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Registration number: 07401699

10 Brock Street Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2020

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10 Brock Street Limited

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10 Brock Street Limited

Strategic Report for the Year Ended 31 March 2020

The directors present their Strategic Report for the year ended 31 March 2020.

Business review and principal activities

10 Brock Street Limited ("the company") is a wholly owned subsidiary of The British Land Company PLC and operates as a constituent of The British Land Company PLC group of companies ("the group").

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 of £22,579,284 has increased by £1,415,663 compared with turnover of £21,163,621 in the prior year.

Profit on ordinary activities before taxation is £17,521,374 compared to a profit on ordinary activities before taxation of £7,983,052 in the prior year.

The revaluation of investment properties in the year was a surplus of £14,268,198 (2019: surplus of £137,785).

A loss on surrender of £5,000,000 was recorded in the year.

Dividends of £nil (2019: £nil) were paid in the year.

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

The value of investment properties held as at 31 March 2020 has increased by 4.5% from 31 March 2019 as shown in note 9 to the company's Balance Sheet. Details of how investment properties are valued can be found in note 9 to the company's balance sheet. The movement is determined by the prevailing market conditions at the balance sheet date.

The company is a subsidiary of The British Land Company PLC. The company's strategy is the same as the group's strategy - to deliver an above average annualised total return to shareholders, which is achieved by creating attractive environments in the right places focused around the people who work, shop and live in them.

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

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

For more information also see The British Land Company PLC 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.

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Strategic Report for the Year Ended 31 March 2020 (continued)

Principal risks and uncertainties

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

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

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

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

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

The financial and political risks for the company are managed in accordance with the group financial risk management policy, as disclosed in the consolidated group financial statements. The general risk environment in which the group operates has remained heightened over the course of the year, this is largely due to the continued level of uncertainty associated with the impact of the UK's exit from the EU during the year, the continued deterioration in the UK retail market and weaker investment markets.

The company has no third party debt and no associated third party interest rate exposure.

The outbreak of Covid-19, declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, creates an unprecedented degree of uncertainty over both the severity of the above risks and the effectiveness of the above mitigating actions. The decline in economic activity resulting from the pandemic reduces the degree of certainty around the valuation of investment properties at year end. The valuations across all asset classes are therefore reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. The external valuers have confirmed, the inclusion of the "material valuation uncertainty" declaration does not mean that valuations cannot be relied upon and rather, the phrase is used in order to be clear and transparent with all parties. See further details in note 9 of the financial statements.

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

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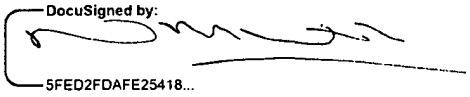

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Nigel Webb

Director

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10 Brock Street Limited

Directors' Report for the Year Ended 31 March 2020

The directors present their report and the audited financial statements for the year ended 31 March 2020.

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

S M Barzycki

P S Macey

J C McNuff

C J Middleton

N M Webb

Directors' responsibilities statement
The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Environmental matters
Across the group, The British Land Company PLC recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies. The group's full sustainability report is available online at:
www.britishland.com/sustainability/reporting/latest-reporting

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Directors' Report for the Year Ended 31 March 2020 (continued)

Going concern
The Balance Sheet shows that the company has net current liabilities in excess of the principal creditor which is the ultimate parent company. The ultimate parent company has agreed to support this subsidiary for at least 12 months from the date of signing these financial statements. The going concern of the company is therefore dependent on the going concern of the Group. The Directors feel that the Group is well placed to manage its business risks successfully despite the current economic climate as detailed in pages 102 and 152 of the annual report.

As a consequence of this the directors feel that the company is well placed to managed its business risks successfully despite the current economic climate and the uncertainty resulting from the outbreak of Covid-19. Accordingly, they believe the going concern basis is an appropriate one.

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

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

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Nigel Webb

Director

Independent auditors' report to the members of 10 Brock Street Limited

Report on the audit of the financial statements

Opinion

In our opinion, 10 Brock Street Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2020; the Profit and Loss Account, the Statement of Comprehensive Income, 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 - Significant estimation uncertainty in relation to the valuation of investment properties

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in Notes 3 (Significant accounting judgements and key sources of estimation uncertainty) and 9 (Investment properties) to the financial statements. These notes explain that there is significant estimation uncertainty in relation to the valuation of investment properties of £490.7m included in the Balance Sheet as at 31 March 2020. The third party valuers engaged by management have included a material valuation uncertainty clause in their report. This clause highlights that less certainty, and consequently a higher degree of caution, should be attached to the valuation as a result of the COVID-19 pandemic.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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.

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 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement 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.

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.

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

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10 Brock Street Limited

Profit and Loss Account for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	4	**22,579,284**	21,163,621
Cost of sales		**(5,683,456)**	(5,030,024)
Gross profit		**16,895,828**	16,133,597
Administrative expenses		**(3,662,337)**	(3,063,671)
Operating profit		**13,233,491**	13,069,926
Loss on surrender		**(5,000,000)**	-
Revaluation of investment properties	9	**14,268,198**	137,785
Profit on ordinary activities before interest and taxation		**22,501,689**	13,207,711
Interest payable and similar expenses	5	**(4,980,315)**	(5,224,659)
Profit on ordinary activities before taxation		**17,521,374**	7,983,052
Taxation	8	**-**	-
Profit for the year		**17,521,374**	7,983,052

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

The notes on pages 12 to 18 form an integral part of these financial statements.

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10 Brock Street Limited

Statement of Comprehensive Income for the Year Ended 31 March 2020

	2020 £	2019 £
Profit for the year	**17,521,374**	7,983,052
Total comprehensive income for the year	**17,521,374**	7,983,052

The notes on pages 12 to 18 form an integral part of these financial statements.

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10 Brock Street Limited

(Registration number: 07401699)

Balance Sheet as at 31 March 2020

	Note	31 March 2020 £	31 March 2019 £
Fixed assets			
Investment properties	9	**490,650,000**	469,300,000
		490,650,000	469,300,000
Current assets			
Debtors	10	**499,628**	321,820
		499,628	321,820
Creditors due within one year	11	**(223,568,148)**	(219,561,714)
Net current liabilities		**(223,068,520)**	(219,239,894)
Net assets		**267,581,480**	250,060,106
Capital and reserves			
Share capital	12	**1**	1
Profit and loss account		**267,581,479**	250,060,105
Total shareholders' funds		**267,581,480**	250,060,106

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.....

Nigel Webb

Director

The notes on pages 12 to 18 form an integral part of these financial statements.

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10 Brock Street Limited

Statement of Changes in Equity for the Year Ended 31 March 2020

	Share capital £	Profit and loss account £	Total £
Balance at 1 April 2018	1	242,077,053	**242,077,054**
Profit for the year	-	7,983,052	**7,983,052**
Total comprehensive income for the year	-	7,983,052	**7,983,052**
Balance at 31 March 2019	1	250,060,105	**250,060,106**
Balance at 1 April 2019	1	250,060,105	**250,060,106**
Profit for the year	-	17,521,374	**17,521,374**
Total comprehensive income for the year	-	17,521,374	**17,521,374**
Balance at 31 March 2020	**1**	**267,581,479**	**267,581,480**

The notes on pages 12 to 18 form an integral part of these financial statements.

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Notes to the Financial Statements for the Year Ended 31 March 2020

1 General information

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

The address of its registered office is:
York House
45 Seymour Street
London
W1H 7LX

2 Accounting policies

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

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

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

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

Summary of disclosure exemptions
The company has taken advantage of the following disclosure exemptions under FRS 101:

(a) The requirements of IAS 1 to provide a Balance Sheet at the beginning of the year in the event of a prior year adjustment;

(b) The requirements of IAS 1 to provide a Statement of Cash flows for the year;

(c) The requirements of IAS 1 to provide a statement of compliance with IFRS;

(d) The requirements of IAS 1 to disclose information on the management of capital;

(e) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose new IFRS's that have been issued but are not yet effective;

(f) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;

(g) The requirements of paragraph 17 of IAS 24 Related Party Disclosures to disclose key management personnel compensation;

(h) The requirements of IFRS 7 to disclose financial instruments; and

(i) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement to disclose information of fair value valuation techniques and inputs.

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2 Accounting policies (continued)

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, equivalent disclosures are given in the group financial statements of 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 15.

Adoption status of relevant new financial reporting standards and interpretations

During the year the company adopted the following standards:

IFRS 16 - Leases
The new standard results in lessees bringing almost all operating leases on balance sheet as the distinction between operating and finance leases is removed. The accounting for lessors has not significantly changed. The Company does not hold any material leases as lessee therefore adoption of IFRS 16 has not had a material impact on the financial statements of the Company. The standard was adopted in accordance with IFRS 16 C8. This approach allows the recognition of the lease liability and asset as at 1 April 2019 with no restatement of prior period financial statements.

Apart from the changes in the standards highlighted above, no other standards, interpretations and amendments effective for the first time from 1 April 2019 have had a material effect on the financial statements.

Going concern
The Balance Sheet shows that the company has net current liabilities in excess of the principal creditor which is the ultimate parent company. The ultimate parent company has agreed to support this subsidiary for at least 12 months from the date of signing these financial statements. The going concern of the company is therefore dependent on the going concern of the Group. The Directors feel that the Group is well placed to manage its business risks successfully despite the current economic climate as detailed in pages 102 and 152 of the annual report.

As a consequence of this the directors feel that the company is well placed to managed its business risks successfully despite the current economic climate and the uncertainty resulting from the outbreak of Covid-19. Accordingly, they believe the going concern basis is an appropriate one.

Turnover
Rental income from investment property

Rental income is recognised on an accruals basis. A rent adjustment based on open market estimated rental value is recognised from the rent review date in relation to unsettled rent reviews. Where a rent-free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earliest termination date.

Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight-line basis over the shorter of the entire lease term or the period to the first break option. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure that the carrying value of the related property including the accrued rent does not exceed the external valuation. Initial direct costs incurred in negotiating and arranging a new lease are amortised on a straight-line basis over the period from the date of lease commencement to the earliest termination date.

Where a lease incentive payment, including surrender premia paid, does not enhance the value of a property, it is amortised on a straight-line basis over the period from the date of lease commencement to the earliest termination date. Upon receipt of a surrender premium for the early determination of a lease, the profit, net of dilapidations and non-recoverable outgoings relating to the lease concerned, is immediately reflected in income.

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

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

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2 Accounting policies (continued)

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.

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

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

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

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

3 Significant accounting judgements and key sources of estimation uncertainty

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

The third party valuers for properties recognised at 31 March 2020 include a material valuation uncertainty clause in their reports. The clause highlights significant estimation uncertainty regarding the valuation of investment property due to the Covid-19 pandemic.

The valuations as at the current balance sheet date should therefore be treated with additional caution.

4 Turnover

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

	2020 £	2019 £
Rental income from investment property	**17,446,591**	16,387,451
Service charge income	**5,132,693**	4,776,170
	22,579,284	21,163,621

5 Interest payable and similar expenses

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Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

5 Interest payable and similar expenses (continued)

	2020 £	2019 £
Interest payable on amounts owed to group companies	**4,980,315**	5,224,659
	4,980,315	5,224,659

6 Auditors' remuneration

A notional charge of £2,832 (2019: £1,870) is deemed payable to PricewaterhouseCoopers LLP in respect of the audit of the financial statements for the year ended 31 March 2020. Actual amounts payable to PricewaterhouseCoopers LLP are paid at group level by The British Land Company PLC.

No non-audit fees (2019: £nil) were paid to PricewaterhouseCoopers LLP.

7 Staff costs

No director (2019: 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 (2019: nil).

8 Taxation

	2020 £	2019 £
Current taxation		
UK corporation tax	-	-
Tax charge in the profit and loss account	-	-

	2020 £	2019 £
Tax reconciliation		
Profit on ordinary activities before taxation	**17,521,374**	7,983,052
Tax on profit on ordinary activities at UK corporation tax rate of 19% (2019: 19%)	**3,329,061**	1,516,780
Effects of:		
REIT exempt income and gains	**(1,056,393)**	(907,031)
Capital allowances	**(544,312)**	(614,066)
Increase in fair value of property & investments	**(1,760,958)**	(26,179)
Expenses not allowable	**32,602**	30,496
Total tax charge	-	-

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

8 Taxation (continued)

On 17 March 2020 legislation was substantially enacted confirming that the tax rate would not be reduced from 1 April 2020 but would remain at 19%. Where relevant this has been reflected in the deferred tax calculation.

9 Investment properties

	£
Fair value	
1 April 2019	**469,300,000**
Additions	**1,559,956**
Lease incentive movements	**5,521,846**
Revaluation	**14,268,198**
31 March 2020	**490,650,000**
Fair value	
1 April 2018	465,000,000
Additions	21,510,486
Lease incentive movements	(17,348,271)
Revaluation	137,785
31 March 2019	469,300,000
Analysis of cost and valuation	
31 March 2020	
Cost	**243,114,881**
Valuation	**247,535,119**
Net book value	**490,650,000**
31 March 2019	
Cost	236,033,079
Valuation	233,266,921
Net book value	469,300,000

At 31 March 2020 the book value of freehold investment properties owned by the company was £490,650,000 (2019: £469,300,000).

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.

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

9 Investment properties (continued)

Properties were valued to fair value at 31 March 2020 by Cushman & Wakefield LLP, independent valuers not connected with the company, in accordance with the RICS Valuation - Professional Standards 2014, Ninth Edition, published by The Royal Institution of Chartered Surveyors.

The impact of changes in unobservable inputs (Level 3) on the fair value of the Group's property portfolio can be found on page 168 of the British Land Company PLC's Annual Report.

The outbreak of Covid-19, declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, the external valuers consider that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The current response to Covid-19 means that external valuers are faced with an unprecedented set of circumstances on which to base a judgement. The valuations across all asset classes are therefore reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty - and a higher degree of caution - should be attached to the valuations provided than would normally be the case. The external valuers have confirmed, the inclusion of the "material valuation uncertainty" declaration does not mean that valuations cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that - in the current extraordinary circumstances - less certainty can be attached to valuations than would otherwise be the case.

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

	31 March 2020 £	31 March 2019 £
Leases less than one year	**9,274,732**	18,342,674
Leases between one and five years	**23,542,872**	71,645,224
Leases greater than five years	**1,915,786**	137,395,947
	34,733,390	227,383,845

10 Debtors

	31 March 2020 £	31 March 2019 £
Trade debtors	**71,349**	157,574
Provision for impairment of trade debtors	**(20,128)**	(37,333)
Net trade debtors	**51,221**	120,241
Accrued income	**22,337**	85,136
Prepayments	**21,670**	41,122
VAT	**404,400**	75,321
	499,628	321,820

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Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

11 Creditors due within one year

	31 March 2020 £	31 March 2019 £
Trade creditors	**615,962**	-
Accrued expenses	**2,485,141**	3,099,999
Amounts due to related parties	**220.360.729**	216.355.451
Social security and other taxes	**106,316**	106,264
	223,568,148	219,561,714

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

12 Share capital

Allotted, called up and fully paid shares

	No.	31 March 2020 £	No.	31 March 2019 £
Ordinary shares of £1 each	1	1	1	1

13 Capital commitments

The total amount contracted for but not provided in the financial statements was £2,542,103 (2019: £11,631,275)

14 Subsequent events

There have been no significant events since the year end.

15 Parent and ultimate parent undertaking

The immediate parent company is Regent's Place Holding Company Limited.

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