
**Tesco TLB Pontypridd Limited
(formerly BLT Pontypridd Limited)**

Annual Report and Financial Statements
Year ended 31 December 2016



Company number: 04967625

Tesco TLB Pontypridd Limited

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for the year ended 31 December 2016

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Tesco TLB Pontypridd Limited
STRATEGIC REPORT
for the year ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

Principal activities

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

On 6 April 2017 there was a group reorganisation. The property, as detailed in note 7, was sold to BLT Properties Limited. Tesco Property Holdings Limited, a subsidiary of Tesco PLC purchased all shares in BLT Properties Limited. Post reorganisation the company's ultimate parent was Tesco PLC, the company therefore ceased to be within the joint venture from this date. BLT Properties Limited changed its name to Tesco TLB Properties Limited post reorganisation.

Business review

As shown in the company's income statement on page 6, the company's turnover has remained consistent with the prior year. The company generated a loss on ordinary activities before taxation of £2,314,044 compared with a loss on ordinary activities before taxation of £1,235,003 in the prior year.

Dividends of £nil (2015: £750,000) 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, a decrease on the prior year.

The value of investment properties held as at 31 December 2016 has decreased by 6.5%, due to revaluation movements during the year then ended as shown in note 7 to the company's statement of financial position.

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 the net asset value. These are discussed above.

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;
- environmental and health and safety policies; and
- the period of uncertainty for the UK economy and real estate markets resulting from the decision on 23 June 2016 of the UK electorate to vote to leave the European Union.

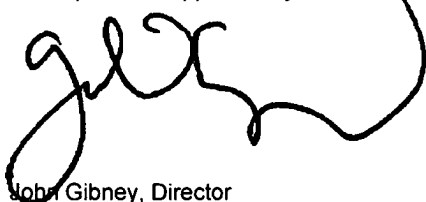
These opportunities also represent risks, the most significant being change to the value of the property portfolio. This risk has high visibility to the directors and is considered and managed on a continuous basis. The directors use their knowledge and experience to knowingly accept a measured degree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

The company's preference for assets with long term contracted rental income 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 outstanding.

This report was approved by the Board on 25th September 2017 and signed by the order of the board by:



John Gibney, Director
Tesco TLB Pontypridd Limited
Registered number: 04967625

**DIRECTORS' REPORT
for the year ended 31 December 2016**

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 2016.

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 signing the financial statements were:

S M Barzycki (resigned 6 April 2017)
A E Clark
J Gibney
B Lewis (resigned 6 April 2017)

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 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 15.

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. When assessing the company's going concern status the Directors have taken into account the UK electorate's decision on 23 June 2016 to vote to leave the European Union, and the resulting period of uncertainty for the UK economy and real estate markets.

Tesco TLB Pontypridd Limited

DIRECTORS' REPORT (continued)
for the year ended 31 December 2016

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

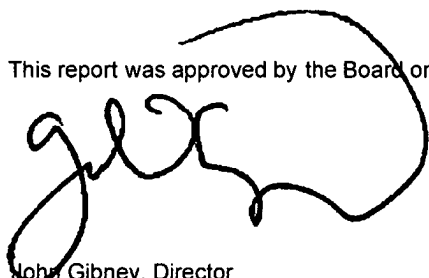
(b) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

This report was approved by the Board on 25th September 2017 and signed by the order of the board by:

A large, stylized handwritten signature in black ink, appearing to read 'J. Gibney'.

John Gibney, Director

Tesco TLB Pontypridd Limited

Registered number: 04967625

Registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TESCO TLB PONTYPRIDD LIMITED
for the year ended 31 December 2016**

Report on the financial statements

Our opinion

In our opinion, Tesco TLB Pontypridd 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 2016 and of its loss 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

Tesco TLB Pontypridd Limited's financial statements comprise:

- the Statement of Financial Position as at 31 December 2016;
- 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 United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

Opinion on other matter prescribed by the Companies Act 2006

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

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

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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 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.

Tesco TLB Pontypridd Limited

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TESCO TLB PONTYPRIDD LIMITED
for the year ended 31 December 2016**

What an audit of financial statements involves

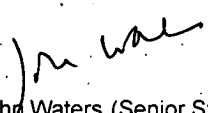
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

25 September 2017

Tesco TLB Pontypridd Limited

**INCOME STATEMENT
for the year ended 31 December 2016**

	Note	2016 £	2015 £
Revenue	2	2,113,891	2,112,987
Cost of sales		(1,100)	(2,269)
Gross profit		2,112,791	2,110,718
Revaluation of investment properties	7	(2,500,000)	(1,500,000)
(Loss)/profit on ordinary activities before interest		(387,209)	610,718
Finance costs	3	(1,926,835)	(1,845,721)
Loss on ordinary activities before taxation	4	(2,314,044)	(1,235,003)
Taxation	6	379,090	156,174
Loss for the financial year		(1,934,954)	(1,078,829)

Rental income 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.

Tesco TLB Pontypridd Limited

**STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2016**

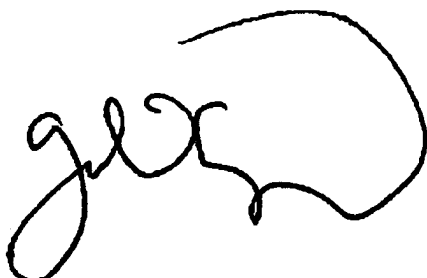
	2016 £	2015 £
Loss for the financial year	(1,934,954)	(1,078,829)
Total comprehensive expense for the year	<u>(1,934,954)</u>	<u>(1,078,829)</u>

Tesco TLB Pontypridd Limited

**STATEMENT OF FINANCIAL POSITION
as at 31 December 2016**

	Note	2016 £	2015 £
Fixed assets			
Investment properties	7	36,000,000	38,500,000
Total non-current assets		36,000,000	38,500,000
Current assets			
Trade and other receivables	8	2,112,436	1,322,743
Total current assets		2,112,436	1,322,743
Creditors: amounts falling due within one year	9	(31,159,604)	(30,555,867)
Net current liabilities		(29,047,168)	(29,233,124)
Total assets less current liabilities		6,952,832	9,266,876
Non-current liabilities			
Deferred tax liability	10	(340,510)	(719,600)
Net assets		6,612,322	8,547,276
Equity			
Ordinary shares	11	1	1
Retained earnings		6,612,321	8,547,275
Total equity		6,612,322	8,547,276

The financial statements of Tesco TLB Pontypridd Limited on pages 6 to 16, company number 04967625, were approved by the Board of Directors and authorised for issue on 25 September 2017 and signed on its behalf by:



John Gibney, Director
Tesco TLB Pontypridd Limited
Registered number: 04967625

Registered office: Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA

The notes on pages 10 to 16 form part of these financial statements.

Tesco TLB Pontypridd Limited

**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2016**

	Ordinary shares £	Retained earnings £	Total equity £
Balance at 1 January 2015	1	10,376,104	10,376,105
Loss for the financial year	-	(1,078,829)	(1,078,829)
Total comprehensive expense for the year	-	(1,078,829)	(1,078,829)
Dividends payable in year	-	(750,000)	(750,000)
Balance at 31 December 2015	1	8,547,275	8,547,276
Loss for the financial year	-	(1,934,954)	(1,934,954)
Total comprehensive expense for the year	-	(1,934,954)	(1,934,954)
Balance at 31 December 2016	1	6,612,321	6,612,322

Dividends paid to shareholders during the year ended 31 December 2016 totalled £nil (2015: £750,000).

The notes on pages 10 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016**

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.

Basis of preparation

This company is incorporated in the United Kingdom under the Companies Act. The address of the registered office is Tesco House, Shire Park, Kestrel Way, Welwyn Garden City, AL7 1GA.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 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.

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. Details of the parent in whose consolidated financial statements the company is included in are shown in note 16 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 financial statements of The British Land Company PLC. The group financial statements of The British Land Company PLC are available to the public and can be obtained as set out in note 16.

Going concern

The Statement of Financial Position shows that the company has net current liabilities. However, the directors have considered the financial position of the group of which the company is a subsidiary, along with cash flows, liquidity position and borrowing facilities, and believe that there is a reasonable expectation that the group and company have sufficient resources and a working capital cycle enabling them to meet all liabilities as they fall due.

As a consequence of this the directors feel that the company 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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2016**

1. Accounting policies (continued)

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.

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 loss for the year and is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date. Taxable profit differs from net 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.

Tesco TLB Pontypridd Limited

**NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2016**

2. Revenue

	2016 £	2015 £
Rent receivable	2,113,891	2,112,987
Total revenue	2,113,891	2,112,987

3. Finance costs

	2016 £	2015 £
Interest payable on amounts owed to group	(1,926,835)	(1,845,721)
	(1,926,835)	(1,845,721)

4. Loss on ordinary activities before taxation

	2016 £	2015 £
Decrease in fair value of investment property	(2,500,000)	(1,500,000)
	(2,500,000)	(1,500,000)

Auditors' remuneration

A notional charge of £2,063 (2015: £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 Tesco TLB Properties Limited.

No non-audit fees were paid to PricewaterhouseCoopers LLP in 2016 and 2015, respectively.

5. Staff numbers and costs

No director received any remuneration for services to the company in either year. The remuneration of the directors was borne by another company within the group which no apportionment or recharges were made.

Average number of employees, excluding directors, of the company during the year was nil (2015: nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2016

6. Taxation

	2016	2015
	£	£
Current tax		
UK corporation tax	-	26,826
Total current tax charge	<u>-</u>	<u>26,826</u>
Deferred tax		
Deferred tax credit arising on property revaluation	(379,090)	(183,000)
Total deferred tax credit	<u>(379,090)</u>	<u>(183,000)</u>
Total taxation credit	<u>(379,090)</u>	<u>(156,174)</u>
Tax reconciliation		
Loss on ordinary activities before taxation	(2,314,044)	(1,235,003)
Tax on loss on ordinary activities at UK corporation tax rate of 20% (2015: 20.25%)	(462,809)	(250,046)
Effects of:		
REIT exempt income and gains	(18,596)	(26,826)
Deferred tax credit arising on property revaluation	(379,090)	(183,000)
Increase in fair value of investment property	500,000	303,698
Group relief claimed for nil consideration	(18,595)	-
Total taxation credit	<u>(379,090)</u>	<u>(156,174)</u>

The following corporation tax rates have been substantively enacted: 20% effective from 1 April 2015 reducing to 19% effective from 1 April 2017 and 17% effective from 1 April 2020. The deferred tax assets and liabilities have been calculated at the tax rate effective in the period that the tax is expected to crystallise.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2016**

7. Investment properties

	Total £
Fair Value	
1 January 2016	38,500,000
Revaluation of investment properties	(2,500,000)
31 December 2016	36,000,000
Fair Value	
1 January 2015	40,000,000
Revaluation of investment properties	(1,500,000)
31 December 2015	38,500,000
Analysis of cost and valuation	
31 December 2016	
Cost	29,420,969
Revaluation	6,579,031
Net book value	36,000,000
31 December 2015	
Cost	29,420,969
Revaluation	9,079,031
Net book value	38,500,000

At 31 December 2016, the book value of the company's freehold investment properties was £36,000,000 (2015: £38,500,000).

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 2016 by Knight Frank LLP, external valuers not connected with the company, in accordance with RICS Valuation - Professional Standards global January 2014, including the International Valuations Standards, and RICS Professional Standards UK January 2014 edition (revised April 2015), published by the Royal Institution of Chartered Surveyors.

Properties valued at £36,000,000 (2015: £38,500,000) were charged to secure the borrowings of a fellow subsidiary company, BLT Finance Limited.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2016**

7. Investment properties (continued)

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:

	2016 £	2015 £
Less than one year	2,113,439	2,113,439
Between one and five years	8,453,756	8,453,756
Greater than five years	18,050,377	20,163,816
Total	28,617,572	30,731,011

8. Trade and other receivables

	2016 £	2015 £
Trade and other receivables (falling due within one year)		
Amounts owed by group companies - current accounts	2,112,436	1,322,743
	2,112,436	1,322,743

9. Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group companies - current account	30,539,841	29,935,748
Corporation tax	26,826	26,826
Other taxation and social security	105,672	105,576
Accruals and deferred income	487,265	487,717
	31,159,604	30,555,867

10 Deferred tax liability

	2016 £	2015 £
Deferred tax		
1 January	719,600	902,600
Deferred tax credit arising on property revaluation	(379,090)	(183,000)
31 December	340,510	719,600
Deferred tax is provided as follows:		
Deferred tax charge arising on property revaluation	340,510	719,600
	340,510	719,600

Tesco TLB Pontypridd Limited

**NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2016**

11. Called up share capital

	2016 £	2015 £
Issued share capital - allotted, called up and fully paid		
Ordinary Share of £1		
Balance as at 1 January and as at 31 December: 1 share	<u>1</u>	<u>1</u>

12. Capital commitments

The company had capital commitments contracted as at 31 December 2016 of £nil (2015: £nil).

13. Contingent liabilities

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

14. 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 £2.1m (2015: £2.1m) as shown in the income statement (see page 6) represents rent received from Tesco Stores Limited. Tesco Stores Limited is a subsidiary of Tesco PLC. As at 31 December 2016, Tesco PLC owned 50% of BLT Holdings 2010 Limited which at the date was the ultimate parent of the company.

15. Subsequent events

On 6 April 2017 there was a group reorganisation. The property, as detailed in note 7, was sold to BLT Properties Limited. Tesco Property Holdings Limited, a subsidiary of Tesco PLC purchased all shares in BLT Properties Limited. Post reorganisation the company's ultimate parent was Tesco PLC, the company therefore ceased to be within the joint venture from this date. BLT Properties Limited changed its name to Tesco TLB Properties Limited post reorganisation.

16. Controlling parties

The immediate parent company up until 6 April 2017 was Tesco TLB Properties Limited (formerly BLT Properties Limited) which at that time was a wholly owned subsidiary of BLT Holdings 2010 Limited.

Up until 6 April 2017 BLT Holdings 2010 Limited represented 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. Up until 6 April 2017 the company was under joint control and did not have a single ultimate controlling party.

Post 6 April 2017 the immediate parent company Tesco TLB Properties Limited (formerly BLT Properties Limited) was owned by Tesco Property Holdings Limited. Tesco Property Holdings Limited is a subsidiary of Tesco PLC, incorporated in England and Wales and deemed to be the ultimate controlling party from that date.

Tesco TLB Properties Limited (formerly 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 Tesco TLB Properties Limited (formerly BLT Properties Limited) and those of BLT Holdings 2010 Limited can be obtained from The British Land Company PLC York House, 45 Seymour Street, London, W1H 7LX.