

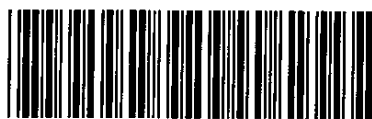
Registration number: 10620935

# BL Eden Walk Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 March 2020

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**BL Eden Walk Limited**

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## **BL Eden Walk 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**

BL Eden Walk 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 that of an investment holding company in the United Kingdom (UK).

As shown in the company's Profit and Loss Account on page 5, the company's turnover has remained consistent with the prior year.

Loss on ordinary activities before taxation is £10,439,584 compared to a result on ordinary activities before taxation of £nil in the prior year. The increase in loss before taxation is driven by impairment of investments as detailed below.

The impairment of investments in the year was £11,424,450 (2019: impairment/write back of £nil). This was based upon the underlying net asset value compared to the carrying value of investments held as detailed in the accounting policies of the company on page 10. Details of the movement can be found in note 6 to the company's balance sheet.

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

Dividends of £984,866 (2019: £nil) were received in the year.

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.

The 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.

**BL Eden Walk Limited**

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

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

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

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

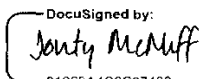
The financial and political risks for the company are managed in accordance with the group financial risk management policy, as disclosed in the consolidated group financial statements. The general risk environment in which the group operates has heightened over the course of the year, which is largely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

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 is expected to heighten the risk of tenants becoming financially distressed, this will directly impact the degree of certainty around the valuation of investment properties at yearend which in turn will directly impact the degree of certainty around the carrying value of investments in subsidiaries.

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

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Jonty McNuff

Director

## **BL Eden Walk Limited**

### **Directors' Report for the Year Ended 31 March 2020**

The directors present their report and the unaudited 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:

J C McNuff

P S Macey

M R Secker

M J Reed

#### **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](http://www.britishland.com/sustainability/reporting/latest-reporting)

#### **Going concern**

The Balance Sheet shows that the company has net current liabilities and net liabilities. 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. 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 can continue to trade for the foreseeable future and is well placed to manage 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 12.

**BL Eden Walk Limited**

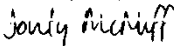
**Directors' Report for the Year Ended 31 March 2020 (continued)**

**Audit exemption taken for the year ended 31 March 2020**

The company is exempt from the requirements of the Companies Act 2006 relating to the audit of individual accounts by virtue of Section 479A of that Act, as disclosed on pages 193-194 of The British Land Company PLC Annual Report and Accounts 2020. The ultimate holding company and controlling party is The British Land Company PLC.

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Jonty McNuff

Director

## BL Eden Walk Limited

**Profit and Loss Account for the Year Ended 31 March 2020**

	Note	2020 £	2019 £
<b>Turnover</b>		-	-
Income from shares in group undertakings		<u>984,866</u>	<u>-</u>
<b>Operating profit</b>		<u>984,866</u>	<u>-</u>
Impairment of investments	6	<u>(11,424,450)</u>	<u>-</u>
<b>Loss on ordinary activities before taxation</b>		<u>(10,439,584)</u>	<u>-</u>
Taxation	5	<u>-</u>	<u>-</u>
<b>Loss for the year</b>		<u><u>(10,439,584)</u></u>	<u><u>-</u></u>

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

The notes on pages 9 to 14 form an integral part of these financial statements.

**BL Eden Walk Limited**

**Statement of Comprehensive Income for the Year Ended 31 March 2020**

	2020 £	2019 £
Loss for the year	<u>(10,439,584)</u>	<u>-</u>
Total comprehensive expense for the year	<u><u>(10,439,584)</u></u>	<u><u>-</u></u>

The notes on pages 9 to 14 form an integral part of these financial statements.



**BL Eden Walk Limited**

(Registration number: 10620935)

**Balance Sheet as at 31 March 2020**

	Note	31 March 2020 £	31 March 2019 £
<b>Fixed assets</b>			
Investments	6	<u>37,523,433</u>	<u>-</u>
		<u>37,523,433</u>	<u>-</u>
<b>Current assets</b>			
Debtors	7	<u>-</u>	<u>100</u>
		<u>-</u>	<u>100</u>
Creditors due within one year	8	<u>(47,962,917)</u>	<u>-</u>
<b>Net current (liabilities)/assets</b>		<u>(47,962,917)</u>	<u>100</u>
<b>Net (liabilities)/assets</b>		<u>(10,439,484)</u>	<u>100</u>
<b>Capital and reserves</b>			
Share capital	9	<u>100</u>	<u>100</u>
Profit and loss account		<u>(10,439,584)</u>	<u>-</u>
<b>Total shareholders' (deficit)/funds</b>		<u>(10,439,484)</u>	<u>100</u>

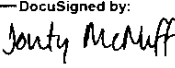
For the financial year ending 31 March 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

## Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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 Jonty McNuff  
 Director

The notes on pages 9 to 14 form an integral part of these financial statements.

## BL Eden Walk Limited

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

	Share capital £	Profit and loss account £	Total £
<b>Balance at 1 April 2018</b>	100	-	100
Total comprehensive income/(expense) for the year	-	-	-
<b>Balance at 31 March 2019</b>	100	-	100
<b>Balance at 1 April 2019</b>	100	-	100
Loss for the year	-	(10,439,584)	(10,439,584)
Total comprehensive expense for the year	-	(10,439,584)	(10,439,584)
<b>Balance at 31 March 2020</b>	100	(10,439,584)	(10,439,484)

The notes on pages 9 to 14 form an integral part of these financial statements.

## **BL Eden Walk Limited**

### **Notes to the Unaudited 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 England, United Kingdom.

The address of its registered office is:

York House  
45 Seymour Street  
London  
W1H 7LX

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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

##### **Basis of preparation**

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. 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 in accordance with Companies Act 2006 Section 400, because it is included in the group financial statements of The British Land Company PLC.

##### **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

**BL Eden Walk Limited**

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

**2 Accounting policies (continued)**

- (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 13.

**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 and net liabilities. 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. 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 can continue to trade for the foreseeable future and is well placed to manage 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.

**Taxation**

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

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

**Investments**

Fixed asset investments are stated at the lower of cost and the underlying net asset value of the investments.

**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.

## BL Eden Walk Limited

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

### 3 Significant accounting judgements and key sources of estimation uncertainty

The key source of estimation uncertainty relates to the valuation of investments. 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.

Fixed asset investments are stated at the lower of cost and the underlying net asset value of the investments. In the year ended 31 March 2020, less certainty - and a higher degree of caution - can be attached to the underlying net asset value of the company's investments which hold investment property, than would normally be the case. 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. The significant estimation uncertainty regarding the valuation of investment property results in estimation uncertainty in the underlying net asset value of the investments which carry investment property.

### 4 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).

### 5 Tax on profit on ordinary activities

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	-	-
Tax charge in the profit and loss account	-	-
	2020 £	2019 £
<b>Tax reconciliation</b>		
Loss on ordinary activities	(10,439,584)	-
Tax on profit on ordinary activities at UK corporation tax rate of 19% (2019: 19%)	(1,983,521)	-
<b>Effects of:</b>		
Decrease in fair value of property & investments	2,170,646	-
Income not taxable	(187,125)	-
<b>Total tax charge/(credit)</b>	-	-

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.

## BL Eden Walk Limited

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

## 6 Investments

	Investments in Joint Ventures £	Total £
<b>Underlying net asset value of investment</b>		
1 April 2019	-	-
Additions	48,947,883	48,947,883
Impairment of investments	(11,424,450)	(11,424,450)
31 March 2020	37,523,433	37,523,433
<b>Underlying net asset value of investment</b>		
1 April 2018	-	-
31 March 2019	-	-
<b>Provision for underlying net asset change</b>		
Impairment of investments	(11,424,450)	(11,424,450)
31 March 2020	(11,424,450)	(11,424,450)
31 March 2019	-	-
<b>At cost</b>		
<b>31 March 2020</b>	48,947,883	48,947,883
31 March 2019	-	-

**Joint ventures**

Details of the joint ventures as at 31 March 2020 are as follows:

Joint Venture	Principal activity	Interest	Country
Eden Walk Shopping Centre Unit Trust	Investment holding	50%	Jersey
Eden Walk Shopping Centre Limited Partnership	Property investment	50%	United Kingdom
Eden Walk Shopping Centre General Partner Limited	General Partner	50%	United Kingdom

All investments based in the United Kingdom have a registered address of York House, 45 Seymour Street, London, W1H 7LX.

All investments based in Jersey have a registered address of 47 Esplanade, St Helier, Jersey, JE1 0BD.

**BL Eden Walk Limited****Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020  
(continued)****6 Investments (continued)**

The carrying value of investments is the lower of cost and the underlying net asset value. Therefore, where the company's investments hold investment property, the underlying net asset value of those investments is dependent on the valuation of the investment property held. 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.

As a result, less certainty can be attached to the carrying value of investments which hold investment property than would otherwise be the case.

**7 Debtors**

	<b>31 March 2020 £</b>	<b>31 March 2019 £</b>
Amounts due from related parties	-	100
	<u>-</u>	<u>100</u>

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

**8 Creditors due within one year**

	<b>31 March 2020 £</b>	<b>31 March 2019 £</b>
Amounts due to related parties	<b>47,962,917</b>	-
	<u><b>47,962,917</b></u>	<u>-</u>

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.

**BL Eden Walk Limited**

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

**9 Share capital**

**Allotted, called up and fully paid shares**

	No.	31 March 2020 £	No.	31 March 2019 £
Ordinary shares of £1 each	100	100	100	100

**10 Capital commitments**

The total amount contracted for but not provided in the financial statements was £nil (2019: £nil).

**11 Contingent liabilities**

The company has no contingent liabilities at the year end.

**12 Subsequent events**

There have been no significant events since the year end.

**13 Parent and ultimate parent undertaking**

The immediate parent company is British Land In Town Retail 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.