

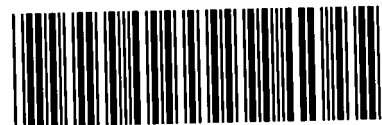
Registration number: 11178114

BL Marble Arch House Limited

Annual Report and Financial Statements

for the Period from 30 January 2018 to 31 March 2019

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BL Marble Arch House Limited

Contents

Strategic Report	1 to 2
Directors' Report	3 to 4
Independent Auditors' Report	5 to 7
Profit and Loss Account	8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 to 20

BL Marble Arch House Limited

Strategic Report for the Period from 30 January 2018 to 31 March 2019

The directors present their Strategic Report for the period from 30 January 2018 to 31 March 2019.

Business review and principal activities

BL Marble Arch House 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).

The company was incorporated in the United Kingdom on 30 January 2018 and accordingly, this report and accounts have been prepared for the period from that date to 31 March 2019.

As shown in the company's Profit and Loss Account on page 8, the company's turnover is £118,686,643 and Loss on ordinary activities before taxation is £743,279.

The revaluation of investment properties in the period was a deficit of £939,491.

During the period the company acquired an investment in Marble Arch House Unit Trust which also held an investment property. The investment property was transferred into Marble Arch House Limited. Following this Marble Arch House Unit Trust was dissolved. A loss from disposal of investments was recorded in the period of £114,442,444.

Dividends of £nil were paid in the period.

The Balance Sheet on page 10 shows the company's financial position at the financial period end, with net liabilities of £743,179.

During the period the company purchased investment property.

The value of investment properties held as at 31 March 2019 was £116,889,146 as shown in note 9 to the balance sheet.

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 period dividend.

The expected future developments of the company are determined by the strategy of the group. There are no future developments outside of the company's current operations planned.

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 Marble Arch House Limited

**Strategic Report for the Period from 30 January 2018 to 31 March 2019
(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 heightened over the course of the period, 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.

Approved by the Board on 15 August 2019 and signed on its behalf by:



British Land Company Secretarial Limited
Company secretary

BL Marble Arch House Limited

Directors' Report for the Period from 30 January 2018 to 31 March 2019

The directors present their report and the audited financial statements for the period from 30 January 2018 to 31 March 2019.

Directors of the company

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

P S Macey (appointed 30 January 2018)

J C McNuff (appointed 30 January 2018)

C J Middleton (appointed 30 January 2018)

T J Haddon (appointed 30 January 2018)

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 period. 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.

Directors' indemnities

A number of associated companies within the group have indemnified one or more of their current directors. The indemnity arrangements are qualifying indemnity provisions under the Companies Act 2006 and are currently in force at the date of this Annual Report.

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/reports-and-publications/2019

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 2 of the financial statements.

BL Marble Arch House Limited

**Directors' Report for the Period from 30 January 2018 to 31 March 2019
(continued)**

Subsequent Events

Details of significant events since the Balance Sheet date, if any, are contained in note 17.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Board Meeting.

Approved by the Board on 15 AUGUST 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'JH', is written over a horizontal dotted line.

British Land Company Secretarial Limited
Company secretary

BL Marble Arch House Limited

Independent Auditors' Report to the Members of BL Marble Arch House Limited

Report on the audit of the financial statements

Opinion

In our opinion, BL Marble Arch House Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its loss for the 14 month (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2019; the Profit and Loss Account, the Statement of Comprehensive Income, and the Statement of Changes in Equity for the 14 month period 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.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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.

BL Marble Arch House Limited

Independent Auditors' Report to the Members of BL Marble Arch House Limited (continued)

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 period ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

BL Marble Arch House Limited

**Independent Auditors' Report to the Members of BL Marble Arch House
Limited (continued)**

Victoria Tallon

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

Date: *15 August 2019*

BL Marble Arch House Limited

Profit and Loss Account for the Period from 30 January 2018 to 31 March 2019

	Note	2019 £
Turnover	4	118,686,643
Cost of sales		<u>(1,283,827)</u>
Gross profit		117,402,816
Administrative expenses		<u>(825,352)</u>
Operating profit		<u>116,577,464</u>
Loss from disposals of investments	10	(114,442,444)
Revaluation of investment properties	9	<u>(939,491)</u>
Profit on ordinary activities before interest and taxation		1,195,529
Interest payable and similar expenses	5	<u>(1,938,808)</u>
Loss on ordinary activities before taxation		(743,279)
Taxation	8	<u>-</u>
Loss for the period		<u><u>(743,279)</u></u>

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

The notes on pages 12 to 20 form an integral part of these financial statements.

BL Marble Arch House Limited

Statement of Comprehensive Income for the Period from 30 January 2018 to 31 March 2019

	2019 £
Loss for the period	<u>(743,279)</u>
Total comprehensive expense for the period	<u><u>(743,279)</u></u>

The notes on pages 12 to 20 form an integral part of these financial statements.

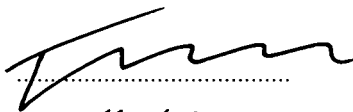
BL Marble Arch House Limited

(Registration number: 11178114)

Balance Sheet as at 31 March 2019

	Note	31 March 2019 £
Fixed assets		
Investment properties	9	<u>116,889,146</u>
		<u>116,889,146</u>
Current assets		
Debtors	11	<u>215,267</u>
		215,267
Creditors due within one year	12	<u>(114,458,446)</u>
Net current liabilities		<u>(114,243,179)</u>
Total assets less current liabilities		2,645,967
Creditors due after more than one year	13	<u>(3,389,146)</u>
Net liabilities		<u>(743,179)</u>
Capital and reserves		
Called up share capital	14	100
Profit and loss account		<u>(743,279)</u>
Total shareholders' deficit		<u>(743,179)</u>

Approved by the Board on 15 AUGUST 2019 and signed on its behalf by:



J. McNuff.
Director

The notes on pages 12 to 20 form an integral part of these financial statements.

BL Marble Arch House Limited

Statement of Changes in Equity for the Period from 30 January 2018 to 31 March 2019

	Share Capital £	Profit and loss account £	Total £
Balance at 30 January 2018	-	-	-
Loss for the period	-	(743,279)	(743,279)
Total comprehensive expense for the period	-	(743,279)	(743,279)
Shares issued	100	-	100
Balance at 31 March 2019	100	(743,279)	(743,179)

The notes on pages 12 to 20 form an integral part of these financial statements.

BL Marble Arch House Limited

Notes to the Financial Statements for the Period from 30 January 2018 to 31 March 2019

1 General information

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

The address of its registered office is:

York House
45 Seymour Street
London
W1H 7LX

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Basis of preparation

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

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 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 period in the event of a prior period adjustment;
- (b) The requirements of IAS 1 to provide a Statement of Cash flows for the period;
- (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.

BL Marble Arch House Limited

Notes to the Financial Statements for the Period from 30 January 2018 to 31 March 2019 (continued)

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 18.

Adoption status of relevant new financial reporting standards and interpretations

During the period the company adopted the following standards:

IFRS 9 – Financial instruments

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

IFRS 15 – Revenue from contracts with customers

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

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

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.

As a consequence of this the directors feel that the company can continue to trade for the foreseeable future and is well placed to manage its business risks successfully in the current economic climate. Accordingly, they believe the going concern basis is an appropriate one.

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.

BL Marble Arch House Limited

Notes to the Financial Statements for the Period from 30 January 2018 to 31 March 2019 (continued)

2 Accounting policies (continued)

Turnover

Dividends received from subsidiary undertakings are recognised in the Profit and Loss Account in the period to which they relate.

Taxation

Current tax is based on taxable profit for the period 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.

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.

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.

Head leases

Where an investment property is held under a head lease, the head lease is initially recognised as an asset, being the sum of the premium paid on acquisition plus the present value of minimum ground rent payments. The corresponding rent liability to the head leaseholder is included in the balance sheet as a finance lease obligation. As ground rents are paid both the head lease asset and liability unwinds, with residual amounts being classified to revaluation of investment property and interest on finance lease obligations respectively.

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.

BL Marble Arch House Limited

Notes to the Financial Statements for the Period from 30 January 2018 to 31 March 2019 (continued)

4 Turnover

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

	Period ended 31 March 2019 £
Rental income from investment property	3,588,766
Dividends received	114,180,500
Service charge income	917,377
	<u>118,686,643</u>

5 Interest payable and similar expenses

	Period ended 31 March 2019 £
Interest on obligations under finance leases	111,859
Interest payable on amounts owed to group companies	1,825,132
Other finance costs	1,817
	<u>1,938,808</u>

6 Auditors' remuneration

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

No non-audit fees were paid to PricewaterhouseCoopers LLP.

7 Staff costs

No director received any remuneration for services to the company in the financial period. 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 period was nil.

BL Marble Arch House Limited

Notes to the Financial Statements for the Period from 30 January 2018 to 31 March 2019 (continued)

8 Taxation

	Period ended 31 March 2019 £
Current taxation	
UK corporation tax	-
Tax charge in the profit and loss account	-
	Period ended 31 March 2019 £
Tax reconciliation	
Loss on ordinary activities before taxation	(743,279)
Tax on loss on ordinary activities at UK corporation tax rate of 19%	(141,223)
Effects of:	
REIT exempt income and gains	(38,409)
Capital allowances	(58,949)
Decrease in fair value of property & investments	21,922,568
Income not taxable	(21,683,987)
Total tax charge	-

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

BL Marble Arch House Limited

Notes to the Financial Statements for the Period from 30 January 2018 to 31 March 2019 (continued)

9 Investment properties

	£
Fair value	
30 January 2018	-
Additions	113,613,459
Lease incentive movements	4,215,178
Revaluation	(939,491)
31 March 2019	<u>116,889,146</u>
Analysis of cost and valuation	
31 March 2019	
Cost	117,828,637
Valuation	(939,491)
Net book value	<u>116,889,146</u>

At 31 March 2019 the book value of freehold investment properties owned by the company was £116,889,146.

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 to fair value at 31 March 2019 by Cushman & Wakefield LLP, external valuers, in accordance with the RICS Valuation - Professional Standards 2014, Ninth Edition, published by The Royal Institution of Chartered Surveyors.

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 2019 £
Leases less than one year	5,481,197
Leases between one and five years	21,081,414
Leases greater than five years	5,109,698
	<u>31,672,309</u>

BL Marble Arch House Limited

Notes to the Financial Statements for the Period from 30 January 2018 to 31 March 2019 (continued)

10 Investments

	Shares in subsidiaries £	Total £
Underlying net asset value of investment		
30 January 2018	-	-
Additions	114,442,444	114,442,444
Disposals	(114,442,444)	(114,442,444)
31 March 2019	<u>-</u>	<u>-</u>
Provision for underlying net asset change		
31 March 2019	<u>-</u>	<u>-</u>
At cost		
31 March 2019	<u>-</u>	<u>-</u>

During the period the company acquired and disposed of its investment in Marble Arch House Unit Trust for a book value of £114,442,444.

11 Debtors

	31 March 2019 £
Trade debtors	38,886
Provision for impairment of trade debtors	<u>(38)</u>
Net trade debtors	38,848
Prepayments	<u>176,419</u>
	<u>215,267</u>

BL Marble Arch House Limited

Notes to the Financial Statements for the Period from 30 January 2018 to 31 March 2019 (continued)

12 Creditors due within one year

	31 March 2019 £
Trade creditors	163,079
Accrued expenses	1,070,794
Amounts due to related parties	112,925,977
Social security and other taxes	298,596
	<u>114,458,446</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.

13 Creditors due after more than one year

As at 31 March 2019, the company had annual commitments under non-cancellable finance leases as set out below:

	31 March 2019 £
Annual commitments under non-cancellable finance leases	
Finance leases which expire:	
Within one year	893
Between two to five years	3,982
Due after five years	3,384,271
	<u>3,389,146</u>

The company has disclosed rent payable of £nil in respect of the financial commitments listed above.

14 Called up share capital

Allotted, called up and fully paid shares

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

During the period, the company allotted 100 ordinary shares with a nominal value of £1 each.

BL Marble Arch House Limited

Notes to the Financial Statements for the Period from 30 January 2018 to 31 March 2019 (continued)

15 Capital commitments

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

16 Contingent liabilities

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

17 Subsequent events

There have been no significant events since the period end.

18 Parent and ultimate parent undertaking

The immediate parent company is BL Office (Non-City) 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.