014.

#### **Reconciliation of Equity**

The following is a reconciliation illustrating the adjustments posted to the statement of financial position to restate the prior year comparatives as a result of the transition to FRS 101 from UK GAAP during the year. This reconciliation also illustrates the adjustments posted to restate the opening Statement of Financial Position in the prior year.

	2013 UK GAAP	Transition Adjustment	2013 FRS 101		2012 UK GAAP	Transition Adjustment	2012 FRS 101
	Previously stated		Restated		Previously stated		Restated
	£	£	£		£	£	£
Deferred tax liability	-	901,228 (i)	901,228		-	1,049,410 (i)	1,049,410
Revaluation Reserve	8,067,833	(8,067,833) (ii)	-		8,067,833	(8,067,833) (ii)	-
Profit and Loss Account	80,187	7,166,605 (i) (ii)	7,246,792		480,932	7,018,423	7,499,355

#### **Notes to reconciliation of Equity**

- (i) Under UK GAAP, any deferred tax arising on the expected capital gain of investment properties is not recognised. Under FRS 101 this related deferred tax liability of £0.9m (2012: £1.0m) must be recognised.
- (ii) Under UK GAAP, the revaluation reserve is shown separately on the face of the Statement of Financial Position. Under FRS 101, the revaluation reserve is included in retained earnings. On that basis, the revaluation balance of £8.1m (2012: £8.1m) was transferred to the retained earnings line of the Statement of Financial Position.

**BLT Barnstaple Limited****Notes to the financial statements  
for the year ended 31 December 2014**

	2014 £	Restated 2013 £
<b>3. Revenues</b>		
Rent receivable	1,571,500	1,571,500
Spreading of tenant incentives and guaranteed rent increases	-	-
Total revenues	<u>1,571,500</u>	<u>1,571,500</u>
	2014 £	Restated 2013 £
<b>4. Finance income</b>		
Group	-	-
Associated companies	-	-
External - other	-	-
	<u>-</u>	<u>-</u>
	2014 £	Restated 2013 £
<b>5. Finance costs</b>		
Group	(1,543,877)	(1,473,797)
Associated companies	-	-
External - bank overdrafts and loans	-	-
- other loans	-	-
	<u>(1,543,877)</u>	<u>(1,473,797)</u>
	2014 £	Restated 2013 £
<b>6. Profit on ordinary activities before taxation</b>		
Increase/ (decrease) in fair value of investment property	450,000	-
	<u>450,000</u>	<u>-</u>

**Auditors' remuneration**

A notional charge of £2,000 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 BLT Properties Limited. In the prior year a notional charge of £3,000 was deemed payable to Deloitte LLP in respect of the audit of the financial statements.

No non-audit fees were paid to PricewaterhouseCoopers LLP or Deloitte LLP in 2014 and 2013 respectively.

**7. Employees**

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

Average number of employees, excluding directors, of the company during the year was nil (2013 - nil).

**BLT Barnstaple Limited**

**Notes to the financial statements  
for the year ended 31 December 2014**

	2014	Restated 2013
	£	£
<b>8. Taxation</b>		
<b>Current tax</b>		
UK corporation tax	2,830	11,162
Adjustments in respect of prior years	-	-
<b>Total current taxation charge/(credit)</b>	<u>2,830</u>	<u>11,162</u>
<b>Deferred tax</b>		
Prior year items	-	-
Deferred tax credit arising on property revaluation	<u>(28,128)</u>	<u>(148,182)</u>
Total deferred tax	<u>(28,128)</u>	<u>(148,182)</u>
<b>Total taxation charge/(credit)</b>	<u>(25,298)</u>	<u>(137,020)</u>
<b>Tax reconciliation</b>		
Profit (loss) on ordinary activities before taxation	<u>476,336</u>	<u>96,029</u>
Tax on profit (loss) on ordinary activities at UK corporation tax rate of 21.5% (2013: 23.25%)	102,380	22,323
Effects of:		
REIT exempt income and gains	(2,830)	(11,162)
Deferred tax charge arising on property revaluation	(28,128)	(148,182)
Tax losses and other timing differences	-	-
(Increase) decrease in fair value of investment property	-	-
Expenses not deductible for tax purposes	(96,719)	-
Transfer pricing adjustments	-	-
Group relief (claimed) surrendered for nil consideration	-	-
Adjustments in respect of prior years	-	-
<b>Total taxation charge/(credit)</b>	<u>(25,298)</u>	<u>(137,020)</u>

The Finance Act 2013, which provides for reductions in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% from 1 April 2015, was substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

**BLT Barnstaple Limited**

**Notes to the financial statements  
for the year ended 31 December 2014**

**9. Investment properties**

	Development £	Freehold £	Long £	Short £	Total £
<b>Fair Value</b>					
1 January 2014	-	29,250,000	-	-	29,250,000
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Movement in tenant incentives and rent uplifts	-	-	-	-	-
Revaluation included in Profit and Loss Account	-	450,000	-	-	450,000
<b>31 December 2014</b>	-	29,700,000	-	-	29,700,000
<b>Fair Value</b>					
1 January 2013	-	29,250,000	-	-	29,250,000
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Movement in tenant incentives and rent uplifts	-	-	-	-	-
Revaluation included in Profit and Loss Account	-	-	-	-	-
<b>31 December 2013</b>	-	29,250,000	-	-	29,250,000
<b>Analysis of cost and valuation</b>					
<b>31 December 2014</b>					
Cost	-	21,182,167	-	-	21,182,167
Revaluation	-	8,517,833	-	-	8,517,833
Net book value	-	29,700,000	-	-	29,700,000
<b>31 December 2013</b>					
Cost	-	21,182,167	-	-	21,182,167
Revaluation	-	8,067,833	-	-	8,067,833
Net book value	-	29,250,000	-	-	29,250,000
<b>1 January 2013</b>					
Cost	-	21,182,167	-	-	21,182,167
Revaluation	-	8,067,833	-	-	8,067,833
Net book value	-	29,250,000	-	-	29,250,000

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 as at 31 December 2014 by Knight Frank LLP, external 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.

Properties valued at £29,700,000 (2013: £29,250,000) were charged to secure borrowings of BLT Finance Limited, a fellow subsidiary of the company.

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:

	2014 £	2013 £
Less than one year	1,571,500	1,571,500
Between one and five years	6,286,000	6,286,000
Greater than five years	18,678,644	20,250,144
<b>Total</b>	<b>26,536,144</b>	<b>28,107,644</b>



**BLT Barnstaple Limited**

**Notes to the financial statements  
for the year ended 31 December 2014**

**10. Investments**

	Shares in subsidiaries £	Investments in Unit Trusts £	Total £
At cost or underlying net asset value of investment			
1 January 2014	-	-	-
Additions	-	-	-
Disposals	-	-	-
Revaluation	-	-	-
<b>31 December 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provision for underlying net asset change			
1 January 2014	-	-	-
Provision written-back (written-down)	-	-	-
Disposals	-	-	-
<b>31 December 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>
At cost or underlying net asset value of investment			
1 January 2013	-	-	-
Additions	-	-	-
Disposals	-	-	-
Revaluation	-	-	-
<b>31 December 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provision for underlying net asset change			
1 January 2013	-	-	-
Provision written-back (written-down)	-	-	-
Disposals	-	-	-
<b>31 December 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>
At cost			
<b>31 December 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 December 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>1 January 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>

**BLT Barnstaple Limited****Notes to the financial statements**  
**for the year ended 31 December 2014**

<b>11. Trade and other receivables</b>	<b>2014</b>	<b>Restated 2013</b>	<b>Restated 2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Trade and other receivables (falling due within one year)</b>			
Trade receivables	-	-	-
Amounts owed by group companies - current accounts	11,538,015	9,978,964	8,893,845
Corporation tax	-	-	-
Other receivables	-	-	-
Prepayments and accrued income	-	-	-
	<u>11,538,015</u>	<u>9,978,964</u>	<u>8,893,845</u>

<b>12. Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>Restated 2013</b>	<b>Restated 2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	-	-	-
Amounts owed to group companies - current accounts	32,172,765	30,628,888	29,159,159
Corporation tax	2,830	11,162	-
Other taxation and social security	78,575	78,575	73,602
Other creditors	-	-	-
Accruals and deferred income	362,318	362,318	362,318
	<u>32,616,488</u>	<u>31,080,943</u>	<u>29,595,079</u>

**BLT Barnstaple Limited**

**Notes to the financial statements  
for the year ended 31 December 2014**

13. Creditors: amounts falling due after more than one		2014	Restated 2013	Restated 2012
		£	£	£
Debentures and loans	due 1 to 2 years	-	-	-
	due 2 to 5 years	-	-	-
	due after 5 years	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>

14. Deferred tax liability		2014	Restated 2013	Restated 2012
		£	£	£
<b>Deferred tax</b>				
1 January		901,228	1,049,410	1,167,733
Credited to retained earnings		-	-	-
Deferred tax credit arising on property revaluation		(28,128)	(148,182)	(118,323)
Utilised in year		-	-	-
<b>31 December</b>		<u>873,100</u>	<u>901,228</u>	<u>1,049,410</u>

Deferred tax is provided as follows:

Deferred tax charge arising on property revaluation	873,100	901,228	1,049,410
	<u>873,100</u>	<u>901,228</u>	<u>1,049,410</u>

15. Ordinary shares		2014	Restated 2013	Restated 2012
		£	£	£
<b>Issued share capital - allotted, called up and fully paid</b>				
<b>Ordinary Shares of £1 each</b>				
Balance as at 1 January and as at 31 December : 1 share		1	1	1
<b>Total issued share capital</b>		<u>1</u>	<u>1</u>	<u>1</u>

## **BLT Barnstaple Limited**

### **Notes to the financial statements** **for the year ended 31 December 2014**

#### **16. Capital commitments**

The company had capital commitments contracted as at 31 December 2014 of £nil (2013: £nil).

#### **17. Contingent liabilities**

The company is jointly and severally liable with the BLT Properties Limited and fellow subsidiaries for all monies falling due under the group VAT registration.

#### **18. Related parties**

Related party disclosures noted below are in respect of transactions between the company and its related parties as defined by International Accounting Standard 24.

Rental income of £1.6m (2013: £1.6m) as shown in the income statement (see page 5) represents rent received from Tesco Stores Limited. Tesco Stores Limited is a subsidiary of Tesco PLC. Tesco PLC owns 50% of BLT Holdings 2010 Limited, the ultimate parent of the company.

#### **19. Subsequent events**

There have been no significant events since the year end.

#### **20. Controlling parties**

The immediate parent company is BLT Properties Limited, which is a wholly owned subsidiary of BLT Holdings 2010 Limited, the ultimate parent company.

BLT Holdings 2010 Limited represents a joint venture between British Land (Joint Ventures) Limited, a subsidiary of The British Land Company PLC, and Tesco PLC, all of whom are incorporated in England and Wales.

BLT Properties Limited is the smallest group and BLT Holdings 2010 Limited is the largest group for which group financial statements are available and which include the company. The financial statements of BLT Properties Limited and BLT Holdings 2010 Limited can be obtained from The British Land Company PLC, York House, 45 Seymour Street, London W1H 7LX.